Comprehensive Annual Financial Report

ANDERSON COUNTY, TENNESSEE

For Fiscal Year Ended June 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

ANDERSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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Audit Manager

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State Auditors

CHRISTOPHER PHILLIPS, CGFM
Director of Accounts and Budgets

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

ANDERSON COUNTY, TENNESSEE
TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		7
INTRODUCTORY SECTION		8
Letter of Transmittal		9-13
GFOA Certificate of Achievement for FY11 Report		14
Organization Chart		15
Anderson County Officials		16
FINANCIAL SECTION		17
Independent Auditor's Report		18-20
Management's Discussion and Analysis		21-34
BASIC FINANCIAL STATEMENTS:		35
Government-wide Financial Statements:		
Statement of Net Assets	A	36-38
Statement of Activities	B	39-40
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	41-43
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	44
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	45-46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	47
Proprietary Funds:		
Statement of Net Assets	D-1	48
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	49-50
Statement of Cash Flows	D-3	51-52
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E-1	53
Statement of Changes in Fiduciary Net Assets	E-2	54
Notes to the Financial Statements		55-100

	Exhibit	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION:		101
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	102-106
Highway/Public Works Fund	F-2	107
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Anderson County School Department	F-3	108
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Anderson County School Department	F-4	109
Notes to the Required Supplementary Information		110-111
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		112
Nonmajor Governmental Funds:		113
Combining Balance Sheet	G-1	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Public Library Fund	G-3	116
Drug Control Fund	G-4	117
Other Special Revenue Fund	G-5	118
Major Governmental Funds:		119
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Debt Service Fund	H-1	120
Rural Debt Service Fund	H-2	121
Education Debt Service Fund	H-3	122
Fiduciary Funds:		123
Combining Statement of Fiduciary Assets and Liabilities	I-1	124
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	125-126
Component Unit:		
Discretely Presented Anderson County School Department:		127
Statement of Activities	J-1	128
Balance Sheet – Governmental Funds	J-2	129
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	130
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	131

	Exhibit	Page(s)
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	132
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	134
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	135-137
School Federal Projects Fund	J-9	138
Central Cafeteria Fund	J-10	139
Other Education Special Revenue Fund	J-11	140
Statement of Changes in Fiduciary Net Assets	J-12	141
Miscellanous Schedules:		142
Schedule of Changes in Long-term Notes, Other Loans, Capital Lease, and Bonds – Primary Government and Discretely Presented Anderson County School Department	K-1	143-145
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Anderson County School Department	K-2	146-148
Schedule of Investments	K-3	149
Schedule of Transfers – Primary Government and Discretely Presented Anderson County School Department	K-4	150
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Anderson County School Department	K-5	151
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	152-165
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Anderson County School Department	K-7	166-168
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	169-207
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Anderson County School Department	K-9	208-226
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-10	227

	Table	Page(s)
STATISTICAL SECTION		228
Financial Trends:		
Net Assets by Component	1	229
Changes in Net Assets	2	230-231
Governmental Activities Tax Revenue by Source	3	232
Fund Balances of Governmental Funds	4	233
Changes in Fund Balances of Governmental Funds	5	234
General Governmental Tax Revenues by Source	6	235
Revenue Capacity:		
Appraised and Assessed Value of Taxable Property	7	236
Property Tax Rates – Direct and Overlapping Governments	8	237
Principal Property Taxpayers	9	238
Property Tax Levies and Collections	10	239
Debt Capacity:		
Ratios of Outstanding Debt by Type	11	240
Ratios of General Bonded Debt Outstanding	12	241
Direct and Overlapping Governmental Activities Debt	13	242
Legal Debt Margin Information	14	243
Pledged Revenue Coverage	15	244
Demographic and Economic Information:		
Demographic and Economic Statistics	16	245
Principal Employers	17	246
Operating Information:		
Full-time Equivalent County Government Employees by Function	18	247
Operating Indicators by Function	19	248
Capital Assets Statistics by Function	20	249
SINGLE AUDIT SECTION		250
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		251-252
Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		253-255
Schedule of Expenditures of Federal Awards and State Grants		256-258
Schedule of Audit Findings Not Corrected		259
Schedule of Findings and Questioned Costs		260-264
Auditee Reporting Responsibilities		265

Audit Highlights

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

Scope

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

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Anderson County's management. Details of the findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings

The following is a summary of the audit findings:

OFFICE OF TRUSTEE

- Some county funds were not invested in accordance with state statute.

OFFICE OF ASSESSOR OF PROPERTY

- The assessor did not adequately perform visual inspections and correct the visual inspection errors found by the state Division of Property Assessments.

INTRODUCTORY SECTION

ANDERSON COUNTY GOVERNMENT

CHRISTOPHER K. PHILLIPS, CGFM
DIRECTOR OF ACCOUNTS AND BUDGETS

November 6, 2012

Board of County Commissioners
Citizens of Anderson County

Dear Commissioners and Citizens:

We are pleased to submit to you the Comprehensive Annual Financial Report of Anderson County, Tennessee, for the year ended June 30, 2012. This report was prepared by the county's Accounts and Budgets Office in conjunction with the county's independent auditors: the State of Tennessee Office of the Comptroller of the Treasury, Department of Audit, Division of Local Government Audit.

The financial reporting entity (the government) includes all of the funds of the primary government (i.e., the county) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are discretely presented to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Anderson County Board of Education and the Anderson County Emergency Communications District are reported as discretely presented component units. For more information regarding the reporting entity please see the notes to the financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentations, including all disclosures, rests with the county. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the county and its component units. All disclosures necessary to enable the reader to gain an understanding of the county's financial activities have been included. Anderson County's financial statements have been audited by the county's independent auditors: the State of Tennessee's Office of the Comptroller of the Treasury, Department of Audit, Division of Local Government Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Anderson County for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Anderson County's financial statements for the fiscal year

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ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The county is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.* Information related to the single audit includes a schedule of expenditures of federal awards and state grants, a schedule of findings and recommendations, an auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, and an auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

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

Profile of the Government

The county is located in the eastern portion of the state. To the north, Campbell and Morgan counties border the county. The county's southern border consists of Knox and Loudon counties. To the immediate west lies Roane County. To the east, adjacent counties are Union, Sevier, and Jefferson. Anderson County occupies a land area of approximately 345 square miles and serves a population of 75,129.

The county has operated under a County Mayor – County Commission form of government since September 1, 1980. Policymaking and legislative authority are vested in the county mayor (the executive branch of the county) and the County Commission (the legislative branch of the county). The County Commission is responsible for, among other things, passing resolutions, adopting the budget, and appointing committees. The county mayor is responsible for, among other things, carrying out the policies and resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing the heads of many of the county's departments.

Anderson County Government continues to strive to provide essential services that enhance the quality of life for families throughout Anderson County. This requires detailed planning and the implementation of a number of initiatives and programs that include a wide range of services from emergency management planning to expanding needed infrastructure to run water and sewer to new and existing homes throughout Anderson County. Anderson County also is financially accountable for a legally separate school district, which is reported separately within its financial statements. Additional information on this legally separate entity along with the county's other discretely presented component units can be found in Note I.A. in the notes to the financial statements.

The annual budget serves as the foundation for Anderson County's financial planning and control. All agencies of Anderson County are required to submit requests for appropriation to the Budget Office, and these requests are used as the starting point for developing a proposed budget. A

proposed budget is presented to the Budget Committee for review prior to May 1. The Budget Committee is required to hold a public hearing on the proposed budget and to adopt a final budget no later than May 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General and Highway Public Works funds, this comparison is presented as part of the required supplementary information for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund subsection of this report. Please see the Table of Contents for specific page numbers.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Anderson County operates.

Local economy. Because of its central location in the eastern United States, the county is adjacent to thousands of industrial and commercial customers in a concentrated eight-state area. It is within 500 miles of approximately one-third of the population of the United States. Over 59 percent of our industrial mix is in the commercial area, which includes transportation, public utilities, wholesale and retail trade, insurance and real estate, finance, and service industries. Among the county's largest employers are B&W-Y12, UT Battelle, and Anderson County Government.

Anderson County is home to such diverse companies as Aisin Automotive, Carlisle Tire & Wheel, Eagle Bend Manufacturing, Energy Solutions, Navarro Research and Engineering, Remotec, SAIC, and Sitel. The Department of Energy's Oak Ridge Reservation, which includes the Y-12 National Security Complex and the Spallation Neutron Source, is located in Anderson County, and DOE employment ranks as the fourth largest employer in Tennessee. These DOE facilities are vital to the nation's scientific research and development, environmental remediation and weapons disarmament, and the development of alternative types of energy and materials. On September 19, 2012, the Department of Energy celebrated its seventieth anniversary in connection with the purchase of the land in Oak Ridge for the Manhattan Project. Great effort is being exerted to diversify the industrial base by recruiting private industry. A great deal of growth has taken place in the county's five major industrial parks: Eagle Bend, David Jones, Carden Farms, I-75, and Commerce Park located in Oak Ridge. These industrial parks have several acres available for planned industrial and commercial development. The county is also on the northern end of a high technology corridor along the Pellissippi Parkway, which connects parts of Anderson, Knox, and Blount counties.

Economic outlook. A recent economic analysis ranked the East Tennessee area tops in entrepreneurship and quality of life against 14 other mid-sized technology intensive economies. Anderson County continues to expand due to its combination of elements vital to fostering growth and development. This combination of favorable elements, which includes good jobs and precision workers, mild climate, cost of living more than 40 percent below the national average, lowest overall tax burden in the United States, and violent crime below the national average, offers the perfect opportunity for business and individual success. The positive trends of low interest rates, increased government spending, and good consumer spending will enable Anderson County to remain an attractive location for future economic development.

The county continues to stress steady growth. Since 1980, development in the county has been influenced by the fluctuation in interest rates as well as national economic trends. Since 1990, a constant amount of new commercial development has occurred throughout the county. The primary concentration of growth has been the eastern portion of the county along Interstate 75.

Recent surveys indicate that although government funded operations are still a strong factor in the local economy, service and manufacturing related employment are also important. One of the area's strengths is its high percentage of precision craft and repair workers and technicians. Over 40 percent of our population is in the prime labor work force age group of 25 to 54.

Financial Policies with Significant Impact on the Financial Statements

Over the last 14 years, the county has made great efforts to reduce outstanding debt. For fiscal year 2012-2013, the county passed the budget without tax anticipation notes. This trend is likely to continue with the county's strong stance of protecting the fund balances.

For the year ended June 30, 2012, the county positively affected the unassigned fund balance by over $2.5 million. Beginning fund balance enabled the county's legislative body to again adopt a budget without the need to increase property tax rates for the 2012-2013 year. For the second consecutive year, the budget was balanced and did not require dipping into fund balance.

Long-term Financial Planning

Anderson County continues to work hard to keep new debt issues to a minimum. No new debt has been issued subsequent to the fiscal year ended June 30, 2012. In August 2012, the county elected a new mayor who takes a hard-nosed approach on debt reduction and prosperity through economic growth.

With growing economic concerns around the nation and globally, Anderson County is taking the position to more staunchly safeguard its unassigned fund balances and to be open to long-term financing options for large capital projects if conditions warrant. To that end, the county revised its minimum fund balance policy to require a two-thirds approval vote by the County Commission to spend down the fund balance below $2 million, the minimum was previously $1 million. Subsequent to June 30, 2012, the minimum fund balance mandate was raised again to $3 million.

Internal Control Structure

Management of the government establishes and maintains an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anderson County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2011.

This was the sixteenth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Also, Anderson County received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual condensed financial report. To receive this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Acknowledgements. The preparation of the Comprehensive Annual Financial Report was accomplished through the dedicated service of the Accounts and Budgets Department employees, with a special thanks to the Deputy Director of Accounts and Budgets, Connie Cook-Aytes. We express our appreciation to all those who contributed to its preparation. We also express our appreciation to the County Commissioners for their interest, support, and leadership in the financial operations of the County.

Sincerely,

Christopher K. Phillips, CGFM
Director of Accounts and Budgets

Theresa Frank
Anderson County Mayor

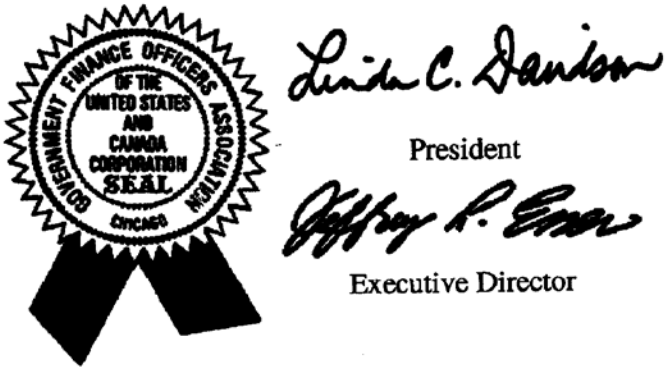
Certificate of Achievement for Excellence in Financial Reporting

Presented to

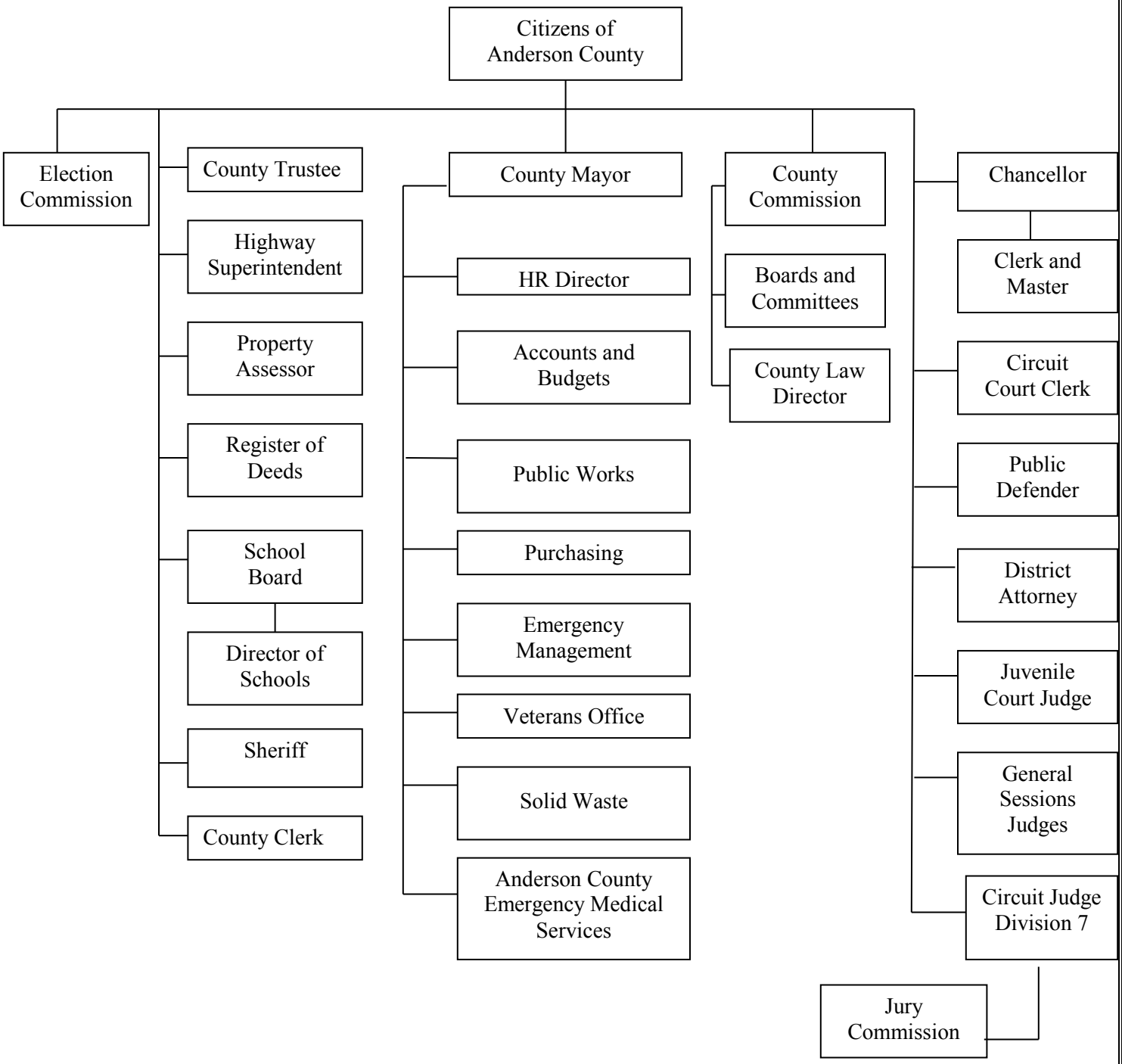
Anderson County Tennessee

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011

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



Anderson County, Tennessee
Organization Chart



Anderson County Officials
June 30, 2012

Officials

Myron Iwanski, County Mayor
Gary Long, Highway Superintendent
Larry Foster, Director of Schools
Rodney Archer, Trustee
Vernon Long, Assessor of Property
Jeff Cole, County Clerk
Barry Pelizzari, Circuit, General Sessions, and Juvenile Courts Clerk
Steve Queener, Clerk and Master
Tim Shelton, Register
Paul White, Sheriff
Pamela Cotham, Purchasing Agent
Christopher Phillips, Director of Accounts and Budgets

Board of County Commissioners

Chuck Fritts, Chairman
Mark Alderson
John Alley, Jr.
Zach Bates
Robin Biloski
Jerry Creasey
Whitey Hitchcock
Dusty Irwin
Tim Isbel
Robert McKamey
Rick Meredith
Steve Mead
Buzz Patrick
John Shuey
Tracy Wandell
Jerry White

Board of Education

Dr. John Burrell, Chairman
Dail Cantrell
Greg Crawford
Steve Fritts
Scott Gillenwaters
Glenda Langenberg
Rickey Rose
Jo Williams

Audit Committee

Chuck Fritts, Chairman
Myron Iwanski, County Mayor
John Alley, Jr.
Christopher Phillips, Director of Accounts and Budgets
Whitey Hitchcock
Dusty Irwin
Buzz Patrick

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

November 6, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Anderson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Anderson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Anderson County Emergency Communications District, which represent 2.1 percent and .5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Anderson County Emergency Communications District, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

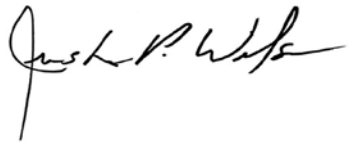
In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2012, on our consideration of Anderson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 34 and the budgetary comparison, pension, and other postemployment benefits information on pages 102 through 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anderson County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Anderson County School Department (a discretely presented component unit), and miscellaneous schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Anderson County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

The management of Anderson County, Tennessee, presents this management's discussion and analysis (MD&A) of the county's financial condition and results of operations for the fiscal year ended June 30, 2012. This information should be read in conjunction with the accompanying financial statements.

This MD&A also presents an overview of the county and the Anderson County Emergency Medical Services, known as the primary government. Also included are the financial results of the Anderson County Board of Education, which is considered a discretely presented component unit (DPCU) and is referred to as the DPCU School Department. The DPCU School Department does not issue separate financial statements.

The Anderson County Emergency Communications District is also a DPCU. Readers should review the Emergency Communications District separately issued financial statements and MD&A.

The government-wide financial statements include not only the primary government but also the DPCU School Department and Emergency Communications District, known as the total reporting entity.

FINANCIAL HIGHLIGHTS FOR 2012

- The liabilities of the Anderson County Primary Government were more than its assets at year-end by $197,547 (net assets). The county's process of issuing debt on behalf of the DPCU School Department results in reduced net assets. The county issues general obligation debt for the DPCU School Department, which is used for school projects that become DPCU School Department capital assets. The DPCU School Department then makes payments to the county from future budgets. Since the debt is issued in the county's legal name, the debt is reported as a liability of the primary government.

  If the county had excluded $31,133,880 in DPCU School Department bonds and loans payable, then the county would have net assets of $30,936,333, significantly higher than the negative $197,547 reported.

- General revenues and transfers of the Primary Government accounted for $23.2 million in revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for $18.5 million or 44 percent of total revenues of $41.8 million. General revenues of the DPCU School Department were $50.6 million.

- Total assets of governmental activities in the Primary Government were $71.8 million as net property taxes receivable ended at $17.1 million, and cash and investments ended at $24.4 million. Total assets in the DPCU School Department

were $68.3 million as net property taxes receivable ended at $14 million, and cash and investments ended at $9.3 million.

- The Primary Government had $58.1 million in expenses with $18.5 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues, which consisted primarily of property taxes of $16.4 million, were not adequate to provide current funding for these programs. The DPCU School Department had $66 million in expenses related to governmental activities with $32 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues of the DPCU School Department, which consisted primarily of grants and contributions, property taxes, and sales taxes of $29, $14, and $7.3 million, respectively, were adequate to provide current funding for these programs.

- At 2012 year-end, the county's governmental funds reported combined ending fund balances of $24,757,965, an increase of $6,082,372. Of the total fund balances, $2,500,862 is unassigned and available for ongoing operations.

- At June 30, 2012, the unassigned General Fund balance was $2,500,862 or ten percent of General Fund expenditures. During the fiscal year 2012, the county took significant steps to help ensure a healthy fund balance at year-end by approving a minimum fund balance of $2 million. Any action that requires funding from the unassigned fund balance now mandates a two-thirds approval vote from the County Commission.

- At 2012 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of $8,394,669, an increase of $5,388,754. Of the total fund balances, $2,695,980 is unassigned.

OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The county's Comprehensive Annual Financial Report (CAFR) is comprised of the following:

1. Introductory Section

2. Financial Section
   - Independent Auditor's Report
   - Management's Discussion and Analysis
   - Government-wide Financial Statements
   - Fund Financial Statements
   - Notes to the Financial Statements
   - Required Supplementary Information and Related Notes
   - Combining and Individual Fund Financial Statements and Schedules

3. Statistical Section

4. Single Audit Section

Introductory Section. This section includes a roster of county and DPCU School Department officials, organization chart, and letter of transmittal.

Financial Section. This section includes the unqualified opinion of the county's and DPCU School Department's independent external auditors and the Comptroller of the Treasury, Division of Local Government Audit. Also included is the Management's Discussion and Analysis (MD&A), which serves as an introduction to the basic financial statements.

Basic Financial Statements. The basic financial statements consist of the following:

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's and DPCU School Department's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on the entire county's and the DPCU School Department's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county and the DPCU School Department is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the county and the DPCU School Department 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 the county and the DPCU School Department include the following:

- General Government
- Finance
- Administration of Justice
- Public Safety
- Public Health and Welfare
- Social, Cultural, and Recreational Services
- Agriculture and Natural Resources
- Other Operations
- Highways
- Education
- Interest and Other Debt Service Costs

The business-type activities of the county consist of ambulance services provided by the ACEMS Ambulance Service Fund.

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

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. Anderson 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 the county can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of the 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.

The county maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Debt Service, Rural Debt Service, Education Debt Service, and General Capital Projects funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund financial statements and schedules.

The DPCU School Department maintains five individual governmental funds. The General Purpose School and Education Capital Projects funds are considered major funds with the remaining three funds combined into a single, aggregated amount with detail provided in the combining and individual fund financial statements and schedules.

To demonstrate compliance with the budgets, budgetary comparison statements have been provided for the General and Highway/Public Works funds as Exhibits F-1 and F-2, respectively. Budgetary comparison statements for the county's nonmajor budgeted funds, the debt service funds, and the DPCU School Department's funds are provided in the combining and individual fund financial statements and schedules.

Governmental fund financial statements can be found as Exhibits C-1 through C-4 in the basic financial statements.

Proprietary Funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The county maintained two different types of proprietary funds – an enterprise fund and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county had one enterprise fund to account for ambulance services. Internal service funds are accounting devices used to accumulate and allocate costs internally among the county's various functions. The county uses an internal service fund to account for employee health insurance activities. Because internal service funds predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

The county's enterprise fund, ACEMS Ambulance Service Fund, is a major fund and is reported separately in the government-wide and fund financial statements. The internal service fund is combined within the governmental activities in the government-wide statements and is presented separately in the fund financial statements.

The proprietary fund financial statements can be found as Exhibits D-1 through D-3 in the basic financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. The county's fiduciary funds consist of the Cities Sales Tax, School Average Daily Attendance Tax, Joint Venture, and Constitutional Officers – Agency funds, which are combined into agency funds on the fiduciary funds financial statements and an Other Employee Benefit Trust Fund (Flexible Benefit Fund). Fiduciary funds are not reflected in the government-wide financial statements because the county cannot use these funds to finance its operations.

The fiduciary fund financial statements can be found as Exhibits E-1 and E-2 in the basic financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Combining and Individual Fund Financial Statements and Schedules. In addition to the basic financial statements and accompanying notes, this report presents combining and individual fund statements and schedules. Also included are the financial statements of the DPCU Anderson County School Department.

Statistical Section. This section includes selected historical financial data and is presented on a ten-year basis if available and is unaudited.

Single Audit Section. This section includes the auditor's reports on the county's and the DPCU School Department's internal controls and compliance including an opinion on major federal award programs. This section also includes a Schedule of Expenditures of Federal

Awards and State Grants for the county and the DPCU School Department.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government's financial position. The county's liabilities exceeded its assets by $197,547, and the DPCU School Department had net assets of $50 million. This is due to the county's process of issuing debt on behalf of the DPCU School Department for building construction and improvements. The DPCU School Department own the capital assets, but the county is obligated to pay the debt.

At year-end 2012, the county's and the DPCU School Department's Statement of Net Assets consisted of the following:

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Governmental Activities	
	2012	2011
Assets		
Cash, Inventories, and Investments	$ 24,515,570	$ 10,470,202
Receivables - Net	20,294,526	19,191,599
Notes Receivables - Long-term	0	7,893,000
Prepaid Items and Other	964,407	510,179
Capital Assets - Net	26,007,970	25,179,048
Total Assets	$ 71,782,473	$ 63,244,028
Liabilities		
Current Liabilities	$ 19,326,266	$ 17,945,429
Noncurrent Liabilities	55,212,824	31,459,856
Total Liabilities	$ 74,539,090	$ 49,405,285
Net Assets		
Invested in Capital Assets, Net of Related Debt	$ 14,532,349	$ 15,962,344
Restricted	5,692,769	5,464,843
Unrestricted	(22,981,735)	(7,588,444)
Total Net Assets	$ (2,756,617)	$ 13,838,743

	Business-type Activities	
	ACEMS	ACEMS
	2012	2011
Assets		
Cash and Investments	$ 951,659	$ 570,539
Receivables - Net	456,342	839,961
Capital Assets - Net	1,403,609	1,370,128
Total Assets	$ 2,811,610	$ 2,780,628
Liabilities		
Current Liabilities	$ 194,283	$ 201,487
Noncurrent Liabilities	58,257	35,607
Total Liabilities	$ 252,540	$ 237,094
Net Assets		
Invested in Capital Assets	$ 1,403,609	$ 1,370,128
Unrestricted	1,155,461	1,173,406
Total Net Assets	$ 2,559,070	$ 2,543,534

	DPCU School Department	
	2012	2011
Assets		
Cash, Inventories, and Investments	$ 9,302,143	$ 6,101,753
Receivables - Net	16,031,108	16,364,556
Prepaid Items	4,079	0
Capital Assets - Net	42,924,263	37,184,357
Total Assets	$ 68,261,593	$ 59,650,666
Liabilities		
Current Liabilities	$ 15,787,023	$ 16,008,283
Noncurrent Liabilities	2,482,195	10,414,395
Total Liabilities	$ 18,269,218	$ 26,422,678
Net Assets		
Invested in Capital Assets, Net of Related Debt	$ 41,924,496	$ 27,912,114
Restricted	3,996,161	1,247,164
Unrestricted	4,071,718	4,068,710
Total Net Assets	$ 49,992,375	$ 33,227,988

By far, the largest portion of the county's and the DPCU School Department's net assets reflects their investment in capital assets (e.g., land and buildings), less any related debt used to acquire those assets that is still outstanding. The 2012 Statement of Net Assets for the Business-type Activities is a reflection of the ACEMS. The county and the DPCU

School Department use these capital assets to provide services; consequently, these assets are not available for future spending. Although the 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 long-term debt.

The unrestricted net assets may be used to meet the obligations to employees and creditors and to help fund next year's budget.

During 2012, net assets changed in the county, DPCU School Department, and ACEMS due to the following:

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Governmental Activities	
	2012	2011
Revenues		
Program Revenues:		
Charges for Services	$ 7,973,018	$ 6,300,340
Operating Grants and Contributions	3,603,825	4,137,178
Capital Grants and Contributions	1,426,256	880,110
General Revenues:		
Local Taxes	19,484,279	17,135,971
State and Federal - Unrestricted	3,625,716	3,429,501
Investment Income	67,991	37,857
Miscellaneous	40,182	67,889
Total Revenues	$ 36,221,267	$ 31,988,846
Expenses		
General Government	$ 3,548,769	$ 3,685,858
Finance	2,710,791	2,791,197
Administration of Justice	3,122,189	2,912,864
Public Safety	11,914,342	11,594,279
Public Health and Welfare	4,308,053	2,677,855
Social, Cultural, and Recreational Services	686,748	672,862
Agriculture and Natural Resources	286,919	279,392
Other Operations	1,577,100	1,211,879
Highways	3,974,540	3,405,748
Education	18,622,722	0
Interest and Other Debt Service Costs	1,864,783	1,105,854
Total Expenses	$ 52,616,956	$ 30,337,788
Increase (Decrease) in Net Assets Before Transfers	$ (16,395,689)	$ 1,651,058
Transfers (to)/from Business Activities	(1,812)	0
Increase (Decrease) in Net Assets	$ (16,397,501)	$ 1,651,058
Net Assets, Beginning of Year	13,838,743	12,187,685
Prior-period Adjustment	(197,859)	
Net Assets, End of Year	$ (2,756,617)	$ 13,838,743

The county's net assets decreased by $16,397,501 during the current fiscal year. Elements key to this decrease include:

- Total fund balances of governmental funds increased by $6,082,372. This increase is due to the county issuing bonds totaling $14,750,000 for construction of the new dormitory, jail extension for the inmates, roof repair on the courthouse, and other capital outlay expenditures. The county is also reflecting $644,574 of Energy Efficient Notes for the purpose of various school energy efficient projects.

- The difference between capital outlays and depreciation increased net assets $1,925,030. The issuance of the above bonds has allowed the county to budget for capital outlay expenditures while allowing the unassigned fund balance to increase. In addition to the capital outlay expenditures listed above, the Sheriff's Department purchased over $500,000 in vehicles, and renovations have been made to the bank building.

- The treatment of long-term debt and related items decreased net assets $23,038,651. The decrease is largely due to the primary government reflecting bond proceeds of $24,750,000 of which $10,000,000 was transferred to the DPCU School Department's Education Capital Projects Fund for construction of a new learning center, roof repairs on existing schools, and various capital outlay projects.

	DPCU School Department	
	2012	2011
Revenues		
Program Revenues:		
Charges for Services	$ 1,226,099	$ 1,352,519
Operating Grants and Contributions	12,065,485	12,311,633
Capital Grants and Contributions	18,692,270	0
General Revenues:		
Local Taxes	21,403,968	21,176,230
State and Federal - Unrestricted	29,000,614	31,591,679
Investment Income	18,088	18,847
Miscellaneous	142,600	9,810
Total Revenues	$ 82,549,124	$ 66,460,718
Expenses		
Education	$ 65,982,596	$ 63,960,315
Total Expenses	$ 65,982,596	$ 63,960,315
Increase (Decrease) in Net Assets	$ 16,566,528	$ 2,500,403
Net Assets, Beginning of Year	33,227,988	30,727,585
Prior-period Adjustment	197,859	0
Net Assets, End of Year	$ 49,992,375	$ 33,227,988

The DPCU School Department's net assets increased by $16,566,528 during the current fiscal year. Elements key to this increase include:

- Total fund balances of governmental funds increased $3,005,915. The DPCU School Department has continued to reduce spending, but the majority of the increase is credited to the issuance of bonds.
- The difference between capital outlays and depreciation increased net assets $5,739,906. This increase is due from the transfer of $10,000,000 in bonds from the Primary Government that has been used for roof repairs on various schools and construction of the new learning center.
- The treatment of long-term debt and related items increased net assets $8,074,617. This increase is due to the debt restructuring of the prior year, and through this restructuring, the DPCU School Department was forgiven $7,893,000 on its note payable.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Business-type Activities	
	ACEMS 2012	ACEMS 2011
Revenues		
Program Revenues:		
Charges for Services	$ 5,536,443	$ 4,805,793
General Revenues:		
Miscellaneous	985	2,100
Total Revenues	$ 5,537,428	$ 4,807,893
Expenses		
Ambulance Service	$ 5,523,704	$ 5,189,348
Total Expenses	$ 5,523,704	$ 5,189,348
Increase (Decrease) in Net Assets Before Transfers	$ 13,724	$ (381,455)
Transfers from/(to) Governmental Activities	1,812	0
Increase (Decrease) in Net Assets	$ 15,536	$ (381,455)
Net Assets, Beginning of Year	2,543,534	2,924,989
Net Assets, End of Year	$ 2,559,070	$ 2,543,534

The Business-type Activities net assets increased by $15,536 during the current fiscal year. The increase is attributed to the growth in transports as well as the cautious spending by the director of this fund.

Governmental Activities. Governmental type activities provided by the county are primarily general government - seven percent, public safety - 23 percent, highways - eight percent, and 35 percent education (bond proceed transfers and forgiveness of debt).

The DPCU School Department provides public education for children in grades kindergarten through 12 who are residents of Anderson County.

The county's main source of revenues is from local taxes, which consist primarily of property, local option sales, and business taxes - 51 percent, and charges for services - 22 percent. The DPCU School Department's main source of funding is provided by state and federal funding - 35 percent, local taxes, which consist of property and local option sales taxes - 26 percent and capital grants and contributions - 23 percent.

Business-type Activities (BTA). The BTA of the county are ambulance services, and the Anderson County Emergency Medical Service managed the ambulance services provided by the ACEMS Ambulance Service Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The county's investment in capital assets for its governmental activities as of June 30, 2012, totaled $26 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, roads, bridges, and construction in progress. The DPCU School Department's investment in capital assets for its governmental activities as of June 30, 2012, totaled $42.9 million (net of accumulated depreciation).

Note IV.C. (Capital Assets) provides capital assets activity during the 2012 fiscal year. During 2012, the county added several capital assets including 24 vehicles (sold 10 on Gov Deals) for the Sheriff's Department, health and dental clinic renovations, and construction in progress upgrades to the courthouse and detention facility. The DPCU School Department completed several capital projects. These included roof replacements at Grand Oaks Elementary, Claxton Elementary, Lake City Middle, and Clinton High schools. Also included were HVAC projects to Dutch Valley Elementary, Grand Oaks Elementary, Briceville Elementary, Norris Elementary, Clinton Middle, and Lake City Middle schools.

Long-term Debt. At the end of the 2012 fiscal year, the county had total general obligation bonds, loans payable, and capital outlay notes outstanding of $54 million.

The DPCU School Department had total outstanding debt at the end of the 2012 fiscal year of $1 million.

In addition to the above debt, county long-term obligations include compensated absences and other long-term liabilities. Additional information on the county's long-term liabilities can be found in Note IV.G. of this report. Note I.D.5. discusses compensated absences.

The county's most recent bond rating from Moody's Investor Services was Aa2.

FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS

As previously discussed, the county and the DPCU School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the county and the DPCU School Department governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

Such information is useful in assessing the county's and DPCU School Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2012, the county's governmental funds reported combined ending fund balances of $24.8 million, an increase of $6,082,372 when compared to year-end 2011. Approximately $2.5 million is unassigned fund balance, which is available for future appropriations. The restricted fund balances of $19.3 million at June 30, 2012, are for unexpended restricted revenues.

The county's main operating fund is the General Fund. At year-end 2012, the total General Fund balance was $5,735,814, with unassigned fund balance totaling $2,500,862. The unassigned fund balance represents ten percent of total General Fund expenditures during 2012. The balance in the General Fund increased by $1,886,210 during 2012 primarily due to a five percent decrease in expenditures.

The Highway/Public Works Fund continues to struggle with adequate current revenues not being provided to cover the costs of maintaining the county's roads. However, with the decrease in highway and bridge construction expenditures, the balance in the Highway/Public Works Fund increased this year by $503,162, ending with a balance of $1,942,125.

The General Debt Service Fund reflected a decrease in its fund balance by $113,736 during the fiscal year 2012. This decrease brings the fund balance total to $2,815,775. This balance represents 159 percent of the current-year's payments for non-educational debt service. This year the county had to issue $14,750,000 for construction of a new dormitory for the inmates while pushing forward to construct the addition to the existing detention facility as well as make necessary renovations to the courthouse and purchase capital outlay needs.

The Rural Debt Service and Education Debt Service funds report all bonds and other loans payments for elementary and high school education. These two funds had a net decrease of $7,634,142. The Rural Debt Service Fund balance at year-end was $201,309, and the Education Debt Service Fund balance was $1,906,418. The net decrease is mainly due to the General Purpose School Fund being forgiven of $7,893,000 from contributions to the Rural and Education Debt Service funds due to the refunding of debt that was done in the prior year.

The DPCU School Department's main operating fund is the General Purpose School Fund. At year-end 2012, a total combined fund balance of the School Department's governmental funds was $8,394,669. This increase of $3,005,915 was largely due to the issuance of $10,000,000 in bonds for construction of the new Learning Center reflected in the Education Capital Projects Fund and having a fund balance of $2,851,369.

The General Purpose School Fund budgetary comparison schedule can be found as Exhibit J-8 in the combining and individual fund financial statements and schedules.

Proprietary Fund. The county's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets and its percent to total net assets of each proprietary fund are as follows:

Employee Health Insurance Fund (Internal Service Fund)	($3,686)	100%
Ambulance Service Fund (Enterprise Fund)	$1,403,609	45%

The Employee Health Insurance Fund's net assets of negative $3,686 is due to several large medical claims during the fiscal year 2012.

The proprietary fund financial statements can be found as Exhibits D-1 through D-3 in the basic financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budgeted expenditures for the General Fund was $5,238,094.

The following are the primary components of the increase:

- An increase of $467,631 in General Government reflects the reclassification of the Courthouse and Jail Maintenance Fund's budget of $113,220 into the General Fund and $250,000 for the courthouse roof repair.

- An increase of $51,062 in Finance was primarily driven by $22,000 for a Local Government Software update in the Accounts and Budgets Office. Other increases included $17,401 for additional personnel and for surplus sale expenditures in the Purchasing Department, $14,085 in the Clerk's Office.

- An increase of $430,552 in Administration of Justice consisted mainly of $247,131 for the Alternative to Incarceration Program that was implemented with a $.02 property tax increase, and $92,782 for courtroom security improvements.

- An increase of $1,216,990 in Public Safety consisted mainly of $634,256 of increases in the Sheriff's Department for the purchase of new sheriff vehicles, $333,013 of increases in the detention facility for the increase in personnel and the increase cost of housing inmates, and $326,613 of increases in the Emergency Management Department to reflect additional grant activity.

- An increase of $744,211 in Public Health consisted mainly of $701,500 for the relocation of the Glen Alpine Convenience Center.

- An increase of $546,257 in Other Operations consisted mainly of $516,000 of a Home Grant that the county received this year.

- An increase of $1,755,859 is the result of continuing utility work being performed in the Claxton and Park Road areas.

The increases were funded mainly with additional anticipated revenues, bond proceeds, and assigned or restricted fund balances. The majority of the additional anticipated revenues were state and federal grants.

Actual General Fund revenues were $593,553 less than the final budgeted revenues. The key factors for this were $239,313 in Home grants and $159,930 in the Project Impact Grant that has not been requested from the federal government.

Actual General Fund expenditures were $3,922,261 lower than final budgeted expenditures. This variance was largely due to budgeted grant expenditures carrying forward to the next fiscal year and various capital projects not being completed in the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the FY 2013 budget, the following major assumptions were used:

- Assessed property values, the basis of property tax revenues, were projected with no growth factor. To continue to comply with State of Tennessee mandated detention facility expansion, the staffing of 18 new jailers was budgeted.

- Salaries and wages for employees increased by one percent to offset the increased costs associated with the health insurance plan. The employees' health insurance plan by administrators recognized the need to increase premiums by ten percent to offset the rising claims.

- The county balanced all budgets without using unassigned fund balances, which can be accredited to tight budgetary controls and budget cuts.

REQUESTS FOR INFORMATION

This MD&A and accompanying financial statements and notes are designed to provide our citizens, parents, students, employees, creditors, and regulatory agencies with an overview of the county's finances. If you have any questions or need additional information, you may contact:

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865-457-6254 (fax)
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BASIC FINANCIAL STATEMENTS

Exhibit A

Anderson County, Tennessee
Statement of Net Assets
June 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communica-tions District
ASSETS					
Cash	$ 222,949	$ 0	$ 222,949	$ 10,025	$ 1,195,572
Equity in Pooled Cash and Investments	24,216,246	951,659	25,167,905	9,259,502	0
Inventories	57,910	0	57,910	32,616	0
Investments	18,465	0	18,465	0	0
Accounts Receivable	395,489	1,786,018	2,181,507	2,605	11,801
Allowance for Uncollectible	0	(665,543)	(665,543)	0	0
Due from Other Governments	1,916,016	0	1,916,016	1,902,797	15,028
Internal Balances	664,133	(664,133)	0	0	0
Due from Primary Government	0	0	0	82,573	0
Due from Component Units	260,958	0	260,958	0	0
Property Taxes Receivable	17,693,884	0	17,693,884	14,567,278	0
Allowance for Uncollectible Property Taxes	(635,954)	0	(635,954)	(524,145)	0
Prepaid Items	23,750	0	23,750	4,079	8,300
Unamortized Debt Issuance Cost	940,657	0	940,657	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	2,019,223	82,950	2,102,173	839,889	0
Construction in Progress	2,465,228	0	2,465,228	5,562,244	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	11,681,445	388,820	12,070,265	33,790,907	0
Other Capital Assets	4,364,666	931,839	5,296,505	2,731,223	201,193
Infrastructure	5,477,408	0	5,477,408	0	0
Total Assets	$ 71,782,473	$ 2,811,610	$ 74,594,083	$ 68,261,593	$ 1,431,894

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District
LIABILITIES					
Accounts Payable	$ 787,130	$ 55,462	$ 842,592	$ 801,586	$ 1,727
Accrued Payroll	422,222	101,097	523,319	163	0
Accrued Interest Payable	320,603	0	320,603	2,869	0
Payroll Deductions Payable	184,555	37,724	222,279	394,233	1,450
Contracts Payable	655,607	0	655,607	837,858	0
Retainage Payable	100,452	0	100,452	52,415	0
Due to Primary Government	0	0	0	260,958	0
Due to Component Units	82,573	0	82,573	0	0
Due to State of Tennessee	1,229	0	1,229	17	0
Unearned Revenue - Current Property Taxes	16,314,448	0	16,314,448	13,436,924	0
Other Current Liabilities	457,447	0	457,447	0	0
Noncurrent Liabilities:					
Due Within One Year	3,190,019	50,562	3,240,581	496,614	0
Due in More Than One Year (net of deferred amount on refunding)	52,022,805	7,695	52,030,500	1,985,581	0
Total Liabilities	$ 74,539,090	$ 252,540	$ 74,791,630	$ 18,269,218	$ 3,177

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	$ 14,532,349	$ 0	$ 14,532,349	$ 41,924,496	$ 0
Invested in Capital Assets	0	1,403,609	1,403,609	0	201,193
Restricted for:					
General Government	164,343	0	164,343	0	0
Finance	20,668	0	20,668	0	0
Administration of Justice	357,587	0	357,587	0	0
Public Safety	366,463	0	366,463	0	0
Public Health and Welfare	223,471	0	223,471	0	0
Social, Cultural, and Recreational Services	331,713	0	331,713	0	0
Other Operations	4,826	0	4,826	0	0
Highway/Public Works	1,496,633	0	1,496,633	0	0
Debt Service	2,661,622	0	2,661,622	0	0
Capital Projects	65,443	0	65,443	2,851,369	0
Education	0	0	0	1,144,792	0
Unrestricted	(22,981,735)	1,155,461	(21,826,274)	4,071,718	1,227,524
Total Net Assets	$ (2,756,617)	$ 2,559,070	$ (197,547)	$ 49,992,375	$ 1,428,717

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

Exhibit B

Anderson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Anderson County School Department	Component Units: Emergency Communications District
Primary Government:									
Governmental Activities:									
General Government	$ 3,548,769	$ 944,164	$ 173,320	$ 17,479	$ (2,413,806)	$ 0	$ (2,413,806)	$ 0	$ 0
Finance	2,710,791	2,170,181	30,098	0	(510,512)	0	(510,512)	0	0
Administration of Justice	3,122,189	2,257,404	101,170	0	(763,615)	0	(763,615)	0	0
Public Safety	11,914,342	1,018,448	601,054	0	(10,294,840)	0	(10,294,840)	0	0
Public Health and Welfare	4,308,053	622,962	488,178	917,235	(2,279,678)	0	(2,279,678)	0	0
Social, Cultural, and Recreational Services	686,748	90,886	197,051	0	(398,811)	0	(398,811)	0	0
Agriculture and Natural Resources	286,919	0	0	0	(286,919)	0	(286,919)	0	0
Other Operations	1,577,100	434	2,000	239,314	(1,335,352)	0	(1,335,352)	0	0
Highways	3,974,540	868,539	2,009,258	252,228	(844,515)	0	(844,515)	0	0
Education	18,622,722	0	0	0	(18,622,722)	0	(18,622,722)	0	0
Debt Service:									
Interest on Long-term Debt	1,603,475	0	1,696	0	(1,601,779)	0	(1,601,779)	0	0
Other Debt Service	261,308	0	0	0	(261,308)	0	(261,308)	0	0
Total Governmental Activities	$ 52,616,956	$ 7,973,018	$ 3,603,825	$ 1,426,256	$ (39,613,857)	$ 0	$ (39,613,857)	$ 0	$ 0
Business-type Activities:									
Ambulance Service	$ 5,523,704	$ 5,536,443	$ 0	$ 0	$ 0	$ 12,739	$ 12,739	$ 0	$ 0
Total Business-type Activities	$ 5,523,704	$ 5,536,443	$ 0	$ 0	$ 0	$ 12,739	$ 12,739	$ 0	$ 0
Total Primary Government	$ 58,140,660	$ 13,509,461	$ 3,603,825	$ 1,426,256	$ (39,613,857)	$ 12,739	$ (39,601,118)	$ 0	$ 0
Component Units:									
Anderson County School Department	$ 65,982,596	$ 1,226,099	$ 12,065,485	$ 18,692,270	$ 0	$ 0	$ 0	$ (33,998,742)	$ 0
Emergency Communications District	254,089	178,325	167,174	44,759	0	0	0	0	136,169
Total Component Units	$ 66,236,685	$ 1,404,424	$ 12,232,659	$ 18,737,029	$ 0	$ 0	$ 0	$ (33,998,742)	$ 136,169

(Continued)

Exhibit B

Anderson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Anderson County School Department	Component Units: Emergency Communications District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					$ 13,188,233	$ 0	$ 13,188,233	$ 14,052,786	$ 0
Property Taxes Levied for Debt Service					3,220,169	0	3,220,169	0	0
Local Option Sales Taxes					673,151	0	673,151	7,293,096	0
Hotel/Motel Tax					267,425	0	267,425	0	0
Litigation Tax					329,676	0	329,676	0	0
Business Tax					1,314,279	0	1,314,279	0	0
Wholesale Beer Tax					165,027	0	165,027	0	0
Mineral and Coal Severance Tax					212,943	0	212,943	0	0
Gas and Oil Severance Tax					109,197	0	109,197	0	0
Other Local Taxes					4,179	0	4,179	58,086	0
Grants and Contributions Not Restricted to Specific Programs					3,625,716	0	3,625,716	29,000,614	0
Unrestricted Investment Income					67,991	0	67,991	18,088	5,472
Miscellaneous					40,182	985	41,167	142,600	0
Total General Revenues					$ 23,218,168	$ 985	$ 23,219,153	$ 50,565,270	$ 5,472
Transfers					$ (1,812)	$ 1,812	$ 0	$ 0	$ 0
Change in Net Assets					$ (16,397,501)	$ 15,536	$ (16,381,965)	$ 16,566,528	$ 141,641
Net Assets, July 1, 2011					13,838,743	2,543,534	16,382,277	33,227,988	1,287,076
Prior-period Adjustment					(197,859)	0	(197,859)	197,859	0
Net Assets, June 30, 2012					$ (2,756,617)	$ 2,559,070	$ (197,547)	$ 49,992,375	$ 1,428,717

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

Exhibit C-1

Anderson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2012

	Major Funds						Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS								
Cash	$ 52,575	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,369	$ 54,944
Equity in Pooled Cash and Investments	5,058,241	2,108,574	2,820,708	12,549	1,896,304	11,577,967	741,903	24,216,246
Inventories	0	57,910	0	0	0	0	0	57,910
Accounts Receivable	225,555	5,347	5,396	0	0	0	32,895	269,193
Due from Other Governments	1,484,505	431,511	0	0	0	0	0	1,916,016
Due from Other Funds	244,132	8,425	0	20	1,846	124,988	431	379,842
Due from Component Units	69,296	3,701	0	187,961	0	0	0	260,958
Property Taxes Receivable	13,181,536	479,296	1,742,898	209,310	1,624,204	0	456,640	17,693,884
Allowance for Uncollectible Property Taxes	(474,284)	(17,245)	(62,711)	(7,414)	(57,870)	0	(16,430)	(635,954)
Prepaid Items	23,750	0	0	0	0	0	0	23,750
Advances to Other Funds	381,935	0	0	0	0	0	0	381,935
Total Assets	$ 20,247,241	$ 3,077,519	$ 4,506,291	$ 402,426	$ 3,464,484	$ 11,702,955	$ 1,217,808	$ 44,618,724
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable	$ 215,984	$ 404,945	$ 5,250	$ 0	$ 0	$ 0	$ 23,106	$ 649,285
Accrued Payroll	378,080	34,109	0	0	0	0	10,033	422,222
Payroll Deductions Payable	167,036	11,139	0	0	0	0	4,284	182,459
Contracts Payable	457,509	13,844	0	0	0	184,254	0	655,607
Retainage Payable	4,932	0	0	0	0	95,520	0	100,452
Due to Other Funds	214,129	16,271	8,991	0	0	0	9,236	248,627
Due to Component Units	77,300	0	5,273	0	0	0	0	82,573
Due to State of Tennessee	1,229	0	0	0	0	0	0	1,229
Other Current Liabilities	127,857	0	0	0	0	0	0	127,857
Deferred Revenue - Current Property Taxes	12,158,712	442,106	1,607,658	191,835	1,492,930	0	421,207	16,314,448
Deferred Revenue - Delinquent Property Taxes	479,066	17,422	63,344	9,282	65,136	0	16,599	650,849
Other Deferred Revenues	227,497	195,558	0	0	0	0	0	423,055
Health Insurance Payments	2,096	0	0	0	0	0	0	2,096
Total Liabilities	$ 14,511,427	$ 1,135,394	$ 1,690,516	$ 201,117	$ 1,558,066	$ 279,774	$ 484,465	$ 19,860,759

(Continued)

Exhibit C-1

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

	Major Funds						Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)								
Fund Balances								
Nonspendable:								
Inventory	$ 0	$ 57,910	$ 0	$ 0	$ 0	$ 0	$ 0	$ 57,910
Long-term Receivable	381,935	0	0	0	0	0	0	381,935
Prepaid Items	23,750	0	0	0	0	0	0	23,750
Restricted:								
Restricted for General Government	164,343	0	0	0	0	0	0	164,343
Restricted for Finance	20,668	0	0	0	0	0	0	20,668
Restricted for Administration of Justice	333,842	0	0	0	0	0	23,745	357,587
Restricted for Public Safety	196,374	0	0	0	0	0	170,089	366,463
Restricted for Public Health and Welfare	224,333	0	0	0	0	0	0	224,333
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0	0	317,198	317,198
Restricted for Other Operations	4,826	0	0	0	0	0	0	4,826
Restricted for Highways/Public Works	0	1,287,299	0	0	0	0	0	1,287,299
Restricted for Debt Service	0	0	2,724,442	201,309	1,885,240	0	0	4,810,991
Restricted for Capital Projects	332,460	0	0	0	0	11,423,181	0	11,755,641
Committed:								
Committed for General Government	163,198	0	0	0	0	0	0	163,198
Committed for Finance	103,169	0	0	0	0	0	0	103,169
Committed for Public Safety	106,436	0	0	0	0	0	0	106,436
Committed for Public Health and Welfare	569,449	0	0	0	0	0	0	569,449
Committed for Social, Cultural, and Recreational Services	137,695	0	0	0	0	0	222,311	360,006
Committed for Highways/Public Works	285,040	596,916	0	0	0	0	0	881,956
Committed for Debt Service	0	0	91,333	0	21,178	0	0	112,511
Committed for Capital Projects	178,184	0	0	0	0	0	0	178,184
Assigned:								
Assigned for General Government	5,900	0	0	0	0	0	0	5,900
Assigned for Finance	1,350	0	0	0	0	0	0	1,350
Assigned for Administration of Justice	2,000	0	0	0	0	0	0	2,000

(Continued)

Exhibit C-1

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

	Major Funds						Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)								
Fund Balances (Cont.)								
Unassigned	$ 2,500,862	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,500,862
Total Fund Balances	$ 5,735,814	$ 1,942,125	$ 2,815,775	$ 201,309	$ 1,906,418	$ 11,423,181	$ 733,343	$ 24,757,965
Total Liabilities and Fund Balances	$ 20,247,241	$ 3,077,519	$ 4,506,291	$ 402,426	$ 3,464,484	$ 11,702,955	$ 1,217,808	$ 44,618,724

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

Exhibit C-2

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:		
Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 24,757,965
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 2,019,223	
Add: construction in progress	2,465,228	
Add: infrastructure net of accumulated depreciation	5,477,408	
Add: buildings and improvements net of accumulated depreciation	11,681,445	
Add: other capital assets net of accumulated depreciation	4,364,666	26,007,970
(2) An internal service fund is used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		(3,686)
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (913,880)	
Less: other loans payable	(3,232,000)	
Less: bonds payable	(49,860,000)	
Add: deferred amount on refunding	262,802	
Add: deferred charges - debt issuance costs	940,657	
Less: other deferred revenue - premium on debt	(862,553)	
Less: other postemployment benefits liability	(98,076)	
Less: compensated absences payable	(509,117)	
Less: accrued interest on bonds, notes, and other loans	(320,603)	(54,592,770)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,073,904
Net assets (deficit) of governmental activities (Exhibit A)		$ (2,756,617)

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

Exhibit C-3

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

	Major Funds						Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues								
Local Taxes	$ 16,855,344	$ 927,724	$ 1,580,377	$ 178,345	$ 1,424,183	$ 0	$ 680,072	$ 21,646,045
Licenses and Permits	362,401	0	0	0	0	0	0	362,401
Fines, Forfeitures, and Penalties	434,756	0	0	0	0	0	141,243	575,999
Charges for Current Services	794,471	0	0	0	0	0	39,482	833,953
Other Local Revenues	745,882	868,739	44,450	70,942	66,214	0	44,765	1,840,992
Fees Received from County Officials	4,156,362	0	0	0	0	0	0	4,156,362
State of Tennessee	1,699,838	2,201,238	0	0	0	0	2,275	3,903,351
Federal Government	1,758,874	57,228	33,939	0	0	0	0	1,850,041
Other Governments and Citizens Groups	178,656	3,118	0	779,894	0	0	130,311	1,091,979
Total Revenues	$ 26,986,584	$ 4,058,047	$ 1,658,766	$ 1,029,181	$ 1,490,397	$ 0	$ 1,038,148	$ 36,261,123
Expenditures								
Current:								
General Government	$ 3,179,117	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,179,117
Finance	2,678,874	0	0	0	0	0	599	2,679,473
Administration of Justice	3,112,458	0	0	0	0	0	23,176	3,135,634
Public Safety	11,521,425	0	0	0	0	0	121,840	11,643,265
Public Health and Welfare	2,523,813	0	0	0	0	0	0	2,523,813
Social, Cultural, and Recreational Services	75,986	0	0	0	0	0	597,724	673,710
Agriculture and Natural Resources	283,632	0	0	0	0	0	0	283,632
Other Operations	1,319,931	0	0	0	0	0	277,112	1,597,043
Highways	0	3,556,381	0	0	0	0	0	3,556,381
Debt Service:								
Principal on Debt	0	0	1,174,000	603,553	725,000	0	0	2,502,553
Interest on Debt	17,583	0	556,333	417,287	491,011	0	0	1,482,214
Other Debt Service	0	0	42,169	7,542	32,434	553,256	0	635,401
Capital Projects	1,030,560	0	0	4,754,000	3,139,000	13,138,960	0	22,062,520
Total Expenditures	$ 25,743,379	$ 3,556,381	$ 1,772,502	$ 5,782,382	$ 4,387,445	$ 13,692,216	$ 1,020,451	$ 55,954,756
Excess (Deficiency) of Revenues Over Expenditures	$ 1,243,205	$ 501,666	$ (113,736)	$ (4,753,201)	$ (2,897,048)	$ (13,692,216)	$ 17,697	$ (19,693,633)

(Continued)

Exhibit C-3

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

	Major Funds						Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)								
Bonds Issued	$ 858,012	$ 0	$ 0	$ 0	$ 0	$ 23,891,988	$ 0	$ 24,750,000
Notes Issued	0	0	0	0	0	644,574	0	644,574
Premiums on Debt Issued	0	0	0	0	0	578,835	0	578,835
Proceeds from Sale of Capital Assets	1,100	0	0	0	0	0	0	1,100
Insurance Recovery	0	1,496	0	0	0	0	0	1,496
Transfers In	0	0	0	0	16,107	0	0	16,107
Transfers Out	(216,107)	0	0	0	0	0	0	(216,107)
Total Other Financing Sources (Uses)	$ 643,005	$ 1,496	$ 0	$ 0	$ 16,107	$ 25,115,397	$ 0	$ 25,776,005
Net Change in Fund Balances	$ 1,886,210	$ 503,162	$ (113,736)	$ (4,753,201)	$ (2,880,941)	$ 11,423,181	$ 17,697	$ 6,082,372
Fund Balance, July 1, 2011	3,849,604	1,438,963	2,929,511	4,954,510	4,787,359	0	715,646	18,675,593
Fund Balance, June 30, 2012	$ 5,735,814	$ 1,942,125	$ 2,815,775	$ 201,309	$ 1,906,418	$ 11,423,181	$ 733,343	$ 24,757,965

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

Exhibit C-4

Anderson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:			
Net change in fund balances - total governmental funds (Exhibit C-3)			$ 6,082,372
(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	$ 3,593,293	
	Less: current year depreciation expense	(1,668,263)	1,925,030
(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		(1,096,108)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Add: deferred delinquent property taxes and other deferred June 30, 2012	$ 1,073,904	
	Less: deferred delinquent property taxes and other deferred June 30, 2011	(1,110,936)	(37,032)
(4)	The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
	Add: change in deferred debt issuance costs	$ 481,762	
	Add: principal payments on bonds	2,210,000	
	Add: principal payments on notes	68,553	
	Add: principal payments on other loans	224,000	
	Less: change in premium on debt issuances	(520,723)	
	Less: bond proceeds	(24,750,000)	
	Less: note proceeds	(644,574)	
	Less: change in deferred amount on refunding debt	(107,669)	(23,038,651)
(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	$ (179,373)	
	Change in other postemployment benefits liability	(32,812)	
	Change in compensated absences payable	(1,884)	(214,069)
(6)	The internal service fund is used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		(19,043)
Change in net assets of governmental activities (Exhibit B)			$ (16,397,501)

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

Exhibit D-1

Anderson County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
ASSETS		
Current Assets:		
Cash	$ 0	$ 168,005
Equity in Pooled Cash and Investments	951,659	0
Investments	0	18,465
Accounts Receivable	1,786,018	126,296
Allowance for Uncollectibles	(665,543)	0
Due from Other Funds	0	150,983
Total Current Assets	$ 2,072,134	$ 463,749
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	$ 82,950	$ 0
Assets Net of Accumulated Depreciation:		
Ambulance Service Operations	1,320,659	0
Total Noncurrent Assets	$ 1,403,609	$ 0
Total Assets	$ 3,475,743	$ 463,749
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 55,462	$ 137,845
Accrued Payroll	101,097	0
Payroll Deductions Payable	37,724	0
Due to Other Funds	282,198	0
Accrued Leave - Current	50,562	0
Other Current Liabilities	0	329,590
Total Current Liabilities	$ 527,043	$ 467,435
Noncurrent Liabilities:		
Accrued Leave - Long-term	$ 2,661	$ 0
Advances from Other Funds	381,935	0
Other Postemployment Benefits	5,034	0
Total Noncurrent Liabilities	$ 389,630	$ 0
Total Liabilities	$ 916,673	$ 467,435
NET ASSETS		
Invested in Capital Assets	$ 1,403,609	$ 0
Unrestricted	1,155,461	(3,686)
Net Assets (Deficit)	$ 2,559,070	$ (3,686)

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

Exhibit D-2

Anderson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
Operating Revenues		
Charges for Services	$ 5,536,443	$ 3,412,176
Other Local Revenues	985	0
Total Operating Revenues	$ 5,537,428	$ 3,412,176
Operating Expenses		
Salaries	$ 2,805,856	$ 0
Fringe Benefits	852,212	0
Communications	35,016	0
Data Processing Services	2,850	0
Dues and Memberships	540	0
Laundry Service	22,567	0
Maintenance and Repair Services - Buildings	6,949	0
Maintenance and Repair Services - Equipment	2,460	0
Maintenance and Repair Services - Vehicles	122,314	0
Pest Control	1,260	0
Postal Charges	706	0
Printing, Stationery, and Forms	1,713	0
Rental Expense	8,100	0
Travel	2,345	0
Tuition	2,468	0
Disposal Fees	1,138	0
Other Contracted Services	468,008	0
Custodial Supplies	7,252	0
Drugs and Medical Supplies	228,736	0
Duplicating Supplies	819	0
Gasoline	213,874	0
Natural Gas	3,878	0
Office Supplies	1,802	0
Tires and Tubes	18,308	0
Uniforms	25,588	0
Utilities	24,893	0
Supplies and Materials	17,447	0
Liability Insurance	25,000	0

(Continued)

Exhibit D-2

Anderson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds (Cont.)

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
Operating Expenses (Cont.)		
Trustee's Commission	$ 60,489	$ 0
Vehicle and Equipment Insurance	26,055	0
Workers' Compensation Insurance	211,489	0
Depreciation	232,369	0
Loss on Disposal of Property	6,031	0
Staff Development	22,246	0
Building Improvements	11,492	0
Communication Equipment	23,109	0
Data Processing Equipment	11,198	0
Furniture and Fixtures	7,852	0
Motor Vehicles	1,630	0
Building Purchases	3,000	0
Other Equipment	2,080	0
Other Charges	565	40
Medical and Dental Services	0	2,813,256
Other Contracted Services	0	156,024
Excess Risk Insurance	0	662,119
Total Operating Expenses	$ 5,523,704	$ 3,631,439
Operating Income (Loss)	$ 13,724	$ (219,263)
Nonoperating Revenues (Expenses)		
Investment Income	$ 0	$ 220
Total Nonoperating Revenues (Expenses)	$ 0	$ 220
Income(Loss) Before Transfers	$ 13,724	$ (219,043)
Transfers In (Out)	0	200,000
Capital Contribution - Primary Government	1,812	0
Change in Net Assets	$ 15,536	$ (19,043)
Net Assets, July 1, 2011	2,543,534	15,357
Net Assets (Deficit), June, 30, 2012	$ 2,559,070	$ (3,686)

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

Exhibit D-3

Anderson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
Cash Flows from Operating Activities		
Receipts from Customers and Users	$ 5,922,157	$ 0
Receipts for Self-insurance Premiums	0	3,518,404
Payments to Vendors	(1,487,440)	0
Payments to Employees	(2,809,038)	0
Payments for Fringe Benefits	(847,178)	0
Payments to Fiscal Agents	0	(142,854)
Payments to Insurers	0	(599,856)
Payments Pending Stop-loss Recovery	0	(21,070)
Payments for Claims	0	(2,802,145)
Net Cash Provided By (Used In) Operating Activities	$ 778,501	$ (47,521)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	$ 5,420	$ 0
Acquisition and Construction of Capital Assets	(275,489)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	$ (270,069)	$ 0
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	$ 0	$ 200,000
Repayment of Advances From Other Funds	(127,312)	0
Net Cash Provided By (Used In) Noncapital Financing Activities	$ (127,312)	$ 200,000
Cash Flows from Investing Activities		
Interest on Investments	$ 0	$ 197
Net Cash Provided By (Used In) Investing Activities	$ 0	$ 197
Increase (Decrease) in Cash	$ 381,120	$ 152,676
Cash, July 1, 2011	570,539	15,329
Cash, June 30, 2012	$ 951,659	$ 168,005

(Continued)

Exhibit D-3

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

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities		
Operating Income (Loss)	$ 13,724	$ (219,263)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	232,369	0
Loss on Disposal of Property	6,031	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	420,400	236,140
Increase (Decrease) in Allowance for Uncollectibles	(35,671)	0
(Increase) Decrease in Due from Other Funds	0	(150,983)
Increase (Decrease) in Accounts Payable	13,594	75,474
Increase (Decrease) in Accrued Payroll	7,737	0
Increase (Decrease) in Payroll Deductions	(28,535)	0
Increase (Decrease) in Due to Other Funds (non-transfers)	126,202	0
Increase (Decrease) in Accrued Leave	17,616	0
Increase (Decrease) in Other Current Liabilities	0	11,111
Increase (Decrease) in Other Long-term Liabilities	5,034	0
Net Cash Provided By (Used In) Operating Activities	$ 778,501	$ (47,521)
Noncash Investing, Capital, and Financing Activities		
Contribution of Capital Assets from Government	$ 1,812	$ 0

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

Exhibit E-1

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

	Agency Funds
ASSETS	
Cash	$ 1,792,233
Equity in Pooled Cash and Investments	24,176
Due from Other Governments	2,870,940
Taxes Receivable	10,530,457
Allowance for Uncollectible Taxes	(378,896)
Total Assets	$ 14,838,910
LIABILITIES	
Due to Joint Ventures	$ 7,896
Due to Other Taxing Units	13,038,781
Due to Litigants, Heirs, and Others	1,792,233
Total Liabilities	$ 14,838,910

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

Exhibit E-2

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2012

	Other Employee Benefits Trust Fund
	Flexible Benefits Fund
ADDITIONS	
Plan Member Contributions	$ 13,440
Total Additions	$ 13,440
Change in Net Assets	$ 13,440
Net Assets, July 1, 2011	(13,440)
Net Assets, June 30, 2012	$ 0

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

ANDERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Anderson 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 Anderson County:

A. Reporting Entity

Anderson County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Anderson County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Anderson County School Department operates the public school system in the county, and the voters of Anderson County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. Also, 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 Anderson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Anderson County, and the Anderson 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 approval of the County Commission.

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

Administrative Office:

Anderson County Emergency
Communications District
101 South Main Street, Suite 440
Clinton, Tennessee 37716

Related Organization – The Anderson County Water Authority is a related organization of Anderson County. The county mayor nominates and the Anderson County Commission confirms the board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Anderson County issues most debt for the discretely presented Anderson County School Department. Net debt issues totaling $10,729,722 were contributed by the county to the School Department during the year ended June 30, 2012.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded

from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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. Anderson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when

amounts have been accumulated in the debt service funds 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.

Proprietary fund and 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Anderson 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 and property 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 non-education long-term general obligation debt of governmental funds.

Rural Debt Service Fund – This fund accounts for the retirement of long-term debt issued for the construction and renovations of the county's elementary schools.

Education Debt Service Fund – This fund accounts for the retirement of long-term debt issued for the construction and renovations of the county's middle and high schools.

General Capital Projects Fund – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Anderson County reports the following major enterprise fund:

Ambulance Service Fund – This fund is used to account for the county's ambulance service operations.

Additionally, Anderson County reports the following fund types:

Internal Service Fund – The Employee Health Insurance Fund is used to account for the county's self-insured employee health program. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims of county employees.

Other Employee Benefits Trust Fund – The Flexible Benefits Fund has been used to account for operations of the flexible benefits program for county employees. While previously administered by the county human resources department, administration of this program is currently contracted to a third party. Accordingly, the county has closed this fund during the current year.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Anderson County, city school systems' shares of educational revenues, and assets held in a custodial capacity for the judicial district drug task force. 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 Anderson County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Anderson County and contributed to the School Department for building construction and renovations.

Additionally, the Anderson County School Department reports the following fund types:

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.

Other Employee Benefits Trust Fund – The Flexible Benefits Fund has been used to account for the operations of the flexible benefits program for School Department employees. While previously administered by the School Department, administration of this program is currently contracted to a third party. Accordingly, the School Department has closed this fund during the current year.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, an enterprise fund used to account for ambulance service operations, and an internal service fund used to account for the employees' health insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is charges for services from users. Operating expenses for the enterprise fund include salaries, purchase of supplies and materials, and depreciation of capital assets. The principal operating revenue of the county's internal service fund is self-insurance premiums. Operating expenses for the internal service fund include medical claims, excess risk insurance, and administrative charges.

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 the unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits and cash on deposit with the county trustee.

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 Anderson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Income from these investments is credited to various funds based on legal requirements of the budget adopted by the County Commission, with the majority of the investment income being assigned to the General, General Purpose School, and the various debt service funds. In addition, investments are held separately by the self-insurance fund. Anderson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the General Fund financial statements, are offset by a nonspendable fund balance classification account to indicate that they are not available for appropriation and are not expendable from available financial resources.

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities totaling $457,447 in the governmental activities Statement of Net Assets consists of $105,657 due to the City of Clinton, performance bonds of $22,200, and self-insurance claims of $329,590.

Retainage payable in the primary government totaling $100,452 and in the discretely presented School Department totaling $52,415 represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General, General Capital Projects, and Education Capital Projects funds.

3. Inventories and Prepaid Items

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life exceeding one year. 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:

Assets	Years
Building and Improvements	20 - 50
Other Capital Assets	5 - 20
Infrastructure	25 - 40

5. Compensated Absences

The policies of the county and School Department permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the county and the School Department do not have policies to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide statements for the county and the discretely presented School Department. 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.

6. Long-term Obligations

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

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

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

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

7. Net Assets and Fund Equity

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

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

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

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

As of June 30, 2012, Anderson County had $31,133,880 in outstanding debt for capital purposes for the discretely presented Anderson County School Department. This debt is a liability of Anderson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Anderson County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority 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 has authorized the county's Budget/Finance Committee and the Board of Education, the School Department's highest level of decision-making authority, are authorized bodies to make assignments.

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

8. 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 the county General Fund, during the year the county adopted a policy of a minimum unassigned fund balance of $2,000,000 for the county General Fund.

9. Prior-period Adjustments

Beginning net assets of the primary government and the discretely presented School Department reflected on Exhibit B have been decreased $197,859 and increased $197,859, respectively, to properly reflect classification of a Local Government Energy Efficiency capital outlay note as long-term debt of the primary government, who is legally responsible for the debt, rather than the School Department. The note was issued March 25, 2011, and had an outstanding principal balance of $197,859 at June 30, 2011.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Anderson County School Department

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

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

Primary Government

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

Discretely Presented Anderson County School Department

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

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 and the District Attorney General Fund (special revenue funds), which are not budgeted, and capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2012, Anderson County and the Anderson County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Courthouse Roof	$ 126,035
"	Claxton Sewer Improvements	118,679
General Capital Projects	Jail Construction Projects	150,791
School Department:		
Major Fund:		
Education Capital Projects	Alternative Learning Center	1,389,383
"	Roof projects	586,016

B. Net Assets Deficit

The Employee Insurance – Health Fund (internal service fund) had a deficit in unrestricted net assets of $3,686 at June 30, 2012. This deficit resulted from an increase in medical claims and estimates. Medical premiums charged to county employees were increased after June 30, 2012, to liquidate the deficit.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) in the following funds:

Fund/Major Category	Amount Overspent
General:	
Engineering	$ 567
Probate Court	142
Victims Assistance Programs	3,698
Other Waste Collection	814
Other Charges	1,304
School Federal Projects:	
Vocational Education Program	2,404

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by unspent appropriations in other major categories in the General Fund and by available fund balance in the School Federal Projects Fund.

D. County Funds Not Invested in Accordance With State Statute

On June 30, 2012, the county trustee had investments of $164,751 in a mutual fund, which is not an authorized investment type permitted by Section 5-8-301, *Tennessee Code Annotated (TCA).* The county trustee, at June 30, 2012, also had investments with fair values totaling $218,708 in collateralized mortgage obligations and mortgage backed securities of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association with maturities ranging from February 1, 2026, through December 15, 2041. These investments did not meet criteria established by Section 5-8-301, *TCA* regarding investments with maturities of greater than two years.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2012, Anderson County had the following investments carried at fair value or cost. See footnote III.D. for additional details pertaining to the investments in the Fidelity Institutional Money Market Portfolio, Federal Home Loan Mortgage Corporation, and

Federal National Mortgage Association. Pooled investments reported in the following table are held in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Anderson County and the discretely presented Anderson County School Department since both pool their deposits and investments through the county trustee. Nonpooled investments represent amounts held in the Employee Health Insurance Fund (an internal service fund).

POOLED INVESTMENTS

Investment	Weighted Average Maturity (days)	Maturities	Fair Value or Cost
State Treasurer's Investment Pool	6 to 164	N/A	$ 585,506
Fidelity Institutional Money Market	N/A	Daily	164,751
Federal Home Loan Mortgage Corporation	N/A	3-15-26	25,246
"	N/A	10-15-41	49,949
"	N/A	12-15-41	48,690
"	N/A	12-1-31	51,141
Federal National Mortgage Association	N/A	2-1-26	43,682

NONPOOLED INVESTMENTS

State Treasurer's Investment Pool	Daily	18,465

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Anderson County has no investment policy that would further limit its investment choices. As of June 30, 2012, Anderson County's investments in the State Treasurer's Investment Pool, Fidelity Institutional Money Market Fund, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association were unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Anderson County places no limit on the amount the county may invest in one issuer. More than five percent of the county investments are in the Federal Home Loan Mortgage Corporation (17.7%).

B. Notes Receivable – Long-term

In a prior year, Anderson County entered into an agreement with the discretely presented Anderson County School Department where the primary government borrowed funds and loaned the proceeds to the School Department. The School Department agreed to repay the primary government for principal and interest requirements on this debt. Long-term notes receivable were reflected in the primary government's Rural Debt Service and Education Debt Service funds for future principal amounts due from the School Department.

During the year, the County Commission voted to rescind the notes receivable agreements, which had formerly required the School Department to repay the county for the specific school related debt expenditures. Consequently, those notes receivable, which at July 1, 2011, totaled $4,754,000 and $3,139,000 in the Rural Debt Service and Education Debt Service funds, respectively, have been removed from the financial statements of those funds, and removed from the School Department's long-term debt. A contribution has been recognized to the School Department for the balance of the notes totaling $7,893,000. The amount of any future contributions to the primary government by the School Department for debt service will be established by the County Commission and Board of Education during the budget process each year.

C. Capital Assets

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

Primary Government

Governmental Activities

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	$ 2,019,223	$ 0	$ 0	$ 2,019,223
Construction in Progress	1,063,218	2,779,503	(1,377,493)	2,465,228
Total Capital Assets Not Depreciated	$ 3,082,441	$ 2,779,503	$ (1,377,493)	$ 4,484,451
Capital Assets Depreciated:				
Buildings and Improvements	$ 18,939,683	$ 132,705	$ 0	$ 19,072,388
*Infrastructure	44,553,886	1,377,493	(1,053,499)	44,877,880
Other Capital Assets	9,722,374	681,085	(280,356)	10,123,103
Total Capital Assets Depreciated	$ 73,215,943	$ 2,191,283	$ (1,333,855)	$ 74,073,371
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 6,908,286	$ 482,657	$ 0	$ 7,390,943
Infrastructure	39,022,204	378,268	0	39,400,472
Other Capital Assets	5,188,846	807,338	(237,747)	5,758,437
Total Accumulated Depreciation	$ 51,119,336	$ 1,668,263	$ (237,747)	$ 52,549,852

Governmental Activities (Cont.)

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 6,908,286	$ 482,657	$ 0	$ 7,390,943
Infrastructure	39,022,204	378,268	0	39,400,472
Other Capital Assets	5,188,846	807,338	(237,747)	5,758,437
Total Accumulated Depreciation	$ 51,119,336	$ 1,668,263	$ (237,747)	$ 52,549,852
Total Capital Assets Depreciated, Net	$ 22,096,607	$ 523,020	$ (1,096,108)	$ 21,523,519
Governmental Activities Capital Assets, Net	$ 25,179,048	$ 3,302,523	$ (2,473,601)	$ 26,007,970

*Decreases in infrastructure represent a water line completed during the year by Anderson County and contributed to the Anderson County Water Authority.

Business-type Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	$ 82,950	$ 0	$ 0	$ 82,950
Total Capital Assets Not Depreciated	$ 82,950	$ 0	$ 0	$ 82,950
Capital Assets Depreciated:				
Buildings and Improvement	$ 581,565	$ 0	$ 0	$ 581,565
Other Capital Assets	2,037,374	304,805	(158,279)	2,183,900
Total Capital Assets Depreciated	$ 2,618,939	$ 304,805	$ (158,279)	$ 2,765,465
Less Accumulated Depreciation For:				
Buildings and Improvement	$ 169,228	$ 23,517	$ 0	$ 192,745
Other Capital Assets	1,162,533	236,356	(146,828)	1,252,061
Total Accumulated Depreciation	$ 1,331,761	$ 259,873	$ (146,828)	$ 1,444,806

Business-type Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Total Capital Assets Depreciated, Net	$ 1,287,178	$ 44,932	$ (11,451)	$ 1,320,659
Business-type Activities Capital Assets, Net	$ 1,370,128	$ 44,932	$ (11,451)	$ 1,403,609

Increases to capital assets of $29,316 and increases to accumulated depreciation of $27,504 represent capital assets transferred from governmental operations.

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

Governmental Activities:

General Government	$ 373,430
Finance	9,016
Administration of Justice	23,257
Public Safety	678,838
Public Health and Welfare	83,015
Social, Cultural, and Recreational	4,987
Other General Government	14,372
Highway/Public Works	481,348
Total Depreciation Expense - Governmental Activities	$ 1,668,263

Business-type Activities:

Ambulance Service	$ 232,369

Discretely Presented Anderson County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	$ 834,389	$ 5,500	$ 0	$ 839,889
Construction in Progress	0	5,562,244	0	5,562,244
Total Capital Assets Not Depreciated	$ 834,389	$ 5,567,744	$ 0	$ 6,402,133

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and Improvements	$ 66,845,485	$ 894,782	$ 0	$ 67,740,267
Other Capital Assets	5,383,837	1,068,561	(5,928)	6,446,470
Total Capital Assets Depreciated	$ 72,229,322	$ 1,963,343	$ (5,928)	$ 74,186,737
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 32,346,595	$ 1,602,765	$ 0	$ 33,949,360
Other Capital Assets	3,532,759	188,416	(5,928)	3,715,247
Total Accumulated Depreciation	$ 35,879,354	$ 1,791,181	$ (5,928)	$ 37,664,607
Total Capital Assets Depreciated, Net	$ 36,349,968	$ 172,162	$ 0	$ 36,522,130
Governmental Activities Capital Assets, Net	$ 37,184,357	$ 5,739,906	$ 0	$ 42,924,263

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

Governmental Activities:

Instruction	$ 1,639,621
Support Services	112,503
Operation of Non-Instruction Services	39,057
Total Depreciation Expense - Governmental Activities	$ 1,791,181

D. Construction Commitments

At June 30, 2012, the county had uncompleted construction contracts in the General Fund of $126,035 for the courthouse roof and $118,679 for Claxton sewer improvements. Funding has been received for these future expenditures from general obligation bonds for the courthouse roof and ARC grant funds for the sewer improvements.

Also at June 30, 2012, the county had uncompleted construction contracts of $150,791 for jail expansion related projects and construction of a minimum security dormitory in the General Capital Projects Fund. Funding has been received for these future expenditures from the issuance of general obligation bonds.

At June 30, 2012, the discretely presented School Department had uncompleted construction contracts totaling $1,389,383 for an alternative learning center and $586,016 for roof projects at various schools in the Education Capital Projects Fund. Funding has been received for these future expenditures from debt proceeds contributed by the primary government.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Highway/Public Works	$ 160
"	General Debt Service	6,694
"	Nonmajor governmental	3,997
"	Ambulance Service	233,281
Highway/Public Works	General	3,243
"	Ambulance Service	5,182
Rural Debt Service	General Debt Service	20
Education Debt Service	"	1,846
General Capital Projects	General	124,988
Nonmajor governmental	General Debt Service	431
Internal Service	General	85,898
"	Highway/Public Works	16,111
"	Ambulance Service	43,735
"	Nonmajor governmental	5,239
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	137,370
Nonmajor governmental	General Purpose School	8,302

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

Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Ambulance Service	$ 381,935

The amount payable to the General Fund relates to proceeds from a prior year's ambulance patient charges receivables that were loaned to the new Ambulance Service Fund, an enterprise fund, when it was created during the fiscal year ended June 30, 2010. Patient charges receivable from the Ambulance Service Fund totaled $509,246. However, $127,311 is expected to be received within one year and is classified as Due to/from Other Funds.

Due to/from Primary Government and Component Unit

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	School Department	$ 69,296
Highway/Public Works	"	3,701
Rural Debt Service	"	187,961
Component Unit:	Primary Government:	
School Department	General	77,300
"	General Debt Service	5,273

Interfund Transfers

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

Primary Government

	Transfers In	
Transfers Out	Education Debt Service Fund	Internal Service Fund
General Fund	$ 16,107	$ 200,000

Discretely Presented Anderson County School Department

Transfers Out	Transfers In: General Purpose School Fund	Transfers In: Nonmajor Governmental Funds
Nonmajor governmental funds	$ 203,392	$ 131,298

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds accordance with budgetary authorizations.

F. Income from Operating Lease Commitments

Anderson County leases space in the Robert Jolley Administration Building and the Daniel Arthur Rehabilitation Center to various tenants under operating lease agreements. The carrying value of the leased properties was $1,362,416 at June 30, 2012. The original cost was $3,075,688 and accumulated depreciation was $1,713,272. Total lease revenues for the year ended June 30, 2012, were $173,633. The future minimum lease payments under existing leases are as follows:

Year Ending June 30	Amount
2013	$ 158,582
2014	110,640
2015	110,640
2016	110,640
2017	110,640
Total	$ 601,142

G. Capital Lease

During the 2003-04 year, the discretely presented Anderson County School Department entered into an agreement for the lease of a building for its daycare and head start programs. Generally accepted accounting principles require the lease to be capitalized because the present value of minimum lease payments (using the School Department's incremental borrowing rate) exceeds 90 percent of the fair value of the asset. The School Department made advance payments totaling $749,060 to decrease its future lease obligations, and the revised lease agreement provides for all required payments to be made during a 16-year period ending in 2021. The School Department has an option to extend the lease for two five-year terms. The

lease carries an implicit interest rate of 11.4 percent, and title does not transfer at the end of the lease.

The assets acquired through the capital lease outstanding at June 30, 2012, consisted of the following:

	Governmental Activities
Building and Improvements	$ 1,706,295
Less: Accumulated Depreciation	(682,676)
Total	$ 1,023,619

Future minimum payments under this capital lease consisted of the following at June 30, 2012:

Year Ending June 30	Governmental Activities
2013	$ 117,932
2014	119,029
2015	120,126
2016	121,223
2017	122,320
2018-2021	403,990
Total Minimum Lease Payments	$ 1,004,620
Less: Amount Representing Interest	(358,724)
Present Value of Minimum Payments	$ 645,896

H. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation debt. 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 24 years for bonds, up to ten years for notes, and 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.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	1 to 5.25 %	5-1-35	$ 17,200,000	$ 16,970,000
General Obligation Refunding Bonds	2.5 to 3.7	5-1-19	6,330,000	2,570,000
Rural School Bonds	2 to 4	5-1-31	10,000,000	9,950,000
Rural School Refunding Bonds	2 to 3.875	5-1-26	24,920,000	20,370,000
Capital Outlay Notes	0 to 3.78	8-1-22	1,242,433	913,880
Other Loans	Variable	5-25-25	4,700,000	3,232,000

The following table summarizes loan agreements outstanding at June 30, 2012:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-12	Interest Type	Interest Rates as of 6-30-12	Other Fees
Montgomery County Public Building Authority					
Industrial Development	$ 1,700,000	$ 1,000,000	Variable	.5 %	.38 %
Jail Renovation	3,000,000	2,232,000	Variable	.45	.38
Total		$ 3,232,000			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables. The interest rates on the public building authority loan agreements are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee, debt remarketing, etc.) in connection with these loans. Interest payments and other fees included in the table for the variable rate issues are computed based on the rates in effect at June 30, 2012.

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	$ 118,358	$ 3,299	$ 121,657
2014	114,240	1,985	116,225
2015	114,240	851	115,091
2016	84,240	0	84,240
2017	84,240	0	84,240
2018-2022	392,669	0	392,669
2023	5,893	0	5,893
Total	$ 913,880	$ 6,135	$ 920,015

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	$ 233,000	$ 15,044	$ 12,282	$ 260,326
2014	242,000	13,950	11,396	267,346
2015	251,000	12,814	10,477	274,291
2016	261,000	11,634	9,523	282,157
2017	270,000	10,407	8,531	288,938
2018-2022	1,378,000	31,938	26,428	1,436,366
2023-2025	597,000	5,428	4,583	607,011
Total	$ 3,232,000	$ 101,215	$ 83,220	$ 3,416,435

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	$ 2,355,000	$ 1,716,824	$ 4,071,824
2014	1,810,000	1,659,979	3,469,979
2015	1,860,000	1,609,111	3,469,111
2016	1,965,000	1,555,757	3,520,757
2017	2,040,000	1,495,000	3,535,000
2018-2022	11,400,000	6,469,481	17,869,481
2023-2027	13,455,000	4,481,087	17,936,087
2028-2032	11,075,000	2,021,413	13,096,413
2033-2035	3,900,000	316,000	4,216,000
Total	$ 49,860,000	$ 21,324,652	$ 71,184,652

There is $4,923,502 available in the debt service funds to service long-term debt. Bonded debt per capita totaled $260, based on the 2010 federal census for residents living inside the Oak Ridge School District, $635 for residents

living inside the Clinton School District, and $1,001 for residents living outside of these school districts. Debt per capita, including bonds, notes, other loans, and capital leases, totaled $329, based on the 2010 federal census for residents living inside the Oak Ridge School District, $704 for residents living inside the Clinton School District, and $1,069 for residents living outside of these school districts.

Changes in Long-term Liabilities

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

Governmental Activities:	Bonds	Notes
Balance, July 1, 2011*	$ 27,320,000	$ 337,859
Additions	24,750,000	644,574
Reductions	(2,210,000)	(68,553)
Balance, June 30, 2012	$ 49,860,000	$ 913,880
Balance Due Within One Year	$ 2,355,000	$ 118,358

	Other Loans	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	$ 3,456,000	$ 507,233	$ 65,264
Additions	0	719,398	35,657
Reductions	(224,000)	(717,514)	(2,845)
Balance, June 30, 2012	$ 3,232,000	$ 509,117	$ 98,076
Balance Due Within One Year	$ 233,000	$ 483,661	$ 0

*The beginning balance for notes has been increased $197,859 to appropriately reflect a Local Government Energy Efficiency note as an obligation of the primary government. See note I.D.9

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 54,613,073
Less: Balance Due Within One Year	(3,190,019)
Add: Unamortized Premium on Debt	862,553
Less: Deferred Amount on Refunding	(262,802)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 52,022,805

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

Anderson County Ambulance Service Fund (enterprise fund)

Changes in Long-term Liabilities

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

Business-type Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	$ 35,607	$ 0
Additions	92,287	5,157
Reductions	(74,671)	(123)
Balance, June 30, 2012	$ 53,223	$ 5,034
Balance Due Within One Year	$ 50,562	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 58,257
Less: Balance Due Within One Year	(50,562)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 7,695

Discretely Presented Anderson County School Department

Capital Outlay Notes

Capital outlay notes are issued to provide funds for the acquisition and construction of major capital facilities and equipment. Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Debt obligations outstanding were issued for original terms of up to nine years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

Capital outlay notes and the capital lease outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes:				
Energy Efficiency Program	0 %	2-2-16	$ 496,775	$ 283,871
Renovation of Various Schools	3.6	12-1-12	700,000	70,000
Capital Lease	11.4	12-1-20	957,236	645,896

The capital outlay notes are to be retired from the General Purpose School Fund. The capital lease will be retired from the Other Education Special Revenue and General Purpose School funds.

The annual requirements to amortize all notes and the lease outstanding as of June 30, 2012, including interest, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	$ 140,968	$ 1,260	$ 142,228
2014	70,968	0	70,968
2015	70,968	0	70,968
2016	70,967	0	70,967
Total	$ 353,871	$ 1,260	$ 355,131

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2013	$ 46,689	71,243	$ 117,932
2014	53,455	65,574	119,029
2015	61,034	59,092	120,126
2016	69,523	51,700	121,223
2017	79,033	43,287	122,320
2018-2021	336,162	67,828	403,990
Total	$ 645,896	$ 358,724	$ 1,004,620

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the discretely presented Anderson County School Department, for the year ended June 30, 2012:

	Notes	Capital Lease
Balance, July 1, 2011*	$ 8,387,839	$ 686,545
Reductions**	(8,033,968)	(40,649)
Balance, June 30, 2012	$ 353,871	$ 645,896
Balance Due Within One Year	$ 140,968	$ 46,689

	Other Postemployement Benefits	Compensated Absences
Balance, July 1, 2011	$ 835,004	$ 307,148
Additions	659,946	306,049
Reductions	(337,739)	(287,980)
Balance, June 30, 2012	$ 1,157,211	$ 325,217
Balance Due Within One Year	$ 0	$ 308,957

*The beginning balance for notes has been decreased $197,859 to appropriately reflect a Local Government Energy Efficiency note as an obligation of the primary government. See note I.D.9

**Includes $7,893,000 of notes payable to the primary government, which were rescinded by resolution of the County Commission in the current year. See note IV.B.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 2,482,195
Less: Balance Due Within One Year	(496,614)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 1,985,581

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

I. On-Behalf Payments – Primary Government and Discretely Presented Anderson County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Anderson County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments made by the state to the Medicare Supplement Plan for the year ended June 30, 2012, were $428. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Anderson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Anderson County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were $213,688 and $44,705, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Anderson County issued tax and revenue anticipation notes in advance of property tax and other revenue collections in the following funds. These notes were necessary because funds were not available to meet obligations coming due before revenues were available. Short-term debt activity for the year ended June 30, 2012, was as follows:

Fund	Balance 7-1-11	Issued	Paid	Balance 6-30-12
General Fund (Borrowed from General Debt Service Fund)	$ 0	$ 700,000	$ (700,000)	$ 0
Employee Health Insurance Fund (Borrowed from General Fund)	0	50,000	(50,000)	0
General Fund (Borrowed from outside source)	0	2,000,000	(2,000,000)	0
General Purpose School Fund (Borrowed from outside source)	0	3,000,000	(3,000,000)	0
School Federal Projects Fund (Borrowed from General Purpose School Fund)	0	216,000	(216,000)	0
Education Capital Projects Fund (Borrowed from General Purpose School Fund)	0	200,000	(200,000)	0

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Employee Health Insurance Fund for risks associated with the employees' health insurance plan. The Employee Health Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county has obtained a stop/loss commercial policy to cover claims beyond certain liabilities. Both the county health insurance plan and the stop/loss policy have lifetime coverage of $1,000,000 for each covered person. Annually, the county retains the risk of loss to the first $60,000 per covered person for most employees. For two specific individuals, the county's risk of loss is $125,000 annually. An estimated liability for outstanding medical claims of $329,590 has been recorded in the financial statements of the Employee Health Insurance Fund.

All full-time employees of the primary government are eligible to participate. Retirees have been allowed to participate at their own expense. However, for retirees with 30 plus years of continuous service who retire on or after July 1, 2012, the county will pay $300 per month premium assistance until age 65 when the employee becomes eligible for Medicare. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates for the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. As of June 30, 2012, the fund had a temporary net assets deficit of $3,686. Management intends to eliminate the deficit through increased premium charges during the ensuing fiscal years. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Health Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance Fiscal Year-end
2010-11	$ 177,008	$ 2,493,889	$ 2,352,418	$ 318,479
2011-12	318,479	2,813,256	2,802,145	329,590

The discretely presented Anderson 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, *Tennessee Code Annotated (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.

Anderson County and the discretely presented Anderson County School Department are exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county and the School Department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The 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. The county and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Subsequent Events

In July 2012, the county approved a $9,763,000 contract for jail expansion to be funded with unspent proceeds of general obligation bonds.

On August 20, 2012, the Anderson County Commission approved raising the minimum unassigned fund balance policy for the General Fund to $3 million.

On August 31, 2012, Myron Iwanski left the Office of County Mayor and was succeeded by Theresa Frank.

On August 31, 2012, Vernon Long left the Office of Property Assessor and was succeeded by Johnny Alley.

On September 30, 2012, Barry Pelizzari left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Tyler Mayes.

In October 2012, the county approved the issuance of a 40-year Rural Development Loan not to exceed $125,000 for construction of a new Briceville Library. Repayment of the loan will be the responsibility of Anderson County for the first four years and the Briceville and Anderson County Public Library Foundation for years five through 40.

Subsequent to June 30, 2012, Anderson County and the discretely presented Anderson County School Department approved the following interfund loans in the form of revenue anticipation notes:

From Fund	To Fund	Amount
General Purpose School	School Federal Projects	$ 250,000
General Fund	Judicial District Drug Task Force	15,000
General Debt Service	General	1,000,000
Education Debt Service	Rural Debt Service	20,000

C. Contingent Liabilities

There are several pending lawsuits in which the county is involved. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

D. Joint Venture

The Seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventh Judicial District, Anderson County, and various cities within Anderson County. 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, the sheriff, and police chiefs of participating law enforcement agencies. Anderson County did not contribute to the operation of the DTF for the year ended June 30, 2012. Anderson County does not have an equity interest in the DTF. Complete financial statements for the DTF can be obtained at their administrative office at the following address:

Seventh Judicial District Drug Task Force
101 S. Main Street, Suite 300
Clinton, TN 37716

E. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Anderson County in conjunction with Campbell and Scott counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Anderson County did not contribute to the operations of the Northeast Tennessee Railroad authority during the year ended June 30, 2012.

F. Retirement Commitments

Plan Description

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

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

Funding Policy

Anderson County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 7.86 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, Anderson County's annual pension cost of $1,707,686 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include

(a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	$1,707,686	100%	$0
6-30-11	1,548,046	100	0
6-30-10	1,706,844	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 95.28 percent funded. The actuarial accrued liability for benefits was $55.82 million, and the actuarial value of assets was $53.18 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2.63 million. The covered payroll (annual payroll of active employees covered by the plan) $21.63 million, and the ratio of the UAAL to the covered payroll was 12.18 percent.

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

SCHOOL TEACHERS

Plan Description

The Anderson County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS).

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the county is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010 were $2,632,941, $2,617,073, and $1,904,906 respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Anderson County participates in a self-insured/commercial postemployment benefits plan administered by Cariten for medical benefits for retirees and their beneficiaries. For accounting purposes, the plan is a single-employer

defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible retirees must be at least age 55 with a minimum of ten years of continuous service. Anderson County currently does not pay any of the retirees' premiums. However, since retirees are allowed to remain on the plan, an implicit rate subsidy exists and is accounted for as other postemployment benefits. Coverage continues for the retiree and the retiree's eligible dependents for as long as the retiree continues to pay the premiums. For retirees with 30-plus years of continuous service who retire after July 1, 2012, Anderson County will pay $300 per month premium assistance until attainment of age 65 when the employee becomes eligible for Medicare.

Annual OPEB Cost and Net OPEB Obligation

	Governmental Activities	Business-type Activities	Total Primary Government
ARC	$ 36,747	$ 5,157	$ 41,904
Interest on the NPO	2,611	0	2,611
Adjustment to the ARC	(3,701)	0	(3,701)
Annual OPEB cost	$ 35,657	$ 5,157	$ 40,814
Amount of contribution	(2,845)	(123)	(2,968)
Increase/decrease in NPO	$ 32,812	$ 5,034	$ 37,846
Net OPEB obligation, 7-1-11	65,264	0	65,264
Net OPEB obligation, 6-30-12	$ 98,076	$ 5,034	$ 103,110

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Fiscal Year-end
6-30-10	Primary Government	$ 33,544	5.9 %	$ 31,570
6-30-11	"	35,668	5.5	65,264
6-30-12	"	40,814	7.3	103,110

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Actuarial valuation date	7-1-11	7-1-11	7-1-11
Actuarial accrued liability (AAL)	$ 223,097	$ 21,597	$ 244,694
Actuarial value of plan assets	$ 0	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 223,097	$ 21,597	$ 244,694
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	$ 13,092,752	$ 2,635,495	$ 15,728,247
UAAL as a % of covered payroll	1.7%	0.82%	1.56%

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuations, the projected unit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return and an annual healthcare cost trend rate of five percent. The investment rate of return includes a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized on an open basis over a 30-year period using the level dollar method.

Discretely Presented Anderson County School Department

Plan Description

The Anderson County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*. 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://tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The Anderson County School Department does not pay any premiums for retiree health insurance. However, since pre-65 retirees are allowed to remain on the plan, an implicit rate subsidy exists and is accounted for as other postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 662,000
Interest on the NPO	33,400
Adjustment to the ARC	(35,454)
Annual OPEB cost	$ 659,946
Amount of contribution	(337,739)
Increase/decrease in NPO	$ 322,207
Net OPEB obligation, 7-1-11	835,004
Net OPEB obligation, 6-30-12	$ 1,157,211

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Fiscal Year-end
6-30-10	Local Education Group	$ 576,927	62.0 %	$ 608,984
6-30-11	"	602,447	62.5	835,004
6-30-12	"	659,946	51.2	1,157,211

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	$ 5,598,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 5,598,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 37,557,433
UAAL as a % of covered payroll	15%

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial

assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Office of Central Accounting and Budgeting

Anderson County operates under provisions of the Fiscal Control Acts of 1957, which provide for a central system of accounting and budgeting covering all funds of the county. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

I. Purchasing Laws

Purchasing procedures for the Offices of the County Mayor, Director of Schools, and Highway Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated* (*TCA*). Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding $10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED ANDERSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Description of Organization

The Emergency Communications District of Anderson County, Tennessee, (the District) was created by a county-wide referendum on November 6, 1990. The Anderson County Board of Commissioners appointed the district's initial Board of Directors pursuant to *Tennessee Code Annotated*, Section 7-86-101. The district is responsible for the installation and maintenance of the emergency communications network of Anderson County, Tennessee, (Enhanced 911 Service).

The district is considered a component unit of Anderson County, Tennessee, because the Anderson County Board of Commissioners appoints a majority of the district's Board of Directors and must approve any debt issued by the district.

B. Summary of Significant Accounting Policies

1. Basis of Accounting

The district uses the accrual basis of accounting. Revenues are recognized when earned and measurable, and expenses are recognized when the liability is incurred. Operating revenue is revenue that is generated from the primary operations of the district. All other revenue is reported as nonoperating revenue. Operating expenses are those expenses that are essential to the primary operations of the district. All other expenses are reported as nonoperating expenses.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset groups:

Invested in capital assets: This category includes capital assets, net of accumulated depreciation. Invested in capital assets at June 30, 2012, has been calculated as follows:

Capital Assets	$ 590,954
Less: Accumulated Depreciation	(389,761)
Capital Assets Being Depreciated, Net	$ 201,193

Restricted: This category includes net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time. The district had no restricted net assets as of June 30, 2012.

Unrestricted: This category includes net assets that are not subject to externally imposed stipulations and do not meet the definition of restricted or invested in capital assets. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

2. Accounts Receivable

Accounts receivable, which are deemed uncollectible based upon a periodic review of the accounts, are charged to revenue. At June 30, 2012, no allowance for uncollectible accounts was considered necessary.

3. Capital Assets

Capital assets, which include property and equipment, are recorded at cost. Capital assets are defined by the district as assets with an initial, individual cost of $500 or more. Depreciation is computed using the straight-line method over the estimated useful lives, which range from five to 25 years.

4. Operating Budget

The district is required by state law to adopt an annual operating budget. The Board of Directors approves the original budget and any amendments, and maintains the legal level of control at the line item level. The budget is prepared on the accrual basis of accounting. All appropriations lapse at the end of the year.

5. Compensated Absences

The district's full-time employees are granted vacation leave in varying amounts. In the event of termination, the employee is paid for any unused vacation leave.

C. Cash

Cash represents money on deposit in various banks. The district considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

State of Tennessee law authorizes the district to invest in obligations of the United States or its agencies, non-convertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the State of Tennessee Local Government Investment Pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee 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.

All of the district's cash and cash equivalent balances at June 30, 2012, were entirely insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the district's agent in the district's name.

D. Lease

The district occupies its facilities provided by Anderson County on a month-by-month basis without charge.

E. Capital Assets

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

	Balance 7-1-11	Additions	Retirements	Balance 6-30-12
Capital Assets Depreciated:				
Communications Equipment	$ 380,336	$ 0	$ (7,953)	$ 372,383
Furniture and Fixtures	48,625	0	(1,256)	47,369
Office Equipment	14,998	7,864	0	22,862
Vehicle	19,425	0	0	19,425
Leasehold Improvements	60,542	0	(3,475)	57,067
Other Capital Assets	71,848	0	0	71,848
	$ 595,774	$ 7,864	$ (12,684)	$ 590,954
Accumulated Depreciation	(363,290)	(35,110)	8,639	(389,761)
Capital Assets Depreciated, Net	$ 232,484	$ (27,246)	$ (4,045)	$ 201,193

F. 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 carries commercial insurance for all risks of loss, including general liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 16,855,344	$ 0	$ 0	$ 16,855,344	$ 16,670,938	$ 16,862,938	$ (7,594)
Licenses and Permits	362,401	0	0	362,401	334,700	334,700	27,701
Fines, Forfeitures, and Penalties	434,756	0	0	434,756	456,700	487,200	(52,444)
Charges for Current Services	794,471	0	0	794,471	756,000	782,000	12,471
Other Local Revenues	745,882	0	0	745,882	555,518	656,605	89,277
Fees Received from County Officials	4,156,362	0	0	4,156,362	3,691,250	3,691,250	465,112
State of Tennessee	1,699,838	0	0	1,699,838	1,675,050	2,130,056	(430,218)
Federal Government	1,758,874	0	0	1,758,874	102,000	2,428,564	(669,690)
Other Governments and Citizens Groups	178,656	0	0	178,656	181,450	206,824	(28,168)
Total Revenues	$ 26,986,584	$ 0	$ 0	$ 26,986,584	$ 24,423,606	$ 27,580,137	$ (593,553)
Expenditures							
General Government							
County Commission	$ 271,676	$ 0	$ 0	$ 271,676	$ 269,263	$ 276,120	$ 4,444
Board of Equalization	808	0	0	808	7,636	7,636	6,828
Other Boards and Committees	266,486	0	0	266,486	248,810	276,435	9,949
County Mayor/Executive	136,716	0	0	136,716	158,608	147,845	11,129
Personnel Office	134,590	0	0	134,590	135,658	136,035	1,445
County Attorney	302,054	0	0	302,054	307,630	311,682	9,628
Election Commission	368,917	0	0	368,917	418,686	418,934	50,017
Register of Deeds	392,466	0	0	392,466	387,241	396,864	4,398
Planning	297,792	0	0	297,792	352,854	348,887	51,095
Building	77,642	(2,520)	0	75,122	0	113,220	38,098
Engineering	567	0	0	567	0	0	(567)
County Buildings	746,022	0	126,035	872,057	876,866	1,117,099	245,042

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
General Government (Cont.)							
Other General Administration	$ 143,111	$ 0	$ 5,900	$ 149,011	$ 139,742	$ 219,899	$ 70,888
Preservation of Records	40,270	0	0	40,270	44,985	44,954	4,684
Finance							
Accounting and Budgeting	603,180	0	14,958	618,138	624,805	647,691	29,553
Purchasing	213,115	0	0	213,115	204,554	221,955	8,840
Property Assessor's Office	380,773	0	0	380,773	424,821	417,716	36,943
Reappraisal Program	124,109	0	0	124,109	140,853	140,916	16,807
County Trustee's Office	584,404	0	0	584,404	585,945	589,677	5,273
County Clerk's Office	773,293	0	0	773,293	781,366	795,451	22,158
Administration of Justice							
Circuit Court	1,105,854	0	0	1,105,854	1,109,155	1,127,761	21,907
Criminal Court	1,211	0	0	1,211	2,058	2,058	847
General Sessions Judge	549,267	0	0	549,267	587,167	577,039	27,772
Drug Court	54,772	0	0	54,772	57,753	57,812	3,040
Chancery Court	413,708	0	0	413,708	433,436	437,798	24,090
Juvenile Court	528,186	0	0	528,186	539,104	553,706	25,520
District Attorney General	44,417	0	0	44,417	45,367	45,536	1,119
Office of Public Defender	39,322	0	0	39,322	0	39,781	459
Judicial Commissioners	663	0	0	663	694	694	31
Probate Court	2,680	0	0	2,680	3,850	2,538	(142)
Other Administration of Justice	274,229	0	0	274,229	441,508	688,639	414,410
Courtroom Security	69,951	0	7,622	77,573	0	92,782	15,209
Victims Assistance Programs	28,198	0	0	28,198	0	24,500	(3,698)

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety							
Sheriff's Department	$ 5,061,543	$ 0	$ 0	$ 5,061,543	$ 4,561,077	$ 5,195,333	$ 133,790
Jail	4,908,017	0	0	4,908,017	4,710,935	5,043,948	135,931
Commissary	7,463	0	0	7,463	15,000	20,040	12,577
Civil Defense	432,213	0	0	432,213	322,216	648,829	216,616
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
Other Emergency Management	623,026	0	0	623,026	773,051	735,363	112,337
County Coroner/Medical Examiner	110,000	0	0	110,000	110,000	110,000	0
Public Safety Grant Programs	78,788	0	0	78,788	81,198	81,317	2,529
Other Public Safety	280,375	0	0	280,375	350,824	306,461	26,086
Public Health and Welfare							
Local Health Center	296,169	0	18,025	314,194	260,794	371,697	57,503
Rabies and Animal Control	125,954	0	0	125,954	130,727	132,985	7,031
Dental Health Program	337,717	0	0	337,717	337,282	370,028	32,311
Alcohol and Drug Programs	10,000	0	0	10,000	10,000	10,000	0
Other Local Health Services	341,199	0	0	341,199	386,589	379,783	38,584
Appropriation to State	0	0	0	0	105,840	0	0
Sanitation Management	144,426	0	0	144,426	147,245	147,245	2,819
Convenience Centers	521,305	0	0	521,305	530,600	1,232,100	710,795
Other Waste Collection	68,879	0	0	68,879	66,565	68,065	(814)
Recycling Center	13,515	0	0	13,515	5,000	17,700	4,185
Landfill Operation and Maintenance	605,653	0	0	605,653	637,000	637,000	31,347
Other Waste Disposal	58,996	0	0	58,996	76,750	72,000	13,004
Social, Cultural, and Recreational Services							
Parks and Fair Boards	3,000	0	0	3,000	3,000	3,000	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Other Social, Cultural, and Recreational	$ 72,986	$ 0	$ 0	$ 72,986	$ 74,717	$ 74,855	$ 1,869
Agriculture and Natural Resources							
Agriculture Extension Service	158,754	0	0	158,754	157,982	164,369	5,615
Soil Conservation	53,389	0	0	53,389	56,263	56,451	3,062
Storm Water Management	71,489	0	0	71,489	72,123	73,351	1,862
Other Operations							
Industrial Development	140,000	0	0	140,000	464,702	170,702	30,702
Other Economic and Community Development	243,739	0	0	243,739	0	516,000	272,261
Veterans' Services	92,417	0	0	92,417	92,010	92,601	184
Other Charges	734,859	0	0	734,859	448,500	733,555	(1,304)
ARRA Grant # A	8,794	0	0	8,794	0	22,438	13,644
Miscellaneous	100,122	0	0	100,122	89,141	105,314	5,192
Interest on Debt							
General Government	17,583	0	0	17,583	0	17,591	8
Capital Projects							
Public Safety Projects	0	0	0	0	0	245,195	245,195
Public Utility Projects	1,030,560	0	118,679	1,149,239	0	1,510,664	361,425
Total Expenditures	$ 25,743,379	$ (2,520)	$ 291,219	$ 26,032,078	$ 24,427,546	$ 29,665,640	$ 3,633,562
Excess (Deficiency) of Revenues Over Expenditures	$ 1,243,205	$ 2,520	$ (291,219)	$ 954,506	$ (3,940)	$ (2,085,503)	$ 3,040,009
Other Financing Sources (Uses)							
Bonds Issued	$ 858,012	$ 0	$ 0	$ 858,012	$ 0	$ 983,000	$ (124,988)

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Proceeds from Sale of Capital Assets	$ 1,100	$ 0	$ 0	$ 1,100	$ 0	$ 0	$ 1,100
Transfers In	0	0	0	0	200,000	158,517	(158,517)
Transfers Out	(216,107)	0	0	(216,107)	(107,200)	(216,200)	93
Total Other Financing Sources (Uses)	$ 643,005	$ 0	$ 0	$ 643,005	$ 92,800	$ 925,317	$ (282,312)
Net Change in Fund Balance	$ 1,886,210	$ 2,520	$ (291,219)	$ 1,597,511	$ 88,860	$ (1,160,186)	$ 2,757,697
Fund Balance, July 1, 2011	3,849,604	(2,520)	0	3,847,084	2,470,795	2,470,795	1,376,289
Fund Balance, June 30, 2012	$ 5,735,814	$ 0	$ (291,219)	$ 5,444,595	$ 2,559,655	$ 1,310,609	$ 4,133,986

Exhibit F-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 927,724	$ 956,086	$ 956,086	$ (28,362)
Other Local Revenues	868,739	600,000	600,000	268,739
State of Tennessee	2,201,238	2,294,000	2,294,000	(92,762)
Federal Government	57,228	0	0	57,228
Other Governments and Citizens Groups	3,118	0	0	3,118
Total Revenues	$ 4,058,047	$ 3,850,086	$ 3,850,086	$ 207,961
Expenditures				
Highways				
Administration	$ 244,120	$ 277,696	$ 349,196	$ 105,076
Highway and Bridge Maintenance	1,705,347	1,678,727	2,067,327	361,980
Operation and Maintenance of Equipment	984,270	1,092,070	1,343,570	359,300
Other Charges	233,368	225,400	240,400	7,032
Capital Outlay	389,276	685,000	783,400	394,124
Total Expenditures	$ 3,556,381	$ 3,958,893	$ 4,783,893	$ 1,227,512
Excess (Deficiency) of Revenues Over Expenditures	$ 501,666	$ (108,807)	$ (933,807)	$ 1,435,473
Other Financing Sources (Uses)				
Insurance Recovery	$ 1,496	$ 0	$ 0	$ 1,496
Total Other Financing Sources (Uses)	$ 1,496	$ 0	$ 0	$ 1,496
Net Change in Fund Balance	$ 503,162	$ (108,807)	$ (933,807)	$ 1,436,969
Fund Balance, July 1, 2011	1,438,963	1,067,336	1,067,336	371,627
Fund Balance, June 30, 2012	$ 1,942,125	$ 958,529	$ 133,529	$ 1,808,596

Exhibit F-3

Anderson County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Anderson County School Department
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	$ 53,184	$ 55,819	$ 2,634	95.28 %	$ 21,629	12.18 %
7-1-09	43,808	44,553	745	98.33	20,801	3.58
7-1-07	40,991	41,920	929	97.78	16,932	5.49

Exhibit F-4

Anderson County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Anderson County School Department
June 30, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT							
Self-Insured*	7-1-09	$ 0	$ 195	$ 195	0 %	$ 13,499	1.44 %
"	7-1-11	0	245	245	0	15,728	1.56
DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT							
Local Education	7-1-09	0	5,241	5,241	0	36,782	14.25
"	7-1-10	0	5,416	5,416	0	38,223	14.17
"	7-1-11	0	5,598	5,598	0	37,557	14.90

*One additional actuarial valuation will be reported as data becomes available.

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

A. BUDGETARY INFORMATION

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

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

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

At June 30, 2012, Anderson County reported the following significant encumbrances in the General Fund:

Description	Amount
Courthouse Roof	$ 126,035
Claxton Sewer Improvements	118,679

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) in the General Fund:

Major Category	Amount Overspent
Engineering	$ 567
Probate Court	142
Victims Assistance Programs	3,698
Other Waste Collection	814
Other Charges	1,304

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by unspent appropriations in other major categories.

C. OTHER POSTEMPLOYMENT BENEFITS

The July 1, 2011, actuarial valuation for the primary government included expectations about new benefits not included in the previous valuation dated July 1, 2009. Previously, the county allowed retirees to remain on the county insurance plan at their own expense, but did not subsidize any retiree premiums. However, during the current year the plan was amended. For retirees with 30-plus years of continuous service who retire after July 1, 2012, Anderson County will pay $300 per month premium assistance until attainment of age 65 when the retiree becomes eligible for Medicare. Furthermore, the projected unit credit actuarial cost method was used for the July 1, 2011, actuarial valuation, while the previous valuation was prepared using the entry age normal actuarial cost method.

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.

Public Library Fund – The Public Library Fund is used to account for transactions of the Anderson County Public Library, which is jointly funded by Anderson County, the City of Clinton, City of Oak Ridge, and Lake City.

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

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions of the Anderson County Tourism Board.

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

Exhibit G-1

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

	Special Revenue Funds					
	Public Library	Drug Control	District Attorney General	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 737	$ 0	$ 0	$ 0	$ 1,632	$ 2,369
Equity in Pooled Cash and Investments	345,250	170,290	23,745	202,618	0	741,903
Accounts Receivable	1,450	135	0	29,101	2,209	32,895
Due from Other Funds	284	147	0	0	0	431
Property Taxes Receivable	456,640	0	0	0	0	456,640
Allowance for Uncollectible Property Taxes	(16,430)	0	0	0	0	(16,430)
Total Assets	$ 787,931	$ 170,572	$ 23,745	$ 231,719	$ 3,841	$ 1,217,808
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 10,667	$ 483	$ 0	$ 11,956	$ 0	$ 23,106
Accrued Payroll	7,202	0	0	2,831	0	10,033
Payroll Deductions Payable	3,369	0	0	915	0	4,284
Due to Other Funds	4,338	0	0	1,057	3,841	9,236
Deferred Revenue - Current Property Taxes	421,207	0	0	0	0	421,207
Deferred Revenue - Delinquent Property Taxes	16,599	0	0	0	0	16,599
Total Liabilities	$ 463,382	$ 483	$ 0	$ 16,759	$ 3,841	$ 484,465
Fund Balances						
Restricted:						
Restricted for Administration of Justice	$ 0	$ 0	$ 23,745	$ 0	$ 0	$ 23,745
Restricted for Public Safety	0	170,089	0	0	0	170,089
Restricted for Social, Cultural, and Recreational Services	102,238	0	0	214,960	0	317,198
Committed:						
Committed for Social, Cultural, and Recreational Services	222,311	0	0	0	0	222,311
Total Fund Balances	$ 324,549	$ 170,089	$ 23,745	$ 214,960	$ 0	$ 733,343
Total Liabilities and Fund Balances	$ 787,931	$ 170,572	$ 23,745	$ 231,719	$ 3,841	$ 1,217,808

Exhibit G-2

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

	Special Revenue Funds					
	Public Library	Drug Control	District Attorney General	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues						
Local Taxes	$ 412,689	$ 0	$ 0	$ 267,383	$ 0	$ 680,072
Fines, Forfeitures, and Penalties	0	126,887	14,356	0	0	141,243
Charges for Current Services	26,139	0	0	0	13,343	39,482
Other Local Revenues	35,249	572	3,510	5,434	0	44,765
State of Tennessee	0	275	0	2,000	0	2,275
Other Governments and Citizens Groups	130,311	0	0	0	0	130,311
Total Revenues	$ 604,388	$ 127,734	$ 17,866	$ 274,817	$ 13,343	$ 1,038,148
Expenditures						
Current:						
Finance	$ 0	$ 0	$ 0	$ 0	$ 599	$ 599
Administration of Justice	0	0	10,432	0	12,744	23,176
Public Safety	0	121,840	0	0	0	121,840
Social, Cultural, and Recreational Services	597,724	0	0	0	0	597,724
Other Operations	0	0	0	277,112	0	277,112
Total Expenditures	$ 597,724	$ 121,840	$ 10,432	$ 277,112	$ 13,343	$ 1,020,451
Excess (Deficiency) of Revenues Over Expenditures	$ 6,664	$ 5,894	$ 7,434	$ (2,295)	$ 0	$ 17,697
Net Change in Fund Balances	$ 6,664	$ 5,894	$ 7,434	$ (2,295)	$ 0	$ 17,697
Fund Balance, July 1, 2011	317,885	164,195	16,311	217,255	0	715,646
Fund Balance, June 30, 2012	$ 324,549	$ 170,089	$ 23,745	$ 214,960	$ 0	$ 733,343

Exhibit G-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 412,689	$ 396,416	$ 396,416	$ 16,273
Charges for Current Services	26,139	18,900	18,900	7,239
Other Local Revenues	35,249	4,650	7,171	28,078
State of Tennessee	0	0	839	(839)
Other Governments and Citizens Groups	130,311	130,311	130,311	0
Total Revenues	$ 604,388	$ 550,277	$ 553,637	$ 50,751
Expenditures				
Social, Cultural, and Recreational Services				
Libraries	$ 597,724	$ 581,513	$ 663,159	$ 65,435
Total Expenditures	$ 597,724	$ 581,513	$ 663,159	$ 65,435
Excess (Deficiency) of Revenues Over Expenditures	$ 6,664	$ (31,236)	$ (109,522)	$ 116,186
Net Change in Fund Balance	$ 6,664	$ (31,236)	$ (109,522)	$ 116,186
Fund Balance, July 1, 2011	317,885	340,748	340,748	(22,863)
Fund Balance, June 30, 2012	$ 324,549	$ 309,512	$ 231,226	$ 93,323

Exhibit G-4

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 126,887	$ 99,000	$ 99,000	$ 27,887
Other Local Revenues	572	1,000	1,000	(428)
State of Tennessee	275	0	0	275
Total Revenues	$ 127,734	$ 100,000	$ 100,000	$ 27,734
Expenditures				
Public Safety				
Drug Enforcement	$ 121,840	$ 100,000	$ 165,000	$ 43,160
Total Expenditures	$ 121,840	$ 100,000	$ 165,000	$ 43,160
Excess (Deficiency) of Revenues Over Expenditures	$ 5,894	$ 0	$ (65,000)	$ 70,894
Net Change in Fund Balance	$ 5,894	$ 0	$ (65,000)	$ 70,894
Fund Balance, July 1, 2011	164,195	65,000	65,000	99,195
Fund Balance, June 30, 2012	$ 170,089	$ 65,000	$ 0	$ 170,089

Exhibit G-5

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 267,383	$ 220,093	$ 226,693	$ 40,690
Other Local Revenues	5,434	0	0	5,434
State of Tennessee	2,000	0	0	2,000
Total Revenues	$ 274,817	$ 220,093	$ 226,693	$ 48,124
Expenditures				
Other Operations				
Tourism	$ 277,112	$ 220,093	$ 307,593	$ 30,481
Total Expenditures	$ 277,112	$ 220,093	$ 307,593	$ 30,481
Excess (Deficiency) of Revenues Over Expenditures	$ (2,295)	$ 0	$ (80,900)	$ 78,605
Net Change in Fund Balance	$ (2,295)	$ 0	$ (80,900)	$ 78,605
Fund Balance, July 1, 2011	217,255	172,807	172,807	44,448
Fund Balance, June 30, 2012	$ 214,960	$ 172,807	$ 91,907	$ 123,053

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of long-term debt issued for the construction and renovations of the county's elementary schools.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of long-term debt issued for the construction and renovations of the county's middle and high schools.

Exhibit H-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,580,377	$ 1,620,026	$ 1,620,026	$ (39,649)
Other Local Revenues	44,450	10,000	10,000	34,450
Federal Government	33,939	0	0	33,939
Total Revenues	$ 1,658,766	$ 1,630,026	$ 1,630,026	$ 28,740
Expenditures				
Principal on Debt				
General Government	$ 1,174,000	$ 1,274,000	$ 1,274,000	$ 100,000
Interest on Debt				
General Government	556,333	975,561	975,561	419,228
Other Debt Service				
General Government	42,169	76,000	76,000	33,831
Total Expenditures	$ 1,772,502	$ 2,325,561	$ 2,325,561	$ 553,059
Excess (Deficiency) of Revenues Over Expenditures	$ (113,736)	$ (695,535)	$ (695,535)	$ 581,799
Net Change in Fund Balance	$ (113,736)	$ (695,535)	$ (695,535)	$ 581,799
Fund Balance, July 1, 2011	2,929,511	2,934,280	2,934,280	(4,769)
Fund Balance, June 30, 2012	$ 2,815,775	$ 2,238,745	$ 2,238,745	$ 577,030

Exhibit H-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 178,345	$ 171,974	$ 171,974	$ 6,371
Other Local Revenues	70,942	3,000	3,000	67,942
Other Governments and Citizens Groups	779,894	876,540	905,093	(125,199)
Total Revenues	$ 1,029,181	$ 1,051,514	$ 1,080,067	$ (50,886)
Expenditures				
Principal on Debt				
Education	$ 603,553	$ 550,000	$ 603,553	$ 0
Interest on Debt				
Education	417,287	485,573	485,573	68,286
Other Debt Service				
Education	7,542	15,500	18,100	10,558
Capital Projects				
Education Capital Projects	4,754,000	0	4,754,000	0
Total Expenditures	$ 5,782,382	$ 1,051,073	$ 5,861,226	$ 78,844
Excess (Deficiency) of Revenues Over Expenditures	$ (4,753,201)	$ 441	$ (4,781,159)	$ 27,958
Net Change in Fund Balance	$ (4,753,201)	$ 441	$ (4,781,159)	$ 27,958
Fund Balance, July 1, 2011	4,954,510	4,950,236	4,950,236	4,274
Fund Balance, June 30, 2012	$ 201,309	$ 4,950,677	$ 169,077	$ 32,232

Exhibit H-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,424,183	$ 1,394,197	$ 1,394,197	$ 29,986
Other Local Revenues	66,214	10,000	10,000	56,214
Other Governments and Citizens Groups	0	110,272	110,272	(110,272)
Total Revenues	$ 1,490,397	$ 1,514,469	$ 1,514,469	$ (24,072)
Expenditures				
Principal on Debt				
Education	$ 725,000	$ 700,000	$ 725,000	$ 0
Interest on Debt				
Education	491,011	796,384	771,384	280,373
Other Debt Service				
Education	32,434	35,000	44,000	11,566
Capital Projects				
Education Capital Projects	3,139,000	0	3,139,000	0
Total Expenditures	$ 4,387,445	$ 1,531,384	$ 4,679,384	$ 291,939
Excess (Deficiency) of Revenues Over Expenditures	$ (2,897,048)	$ (16,915)	$ (3,164,915)	$ 267,867
Other Financing Sources (Uses)				
Transfers In	$ 16,107	$ 16,200	$ 16,200	$ (93)
Total Other Financing Sources (Uses)	$ 16,107	$ 16,200	$ 16,200	$ (93)
Net Change in Fund Balance	$ (2,880,941)	$ (715)	$ (3,148,715)	$ 267,774
Fund Balance, July 1, 2011	4,787,359	4,765,348	4,765,348	22,011
Fund Balance, June 30, 2012	$ 1,906,418	$ 4,764,633	$ 1,616,633	$ 289,785

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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.

City School ADA - Clinton Fund and City School ADA - Oak Ridge Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Joint Venture Fund – The Joint Venture Fund is used to account for transactions of the Judicial District Drug Task Force, a joint venture of the various law enforcement agencies of the Seventh Judicial District.

Exhibit I-1

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

	Agency Funds					
	Cities - Sales Tax	City School ADA - Clinton	City School ADA - Oak Ridge	Constitu-tional Officers - Agency	Joint Venture	Total
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 1,792,233	$ 0	$ 1,792,233
Equity in Pooled Cash and Investments	0	2,869	13,411	0	7,896	24,176
Due from Other Governments	1,977,725	157,411	735,804	0	0	2,870,940
Taxes Receivable	0	1,855,575	8,674,882	0	0	10,530,457
Allowance for Uncollectible Taxes	0	(66,765)	(312,131)	0	0	(378,896)
Total Assets	$ 1,977,725	$ 1,949,090	$ 9,111,966	$ 1,792,233	$ 7,896	$ 14,838,910
LIABILITIES						
Due to Other Taxing Units	$ 1,977,725	$ 1,949,090	$ 9,111,966	$ 0	$ 0	$ 13,038,781
Due to Joint Ventures	0	0	0	0	7,896	7,896
Due to Litigants, Heirs, and Others	0	0	0	1,792,233	0	1,792,233
Total Liabilities	$ 1,977,725	$ 1,949,090	$ 9,111,966	$ 1,792,233	$ 7,896	$ 14,838,910

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 11,747,237	$ 11,747,237	$ 0
Due from Other Governments	1,934,456	1,977,725	1,934,456	1,977,725
Total Assets	$ 1,934,456	$ 13,724,962	$ 13,681,693	$ 1,977,725
Liabilities				
Due to Other Taxing Units	$ 1,934,456	$ 13,724,962	$ 13,681,693	$ 1,977,725
Total Liabilities	$ 1,934,456	$ 13,724,962	$ 13,681,693	$ 1,977,725
City School ADA - Clinton Fund				
Assets				
Equity in Pooled Cash and Investments	$ 3,853	$ 2,647,225	$ 2,648,209	$ 2,869
Due from Other Governments	154,511	157,411	154,511	157,411
Taxes Receivable	1,815,544	1,855,575	1,815,544	1,855,575
Allowance for Uncollectible Taxes	(70,762)	(66,765)	(70,762)	(66,765)
Total Assets	$ 1,903,146	$ 4,593,446	$ 4,547,502	$ 1,949,090
Liabilities				
Due to Other Taxing Units	$ 1,903,146	$ 4,593,446	$ 4,547,502	$ 1,949,090
Total Liabilities	$ 1,903,146	$ 4,593,446	$ 4,547,502	$ 1,949,090
City School ADA - Oak Ridge Fund				
Assets				
Equity in Pooled Cash and Investments	$ 18,127	$ 12,375,692	$ 12,380,408	$ 13,411
Due from Other Governments	726,896	735,804	726,896	735,804
Taxes Receivable	8,537,678	8,674,882	8,537,678	8,674,882
Allowance for Uncollectible Taxes	(332,759)	(312,131)	(332,759)	(312,131)
Total Assets	$ 8,949,942	$ 21,474,247	$ 21,312,223	$ 9,111,966
Liabilities				
Due to Other Taxing Units	$ 8,949,942	21,474,247	21,312,223	$ 9,111,966
Total Liabilities	$ 8,949,942	$ 21,474,247	$ 21,312,223	$ 9,111,966

(Continued)

Exhibit I-2

Anderson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,636,082	$ 12,597,614	$ 12,441,463	$ 1,792,233
Total Assets	$ 1,636,082	$ 12,597,614	$ 12,441,463	$ 1,792,233
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,636,082	$ 12,597,614	$ 12,441,463	$ 1,792,233
Total Liabilities	$ 1,636,082	$ 12,597,614	$ 12,441,463	$ 1,792,233
Joint Venture - Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 47,800	$ 65,950	$ 105,854	$ 7,896
Total Assets	$ 47,800	$ 65,950	$ 105,854	$ 7,896
Liabilities				
Due to Joint Venture	$ 47,800	$ 65,950	$ 105,854	$ 7,896
Total Liabilities	$ 47,800	$ 65,950	$ 105,854	$ 7,896
Totals - All Agency Funds				
Assets				
Cash	$ 1,636,082	$ 12,597,614	$ 12,441,463	$ 1,792,233
Equity in Pooled Cash and Investments	69,780	26,836,104	26,881,708	24,176
Due from Other Governments	2,815,863	2,870,940	2,815,863	2,870,940
Taxes Receivable	10,353,222	10,530,457	10,353,222	10,530,457
Allowance for Uncollectible Taxes	(403,521)	(378,896)	(403,521)	(378,896)
Total Assets	$ 14,471,426	$ 52,456,219	$ 52,088,735	$ 14,838,910
Liabilities				
Due to Joint Ventures	$ 47,800	$ 65,950	$ 105,854	$ 7,896
Due to Other Taxing Units	12,787,544	39,792,655	39,541,418	13,038,781
Due to Litigants, Heirs, and Others	1,636,082	12,597,614	12,441,463	1,792,233
Total Liabilities	$ 14,471,426	$ 52,456,219	$ 52,088,735	$ 14,838,910

Anderson County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for day-care programs offered by the School Department, the companion program, and the headstart program.

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

Flexible Benefits Fund – The Flexible Benefits Fund has been used to account for medical reimbursement and dependent care benefits for school employees. This program is currently being administered by a third party; therefore this fund was closed during the current year.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 39,988,354	$ 235,957	$ 5,054,273	$ 18,622,722	$ (16,075,402)
Support Services	20,427,343	12,316	822,453	69,548	(19,523,026)
Operation of Non-Instructional Services	5,461,247	977,826	6,188,759	0	1,705,338
Interest on Long-term Debt	105,652	0	0	0	(105,652)
Total Governmental Activities	$ 65,982,596	$ 1,226,099	$ 12,065,485	$ 18,692,270	$ (33,998,742)

General Revenues:	
Taxes:	
Property Taxes Levied for General Purposes	$ 14,052,786
Local Option Sales Taxes	7,293,096
Other Local Taxes	58,086
Grants and Contributions Not Restricted for Specific Programs	29,000,614
Unrestricted Investment Income	18,088
Miscellaneous	142,600
Total General Revenues	$ 50,565,270
Change in Net Assets	$ 16,566,528
Net Assets, July 1, 2011	33,227,988
Prior-period Adjustment	197,859
Net Assets, June 30, 2012	$ 49,992,375

Exhibit J-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS				
Cash	$ 10,000	$ 0	$ 25	$ 10,025
Equity in Pooled Cash and Investments	4,321,316	3,883,506	1,054,680	9,259,502
Inventories	0	0	32,616	32,616
Accounts Receivable	2,581	0	24	2,605
Due from Other Governments	1,412,262	0	490,535	1,902,797
Due from Other Funds	137,370	0	8,302	145,672
Due from Primary Government	79,334	0	3,239	82,573
Property Taxes Receivable	14,567,278	0	0	14,567,278
Allowance for Uncollectible Property Taxes	(524,145)	0	0	(524,145)
Prepaid Items	4,079	0	0	4,079
Total Assets	$ 20,010,075	$ 3,883,506	$ 1,589,421	$ 25,483,002
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 352,465	$ 141,864	$ 307,257	$ 801,586
Accrued Payroll	0	0	163	163
Payroll Deductions Payable	338,249	0	55,984	394,233
Contracts Payable	0	837,858	0	837,858
Retainage Payable	0	52,415	0	52,415
Due to Other Funds	8,302	0	137,370	145,672
Due to Primary Government	260,179	0	779	260,958
Due to State of Tennessee	0	0	17	17
Deferred Revenue - Current Property Taxes	13,436,924	0	0	13,436,924
Deferred Revenue - Delinquent Property Taxes	529,407	0	0	529,407
Other Deferred Revenues	629,100	0	0	629,100
Total Liabilities	$ 15,554,626	$ 1,032,137	$ 501,570	$ 17,088,333
Fund Balances				
Nonspendable:				
Inventory	$ 0	$ 0	$ 32,616	$ 32,616
Prepaid Items	4,079	0	0	4,079
Restricted:				
Restricted for Education	44,370	0	1,055,235	1,099,605
Restricted for Capital Projects	0	2,851,369	0	2,851,369
Restricted for Other Purposes	8,492	0	0	8,492
Committed:				
Committed for Education	59,173	0	0	59,173
Committed for Capital Projects	33,320	0	0	33,320
Assigned:				
Assigned for Education	1,610,035	0	0	1,610,035
Unassigned	2,695,980	0	0	2,695,980
Total Fund Balances	$ 4,455,449	$ 2,851,369	$ 1,087,851	$ 8,394,669
Total Liabilities and Fund Balances	$ 20,010,075	$ 3,883,506	$ 1,589,421	$ 25,483,002

Exhibit J-3

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Anderson County School Department
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)			$ 8,394,669
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	839,889	
Add: construction in progress		5,562,244	
Add: buildings and improvements net of accumulated depreciation		33,790,907	
Add: other capital assets net of accumulated depreciation		2,731,223	42,924,263
(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	$	(353,871)	
Less: lease payable		(645,896)	
Less: accrued interest on notes and capital lease		(2,869)	
Less: other postemployment benefits liability		(1,157,211)	
Less: compensated absences payable		(325,217)	(2,485,064)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			1,158,507
Net assets of governmental activities (Exhibit A)			$ 49,992,375

Exhibit J-4

Anderson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 21,285,411	$ 0	$ 0	$ 21,285,411
Licenses and Permits	3,128	0	0	3,128
Charges for Current Services	86,530	0	1,139,651	1,226,181
Other Local Revenues	237,298	0	5,256	242,554
State of Tennessee	30,845,681	0	119,267	30,964,948
Federal Government	174,534	0	9,945,483	10,120,017
Other Governments and Citizens Groups	649,079	10,085,148	0	10,734,227
Total Revenues	$ 53,281,661	$ 10,085,148	$ 11,209,657	$ 74,576,466
Expenditures				
Current:				
Instruction	$ 31,780,056	$ 0	$ 3,423,132	$ 35,203,188
Support Services	19,218,030	0	1,402,207	20,620,237
Operation of Non-Instructional Services	717,567	0	6,241,727	6,959,294
Capital Outlay	502,322	7,233,779	0	7,736,101
Debt Service:				
Principal on Debt	147,130	0	34,487	181,617
Interest on Debt	41,796	0	64,636	106,432
Other Debt Service	780,994	0	0	780,994
Total Expenditures	$ 53,187,895	$ 7,233,779	$ 11,166,189	$ 71,587,863
Excess (Deficiency) of Revenues Over Expenditures	$ 93,766	$ 2,851,369	$ 43,468	$ 2,988,603
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	$ 113	$ 0	$ 611	$ 724
Insurance Recovery	16,588	0	0	16,588
Transfers In	203,392	0	131,298	334,690
Transfers Out	0	0	(334,690)	(334,690)
Total Other Financing Sources (Uses)	$ 220,093	$ 0	$ (202,781)	$ 17,312
Net Change in Fund Balances	$ 313,859	$ 2,851,369	$ (159,313)	$ 3,005,915
Fund Balance, July 1, 2011	4,141,590	0	1,247,164	5,388,754
Fund Balance, June 30, 2012	$ 4,455,449	$ 2,851,369	$ 1,087,851	$ 8,394,669

Exhibit J-5

Anderson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:			
Net change in fund balances - total governmental funds (Exhibit J-4)			$ 3,005,915
(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	$ 7,531,087	
	Less: current year depreciation expense	(1,791,181)	5,739,906
(2)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Add: deferred delinquent property taxes and other deferred June 30, 2012	$ 1,158,507	
	Less: deferred delinquent property taxes and other deferred June 30, 2011	(1,072,921)	85,586
(3)	The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
	Add: contribution from primary government - debt forgiven on note payable to primary government	$ 7,893,000	
	Add: principal payments on notes	140,968	
	Add: principal payments on leases	40,649	8,074,617
(4)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in accrued interest	$ 780	
	Change in other postemployment benefits liability	(322,207)	
	Change in compensated absences payable	(18,069)	(339,496)
Change in net assets of governmental activities (Exhibit B)			$ 16,566,528

Exhibit J-6

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

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 25	$ 0	$ 25
Equity in Pooled Cash and Investments	8,091	989,842	56,747	1,054,680
Inventories	0	32,616	0	32,616
Accounts Receivable	0	24	0	24
Due from Other Governments	260,837	2,833	226,865	490,535
Due from Other Funds	0	8,302	0	8,302
Due from Primary Government	3,239	0	0	3,239
Total Assets	$ 272,167	$ 1,033,642	$ 283,612	$ 1,589,421
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 159,239	$ 27,281	$ 120,737	$ 307,257
Accrued Payroll	0	0	163	163
Payroll Deductions Payable	27,795	14,481	13,708	55,984
Due to Other Funds	48,043	0	89,327	137,370
Due to Primary Government	299	0	480	779
Due to State of Tennessee	0	0	17	17
Total Liabilities	$ 235,376	$ 41,762	$ 224,432	$ 501,570
Fund Balances				
Nonspendable:				
Inventory	$ 0	$ 32,616	$ 0	$ 32,616
Restricted:				
Restricted for Education	36,791	959,264	59,180	1,055,235
Total Fund Balances	$ 36,791	$ 991,880	$ 59,180	$ 1,087,851
Total Liabilities and Fund Balances	$ 272,167	$ 1,033,642	$ 283,612	$ 1,589,421

Exhibit J-7

Anderson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	$ 12,316	$ 959,564	$ 167,771	$ 1,139,651
Other Local Revenues	2,434	238	2,584	5,256
State of Tennessee	47,749	30,553	40,965	119,267
Federal Government	4,693,559	2,255,277	2,996,647	9,945,483
Total Revenues	$ 4,756,058	$ 3,245,632	$ 3,207,967	$ 11,209,657
Expenditures				
Current:				
Instruction	$ 3,423,132	$ 0	$ 0	$ 3,423,132
Support Services	1,402,207	0	0	1,402,207
Operation of Non-Instructional Services	16,029	3,330,610	2,895,088	6,241,727
Debt Service:				
Principal on Debt	0	0	34,487	34,487
Interest on Debt	0	0	64,636	64,636
Total Expenditures	$ 4,841,368	$ 3,330,610	$ 2,994,211	$ 11,166,189
Excess (Deficiency) of Revenues Over Expenditures	$ (85,310)	$ (84,978)	$ 213,756	$ 43,468
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	$ 0	$ 611	$ 0	$ 611
Transfers In	0	131,298	0	131,298
Transfers Out	(114,065)	0	(220,625)	(334,690)
Total Other Financing Sources (Uses)	$ (114,065)	$ 131,909	$ (220,625)	$ (202,781)
Net Change in Fund Balances	$ (199,375)	$ 46,931	$ (6,869)	$ (159,313)
Fund Balance, July 1, 2011	236,166	944,949	66,049	1,247,164
Fund Balance, June 30, 2012	$ 36,791	$ 991,880	$ 59,180	$ 1,087,851

Exhibit J-8

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Anderson County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 21,285,411	$ 0	$ 21,285,411	$ 21,549,157	$ 21,379,157	$ (93,746)
Licenses and Permits	3,128	0	3,128	3,120	3,120	8
Charges for Current Services	86,530	0	86,530	227,770	131,426	(44,896)
Other Local Revenues	237,298	0	237,298	165,000	244,988	(7,690)
State of Tennessee	30,845,681	0	30,845,681	30,209,652	30,634,086	211,595
Federal Government	174,534	0	174,534	191,712	228,646	(54,112)
Other Governments and Citizens Groups	649,079	0	649,079	0	392,889	256,190
Total Revenues	$ 53,281,661	$ 0	$ 53,281,661	$ 52,346,411	$ 53,014,312	$ 267,349
Expenditures						
Instruction						
Regular Instruction Program	$ 22,652,478	$ 0	$ 22,652,478	$ 22,845,722	$ 22,942,771	$ 290,293
Special Education Program	5,758,791	0	5,758,791	6,308,861	6,206,793	448,002
Vocational Education Program	3,122,522	0	3,122,522	3,359,886	3,344,174	221,652
Student Body Education Program	81,352	0	81,352	84,033	84,033	2,681
Adult Education Program	164,913	0	164,913	208,695	195,177	30,264
Support Services						
Attendance	387,253	0	387,253	407,087	407,087	19,834
Health Services	424,803	0	424,803	430,456	451,023	26,220
Other Student Support	1,416,869	0	1,416,869	1,478,816	1,461,212	44,343
Regular Instruction Program	1,139,013	0	1,139,013	1,196,473	1,198,035	59,022
Special Education Program	500,463	0	500,463	467,614	519,823	19,360
Vocational Education Program	241,335	0	241,335	265,781	258,492	17,157
Adult Programs	76,105	0	76,105	88,100	99,999	23,894

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Support Services (Cont.)						
Other Programs	$ 259,067	$ 0	$ 259,067	$ 0	$ 260,074	$ 1,007
Board of Education	966,480	0	966,480	984,887	984,887	18,407
Director of Schools	355,548	0	355,548	383,127	384,761	29,213
Office of the Principal	3,287,403	0	3,287,403	3,230,178	3,316,106	28,703
Fiscal Services	395,491	0	395,491	413,149	418,618	23,127
Human Services/Personnel	140,350	7,617	147,967	112,395	148,245	278
Operation of Plant	4,771,693	0	4,771,693	5,014,137	5,046,534	274,841
Maintenance of Plant	1,315,262	0	1,315,262	1,260,859	1,391,922	76,660
Transportation	2,688,039	20,475	2,708,514	2,676,984	2,739,636	31,122
Central and Other	852,856	0	852,856	847,055	858,087	5,231
Operation of Non-Instructional Services						
Community Services	108,858	0	108,858	120,637	116,697	7,839
Early Childhood Education	608,709	0	608,709	612,339	616,234	7,525
Capital Outlay						
Regular Capital Outlay	502,322	0	502,322	524,939	541,439	39,117
Principal on Debt						
Education	147,130	0	147,130	863,738	438,674	291,544
Interest on Debt						
Education	41,796	0	41,796	427,804	42,796	1,000
Other Debt Service						
Education	780,994	0	780,994	267,080	1,019,065	238,071
Total Expenditures	$ 53,187,895	$ 28,092	$ 53,215,987	$ 54,880,832	$ 55,492,394	$ 2,276,407

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ 93,766	$ (28,092)	$ 65,674	$ (2,534,421)	$ (2,478,082)	$ 2,543,756
Other Financing Sources (Uses)						
Other Loans Issued	$ 0	$ 0	$ 0	$ 373,389	$ 0	$ 0
Proceeds from Sale of Capital Assets	113	0	113	0	0	113
Insurance Recovery	16,588	0	16,588	0	0	16,588
Transfers In	203,392	0	203,392	168,272	168,272	35,120
Total Other Financing Sources (Uses)	$ 220,093	$ 0	$ 220,093	$ 541,661	$ 168,272	$ 51,821
Net Change in Fund Balance	$ 313,859	$ (28,092)	$ 285,767	$ (1,992,760)	$ (2,309,810)	$ 2,595,577
Fund Balance, July 1, 2011	4,141,590	0	4,141,590	2,309,810	2,309,810	1,831,780
Fund Balance, June 30, 2012	$ 4,455,449	$ (28,092)	$ 4,427,357	$ 317,050	$ 0	$ 4,427,357

Exhibit J-9

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 12,316	$ 0	$ 12,316	$ 0
Other Local Revenues	2,434	0	2,434	0
State of Tennessee	47,749	12,500	142,250	(94,501)
Federal Government	4,693,559	4,496,043	5,044,130	(350,571)
Total Revenues	$ 4,756,058	$ 4,508,543	$ 5,201,130	$ (445,072)
Expenditures				
Instruction				
Regular Instruction Program	$ 2,088,249	$ 2,219,169	$ 2,162,890	$ 74,641
Special Education Program	1,146,390	941,233	1,251,899	105,509
Vocational Education Program	188,493	183,312	186,089	(2,404)
Support Services				
Other Student Support	210,342	50,500	221,704	11,362
Regular Instruction Program	497,885	598,643	617,592	119,707
Special Education Program	365,435	433,685	517,490	152,055
Board of Education	110	0	110	0
Director of Schools	600	0	600	0
Office of the Principal	2,565	0	2,600	35
Transportation	325,270	209,505	376,463	51,193
Operation of Non-Instructional Services				
Community Services	16,029	0	121,449	105,420
Total Expenditures	$ 4,841,368	$ 4,636,047	$ 5,458,886	$ 617,518
Excess (Deficiency) of Revenues Over Expenditures	$ (85,310)	$ (127,504)	$ (257,756)	$ 172,446
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 156,441	$ 154,718	$ (154,718)
Transfers Out	(114,065)	(274,370)	(282,627)	168,562
Total Other Financing Sources (Uses)	$ (114,065)	$ (117,929)	$ (127,909)	$ 13,844
Net Change in Fund Balance	$ (199,375)	$ (245,433)	$ (385,665)	$ 186,290
Fund Balance, July 1, 2011	236,166	385,665	385,665	(149,499)
Fund Balance, June 30, 2012	$ 36,791	$ 140,232	$ 0	$ 36,791

Exhibit J-10

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 959,564	$ 987,090	$ 991,090	$ (31,526)
Other Local Revenues	238	4,000	4,000	(3,762)
State of Tennessee	30,553	30,000	30,000	553
Federal Government	2,255,277	1,993,444	1,894,094	361,183
Total Revenues	$ 3,245,632	$ 3,014,534	$ 2,919,184	$ 326,448
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 3,330,610	$ 3,344,534	$ 3,459,184	$ 128,574
Total Expenditures	$ 3,330,610	$ 3,344,534	$ 3,459,184	$ 128,574
Excess (Deficiency) of Revenues Over Expenditures	$ (84,978)	$ (330,000)	$ (540,000)	$ 455,022
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	$ 611	$ 0	$ 0	$ 611
Transfers In	131,298	120,000	120,000	11,298
Total Other Financing Sources (Uses)	$ 131,909	$ 120,000	$ 120,000	$ 11,909
Net Change in Fund Balance	$ 46,931	$ (210,000)	$ (420,000)	$ 466,931
Fund Balance, July 1, 2011	944,949	926,384	926,384	18,565
Fund Balance, June 30, 2012	$ 991,880	$ 716,384	$ 506,384	$ 485,496

Exhibit J-11

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 167,771	$ 241,044	$ 241,044	$ (73,273)
Other Local Revenues	2,584	0	2,384	200
State of Tennessee	40,965	15,250	15,250	25,715
Federal Government	2,996,647	3,009,041	3,021,338	(24,691)
Total Revenues	$ 3,207,967	$ 3,265,335	$ 3,280,016	$ (72,049)
Expenditures				
Operation of Non-Instructional Services				
Community Services	$ 2,895,088	$ 2,935,702	$ 2,935,562	$ 40,474
Principal on Debt				
Education	34,487	34,489	34,489	2
Interest on Debt				
Education	64,636	64,639	64,639	3
Total Expenditures	$ 2,994,211	$ 3,034,830	$ 3,034,690	$ 40,479
Excess (Deficiency) of Revenues Over Expenditures	$ 213,756	$ 230,505	$ 245,326	$ (31,570)
Other Financing Sources (Uses)				
Transfers Out	$ (220,625)	$ (230,505)	$ (245,326)	$ 24,701
Total Other Financing Sources (Uses)	$ (220,625)	$ (230,505)	$ (245,326)	$ 24,701
Net Change in Fund Balance	$ (6,869)	$ 0	$ 0	$ (6,869)
Fund Balance, July 1, 2011	66,049	0	0	66,049
Fund Balance, June 30, 2012	$ 59,180	$ 0	$ 0	$ 59,180

Exhibit J-12

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
For the Year Ended June 30, 2012

	Other Employee Benefits Trust Fund
	Flexible Benefits Fund
DEDUCTIONS	
Employee Benefits	
Other Fringe Benefits	$ 6,962
Total Deductions	$ 6,962
Change in Net Assets	$ (6,962)
Net Assets, July 1, 2011	6,962
Net Assets, June 30, 2012	$ 0

MISCELLANEOUS SCHEDULES

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Lease, and Bonds
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through General Debt Service Fund								
Roof Repairs	$ 100,000	3.6 %	6-12-03	12-1-12	$ 20,000	$ 0	$ 10,000	$ 10,000
Health Department	300,000	3.78	5-4-05	5-1-15	120,000	0	30,000	90,000
Total Payable through General Debt Service Fund					$ 140,000	$ 0	$ 40,000	$ 100,000
Payable through Rural Debt Service Fund								
Local Government Energy Efficient Loan Program (1)	489,502	0	3-25-11	11-1-21	$ 197,859	$ 291,643	$ 28,553	$ 460,949
Local Government Energy Efficient Loan Program	352,931	0	6-21-12	8-1-22	0	352,931	0	352,931
Total Payable through Rural Debt Service Fund					$ 197,859	$ 644,574	$ 28,553	$ 813,880
Total Notes Payable					$ 337,859	$ 644,574	$ 68,553	$ 913,880
OTHER LOANS PAYABLE								
Public Building Authority Loan Agreements:								
Payable through General Debt Service Fund								
Industrial Development - Montgomery County PBA	1,700,000	Variable	7-13-01	5-25-21	$ 1,086,000	$ 0	$ 86,000	$ 1,000,000
Jail Renovation - Montgomery County PBA	3,000,000	Variable	5-22-06	5-25-25	2,370,000	0	138,000	2,232,000
Total Other Loans Payable					$ 3,456,000	$ 0	$ 224,000	$ 3,232,000

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Lease, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
PRIMARY GOVERNMENT (CONT.)								
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding	$ 4,580,000	3.5 to 3.7 %	12-15-05	9-1-12	$ 1,615,000	$ 0	$ 795,000	$ 820,000
General Obligation	2,450,000	1 to 5.25	6-4-10	5-1-28	2,335,000	0	115,000	2,220,000
General Obligation Refunding	1,750,000	2.5 to 3	2-25-11	5-1-19	1,750,000	0	0	1,750,000
General Obligation	14,750,000	2 to 4	9-28-11	5-1-35	0	14,750,000	0	14,750,000
Total Payable through General Debt Service Fund					$ 5,700,000	$ 14,750,000	$ 910,000	$ 19,540,000
Payable through Rural Debt Service Fund								
Rural School Refunding	3,505,000	2 to 3.875	3-1-04	3-1-18	$ 2,125,000	$ 0	$ 275,000	$ 1,850,000
Rural School Refunding	7,535,000	2.5 to 3.5	10-25-10	5-1-26	7,535,000	0	0	7,535,000
Rural School Refunding	2,050,000	2.5 to 3	2-25-11	5-1-18	2,050,000	0	275,000	1,775,000
Rural School	2,000,000	2 to 4	9-28-11	5-1-31	0	2,000,000	25,000	1,975,000
Total Payable through Rural Debt Service Fund					$ 11,710,000	$ 2,000,000	$ 575,000	$ 13,135,000
Payable through Education Debt Service Fund								
Rural High School Refunding	4,895,000	2 to 3.875	3-1-04	3-1-18	$ 2,975,000	$ 0	$ 385,000	$ 2,590,000
Rural High School Refunding	6,205,000	2.5 to 3.5	10-25-10	5-1-25	6,205,000	0	0	6,205,000
Rural High School Refunding	730,000	2.5	2-25-11	5-1-14	730,000	0	315,000	415,000
Rural High School	8,000,000	2 to 4	9-28-11	5-1-31	0	8,000,000	25,000	7,975,000
Total Payable through Education Debt Service Fund					$ 9,910,000	$ 8,000,000	$ 725,000	$ 17,185,000
Total Bonds Payable					$ 27,320,000	$ 24,750,000	$ 2,210,000	$ 49,860,000

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Lease, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT								
NOTES PAYABLE								
Payable through General Purpose School Fund								
Renovation of Various Schools	$ 700,000	3.6 %	6-12-03	12-1-12	$ 140,000	$ 0	$ 70,000	$ 70,000
Renovation of Various Schools - Borrowed from Primary Government (2)	10,100,000	Variable	4-15-04	6-25-18	7,893,000	0	7,893,000	0
Local Government Energy Efficient Loan Program	496,775	0	2-2-09	2-2-16	354,839	0	70,968	283,871
Total Notes Payable					$ 8,387,839	$ 0	$ 8,033,968	$ 353,871
CAPITAL LEASE PAYABLE								
Payable through Other Education Special Revenue Fund and General Purpose School Fund								
Headstart Facility	957,236	11.4	12-1-03	12-1-20	$ 686,545	$ 0	40,649	645,896
Total Capital Lease Payable					$ 686,545	$ 0	$ 40,649	$ 645,896

(1) In the prior year, this note was reflected as an obligation of the School Department. Beginning balances have been restated to properly reflect it as on obligation of the Primary Government.
(2) Anderson County Primary Government adopted a resolution to forgive this obligation of the School Department.

Exhibit K-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	$ 118,358	$ 3,299	$ 121,657
2014	114,240	1,985	116,225
2015	114,240	851	115,091
2016	84,240	0	84,240
2017	84,240	0	84,240
2018	84,240	0	84,240
2019	84,240	0	84,240
2020	84,240	0	84,240
2021	84,240	0	84,240
2022	55,709	0	55,709
2023	5,893	0	5,893
Total	$ 913,880	$ 6,135	$ 920,015

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	$ 233,000	$ 15,044	$ 12,282	$ 260,326
2014	242,000	13,950	11,396	267,346
2015	251,000	12,814	10,477	274,291
2016	261,000	11,634	9,523	282,157
2017	270,000	10,407	8,531	288,938
2018	281,000	9,137	7,505	297,642
2019	291,000	7,815	6,437	305,252
2020	304,000	6,445	5,332	315,777
2021	315,000	5,013	4,175	324,188
2022	187,000	3,528	2,979	193,507
2023	193,000	2,687	2,269	197,956
2024	199,000	1,818	1,535	202,353
2025	205,000	923	779	206,702
Total	$ 3,232,000	$ 101,215	$ 83,220	$ 3,416,435

(Continued)

Exhibit K-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2013	$ 2,355,000	$ 1,716,824	$ 4,071,824
2014	1,810,000	1,659,979	3,469,979
2015	1,860,000	1,609,111	3,469,111
2016	1,965,000	1,555,757	3,520,757
2017	2,040,000	1,495,000	3,535,000
2018	2,095,000	1,430,650	3,525,650
2019	2,200,000	1,362,244	3,562,244
2020	2,260,000	1,294,749	3,554,749
2021	2,315,000	1,225,194	3,540,194
2022	2,530,000	1,156,644	3,686,644
2023	2,640,000	1,077,844	3,717,844
2024	2,735,000	995,743	3,730,743
2025	2,830,000	905,550	3,735,550
2026	2,960,000	808,675	3,768,675
2027	2,290,000	693,275	2,983,275
2028	2,415,000	599,613	3,014,613
2029	2,375,000	502,400	2,877,400
2030	2,485,000	407,400	2,892,400
2031	2,600,000	308,000	2,908,000
2032	1,200,000	204,000	1,404,000
2033	1,250,000	156,000	1,406,000
2034	1,300,000	106,000	1,406,000
2035	1,350,000	54,000	1,404,000
Total	$ 49,860,000	$ 21,324,652	$ 71,184,652

(Continued)

Exhibit K-2

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

DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	$ 140,968	$ 1,260	$ 142,228
2014	70,968	0	70,968
2015	70,968	0	70,968
2016	70,967	0	70,967
Total	$ 353,871	$ 1,260	$ 355,131

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2013	$ 46,689	$ 71,243	$ 117,932
2014	53,455	65,574	119,029
2015	61,034	59,092	120,126
2016	69,523	51,700	121,223
2017	79,033	43,287	122,320
2018	89,685	33,732	123,417
2019	101,616	22,898	124,514
2020	114,982	10,629	125,611
2021	29,879	569	30,448
Total	$ 645,896	$ 358,724	$ 1,004,620

Exhibit K-3

Anderson County, Tennessee
Schedule of Investments
June 30, 2012

Fund and Type	Amount
Employee Health Insurance (Internal Service) Fund	
State Treasurer's Investment Pool	$ 18,465
Total Investments	$ 18,465

Exhibit K-4

Anderson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Education Debt Service	State sharing revenue	$ 16,107
"	Employee Health Insurance	To fund operations	200,000
Total Transfers Primary Government			$ 216,107
DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 114,065
Other Education Special Revenue	"	"	89,327
"	Central Cafeteria	Cafeteria expenditures	131,298
Total Transfers Discretely Presented Anderson County School Department			$ 334,690

Exhibit K-5

Anderson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 83,470	(1)	$ 50,000	Travelers Casualty and Surety Company of America
Highway Superintendent	Section 8-24-102, *TCA*	79,436		100,000	Selective Insurance Company of America
Director of Schools	State Board of Education and County Board of Education	121,805	(2)	100,000	Auto Owners Insurance Company
Trustee	Section 8-24-102, *TCA*	72,214		2,671,633	Hartford Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	72,214		50,000	RLI Insurance Company
Director of Accounts and Budgets	County Commission	72,214		25,000	Selective Insurance Company of America
County Clerk	Section 8-24-102, *TCA*	72,214		50,000	Travelers Casualty and Surety Company of America
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	72,214		50,000	"
Clerk and Master	Section 8-24-102, *TCA,* and Chancery Court Judge	72,214	(3)	50,000	"
Register	Section 8-24-102, *TCA*	72,214		25,000	Selective Insurance Company of America
Sheriff	Section 8-24-102, *TCA*	80,036	(4)	25,000	RLI Insurance Company
Purchasing Agent	County Commission	51,749		25,000	Selective Insurance Company of America
Employee Blanket Bonds:					
Public Employee Dishonesty - County Departments				150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department				150,000	"

(1) Does not include a vehicle allowance of $4,800.
(2) Includes a career ladder supplement of $1,000
(3) Does not include special commissioner fees of $11,652.
(4) Includes a law enforcement training supplement of $600.

Exhibit K-6

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

		Special Revenue Funds			
	General	Public Library	Drug Control	District Attorney General	Other Special Revenue
Local Taxes					
County Property Taxes					
Current Property Tax	$ 11,432,686	$ 396,048	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	385,642	13,999	0	0	0
Circuit/Clerk & Master Collections - Prior Years	247,147	0	0	0	0
Interest and Penalty	166,757	2,642	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	16,107	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	688,688	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,751,522	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	373,840	0	0	0	0
Hotel/Motel Tax	42	0	0	0	267,383
Litigation Tax - General	156,382	0	0	0	0
Litigation Tax - Special Purpose	19,904	0	0	0	0
Litigation Tax - Office of Public Defender	23,551	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	9,449	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	5,053	0	0	0	0
Litigation Tax - Courtroom Security	79,851	0	0	0	0
Business Tax	1,314,279	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	15,233	0	0	0	0
Wholesale Beer Tax	165,027	0	0	0	0
Coal Severance Tax	0	0	0	0	0
Interstate Telecommunications Tax	2,061	0	0	0	0
Other Statutory Local Taxes	2,123	0	0	0	0
Total Local Taxes	$ 16,855,344	$ 412,689	$ 0	$ 0	$ 267,383
Licenses and Permits					
Licenses					
Cable TV Franchise	$ 293,877	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds			
		Public Library	Drug Control	District Attorney General	Other Special Revenue
Licenses and Permits (Cont.)					
Permits					
Beer Permits	$ 1,425	$ 0	$ 0	$ 0	$ 0
Building Permits	67,099	0	0	0	0
Total Licenses and Permits	$ 362,401	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 9,543	$ 0	$ 0	$ 0	$ 0
Officers Costs	34,908	0	0	0	0
Drug Control Fines	2,960	0	2,034	0	0
Drug Court Fees	968	0	0	0	0
Jail Fees	16,127	0	0	0	0
District Attorney General Fees	0	0	0	2,698	0
DUI Treatment Fines	1,092	0	0	0	0
Data Entry Fee - Circuit Court	4,376	0	0	0	0
Courtroom Security Fee	164	0	0	0	0
Victims Assistance Assessments	3,317	0	0	0	0
Criminal Court					
Drug Court Fees	1,702	0	0	0	0
Courtroom Security Fee	123	0	0	0	0
Victims Assistance Assessments	143	0	0	0	0
General Sessions Court					
Fines	69,638	0	0	0	0
Officers Costs	80,330	0	0	0	0
Drug Control Fines	2,458	0	2,216	0	0
Drug Court Fees	6,353	0	0	0	0
Jail Fees	68,171	0	0	0	0
Interpreter Fees	130	0	0	0	0
District Attorney General Fees	6,168	0	0	10,840	0
DUI Treatment Fines	1,322	0	0	0	0
Data Entry Fee - General Sessions Court	12,542	0	0	0	0

(Continued)

Exhibit K-6

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

		Special Revenue Funds			
	General	Public Library	Drug Control	District Attorney General	Other Special Revenue
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court (Cont.)					
Courtroom Security Fee	$ 4,030	$ 0	$ 0	$ 0	$ 0
Victims Assistance Assessments	24,738	0	0	0	0
Juvenile Court					
Fines	6,508	0	0	0	0
Officers Costs	19,276	0	0	0	0
Drug Court Fees	1,588	0	0	0	0
Jail Fees	2,016	0	0	0	0
DUI Treatment Fines	95	0	0	0	0
Data Entry Fee - Juvenile Court	2,166	0	0	0	0
Courtroom Security Fee	62	0	0	0	0
Chancery Court					
Officers Costs	37,428	0	0	0	0
Data Entry Fee - Chancery Court	5,092	0	0	0	0
Courtroom Security Fee	1,743	0	0	0	0
Other Courts - In-county					
Fines	2,000	0	0	0	0
Courts in Other District Counties					
District Attorney General Fees	0	0	0	818	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	5,479	0	122,637	0	0
Total Fines, Forfeitures, and Penalties	$ 434,756	$ 0	$ 126,887	$ 14,356	$ 0
Charges for Current Services					
General Service Charges					
Convenience Waste Centers Collection Charge	$ 55,978	$ 0	$ 0	$ 0	$ 0
Surcharge - Host Agency	327,611	0	0	0	0
Solid Waste Disposal Fees	20,242	0	0	0	0
Health Department Collections	199,714	0	0	0	0
Other General Service Charges	1,724	0	0	0	0

(Continued)

Exhibit K-6

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

		Special Revenue Funds			
	General	Public Library	Drug Control	District Attorney General	Other Special Revenue
Charges for Current Services (Cont.)					
Fees					
Recreation Fees	$ 62,038	$ 0	$ 0	$ 0	$ 0
Copy Fees	2,797	0	0	0	0
Library Fees	0	26,139	0	0	0
Archives and Records Management Fee - County Clerk	10,542	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	64,361	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	22,682	0	0	0	0
Data Processing Fee - Sheriff	14,216	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,750	0	0	0	0
Data Processing Fee - County Clerk	5,666	0	0	0	0
Other Charges for Services					
Other Charges for Services	3,100	0	0	0	0
Total Charges for Current Services	$ 794,471	$ 26,139	$ 0	$ 0	$ 0
Other Local Revenues					
Recurring Items					
Investment Income	$ 18,263	$ 889	$ 501	$ 0	$ 0
Lease/Rentals	173,633	0	0	0	0
Sale of Materials and Supplies	17,118	523	0	0	434
Commissary Sales	32,310	0	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	470	0	0	0	0
Sale of Recycled Materials	19,417	0	0	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	0	2,097	0	0	0
Miscellaneous Refunds	1,021	0	0	0	5,000
Nonrecurring Items					
Sale of Equipment	37,175	0	0	0	0
Damages Recovered from Individuals	0	0	30	0	0

(Continued)

Exhibit K-6

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

		Special Revenue Funds			
	General	Public Library	Drug Control	District Attorney General	Other Special Revenue
Other Local Revenues (Cont.)					
Nonrecurring Items (Cont.)					
Contributions and Gifts	$ 12,000	$ 31,740	$ 41	$ 3,510	$ 0
Performance Bond Forfeitures	152,808	0	0	0	0
Other Local Revenues					
Other Local Revenues	281,667	0	0	0	0
Total Other Local Revenues	$ 745,882	$ 35,249	$ 572	$ 3,510	$ 5,434
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 878,474	$ 0	$ 0	$ 0	$ 0
General Sessions Court Clerk	1,111,864	0	0	0	0
Clerk and Master	542,556	0	0	0	0
Register	285,163	0	0	0	0
Sheriff	55,061	0	0	0	0
Trustee	1,283,244	0	0	0	0
Total Fees Received from County Officials	$ 4,156,362	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 10,710	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	32,696	0	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	34,800	0	0	0	0
Drug Control Grants	45,540	0	0	0	0
Health and Welfare Grants					
Health Department Programs	354,866	0	0	0	0
Other Health and Welfare Grants	14,550	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	31,290	0	0	0	0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds			
		Public Library	Drug Control	District Attorney General	Other Special Revenue
State of Tennessee (Cont.)					
Other State Revenues					
Income Tax	$ 125,304	$ 0	$ 0	$ 0	$ 0
Beer Tax	18,421	0	0	0	0
Alcoholic Beverage Tax	92,413	0	0	0	0
State Revenue Sharing - T.V.A.	42,777	0	0	0	0
Board of Jurors	390	0	0	0	0
Prisoner Transportation	801	0	0	0	0
Contracted Prisoner Boarding	763,945	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	0	0	0	0	2,000
Other State Revenues	116,171	0	275	0	0
Total State of Tennessee	$ 1,699,838	$ 0	$ 275	$ 0	$ 2,000
Federal Government					
Federal Through State					
Community Development	$ 343,835	$ 0	$ 0	$ 0	$ 0
Civil Defense Reimbursement	33,409	0	0	0	0
Homeland Security Grants	159,414	0	0	0	0
ARRA Grant # A	17,479	0	0	0	0
Other Federal through State	727,253	0	0	0	0
Direct Federal Revenue					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	477,484	0	0	0	0
Total Federal Government	$ 1,758,874	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Paving and Maintenance	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions	89,776	130,311	0	0	0

(Continued)

Exhibit K-6

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

		Special Revenue Funds			
	General	Public Library	Drug Control	District Attorney General	Other Special Revenue
Other Governments and Citizens Groups (Cont.)					
Other Governments (Cont.)					
Contracted Services	$ 88,880	$ 0	$ 0	$ 0	$ 0
Total Other Governments and Citizens Groups	$ 178,656	$ 130,311	$ 0	$ 0	$ 0
Total	$ 26,986,584	$ 604,388	$ 127,734	$ 17,866	$ 274,817

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 0	$ 415,705	$ 1,511,660	$ 175,133	$ 1,378,907	$ 15,310,139
Trustee's Collections - Prior Year	0	14,692	27,370	2,583	37,679	481,965
Circuit/Clerk & Master Collections - Prior Years	0	0	0	0	0	247,147
Interest and Penalty	0	2,775	5,861	629	7,597	186,261
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	16,107
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	688,688
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	1,751,522
County Local Option Taxes						
Local Option Sales Tax	0	281,609	0	0	0	655,449
Hotel/Motel Tax	0	0	0	0	0	267,425
Litigation Tax - General	0	0	0	0	0	156,382
Litigation Tax - Special Purpose	0	0	0	0	0	19,904
Litigation Tax - Office of Public Defender	0	0	0	0	0	23,551
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	35,486	0	0	44,935
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	5,053
Litigation Tax - Courtroom Security	0	0	0	0	0	79,851
Business Tax	0	0	0	0	0	1,314,279
Mineral Severance Tax	0	117,727	0	0	0	117,727
Statutory Local Taxes						
Bank Excise Tax	0	0	0	0	0	15,233
Wholesale Beer Tax	0	0	0	0	0	165,027
Coal Severance Tax	0	95,216	0	0	0	95,216
Interstate Telecommunications Tax	0	0	0	0	0	2,061
Other Statutory Local Taxes	0	0	0	0	0	2,123
Total Local Taxes	$ 0	$ 927,724	$ 1,580,377	$ 178,345	$ 1,424,183	$ 21,646,045
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 0	$ 293,877

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Licenses and Permits (Cont.)						
Permits						
Beer Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,425
Building Permits	0	0	0	0	0	67,099
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 362,401
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,543
Officers Costs	0	0	0	0	0	34,908
Drug Control Fines	0	0	0	0	0	4,994
Drug Court Fees	0	0	0	0	0	968
Jail Fees	0	0	0	0	0	16,127
District Attorney General Fees	0	0	0	0	0	2,698
DUI Treatment Fines	0	0	0	0	0	1,092
Data Entry Fee - Circuit Court	0	0	0	0	0	4,376
Courtroom Security Fee	0	0	0	0	0	164
Victims Assistance Assessments	0	0	0	0	0	3,317
Criminal Court						
Drug Court Fees	0	0	0	0	0	1,702
Courtroom Security Fee	0	0	0	0	0	123
Victims Assistance Assessments	0	0	0	0	0	143
General Sessions Court						
Fines	0	0	0	0	0	69,638
Officers Costs	0	0	0	0	0	80,330
Drug Control Fines	0	0	0	0	0	4,674
Drug Court Fees	0	0	0	0	0	6,353
Jail Fees	0	0	0	0	0	68,171
Interpreter Fees	0	0	0	0	0	130
District Attorney General Fees	0	0	0	0	0	17,008
DUI Treatment Fines	0	0	0	0	0	1,322
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,542

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Courtroom Security Fee	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,030
Victims Assistance Assessments	0	0	0	0	0	24,738
Juvenile Court						
Fines	0	0	0	0	0	6,508
Officers Costs	0	0	0	0	0	19,276
Drug Court Fees	0	0	0	0	0	1,588
Jail Fees	0	0	0	0	0	2,016
DUI Treatment Fines	0	0	0	0	0	95
Data Entry Fee - Juvenile Court	0	0	0	0	0	2,166
Courtroom Security Fee	0	0	0	0	0	62
Chancery Court						
Officers Costs	0	0	0	0	0	37,428
Data Entry Fee - Chancery Court	0	0	0	0	0	5,092
Courtroom Security Fee	0	0	0	0	0	1,743
Other Courts - In-county						
Fines	0	0	0	0	0	2,000
Courts in Other District Counties						
District Attorney General Fees	0	0	0	0	0	818
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	128,116
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 575,999
Charges for Current Services						
General Service Charges						
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 0	$ 0	$ 0	$ 55,978
Surcharge - Host Agency	0	0	0	0	0	327,611
Solid Waste Disposal Fees	0	0	0	0	0	20,242
Health Department Collections	0	0	0	0	0	199,714
Other General Service Charges	0	0	0	0	0	1,724

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Charges for Current Services (Cont.)						
Fees						
Recreation Fees	$ 0	$ 0	$ 0	$ 0	$ 0	$ 62,038
Copy Fees	0	0	0	0	0	2,797
Library Fees	0	0	0	0	0	26,139
Archives and Records Management Fee - County Clerk	0	0	0	0	0	10,542
Greenbelt Late Application Fee	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	64,361
Constitutional Officers' Fees and Commissions	1,691	0	0	0	0	1,691
Special Commissioner Fees/Special Master Fees	11,652	0	0	0	0	11,652
Data Processing Fee - Register	0	0	0	0	0	22,682
Data Processing Fee - Sheriff	0	0	0	0	0	14,216
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	3,750
Data Processing Fee - County Clerk	0	0	0	0	0	5,666
Other Charges for Services						
Other Charges for Services	0	0	0	0	0	3,100
Total Charges for Current Services	$ 13,343	$ 0	$ 0	$ 0	$ 0	$ 833,953
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 42,754	$ 293	$ 5,071	$ 67,771
Lease/Rentals	0	0	0	0	0	173,633
Sale of Materials and Supplies	0	0	0	0	0	18,075
Commissary Sales	0	0	0	0	0	32,310
Sale of Gasoline	0	598,802	0	0	0	598,802
Sale of Maps	0	0	0	0	0	470
Sale of Recycled Materials	0	0	0	0	0	19,417
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	0	2,097
Miscellaneous Refunds	0	0	1,696	70,649	61,143	139,509
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	37,175
Damages Recovered from Individuals	0	0	0	0	0	30

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Other Local Revenues (Cont.)						
Nonrecurring Items (Cont.)						
Contributions and Gifts	$ 0	$ 200	$ 0	$ 0	$ 0	$ 47,491
Performance Bond Forfeitures	0	269,737	0	0	0	422,545
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	281,667
Total Other Local Revenues	$ 0	$ 868,739	$ 44,450	$ 70,942	$ 66,214	$ 1,840,992
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 878,474
General Sessions Court Clerk	0	0	0	0	0	1,111,864
Clerk and Master	0	0	0	0	0	542,556
Register	0	0	0	0	0	285,163
Sheriff	0	0	0	0	0	55,061
Trustee	0	0	0	0	0	1,283,244
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,156,362
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,710
Solid Waste Grants	0	0	0	0	0	32,696
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	34,800
Drug Control Grants	0	0	0	0	0	45,540
Health and Welfare Grants						
Health Department Programs	0	0	0	0	0	354,866
Other Health and Welfare Grants	0	0	0	0	0	14,550
Public Works Grants						
State Aid Program	0	249,110	0	0	0	249,110
Litter Program	0	0	0	0	0	31,290

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
State of Tennessee (Cont.)						
Other State Revenues						
Income Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 125,304
Beer Tax	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	92,413
State Revenue Sharing - T.V.A.	0	0	0	0	0	42,777
Board of Jurors	0	0	0	0	0	390
Prisoner Transportation	0	0	0	0	0	801
Contracted Prisoner Boarding	0	0	0	0	0	763,945
Gasoline and Motor Fuel Tax	0	1,890,765	0	0	0	1,890,765
Petroleum Special Tax	0	54,209	0	0	0	54,209
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	7,154	0	0	0	9,154
Other State Revenues	0	0	0	0	0	116,446
Total State of Tennessee	$ 0	$ 2,201,238	$ 0	$ 0	$ 0	$ 3,903,351
Federal Government						
Federal Through State						
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0	$ 343,835
Civil Defense Reimbursement	0	0	0	0	0	33,409
Homeland Security Grants	0	0	0	0	0	159,414
ARRA Grant # A	0	0	0	0	0	17,479
Other Federal through State	0	57,228	0	0	0	784,481
Direct Federal Revenue						
Tax Credit Bond Rebate	0	0	33,939	0	0	33,939
Other Direct Federal Revenue	0	0	0	0	0	477,484
Total Federal Government	$ 0	$ 57,228	$ 33,939	$ 0	$ 0	$ 1,850,041
Other Governments and Citizens Groups						
Other Governments						
Paving and Maintenance	$ 0	$ 3,118	$ 0	$ 0	$ 0	$ 3,118
Contributions	0	0	0	779,894	0	999,981

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Funds			
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Total
Other Governments and Citizens Groups (Cont.)						
Other Governments (Cont.)						
Contracted Services	$ 0	$ 0	$ 0	$ 0	$ 0	$ 88,880
Total Other Governments and Citizens Groups	$ 0	$ 3,118	$ 0	$ 779,894	$ 0	$ 1,091,979
Total	$ 13,343	$ 4,058,047	$ 1,658,766	$ 1,029,181	$ 1,490,397	$ 36,261,123

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 12,634,596	$ 0	$ 0	$ 0	$ 0	$ 12,634,596
Trustee's Collections - Prior Year	450,574	0	0	0	0	450,574
Circuit/Clerk & Master Collections - Prior Years	215,474	0	0	0	0	215,474
Interest and Penalty	166,080	0	0	0	0	166,080
Payments in-Lieu-of Taxes - Other	492,000	0	0	0	0	492,000
County Local Option Taxes						
Local Option Sales Tax	7,268,594	0	0	0	0	7,268,594
Statutory Local Taxes						
Coal Severance Tax	55,406	0	0	0	0	55,406
Interstate Telecommunications Tax	2,687	0	0	0	0	2,687
Total Local Taxes	$ 21,285,411	$ 0	$ 0	$ 0	$ 0	$ 21,285,411
Licenses and Permits						
Licenses						
Marriage Licenses	$ 3,128	$ 0	$ 0	$ 0	$ 0	$ 3,128
Total Licenses and Permits	$ 3,128	$ 0	$ 0	$ 0	$ 0	$ 3,128
Charges for Current Services						
Fees						
Copy Fees	$ 82	$ 0	$ 0	$ 0	$ 0	$ 82
Education Charges						
Tuition - Other	0	0	0	167,486	0	167,486
Lunch Payments - Children	0	0	493,453	279	0	493,732
Lunch Payments - Adults	0	0	43,580	6	0	43,586
Income from Breakfast	0	0	89,034	0	0	89,034
Special Milk Sales	0	0	26,162	0	0	26,162
A la carte Sales	0	0	307,155	0	0	307,155
Contract for Instructional Services with Other LEAs	0	12,316	0	0	0	12,316
Receipts from Individual Schools	68,471	0	0	0	0	68,471
Community Service Fees - Adults	7,450	0	0	0	0	7,450
Other Charges for Services						
Other Charges for Services	10,527	0	180	0	0	10,707
Total Charges for Current Services	$ 86,530	$ 12,316	$ 959,564	$ 167,771	$ 0	$ 1,226,181

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
Other Local Revenues						
Recurring Items						
Investment Income	$ 18,088	$ 0	$ 0	$ 0	$ 0	$ 18,088
Sale of Materials and Supplies	3,404	2,434	0	94	0	5,932
Miscellaneous Refunds	553	0	238	0	0	791
Nonrecurring Items						
Damages Recovered from Individuals	35	0	0	0	0	35
Contributions and Gifts	81,048	0	0	900	0	81,948
Other Local Revenues						
Other Local Revenues	134,170	0	0	1,590	0	135,760
Total Other Local Revenues	$ 237,298	$ 2,434	$ 238	$ 2,584	$ 0	$ 242,554
State of Tennessee						
General Government Grants						
On-Behalf Contributions for OPEB	$ 258,393	$ 0	$ 0	$ 0	$ 0	$ 258,393
State Education Funds						
Basic Education Program	27,929,001	0	0	0	0	27,929,001
Early Childhood Education	624,256	0	0	0	0	624,256
School Food Service	0	0	30,553	0	0	30,553
Other State Education Funds	237,277	27,963	0	0	0	265,240
Professional Development - ARRA	1,167	0	0	0	0	1,167
Family Resource Centers - ARRA	8,312	0	0	0	0	8,312
Career Ladder Program	254,215	0	0	0	0	254,215
Career Ladder - Extended Contract	215,300	0	0	0	0	215,300
Career Ladder - Extended Contract - ARRA	94,545	0	0	0	0	94,545
Other Vocational	0	19,786	0	0	0	19,786
Other State Revenues						
State Revenue Sharing - T.V.A.	1,104,349	0	0	0	0	1,104,349
Other State Grants	109,293	0	0	0	0	109,293
Other State Revenues	9,573	0	0	40,965	0	50,538
Total State of Tennessee	$ 30,845,681	$ 47,749	$ 30,553	$ 40,965	$ 0	$ 30,964,948
Federal Government						
Federal Through State						
USDA School Lunch Program	$ 0	$ 0	$ 1,539,706	$ 0	$ 0	$ 1,539,706

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
Federal Government (Cont.)						
Federal Through State (Cont.)						
USDA - Commodities	$ 0	$ 0	$ 144,416	$ 0	$ 0	$ 144,416
Breakfast	0	0	566,205	0	0	566,205
USDA - Other	9,578	0	0	201,135	0	210,713
Adult Education State Grant Program	98,076	0	0	0	0	98,076
Vocational Education - Basic Grants to States	0	211,312	0	0	0	211,312
Title I Grants to Local Education Agencies	0	1,611,250	0	0	0	1,611,250
Special Education - Grants to States	0	1,584,800	0	0	0	1,584,800
Special Education Preschool Grants	0	85,870	0	0	0	85,870
Eisenhower Professional Development State Grants	0	252,875	0	0	0	252,875
Race-to-the-Top - ARRA	0	476,333	0	0	0	476,333
Other Federal through State	0	467,521	4,950	0	0	472,471
Direct Federal Revenue						
ROTC Reimbursement	66,880	0	0	0	0	66,880
Other Direct Federal Revenue	0	3,598	0	2,795,512	0	2,799,110
Total Federal Government	$ 174,534	$ 4,693,559	$ 2,255,277	$ 2,996,647	$ 0	$ 10,120,017
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 644,574	$ 0	$ 0	$ 0	$ 10,085,148	$ 10,729,722
Citizens Groups						
Donations	4,505	0	0	0	0	4,505
Total Other Governments and Citizens Groups	$ 649,079	$ 0	$ 0	$ 0	$ 10,085,148	$ 10,734,227
Total	$ 53,281,661	$ 4,756,058	$ 3,245,632	$ 3,207,967	$ 10,085,148	$ 74,576,466

Exhibit K-8

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

General Fund		
General Government		
County Commission		
Secretary to Board	$ 44,233	
Board and Committee Members Fees	103,218	
Social Security	7,365	
State Retirement	10,945	
Life Insurance	763	
Medical Insurance	71,805	
Dental Insurance	8,039	
Disability Insurance	355	
Unemployment Compensation	72	
Employer Medicare	1,723	
Communication	311	
Data Processing Services	480	
Dues and Memberships	1,600	
Legal Notices, Recording, and Court Costs	305	
Maintenance Agreements	784	
Postal Charges	11	
Printing, Stationery, and Forms	162	
Travel	5,762	
Other Contracted Services	520	
Office Supplies	1,689	
Other Supplies and Materials	708	
Workers' Compensation Insurance	553	
In Service/Staff Development	2,915	
Other Equipment	7,358	
Total County Commission		$ 271,676
Board of Equalization		
Board and Committee Members Fees	$ 690	
Social Security	43	
Unemployment Compensation	2	
Employer Medicare	10	
Legal Notices, Recording, and Court Costs	34	
Workers' Compensation Insurance	29	
Total Board of Equalization		808
Other Boards and Committees		
County Official/Administrative Officer	$ 35,264	
Guards	4,400	
Secretary(ies)	6,088	
Maintenance Personnel	66,018	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Other Boards and Committees (Cont.)		
Part-time Personnel	$ 18,462	
Social Security	7,806	
State Retirement	8,472	
Life Insurance	168	
Medical Insurance	12,614	
Dental Insurance	1,129	
Disability Insurance	743	
Unemployment Compensation	435	
Employer Medicare	1,826	
Advertising	236	
Communication	2,677	
Dues and Memberships	286	
Evaluation and Testing	115	
Operating Lease Payments	1,250	
Maintenance and Repair Services - Equipment	998	
Postal Charges	100	
Rentals	2,760	
Disposal Fees	1,036	
Other Contracted Services	6,250	
Crushed Stone	2,186	
Custodial Supplies	2,123	
Equipment Parts - Light	450	
Gasoline	9,705	
Office Supplies	239	
Small Tools	964	
Tires and Tubes	546	
Uniforms	925	
Utilities	20,881	
Water and Sewer	450	
Wood Products	1,800	
Other Supplies and Materials	15,847	
Vehicle and Equipment Insurance	4,330	
Workers' Compensation Insurance	4,309	
Maintenance Equipment	7,630	
Site Development	14,968	
Total Other Boards and Committees		$ 266,486
County Mayor/Executive		
County Official/Administrative Officer	$ 83,470	
Assistant(s)	24,008	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Mayor/Executive (Cont.)		
Other Per Diem and Fees	$ 4,800	
Social Security	6,902	
State Retirement	8,750	
Life Insurance	85	
Dental Insurance	582	
Disability Insurance	742	
Unemployment Compensation	72	
Employer Medicare	1,614	
Dues and Memberships	2,966	
Postal Charges	88	
Travel	1,043	
Office Supplies	587	
Other Supplies and Materials	22	
Premiums on Corporate Surety Bonds	50	
Workers' Compensation Insurance	540	
In Service/Staff Development	395	
Total County Mayor/Executive		$ 136,716
Personnel Office		
Assistant(s)	$ 32,022	
Supervisor/Director	53,845	
Clerical Personnel	12,280	
Social Security	5,742	
State Retirement	6,719	
Life Insurance	102	
Medical Insurance	10,763	
Dental Insurance	1,190	
Disability Insurance	597	
Unemployment Compensation	242	
Employer Medicare	1,343	
Communication	659	
Dues and Memberships	268	
Legal Notices, Recording, and Court Costs	1,498	
Postal Charges	323	
Travel	20	
Other Contracted Services	1,096	
Office Supplies	1,500	
Other Supplies and Materials	1,999	
Premiums on Corporate Surety Bonds	150	
Workers' Compensation Insurance	317	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Personnel Office (Cont.)		
In Service/Staff Development	$ 715	
Data Processing Equipment	1,200	
Total Personnel Office		$ 134,590
County Attorney		
County Official/Administrative Officer	$ 133,627	
Paraprofessionals	43,275	
Secretary(ies)	33,493	
Part-time Personnel	5,072	
Social Security	11,315	
State Retirement	16,573	
Life Insurance	141	
Medical Insurance	25,373	
Dental Insurance	1,488	
Disability Insurance	1,471	
Unemployment Compensation	257	
Employer Medicare	2,890	
Communication	2,039	
Dues and Memberships	1,681	
Legal Services	4,729	
Legal Notices, Recording, and Court Costs	30	
Maintenance and Repair Services - Office Equipment	454	
Postal Charges	3,586	
Travel	1,344	
Other Contracted Services	3,308	
Library Books/Media	959	
Office Supplies	2,442	
Other Supplies and Materials	790	
Workers' Compensation Insurance	913	
In Service/Staff Development	1,150	
Other Charges	758	
Furniture and Fixtures	2,896	
Total County Attorney		302,054
Election Commission		
County Official/Administrative Officer	$ 65,318	
Deputy(ies)	107,685	
Part-time Personnel	2,076	
Other Salaries and Wages	4,394	
Election Commission	7,597	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Election Workers	$ 41,733	
Social Security	12,391	
State Retirement	13,595	
Life Insurance	294	
Medical Insurance	29,220	
Dental Insurance	3,285	
Disability Insurance	1,205	
Unemployment Compensation	390	
Employer Medicare	2,910	
Communication	1,762	
Data Processing Services	3,225	
Dues and Memberships	603	
Legal Notices, Recording, and Court Costs	5,073	
Maintenance Agreements	14,832	
Maintenance and Repair Services - Equipment	3,921	
Postal Charges	18,649	
Printing, Stationery, and Forms	8,819	
Rentals	600	
Travel	5,104	
Office Supplies	6,557	
Other Supplies and Materials	699	
Workers' Compensation Insurance	872	
In Service/Staff Development	1,560	
Data Processing Equipment	4,548	
Total Election Commission		$ 368,917
Register of Deeds		
County Official/Administrative Officer	$ 72,214	
Clerical Personnel	193,971	
Social Security	15,732	
State Retirement	20,890	
Life Insurance	278	
Medical Insurance	31,154	
Dental Insurance	1,934	
Disability Insurance	1,766	
Unemployment Compensation	360	
Employer Medicare	3,687	
Communication	313	
Dues and Memberships	694	
Maintenance and Repair Services - Office Equipment	30,825	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Register of Deeds (Cont.)		
Postal Charges	$ 1,964	
Printing, Stationery, and Forms	300	
Rentals	268	
Travel	2,562	
Data Processing Supplies	1,000	
Duplicating Supplies	531	
Office Supplies	548	
Workers' Compensation Insurance	1,060	
In Service/Staff Development	475	
Data Processing Equipment	9,940	
Total Register of Deeds		$ 392,466
Planning		
Supervisor/Director	$ 346	
Clerical Personnel	53,615	
Part-time Personnel	9,480	
Other Salaries and Wages	138,351	
Social Security	11,918	
State Retirement	15,286	
Life Insurance	266	
Medical Insurance	28,609	
Dental Insurance	2,268	
Disability Insurance	1,288	
Unemployment Compensation	488	
Employer Medicare	2,787	
Communication	2,010	
Data Processing Services	1,700	
Dues and Memberships	429	
Legal Notices, Recording, and Court Costs	1,199	
Maintenance Agreements	1,439	
Maintenance and Repair Services - Vehicles	2,600	
Postal Charges	729	
Printing, Stationery, and Forms	86	
Travel	2,564	
Duplicating Supplies	324	
Gasoline	7,741	
Office Supplies	1,188	
Tires and Tubes	466	
Other Supplies and Materials	1,232	
Vehicle and Equipment Insurance	2,887	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Planning (Cont.)		
Workers' Compensation Insurance	$ 4,030	
In Service/Staff Development	2,466	
Total Planning		$ 297,792
Building		
Maintenance and Repair Services - Buildings	$ 60,205	
Maintenance and Repair Services - Equipment	467	
Other Contracted Services	1,092	
Other Supplies and Materials	2,193	
Trustee's Commission	16	
Data Processing Equipment	10,138	
Furniture and Fixtures	3,531	
Total Building		77,642
Engineering		
Gasoline	$ 567	
Total Engineering		567
County Buildings		
Supervisor/Director	$ 331	
Clerical Personnel	33,685	
Custodial Personnel	129,712	
Maintenance Personnel	38,636	
Other Salaries and Wages	428	
Social Security	11,415	
State Retirement	14,090	
Life Insurance	298	
Medical Insurance	41,829	
Dental Insurance	2,674	
Disability Insurance	1,342	
Unemployment Compensation	570	
Employer Medicare	2,669	
Communication	2,989	
Maintenance and Repair Services - Buildings	79,177	
Postal Charges	3	
Travel	254	
Disposal Fees	3,978	
Other Contracted Services	3,024	
Custodial Supplies	31,992	
Electricity	228,378	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Gasoline	$ 2,597	
Natural Gas	27,794	
Office Supplies	1,405	
Tires and Tubes	404	
Uniforms	2,571	
Water and Sewer	27,784	
Other Supplies and Materials	13,732	
Workers' Compensation Insurance	9,240	
Building Improvements	33,021	
Total County Buildings		$ 746,022
Other General Administration		
Audit Services	$ 22,539	
Contracts with Private Agencies	4,734	
Legal Services	2,066	
Legal Notices, Recording, and Court Costs	45	
Remittance of Revenue Collected	5,158	
Other Contracted Services	80,129	
Other Supplies and Materials	5,319	
Workers' Compensation Insurance	10,816	
Other Charges	12,305	
Total Other General Administration		143,111
Preservation of Records		
Clerical Personnel	$ 29,695	
Social Security	1,755	
State Retirement	2,324	
Life Insurance	37	
Medical Insurance	3,847	
Dental Insurance	595	
Disability Insurance	205	
Unemployment Compensation	72	
Employer Medicare	411	
Postal Charges	15	
Other Supplies and Materials	1,200	
Workers' Compensation Insurance	114	
Total Preservation of Records		40,270

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 72,214	
Accountants/Bookkeepers	304,636	
Part-time Personnel	11,133	
Social Security	21,761	
State Retirement	29,542	
Life Insurance	439	
Medical Insurance	81,945	
Dental Insurance	4,706	
Disability Insurance	2,673	
Unemployment Compensation	681	
Employer Medicare	5,089	
Communication	2,147	
Data Processing Services	1,750	
Dues and Memberships	918	
Legal Notices, Recording, and Court Costs	434	
Maintenance Agreements	26,210	
Maintenance and Repair Services - Office Equipment	1,438	
Postal Charges	4,261	
Printing, Stationery, and Forms	4,339	
Travel	4,604	
Other Contracted Services	3,709	
Duplicating Supplies	465	
Office Supplies	8,908	
Workers' Compensation Insurance	1,596	
In Service/Staff Development	2,765	
Data Processing Equipment	4,817	
Total Accounting and Budgeting		$ 603,180
Purchasing		
County Official/Administrative Officer	$ 51,749	
Purchasing Personnel	67,804	
Part-time Personnel	5,727	
Social Security	6,952	
State Retirement	9,395	
Life Insurance	153	
Medical Insurance	22,359	
Dental Insurance	1,190	
Disability Insurance	775	
Unemployment Compensation	261	
Employer Medicare	1,626	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
Purchasing (Cont.)		
Advertising	$ 2,232	
Communication	1,555	
Dues and Memberships	400	
Postal Charges	2,257	
Printing, Stationery, and Forms	1,404	
Rentals	1,417	
Travel	3,694	
Other Contracted Services	20,903	
Gasoline	727	
Office Supplies	2,035	
Uniforms	418	
Other Supplies and Materials	2,488	
Vehicle and Equipment Insurance	750	
Workers' Compensation Insurance	446	
In Service/Staff Development	2,176	
Data Processing Equipment	2,222	
Total Purchasing		$ 213,115
Property Assessor's Office		
County Official/Administrative Officer	$ 72,214	
Deputy(ies)	155,256	
Social Security	13,424	
State Retirement	17,811	
Life Insurance	243	
Medical Insurance	29,220	
Dental Insurance	2,082	
Disability Insurance	1,596	
Unemployment Compensation	288	
Employer Medicare	3,139	
Audit Services	30,485	
Communication	7,190	
Data Processing Services	19,502	
Operating Lease Payments	731	
Maintenance Agreements	4,875	
Postal Charges	2,973	
Printing, Stationery, and Forms	286	
Travel	6,194	
Other Contracted Services	5,747	
Other Supplies and Materials	2,699	
Workers' Compensation Insurance	3,991	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office (Cont.)		
Office Equipment	$ 827	
Total Property Assessor's Office		$ 380,773
Reappraisal Program		
Deputy(ies)	$ 87,943	
Social Security	5,239	
State Retirement	6,900	
Life Insurance	138	
Medical Insurance	11,542	
Dental Insurance	892	
Disability Insurance	626	
Unemployment Compensation	216	
Employer Medicare	1,225	
Data Processing Services	7,134	
Travel	2,052	
Office Supplies	202	
Total Reappraisal Program		124,109
County Trustee's Office		
County Official/Administrative Officer	$ 72,214	
Clerical Personnel	281,824	
Part-time Personnel	27,655	
Social Security	22,379	
State Retirement	27,495	
Life Insurance	447	
Medical Insurance	39,994	
Dental Insurance	4,464	
Disability Insurance	2,444	
Unemployment Compensation	807	
Employer Medicare	5,234	
Communication	4,056	
Dues and Memberships	1,364	
Legal Notices, Recording, and Court Costs	136	
Maintenance Agreements	19,500	
Postal Charges	9,927	
Printing, Stationery, and Forms	10,335	
Rentals	14,550	
Travel	6,181	
Other Contracted Services	11,175	
Gasoline	1,786	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Supplies	$ 1,343	
Utilities	3,478	
Water and Sewer	443	
Other Supplies and Materials	4,150	
Workers' Compensation Insurance	1,703	
In Service/Staff Development	1,848	
Data Processing Equipment	2,486	
Furniture and Fixtures	4,986	
Total County Trustee's Office		$ 584,404
County Clerk's Office		
County Official/Administrative Officer	$ 72,214	
Clerical Personnel	436,240	
Part-time Personnel	26,104	
Social Security	30,985	
State Retirement	39,278	
Life Insurance	782	
Medical Insurance	81,560	
Dental Insurance	7,662	
Disability Insurance	3,484	
Unemployment Compensation	1,273	
Employer Medicare	7,247	
Communication	5,875	
Data Processing Services	15,261	
Dues and Memberships	734	
Legal Notices, Recording, and Court Costs	379	
Maintenance and Repair Services - Buildings	530	
Postal Charges	19,694	
Printing, Stationery, and Forms	1,055	
Travel	2,729	
Other Contracted Services	742	
Data Processing Supplies	2,085	
Office Supplies	5,382	
Other Supplies and Materials	1,523	
Workers' Compensation Insurance	2,129	
In Service/Staff Development	225	
Data Processing Equipment	3,007	
Other Capital Outlay	5,114	
Total County Clerk's Office		773,293

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 72,214	
Clerical Personnel	626,686	
Part-time Personnel	29,850	
Social Security	42,305	
State Retirement	50,563	
Life Insurance	951	
Medical Insurance	104,571	
Dental Insurance	8,884	
Disability Insurance	4,747	
Unemployment Compensation	1,794	
Employer Medicare	9,894	
Communication	10,690	
Data Processing Services	41,225	
Dues and Memberships	534	
Legal Notices, Recording, and Court Costs	173	
Maintenance Agreements	11,502	
Maintenance and Repair Services - Office Equipment	2,083	
Postal Charges	16,219	
Printing, Stationery, and Forms	7,932	
Travel	2,985	
Other Contracted Services	15,017	
Data Processing Supplies	2,412	
Duplicating Supplies	5,500	
Office Supplies	9,019	
Other Supplies and Materials	6,436	
Workers' Compensation Insurance	2,541	
In Service/Staff Development	900	
Other Charges	317	
Data Processing Equipment	7,958	
Furniture and Fixtures	9,952	
Total Circuit Court		$ 1,105,854
Criminal Court		
Postal Charges	$ 13	
Printing, Stationery, and Forms	312	
Office Supplies	886	
Total Criminal Court		1,211
General Sessions Judge		
Judge(s)	$ 296,948	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Judge (Cont.)		
Assistant(s)	$ 61,129	
Overtime Pay	55	
Other Salaries and Wages	22,283	
Social Security	18,367	
State Retirement	29,742	
Life Insurance	211	
Medical Insurance	18,055	
Dental Insurance	1,975	
Disability Insurance	2,604	
Unemployment Compensation	213	
Employer Medicare	5,290	
Dues and Memberships	815	
Maintenance and Repair Services - Office Equipment	595	
Postal Charges	300	
Printing, Stationery, and Forms	591	
Rentals	84,240	
Travel	1,950	
Disposal Fees	496	
Office Supplies	1,015	
Workers' Compensation Insurance	1,519	
In Service/Staff Development	874	
Total General Sessions Judge		$ 549,267
Drug Court		
County Official/Administrative Officer	$ 33,409	
Social Security	1,830	
State Retirement	2,626	
Life Insurance	51	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	234	
Unemployment Compensation	72	
Employer Medicare	428	
Communication	407	
Dues and Memberships	200	
Travel	694	
Office Supplies	795	
Other Supplies and Materials	2,541	
Workers' Compensation Insurance	127	
Total Drug Court		54,772

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Chancery Court		
County Official/Administrative Officer	$ 72,214	
Clerical Personnel	216,490	
Part-time Personnel	8,209	
Overtime Pay	1,485	
Social Security	17,325	
State Retirement	22,220	
Life Insurance	336	
Medical Insurance	33,898	
Dental Insurance	2,979	
Disability Insurance	2,014	
Unemployment Compensation	638	
Employer Medicare	4,052	
Communication	374	
Dues and Memberships	534	
Legal Notices, Recording, and Court Costs	300	
Maintenance Agreements	2,219	
Maintenance and Repair Services - Office Equipment	10,135	
Postal Charges	6,385	
Printing, Stationery, and Forms	1,422	
Data Processing Supplies	623	
Duplicating Supplies	835	
Office Supplies	3,044	
Other Supplies and Materials	4,248	
Workers' Compensation Insurance	1,104	
Other Equipment	625	
Total Chancery Court		$ 413,708
Juvenile Court		
Judge(s)	$ 148,474	
Probation Officer(s)	187,696	
Secretary(ies)	36,060	
Social Security	19,641	
State Retirement	28,917	
Life Insurance	324	
Medical Insurance	42,619	
Dental Insurance	3,214	
Disability Insurance	2,548	
Unemployment Compensation	432	
Employer Medicare	5,163	
Communication	898	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court (Cont.)		
Contracts with Government Agencies	$ 18,775	
Dues and Memberships	175	
Evaluation and Testing	2,439	
Maintenance and Repair Services - Office Equipment	266	
Maintenance and Repair Services - Vehicles	500	
Postal Charges	736	
Printing, Stationery, and Forms	293	
Rentals	444	
Travel	4,389	
Food Supplies	98	
Gasoline	620	
Office Supplies	1,719	
Other Supplies and Materials	2,311	
Vehicle and Equipment Insurance	750	
Workers' Compensation Insurance	1,433	
In Service/Staff Development	1,120	
Other Charges	13,400	
Data Processing Equipment	2,732	
Total Juvenile Court		$ 528,186
District Attorney General		
Other Salaries and Wages	$ 28,521	
Social Security	1,520	
State Retirement	2,232	
Life Insurance	51	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	197	
Unemployment Compensation	72	
Employer Medicare	356	
Workers' Compensation Insurance	110	
Total District Attorney General		44,417
Office of Public Defender		
Part-time Personnel	$ 36,292	
Social Security	2,176	
Unemployment Compensation	196	
Employer Medicare	509	
Other Contracted Services	11	
Workers' Compensation Insurance	138	
Total Office of Public Defender		39,322

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Judicial Commissioners		
Office Supplies	$ 663	
Total Judicial Commissioners		$ 663
Probate Court		
Communication	$ 396	
Printing, Stationery, and Forms	424	
Duplicating Supplies	693	
Office Supplies	496	
Other Supplies and Materials	671	
Total Probate Court		2,680
Other Administration of Justice		
Supervisor/Director	$ 16,457	
Probation Officer(s)	89,106	
Social Security	6,055	
State Retirement	6,188	
Life Insurance	150	
Medical Insurance	17,814	
Dental Insurance	1,366	
Disability Insurance	671	
Unemployment Compensation	288	
Employer Medicare	1,416	
Communication	411	
Postal Charges	38	
Travel	675	
Other Contracted Services	115,805	
Office Supplies	5,213	
Other Supplies and Materials	9,517	
Workers' Compensation Insurance	354	
Data Processing Equipment	1,522	
Furniture and Fixtures	1,183	
Total Other Administration of Justice		274,229
Courtroom Security		
Data Processing Services	$ 644	
Other Contracted Services	13,227	
Law Enforcement Supplies	5,001	
Other Supplies and Materials	15,921	
In Service/Staff Development	1,450	
Other Construction	33,708	
Total Courtroom Security		69,951

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Victims Assistance Programs		
Remittance of Revenue Collected	$ 28,198	
Total Victims Assistance Programs		$ 28,198
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 80,036	
Deputy(ies)	2,191,832	
Secretary(ies)	37,462	
Clerical Personnel	52,361	
School Resource Officer	267,616	
Overtime Pay	112,394	
Other Salaries and Wages	175,446	
Social Security	171,443	
State Retirement	205,318	
Life Insurance	3,572	
Medical Insurance	441,396	
Dental Insurance	31,005	
Disability Insurance	18,311	
Unemployment Compensation	5,109	
Employer Medicare	40,096	
Advertising	340	
Communication	52,070	
Contracts with Private Agencies	8,274	
Data Processing Services	3,750	
Dues and Memberships	2,600	
Operating Lease Payments	5,600	
Maintenance and Repair Services - Equipment	31,349	
Maintenance and Repair Services - Vehicles	4,084	
Medical and Dental Services	3,364	
Postal Charges	10,415	
Printing, Stationery, and Forms	2,429	
Rentals	1,544	
Travel	6,141	
Duplicating Supplies	281	
Gasoline	224,831	
Law Enforcement Supplies	11,166	
Office Supplies	5,827	
Tires and Tubes	24,608	
Uniforms	37,721	
Utilities	9,876	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Other Supplies and Materials	$ 7,433	
Liability Insurance	59,600	
Vehicle and Equipment Insurance	55,000	
Workers' Compensation Insurance	101,769	
Liability Claims	14,679	
In Service/Staff Development	2,460	
Communication Equipment	5,836	
Data Processing Equipment	9,234	
Law Enforcement Equipment	26,263	
Motor Vehicles	499,602	
Total Sheriff's Department		$ 5,061,543
Jail		
Guards	$ 2,120,722	
Clerical Personnel	68,846	
Cafeteria Personnel	57,257	
Overtime Pay	24,688	
Other Salaries and Wages	39,253	
Social Security	133,447	
State Retirement	162,485	
Life Insurance	3,442	
Medical Insurance	442,331	
Dental Insurance	31,265	
Disability Insurance	15,000	
Unemployment Compensation	5,240	
Employer Medicare	31,221	
Communication	17,676	
Contracts with Government Agencies	6,000	
Contracts with Private Agencies	6,454	
Dues and Memberships	100	
Fiscal Agent Charges	499	
Maintenance and Repair Services - Buildings	19,612	
Maintenance and Repair Services - Equipment	2,486	
Medical and Dental Services	5,731	
Pest Control	480	
Printing, Stationery, and Forms	947	
Travel	6,911	
Disposal Fees	4,878	
Other Contracted Services	253,980	
Custodial Supplies	61,117	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Duplicating Supplies	$ 2,576	
Electricity	88,850	
Food Preparation Supplies	110	
Food Supplies	401,507	
Gasoline	27,884	
Law Enforcement Supplies	2,495	
Natural Gas	55,789	
Office Supplies	9,114	
Prisoners Clothing	8,089	
Uniforms	17,479	
Water and Sewer	138,744	
Other Supplies and Materials	34,487	
Liability Insurance	39,734	
Medical Claims	425,729	
Vehicle and Equipment Insurance	8,805	
Workers' Compensation Insurance	77,963	
In Service/Staff Development	1,332	
Other Charges	1,300	
Communication Equipment	5,402	
Data Processing Equipment	640	
Furniture and Fixtures	7,720	
Plant Operation Equipment	30,200	
Total Jail		$ 4,908,017
Commissary		
Other Supplies and Materials	$ 7,463	
Total Commissary		7,463
Civil Defense		
County Official/Administrative Officer	$ 27,191	
Other Salaries and Wages	32,382	
Social Security	3,622	
Unemployment Compensation	155	
Employer Medicare	847	
Communication	3,395	
Contracts with Government Agencies	2,000	
Contributions	129,362	
Postal Charges	202	
Rentals	4,000	
Travel	600	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense (Cont.)		
Other Contracted Services	$ 38,400	
Gasoline	4,622	
Office Supplies	1,186	
Tires and Tubes	1,316	
Other Supplies and Materials	16,501	
Vehicle and Equipment Insurance	6,500	
Workers' Compensation Insurance	158	
Other Charges	360	
Other Equipment	159,414	
Total Civil Defense		$ 432,213
Rescue Squad		
Contributions	$ 20,000	
Total Rescue Squad		20,000
Other Emergency Management		
Dispatchers/Radio Operators	$ 420,459	
Overtime Pay	28,003	
Social Security	32,220	
State Retirement	27,060	
Life Insurance	665	
Medical Insurance	78,491	
Dental Insurance	5,206	
Disability Insurance	2,910	
Unemployment Compensation	1,912	
Employer Medicare	7,538	
Communication	533	
Contracts with Government Agencies	8,000	
Contracts with Private Agencies	1,200	
Medical and Dental Services	2,250	
Travel	3,539	
Office Supplies	909	
Workers' Compensation Insurance	2,091	
In Service/Staff Development	40	
Total Other Emergency Management		623,026
County Coroner/Medical Examiner		
Other Contracted Services	$ 110,000	
Total County Coroner/Medical Examiner		110,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Public Safety Grant Programs		
Supervisor/Director	$ 50,797	
Social Security	2,909	
State Retirement	3,993	
Life Insurance	51	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	353	
Unemployment Compensation	72	
Employer Medicare	680	
Communication	895	
Dues and Memberships	175	
Travel	6,460	
Office Supplies	436	
Other Supplies and Materials	59	
In Service/Staff Development	550	
Total Public Safety Grant Programs		$ 78,788
Other Public Safety		
Mechanic(s)	$ 71,652	
Clerical Personnel	2,108	
Part-time Personnel	7,468	
Social Security	6,913	
State Retirement	7,728	
Life Insurance	140	
Medical Insurance	23,014	
Dental Insurance	1,510	
Disability Insurance	765	
Unemployment Compensation	346	
Employer Medicare	1,617	
Communication	638	
Maintenance and Repair Services - Vehicles	1,662	
Rentals	8,400	
Tow-in Services	2,875	
Other Contracted Services	11,154	
Garage Supplies	16,204	
Gasoline	1,925	
Lubricants	5,134	
Office Supplies	75	
Uniforms	2,551	
Utilities	11,821	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Other Public Safety (Cont.)		
Vehicle Parts	$ 83,919	
Vehicle and Equipment Insurance	1,443	
Workers' Compensation Insurance	4,337	
In Service/Staff Development	276	
Building Improvements	4,700	
Total Other Public Safety		$ 280,375
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 19,487	
Clerical Personnel	48,915	
Other Salaries and Wages	23,990	
Social Security	5,315	
State Retirement	4,321	
Life Insurance	144	
Medical Insurance	16,636	
Dental Insurance	1,091	
Disability Insurance	447	
Unemployment Compensation	460	
Employer Medicare	1,243	
Communication	2,422	
Contracts with Other Public Agencies	11,407	
Dues and Memberships	855	
Laundry Service	827	
Maintenance and Repair Services - Buildings	1,795	
Postal Charges	3,100	
Printing, Stationery, and Forms	812	
Rentals	744	
Travel	365	
Disposal Fees	640	
Other Contracted Services	5,412	
Drugs and Medical Supplies	2,065	
Electricity	32,588	
Gasoline	16	
Office Supplies	7,268	
Uniforms	550	
Other Supplies and Materials	2,547	
Workers' Compensation Insurance	1,303	
In Service/Staff Development	235	
Other Charges	2,631	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Building Improvements	$ 87,605	
Heating and Air Conditioning Equipment	8,933	
Total Local Health Center		$ 296,169
Rabies and Animal Control		
Other Salaries and Wages	$ 59,058	
Social Security	3,454	
State Retirement	4,684	
Life Insurance	102	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	414	
Unemployment Compensation	144	
Employer Medicare	808	
Communication	772	
Contracts with Government Agencies	26,860	
Maintenance and Repair Services - Vehicles	1,800	
Gasoline	12,343	
Tires and Tubes	588	
Uniforms	157	
Other Supplies and Materials	357	
Vehicle and Equipment Insurance	1,500	
Workers' Compensation Insurance	1,424	
In Service/Staff Development	110	
Other Charges	21	
Total Rabies and Animal Control		125,954
Dental Health Program		
Medical Personnel	$ 198,526	
Social Security	10,991	
State Retirement	12,301	
Life Insurance	153	
Medical Insurance	32,289	
Dental Insurance	1,786	
Disability Insurance	1,078	
Unemployment Compensation	453	
Employer Medicare	2,644	
Communication	402	
Maintenance and Repair Services - Equipment	1,623	
Medical and Dental Services	69	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Dental Health Program (Cont.)		
Postal Charges	$ 1,500	
Travel	127	
Disposal Fees	130	
Other Contracted Services	8,455	
Drugs and Medical Supplies	11,334	
Office Supplies	2,852	
Other Supplies and Materials	10,459	
Liability Insurance	2,200	
Workers' Compensation Insurance	4,704	
Other Charges	1,141	
Building Improvements	30,147	
Health Equipment	2,353	
Total Dental Health Program		$ 337,717
Alcohol and Drug Programs		
Contributions	$ 10,000	
Total Alcohol and Drug Programs		10,000
Other Local Health Services		
Medical Personnel	$ 133,632	
Clerical Personnel	106,704	
Social Security	13,798	
State Retirement	16,498	
Life Insurance	425	
Medical Insurance	48,986	
Dental Insurance	4,017	
Disability Insurance	1,506	
Unemployment Compensation	821	
Employer Medicare	3,227	
Travel	9,634	
Liability Insurance	1,000	
Workers' Compensation Insurance	951	
Total Other Local Health Services		341,199
Sanitation Management		
County Official/Administrative Officer	$ 34,778	
Supervisor/Director	34,429	
Laborers	23,365	
Social Security	5,301	
State Retirement	7,285	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Sanitation Management (Cont.)		
Life Insurance	$ 127	
Medical Insurance	19,991	
Dental Insurance	1,190	
Disability Insurance	634	
Unemployment Compensation	184	
Employer Medicare	1,240	
Advertising	1,097	
Communication	805	
Maintenance and Repair Services - Vehicles	1,500	
Postal Charges	85	
Gasoline	6,023	
Tires and Tubes	380	
Other Supplies and Materials	215	
Trustee's Commission	836	
Vehicle and Equipment Insurance	1,500	
Workers' Compensation Insurance	2,506	
Data Processing Equipment	955	
Total Sanitation Management		$ 144,426
Convenience Centers		
Maintenance and Repair Services - Buildings	$ 972	
Rentals	8,450	
Other Contracted Services	499,221	
Electricity	11,249	
Water and Sewer	1,413	
Total Convenience Centers		521,305
Other Waste Collection		
Supervisor/Director	$ 2,502	
Deputy(ies)	32,683	
Social Security	2,119	
State Retirement	2,558	
Life Insurance	51	
Medical Insurance	3,847	
Dental Insurance	297	
Disability Insurance	226	
Unemployment Compensation	84	
Employer Medicare	496	
Communication	402	
Maintenance and Repair Services - Vehicles	2,000	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Waste Collection (Cont.)		
Travel	$ 339	
Gasoline	3,438	
Instructional Supplies and Materials	10,743	
Uniforms	455	
Other Supplies and Materials	3,985	
Vehicle and Equipment Insurance	1,700	
Workers' Compensation Insurance	954	
Total Other Waste Collection		$ 68,879
Recycling Center		
Contracts with Private Agencies	$ 5,718	
Other Supplies and Materials	497	
Other Capital Outlay	7,300	
Total Recycling Center		13,515
Landfill Operation and Maintenance		
Contracts with Private Agencies	$ 591,053	
Contributions	14,600	
Total Landfill Operation and Maintenance		605,653
Other Waste Disposal		
Contracts with Private Agencies	$ 58,921	
Rentals	75	
Total Other Waste Disposal		58,996
Social, Cultural, and Recreational Services		
Parks and Fair Boards		
Contributions	$ 3,000	
Total Parks and Fair Boards		3,000
Other Social, Cultural, and Recreational		
Audiovisual Personnel	$ 41,826	
Social Security	2,269	
State Retirement	3,182	
Life Insurance	51	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	289	
Unemployment Compensation	72	
Employer Medicare	531	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Other Social, Cultural, and Recreational (Cont.)		
Travel	$ 90	
Other Supplies and Materials	4,716	
Workers' Compensation Insurance	78	
Data Processing Equipment	8,524	
Total Other Social, Cultural, and Recreational		$ 72,986
Agriculture and Natural Resources		
Agriculture Extension Service		
Clerical Personnel	$ 60,364	
Social Security	2,603	
Extension Service Medicare	9,917	
State Retirement	3,605	
Life Insurance	102	
Medical Insurance	9,929	
Dental Insurance	868	
Disability Insurance	318	
Unemployment Compensation	144	
Employer Medicare	609	
Dues and Memberships	301	
Maintenance Agreements	488	
Postal Charges	1,364	
Travel	2,860	
Other Contracted Services	65,106	
Workers' Compensation Insurance	176	
Total Agriculture Extension Service		158,754
Soil Conservation		
Secretary(ies)	$ 33,356	
Social Security	1,827	
State Retirement	2,621	
Life Insurance	51	
Medical Insurance	10,763	
Dental Insurance	595	
Disability Insurance	231	
Unemployment Compensation	72	
Employer Medicare	427	
Dues and Memberships	290	
Other Contracted Services	3,028	
Workers' Compensation Insurance	128	
Total Soil Conservation		53,389

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Storm Water Management		
County Official/Administrative Officer	$ 34,778	
Social Security	2,027	
State Retirement	2,723	
Life Insurance	26	
Medical Insurance	5,381	
Dental Insurance	298	
Disability Insurance	242	
Unemployment Compensation	32	
Employer Medicare	474	
Maintenance Agreements	1,250	
Travel	214	
Other Contracted Services	18,000	
Gasoline	966	
Workers' Compensation Insurance	1,178	
In Service/Staff Development	440	
Other Charges	3,460	
Total Storm Water Management		$ 71,489
Other Operations		
Industrial Development		
Contributions	$ 132,000	
Other Contracted Services	8,000	
Total Industrial Development		140,000
Other Economic and Community Development		
Other Contracted Services	$ 243,739	
Total Other Economic and Community Development		243,739
Veterans' Services		
County Official/Administrative Officer	$ 42,679	
Assistant(s)	26,120	
Social Security	4,169	
State Retirement	5,407	
Life Insurance	102	
Medical Insurance	3,847	
Dental Insurance	893	
Disability Insurance	478	
Unemployment Compensation	144	
Employer Medicare	975	
Advertising	45	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Other Operations (Cont.)		
Veterans' Services (Cont.)		
Communication	$ 403	
Dues and Memberships	25	
Maintenance Agreements	450	
Postal Charges	1,128	
Printing, Stationery, and Forms	361	
Rentals	444	
Travel	1,345	
Other Contracted Services	1,880	
Office Supplies	1,246	
Other Supplies and Materials	11	
Workers' Compensation Insurance	265	
Total Veterans' Services		$ 92,417
Other Charges		
Contributions	$ 261,000	
Other Contracted Services	1,675	
Duplicating Supplies	3,818	
Building and Contents Insurance	37,055	
Liability Insurance	118,000	
Trustee's Commission	313,311	
Total Other Charges		734,859
ARRA Grant # A		
Building Improvements	$ 8,794	
Total ARRA Grant # A		8,794
Miscellaneous		
Communication	$ 84,711	
Dues and Memberships	15,238	
Workers' Compensation Insurance	173	
Total Miscellaneous		100,122
Interest on Debt		
General Government		
Interest on Notes	$ 17,583	
Total General Government		17,583
Capital Projects		
Public Utility Projects		
Contracts with Private Agencies	$ 298,500	

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Capital Projects (Cont.)			
Public Utility Projects (Cont.)			
Engineering Services	$ 149,403		
Evaluation and Testing	66,200		
Other Contracted Services	394,658		
Other Construction	121,799		
Total Public Utility Projects		$ 1,030,560	
Total General Fund			$ 25,743,379
Public Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Librarians	$ 188,664		
Part-time Personnel	123,913		
Social Security	18,399		
State Retirement	14,770		
Life Insurance	282		
Medical Insurance	43,830		
Dental Insurance	2,380		
Disability Insurance	1,352		
Unemployment Compensation	1,280		
Employer Medicare	4,303		
Communication	7,097		
Data Processing Services	2,553		
Dues and Memberships	521		
Maintenance Agreements	4,641		
Maintenance and Repair Services - Buildings	1,445		
Maintenance and Repair Services - Equipment	7		
Pest Control	240		
Postal Charges	3,465		
Travel	3,910		
Maintenance and Repair Services - Records	460		
Other Contracted Services	5,254		
Custodial Supplies	2,243		
Library Books/Media	52,707		
Office Supplies	3,896		
Periodicals	2,850		
Utilities	28,500		
Other Supplies and Materials	24,154		
Trustee's Commission	8,506		
Workers' Compensation Insurance	1,140		

(Continued)

Exhibit K-8

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

Public Library Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Libraries (Cont.)			
In Service/Staff Development	$ 2,714		
Data Processing Equipment	23,427		
Furniture and Fixtures	7,171		
Other Equipment	11,650		
Total Libraries		$ 597,724	
Total Public Library Fund			$ 597,724
Drug Control Fund			
Public Safety			
Drug Enforcement			
Advertising	$ 207		
Communication	11,606		
Contracts with Private Agencies	144		
Confidential Drug Enforcement Payments	14,900		
Dues and Memberships	505		
Maintenance and Repair Services - Vehicles	2,045		
Tow-in Services	5,550		
Travel	2,367		
Veterinary Services	2,723		
Animal Food and Supplies	1,248		
Gasoline	11,425		
Law Enforcement Supplies	3,220		
Office Supplies	1,016		
Uniforms	1,474		
Trustee's Commission	1,267		
Vehicle and Equipment Insurance	3,000		
In Service/Staff Development	2,075		
Data Processing Equipment	3,523		
Law Enforcement Equipment	53,545		
Total Drug Enforcement		$ 121,840	
Total Drug Control Fund			121,840
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Communication	$ 651		
Dues and Memberships	450		
Travel	528		

(Continued)

Exhibit K-8

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

District Attorney General Fund (Cont.)			
Administration of Justice (Cont.)			
District Attorney General (Cont.)			
Other Contracted Services	$ 3,978		
Periodicals	144		
Other Supplies and Materials	1,262		
Trustee's Commission	142		
In Service/Staff Development	2,194		
Office Equipment	1,083		
Total District Attorney General		$ 10,432	
Total District Attorney General Fund			$ 10,432
Other Special Revenue Fund			
Other Operations			
Tourism			
Supervisor/Director	$ 45,941		
Clerical Personnel	21,143		
Social Security	3,800		
State Retirement	3,596		
Life Insurance	51		
Medical Insurance	10,763		
Dental Insurance	595		
Disability Insurance	319		
Unemployment Compensation	237		
Employer Medicare	889		
Advertising	77,021		
Architects	3,419		
Communication	3,565		
Contributions	26,471		
Dues and Memberships	1,000		
Maintenance and Repair Services - Buildings	690		
Postal Charges	461		
Printing, Stationery, and Forms	250		
Travel	2,293		
Other Contracted Services	24,975		
Office Supplies	1,159		
Utilities	2,815		
Other Supplies and Materials	639		
Liability Insurance	911		
Trustee's Commission	2,638		
Workers' Compensation Insurance	296		
In Service/Staff Development	1,470		

(Continued)

Exhibit K-8

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

Other Special Revenue Fund (Cont.)			
Other Operations (Cont.)			
Tourism (Cont.)			
Other Charges	$ 686		
Building Improvements	27,869		
Data Processing Equipment	6,472		
Other Equipment	4,678		
Total Tourism		$ 277,112	
Total Other Special Revenue Fund			$ 277,112
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 599		
Total County Trustee's Office		$ 599	
Administration of Justice			
Circuit Court			
Constitutional Officers' Operating Expenses	$ 1,092		
Total Circuit Court		1,092	
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 11,652		
Total Chancery Court		11,652	
Total Constitutional Officers - Fees Fund			13,343
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 79,436		
Clerical Personnel	65,178		
Social Security	8,499		
State Retirement	11,108		
Life Insurance	141		
Medical Insurance	25,373		
Dental Insurance	1,190		
Disability Insurance	986		
Unemployment Compensation	37		
Employer Medicare	1,988		
Dues and Memberships	3,534		
Licenses	825		

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Maintenance Agreements	$ 6,016	
Maintenance and Repair Services - Equipment	447	
Pest Control	240	
Postal Charges	90	
Printing, Stationery, and Forms	125	
Disposal Fees	320	
Office Supplies	2,109	
Impairment Loss	495	
Data Processing Equipment	7,332	
Office Equipment	348	
Other Equipment	28,303	
Total Administration		$ 244,120
Highway and Bridge Maintenance		
Foremen	$ 71,309	
Equipment Operators	137,253	
Truck Drivers	147,757	
Laborers	253,364	
Overtime Pay	52,290	
Social Security	38,232	
State Retirement	47,836	
Life Insurance	1,010	
Medical Insurance	141,040	
Dental Insurance	10,169	
Disability Insurance	4,116	
Unemployment Compensation	458	
Employer Medicare	8,941	
Contracts with Private Agencies	875	
Rentals	1,225	
Other Contracted Services	37,003	
Asphalt	551,961	
Concrete	8,292	
Crushed Stone	115,572	
Custodial Supplies	4,346	
Pipe - Metal	53,471	
Road Signs	10,346	
Uniforms	8,481	
Total Highway and Bridge Maintenance		1,705,347

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment			
Mechanic(s)	$ 42,712		
Nightwatchmen	55,765		
Overtime Pay	1,857		
Social Security	5,852		
State Retirement	5,361		
Life Insurance	141		
Medical Insurance	20,971		
Dental Insurance	1,240		
Disability Insurance	625		
Unemployment Compensation	102		
Employer Medicare	1,368		
Other Contracted Services	7,992		
Equipment and Machinery Parts	84,162		
Garage Supplies	370		
Gasoline	705,565		
Lubricants	8,415		
Tires and Tubes	19,295		
Other Supplies and Materials	22,477		
Total Operation and Maintenance of Equipment		$ 984,270	
Other Charges			
Communication	$ 3,057		
Electricity	11,353		
Natural Gas	5,631		
Water and Sewer	447		
Liability Insurance	58,600		
Trustee's Commission	33,352		
Vehicle and Equipment Insurance	50,000		
Workers' Compensation Insurance	70,928		
Total Other Charges		233,368	
Capital Outlay			
Engineering Services	$ 8,575		
Bridge Construction	64,396		
Highway Construction	316,305		
Total Capital Outlay		389,276	
Total Highway/Public Works Fund			$ 3,556,381

(Continued)

Exhibit K-8

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 910,000		
Principal on Notes	40,000		
Principal on Other Loans	224,000		
Total General Government		$ 1,174,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 524,942		
Interest on Notes	4,807		
Interest on Other Loans	26,584		
Total General Government		556,333	
Other Debt Service			
General Government			
Accounting Services	$ 7,200		
Fiscal Agent Charges	3,180		
Trustee's Commission	31,789		
Total General Government		42,169	
Total General Debt Service Fund			$ 1,772,502
Rural Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 575,000		
Principal on Notes	28,553		
Total Education		$ 603,553	
Interest on Debt			
Education			
Interest on Bonds	$ 417,287		
Total Education		417,287	
Other Debt Service			
Education			
Accounting Services	$ 2,200		
Fiscal Agent Charges	1,780		
Trustee's Commission	3,562		
Total Education		7,542	

(Continued)

Exhibit K-8

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

Rural Debt Service Fund (Cont.)			
Capital Projects			
Education Capital Projects			
Contributions	$ 4,754,000		
Total Education Capital Projects		$ 4,754,000	
Total Rural Debt Service Fund			$ 5,782,382
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 725,000		
Total Education		$ 725,000	
Interest on Debt			
Education			
Interest on Bonds	$ 491,011		
Total Education		491,011	
Other Debt Service			
Education			
Accounting Services	$ 2,200		
Fiscal Agent Charges	1,780		
Trustee's Commission	28,454		
Total Education		32,434	
Capital Projects			
Education Capital Projects			
Contributions	$ 3,139,000		
Total Education Capital Projects		3,139,000	
Total Education Debt Service Fund			4,387,445
General Capital Projects Fund			
Other Debt Service			
General Government			
Underwriter's Discount	$ 236,312		
Other Debt Issuance Charges	87,850		
Total General Government		$ 324,162	
Education			
Underwriter's Discount	$ 168,444		
Other Debt Issuance Charges	60,650		
Total Education		229,094	

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)			
Capital Projects			
Public Safety Projects			
Architects	$ 467,644		
Evaluation and Testing	20,000		
Other Charges	250		
Building Construction	1,921,344		
Total Public Safety Projects		$ 2,409,238	
Education Capital Projects			
Contributions	$ 10,729,722		
Total Education Capital Projects		10,729,722	
Total General Capital Projects Fund			$ 13,692,216
Total Governmental Funds - Primary Government			$ 55,954,756

Exhibit K-9

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 15,468,356	
Career Ladder Program	138,785	
Career Ladder Extended Contracts	217,225	
Homebound Teachers	63,197	
Educational Assistants	542,775	
Certified Substitute Teachers	71,321	
Non-certified Substitute Teachers	170,144	
Social Security	968,752	
State Retirement	1,450,986	
Life Insurance	19,648	
Medical Insurance	1,761,926	
Unemployment Compensation	33,431	
Employer Medicare	228,958	
Payments to Retirees	53,005	
Other Contracted Services	25,893	
Instructional Supplies and Materials	553,909	
Textbooks	547,614	
Other Supplies and Materials	31,423	
Refund to Applicant for Criminal Investigation	6,798	
Other Charges	23,433	
Regular Instruction Equipment	274,899	
Total Regular Instruction Program		$ 22,652,478
Special Education Program		
Teachers	$ 3,298,493	
Career Ladder Program	29,965	
Homebound Teachers	32,304	
Educational Assistants	558,853	
Speech Pathologist	245,512	
Other Salaries and Wages	289,471	
Certified Substitute Teachers	7,950	
Non-certified Substitute Teachers	23,095	
Social Security	261,522	
State Retirement	390,967	
Life Insurance	6,380	
Medical Insurance	470,517	
Unemployment Compensation	10,626	
Employer Medicare	61,582	
Payments to Retirees	3,119	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Contracts with Private Agencies	$ 3,724	
Other Contracted Services	43,302	
Instructional Supplies and Materials	20,992	
Other Supplies and Materials	417	
Total Special Education Program		$ 5,758,791
Vocational Education Program		
Teachers	$ 2,136,554	
Career Ladder Program	17,000	
Clerical Personnel	94,983	
Other Salaries and Wages	20,271	
Certified Substitute Teachers	9,890	
Non-certified Substitute Teachers	24,198	
Social Security	134,767	
State Retirement	202,448	
Life Insurance	2,696	
Medical Insurance	241,447	
Unemployment Compensation	4,434	
Employer Medicare	31,601	
Payments to Retirees	3,200	
Maintenance and Repair Services - Equipment	24,581	
Instructional Supplies and Materials	98,086	
Other Supplies and Materials	11,328	
Vocational Instruction Equipment	65,038	
Total Vocational Education Program		3,122,522
Student Body Education Program		
Teachers	$ 53,345	
Career Ladder Program	500	
Social Security	3,258	
State Retirement	4,873	
Life Insurance	50	
Medical Insurance	4,832	
Unemployment Compensation	84	
Employer Medicare	762	
Instructional Supplies and Materials	13,648	
Total Student Body Education Program		81,352

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Adult Education Program		
Supervisor/Director	$ 41,110	
Teachers	59,763	
Career Ladder Program	1,500	
Other Salaries and Wages	20,176	
Social Security	7,017	
State Retirement	10,829	
Life Insurance	124	
Medical Insurance	10,941	
Unemployment Compensation	252	
Employer Medicare	1,641	
Travel	1,016	
Other Contracted Services	102	
Instructional Supplies and Materials	9,663	
Other Supplies and Materials	720	
Other Charges	59	
Total Adult Education Program		$ 164,913
Support Services		
Attendance		
Supervisor/Director	$ 75,440	
Career Ladder Program	3,000	
Clerical Personnel	31,562	
Other Salaries and Wages	225,100	
Social Security	16,792	
State Retirement	19,067	
Life Insurance	252	
Medical Insurance	7,238	
Unemployment Compensation	614	
Employer Medicare	4,765	
Travel	2,355	
Other Supplies and Materials	1,068	
Total Attendance		387,253
Health Services		
Medical Personnel	$ 297,922	
Social Security	16,898	
State Retirement	25,826	
Life Insurance	521	
Medical Insurance	48,120	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Unemployment Compensation	$ 802	
Employer Medicare	3,970	
Travel	1,842	
Drugs and Medical Supplies	19,048	
Other Supplies and Materials	687	
Other Equipment	9,167	
Total Health Services		$ 424,803
Other Student Support		
Career Ladder Program	$ 4,000	
Guidance Personnel	867,587	
Medical Personnel	72,645	
Social Security	55,594	
State Retirement	85,453	
Life Insurance	1,012	
Medical Insurance	77,195	
Unemployment Compensation	1,685	
Employer Medicare	13,002	
Payments to Retirees	3,610	
Contracts with Government Agencies	187,174	
Printing, Stationery, and Forms	203	
Travel	7,134	
Other Contracted Services	1,000	
Drugs and Medical Supplies	4,972	
Other Supplies and Materials	18,581	
In Service/Staff Development	1,052	
Other Charges	10,000	
Other Equipment	4,970	
Total Other Student Support		1,416,869
Regular Instruction Program		
Supervisor/Director	$ 88,871	
Career Ladder Program	10,500	
Librarians	575,886	
Secretary(ies)	30,659	
Other Salaries and Wages	95,222	
Social Security	46,540	
State Retirement	67,992	
Life Insurance	956	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Medical Insurance	$ 91,320	
Unemployment Compensation	1,778	
Employer Medicare	11,084	
Payments to Retirees	7,660	
Maintenance and Repair Services - Equipment	1,200	
Travel	3,073	
Library Books/Media	37,943	
Other Supplies and Materials	39,104	
In Service/Staff Development	29,225	
Total Regular Instruction Program		$ 1,139,013
Special Education Program		
Supervisor/Director	$ 85,810	
Career Ladder Program	2,200	
Psychological Personnel	173,852	
Clerical Personnel	102,097	
Social Security	20,820	
State Retirement	30,471	
Life Insurance	374	
Medical Insurance	30,463	
Unemployment Compensation	543	
Employer Medicare	5,070	
Consultants	33,291	
Legal Services	4,005	
Rentals	5,200	
In Service/Staff Development	6,267	
Total Special Education Program		500,463
Vocational Education Program		
Supervisor/Director	$ 85,389	
Career Ladder Program	1,000	
Other Salaries and Wages	73,771	
Social Security	9,214	
State Retirement	13,617	
Life Insurance	202	
Medical Insurance	20,827	
Unemployment Compensation	311	
Employer Medicare	2,155	
Travel	31,861	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Vocational Education Program (Cont.)		
In Service/Staff Development	$ 2,988	
Total Vocational Education Program		$ 241,335
Adult Programs		
Other Salaries and Wages	$ 60,022	
Certified Substitute Teachers	595	
Social Security	3,758	
State Retirement	4,721	
Life Insurance	92	
Medical Insurance	407	
Unemployment Compensation	145	
Employer Medicare	879	
Communication	851	
Postal Charges	89	
Travel	965	
Other Supplies and Materials	2,367	
Regular Instruction Equipment	1,214	
Total Adult Programs		76,105
Other Programs		
Teachers	$ 408	
Social Security	25	
State Retirement	235	
Employer Medicare	6	
On-Behalf Payments to OPEB	258,393	
Total Other Programs		259,067
Board of Education		
Secretary to Board	$ 6,000	
Board and Committee Members Fees	38,900	
Social Security	2,469	
State Retirement	1,265	
Life Insurance	403	
Unemployment Compensation	467	
Employer Medicare	647	
Advertising	1,218	
Audit Services	15,900	
Consultants	3,250	
Contributions	25,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Dues and Memberships	$ 7,550	
Legal Services	36,086	
Postal Charges	57	
Travel	19,216	
Other Supplies and Materials	61	
Liability Insurance	133,884	
Trustee's Commission	434,958	
Workers' Compensation Insurance	231,788	
Other Charges	7,361	
Total Board of Education		$ 966,480
Director of Schools		
County Official/Administrative Officer	$ 120,805	
Career Ladder Program	1,000	
Secretary(ies)	31,707	
Other Salaries and Wages	37,879	
Social Security	11,040	
State Retirement	13,516	
Life Insurance	147	
Medical Insurance	18,911	
Unemployment Compensation	325	
Employer Medicare	2,663	
Communication	93,650	
Dues and Memberships	2,622	
Postal Charges	4,474	
Travel	3,137	
Office Supplies	2,435	
Other Supplies and Materials	2,337	
Other Charges	8,900	
Total Director of Schools		355,548
Office of the Principal		
Principals	$ 1,253,946	
Career Ladder Program	16,500	
Assistant Principals	699,235	
Secretary(ies)	575,166	
Social Security	150,175	
State Retirement	222,684	
Life Insurance	2,818	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Medical Insurance	$ 236,787	
Unemployment Compensation	4,390	
Employer Medicare	35,123	
Payments to Retirees	11,462	
Communication	31,567	
Contributions	7,000	
Travel	11,569	
Other Contracted Services	4,500	
In Service/Staff Development	9,533	
Other Charges	488	
Administration Equipment	14,460	
Total Office of the Principal		$ 3,287,403
Fiscal Services		
Supervisor/Director	$ 82,139	
Accountants/Bookkeepers	206,361	
Social Security	15,681	
State Retirement	21,180	
Life Insurance	302	
Medical Insurance	28,552	
Unemployment Compensation	592	
Employer Medicare	3,944	
Maintenance and Repair Services - Office Equipment	248	
Travel	3,910	
Office Supplies	2,113	
Other Supplies and Materials	22,579	
Administration Equipment	7,890	
Total Fiscal Services		395,491
Human Services/Personnel		
Supervisor/Director	$ 62,076	
Secretary(ies)	26,329	
Social Security	5,481	
State Retirement	6,949	
Life Insurance	101	
Unemployment Compensation	157	
Employer Medicare	1,282	
Travel	2,218	
Other Contracted Services	28,233	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Human Services/Personnel (Cont.)		
Office Supplies	$ 3,746	
Other Supplies and Materials	3,008	
In Service/Staff Development	770	
Total Human Services/Personnel		$ 140,350
Operation of Plant		
Supervisor/Director	$ 75,030	
Custodial Personnel	1,351,747	
Social Security	81,995	
State Retirement	111,350	
Life Insurance	2,887	
Medical Insurance	258,928	
Unemployment Compensation	4,102	
Employer Medicare	19,380	
Maintenance and Repair Services - Vehicles	12,039	
Rentals	84,671	
Disposal Fees	51,694	
Other Contracted Services	37,152	
Custodial Supplies	172,548	
Electricity	1,777,185	
Natural Gas	223,914	
Water and Sewer	264,251	
Other Supplies and Materials	12,655	
Building and Contents Insurance	197,969	
Plant Operation Equipment	32,196	
Total Operation of Plant		4,771,693
Maintenance of Plant		
Supervisor/Director	$ 65,710	
Maintenance Personnel	462,201	
Social Security	30,576	
State Retirement	39,539	
Life Insurance	706	
Medical Insurance	78,926	
Unemployment Compensation	1,416	
Employer Medicare	7,165	
Payments to Retirees	1,150	
Communication	193,066	
Maintenance and Repair Services - Buildings	31,797	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Maintenance and Repair Services - Equipment	$ 20,645	
Travel	100	
Other Contracted Services	58,241	
Custodial Supplies	8,725	
Gasoline	86,326	
Office Supplies	1,457	
Other Supplies and Materials	227,516	
Total Maintenance of Plant		$ 1,315,262
Transportation		
Supervisor/Director	$ 44,754	
Social Security	2,765	
State Retirement	4,050	
Life Insurance	27	
Medical Insurance	749	
Unemployment Compensation	78	
Employer Medicare	647	
Contracts with Vehicle Owners	2,622,852	
Travel	910	
Other Contracted Services	4,854	
Other Supplies and Materials	6,353	
Total Transportation		2,688,039
Central and Other		
Supervisor/Director	$ 85,863	
Career Ladder Program	3,000	
Secretary(ies)	28,018	
Other Salaries and Wages	288,080	
Social Security	24,263	
State Retirement	33,245	
Life Insurance	378	
Medical Insurance	35,111	
Unemployment Compensation	651	
Employer Medicare	5,674	
Dues and Memberships	89	
Travel	4,323	
Other Contracted Services	215,395	
Other Supplies and Materials	48,469	
In Service/Staff Development	2,529	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Central and Other (Cont.)				
Administration Equipment	$	14,882		
Data Processing Equipment		62,886		
Total Central and Other			$	852,856
Operation of Non-Instructional Services				
Community Services				
Other Salaries and Wages	$	65,765		
Social Security		3,963		
State Retirement		5,067		
Life Insurance		84		
Medical Insurance		3,257		
Unemployment Compensation		142		
Employer Medicare		927		
Communication		1,831		
Maintenance and Repair Services - Equipment		5,875		
Postal Charges		25		
Travel		3,211		
Other Contracted Services		3,700		
Utilities		3,738		
Other Supplies and Materials		7,771		
Workers' Compensation Insurance		2,180		
Other Charges		258		
Other Equipment		1,064		
Total Community Services				108,858
Early Childhood Education				
Supervisor/Director	$	12,606		
Teachers		281,758		
Secretary(ies)		12,061		
Clerical Personnel		10,564		
Educational Assistants		125,075		
Other Salaries and Wages		9,825		
Social Security		26,688		
State Retirement		38,728		
Life Insurance		804		
Medical Insurance		52,168		
Unemployment Compensation		1,167		
Employer Medicare		6,242		
Communication		1,057		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Operation of Non-Instructional Services (Cont.)		
Early Childhood Education (Cont.)		
Contributions	$ 50	
Maintenance and Repair Services - Office Equipment	301	
Postal Charges	50	
Travel	608	
Other Contracted Services	5,241	
Drugs and Medical Supplies	728	
Food Supplies	8,681	
Instructional Supplies and Materials	142	
Natural Gas	3,249	
Office Supplies	1,033	
Other Supplies and Materials	329	
Building and Contents Insurance	40	
Workers' Compensation Insurance	1,800	
In Service/Staff Development	158	
Other Charges	4,067	
Other Equipment	3,489	
Total Early Childhood Education		$ 608,709
Capital Outlay		
Regular Capital Outlay		
Building Construction	$ 60,988	
Building Improvements	435,834	
Land	5,500	
Total Regular Capital Outlay		502,322
Principal on Debt		
Education		
Principal on Notes	$ 140,968	
Principal on Capital Leases	6,162	
Total Education		147,130
Interest on Debt		
Education		
Interest on Notes	$ 30,246	
Interest on Capital Leases	11,550	
Total Education		41,796

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)			
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 779,894		
Other Debt Service	1,100		
Total Education		$ 780,994	
Total General Purpose School Fund			$ 53,187,895
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 1,222,410		
Other Salaries and Wages	320,168		
Certified Substitute Teachers	477		
Non-certified Substitute Teachers	1,100		
Social Security	89,846		
State Retirement	139,808		
Life Insurance	1,572		
Medical Insurance	163,793		
Unemployment Compensation	1,556		
Employer Medicare	21,018		
Instructional Supplies and Materials	11,814		
Other Supplies and Materials	37,379		
Regular Instruction Equipment	77,308		
Total Regular Instruction Program		$ 2,088,249	
Special Education Program			
Teachers	$ 257,606		
Educational Assistants	219,497		
Speech Pathologist	81,444		
Other Salaries and Wages	105,710		
Certified Substitute Teachers	180		
Non-certified Substitute Teachers	1,013		
Social Security	34,420		
State Retirement	50,239		
Life Insurance	1,100		
Medical Insurance	103,297		
Unemployment Compensation	2,624		
Employer Medicare	8,924		
Travel	1,350		
Gasoline	346		

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Instructional Supplies and Materials	$ 179,288	
Other Supplies and Materials	1,695	
Workers' Compensation Insurance	6,593	
Special Education Equipment	91,064	
Total Special Education Program		$ 1,146,390
Vocational Education Program		
Other Salaries and Wages	$ 2,412	
Other Supplies and Materials	24,204	
Vocational Instruction Equipment	161,877	
Total Vocational Education Program		188,493
Support Services		
Other Student Support		
Other Salaries and Wages	$ 127,937	
Social Security	7,029	
State Retirement	10,695	
Life Insurance	101	
Medical Insurance	14,148	
Unemployment Compensation	97	
Employer Medicare	1,644	
Travel	28,500	
Other Supplies and Materials	8,534	
In Service/Staff Development	11,657	
Total Other Student Support		210,342
Regular Instruction Program		
Supervisor/Director	$ 84,797	
Secretary(ies)	28,118	
Social Security	6,539	
State Retirement	9,884	
Life Insurance	101	
Medical Insurance	14,148	
Unemployment Compensation	97	
Employer Medicare	1,529	
Communication	884	
Contracts with Other Public Agencies	287,676	
Travel	6,622	
Other Contracted Services	3,572	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Other Supplies and Materials	$ 3,019	
In Service/Staff Development	45,405	
Other Charges	581	
Other Equipment	4,913	
Total Regular Instruction Program		$ 497,885
Special Education Program		
Psychological Personnel	$ 49,141	
Clerical Personnel	54,224	
Social Security	6,097	
State Retirement	8,577	
Life Insurance	202	
Medical Insurance	13,823	
Unemployment Compensation	328	
Employer Medicare	1,426	
Postal Charges	293	
Travel	63,196	
Other Contracted Services	136,469	
Workers' Compensation Insurance	725	
In Service/Staff Development	30,934	
Total Special Education Program		365,435
Board of Education		
Workers' Compensation Insurance	$ 110	
Total Board of Education		110
Director of Schools		
Postal Charges	$ 600	
Total Director of Schools		600
Office of the Principal		
Communication	$ 2,565	
Total Office of the Principal		2,565
Transportation		
Contracts with Private Agencies	$ 113,588	
Contracts with Parents	15,049	
Maintenance and Repair Services - Vehicles	4,650	
Other Contracted Services	37,569	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Gasoline	$ 30,460		
Other Charges	148		
Transportation Equipment	123,806		
Total Transportation		$ 325,270	
Operation of Non-Instructional Services			
Community Services			
Teachers	$ 6,800		
Educational Assistants	5,756		
Other Salaries and Wages	1,162		
Social Security	847		
State Retirement	1,166		
Employer Medicare	198		
Other Supplies and Materials	100		
Total Community Services		16,029	
Total School Federal Projects Fund			$ 4,841,368
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 63,466		
Accountants/Bookkeepers	79,536		
Clerical Personnel	481,268		
Cafeteria Personnel	643,587		
Other Salaries and Wages	12,663		
Social Security	75,518		
State Retirement	73,806		
Life Insurance	2,839		
Medical Insurance	167,196		
Unemployment Compensation	3,200		
Employer Medicare	17,663		
Payments to Retirees	6,535		
Bank Charges	367		
Communication	13,524		
Dues and Memberships	1,109		
Legal Notices, Recording, and Court Costs	22		
Licenses	1,706		
Maintenance and Repair Services - Equipment	27,973		

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Postal Charges	$ 2,750		
Printing, Stationery, and Forms	2,483		
Travel	9,740		
Other Contracted Services	32,712		
Food Supplies	1,205,191		
Office Supplies	7,422		
USDA - Commodities	144,416		
Other Supplies and Materials	17,088		
Workers' Compensation Insurance	26,000		
In Service/Staff Development	4,199		
Refund to Applicant for Criminal Investigation	144		
Other Charges	520		
Building Improvements	9,770		
Food Service Equipment	175,239		
Motor Vehicles	20,958		
Total Food Service		$ 3,330,610	
Total Central Cafeteria Fund			$ 3,330,610
Other Education Special Revenue Fund			
Operation of Non-Instructional Services			
Community Services			
Supervisor/Director	$ 71,433		
Teachers	171,144		
Social Workers	41,093		
Medical Personnel	40,900		
Secretary(ies)	48,420		
Educational Assistants	1,011,172		
Other Salaries and Wages	113,938		
Certified Substitute Teachers	600		
Non-certified Substitute Teachers	598		
Social Security	86,126		
State Retirement	107,780		
Life Insurance	2,852		
Medical Insurance	195,507		
Unemployment Compensation	4,326		
Employer Medicare	20,294		
Payments to Retirees	950		
Advertising	231		

(Continued)

Exhibit K-9

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

Other Education Special Revenue Fund (Cont.)		
Operation of Non-Instructional Services (Cont.)		
Community Services (Cont.)		
Communication	$ 16,747	
Contracts with Other School Systems	710,041	
Contributions	100	
Dues and Memberships	1,571	
Operating Lease Payments	14,700	
Maintenance and Repair Services - Office Equipment	2,563	
Maintenance and Repair Services - Vehicles	2,300	
Pest Control	960	
Postal Charges	530	
Travel	6,786	
Other Contracted Services	25,240	
Drugs and Medical Supplies	696	
Electricity	15,570	
Food Supplies	43,133	
Gasoline	4,914	
General Construction Materials	6,871	
Instructional Supplies and Materials	6,272	
Natural Gas	2,677	
Office Supplies	3,782	
Water and Sewer	2,100	
Other Supplies and Materials	21,424	
Building and Contents Insurance	2,249	
Vehicle and Equipment Insurance	4,500	
Workers' Compensation Insurance	6,937	
In Service/Staff Development	31,813	
Refund to Applicant for Criminal Investigation	144	
Other Charges	24,874	
Data Processing Equipment	3,492	
Furniture and Fixtures	3,993	
Other Equipment	10,745	
Total Community Services		$ 2,895,088
Principal on Debt		
Education		
Principal on Capital Leases	$ 34,487	
Total Education		34,487

(Continued)

Exhibit K-9

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

Other Education Special Revenue Fund (Cont.)			
Interest on Debt			
Education			
Interest on Capital Leases	$ 64,636		
Total Education		$ 64,636	
Total Other Education Special Revenue Fund			$ 2,994,211
Education Capital Projects Fund			
Capital Outlay			
Regular Capital Outlay			
Architects	$ 269,828		
Building Construction	4,798,088		
Building Improvements	2,165,863		
Total Regular Capital Outlay		$ 7,233,779	
Total Education Capital Projects Fund			7,233,779
Total Governmental Funds - Anderson County School Department			$ 71,587,863

Exhibit K-10

Anderson County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund	City School ADA - Clinton Fund	City School ADA - Oak Ridge Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 1,599,612	$ 7,478,214	$ 9,077,826
Trustee's Collections - Prior Years	0	66,060	308,798	374,858
Circuit/Clerk and Master Collections - Prior Years	0	27,379	127,868	155,247
Interest and Penalty	0	21,200	99,132	120,332
Local Option Sales Tax	11,747,237	923,296	4,316,436	16,986,969
Coal Severance Tax	0	8,970	41,937	50,907
Interstate Telecommunications Tax	0	342	1,447	1,789
Marriage Licenses	0	366	1,860	2,226
Total Cash Receipts	$ 11,747,237	$ 2,647,225	$ 12,375,692	$ 26,770,154
Cash Disbursements				
Remittance of Revenues Collected	$ 11,629,765	$ 2,604,936	$ 12,178,105	$ 26,412,806
Trustee's Commission	117,472	43,273	202,303	363,048
Total Cash Disbursements	$ 11,747,237	$ 2,648,209	$ 12,380,408	$ 26,775,854
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ (984)	$ (4,716)	$ (5,700)
Cash Balance, July 1, 2011	0	3,853	18,127	21,980
Cash Balance, June 30, 2012	$ 0	$ 2,869	$ 13,411	$ 16,280

STATISTICAL SECTION

This part of Anderson 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.

	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	229-235
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	7-10	236-239
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.	11-15	240-244
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.	16-17	245-246
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.	18-20	247-249

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

Table 1

Anderson County, Tennessee
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	$ 1,759,576	$ 3,677,748	$ 4,795,772	$ 7,485,543	$ 9,187,426	$ 11,364,951	$ 15,163,056	$ 15,002,377	$ 15,962,344	$ 14,532,349
Restricted for:										
General Government	0	0	0	0	0	0	0	0	22,823	164,343
Finance	0	0	0	0	0	0	0	0	15,002	20,668
Administration of Justice	0	0	0	0	0	0	0	0	323,830	357,587
Public Safety	0	0	0	0	0	0	0	0	504,844	366,463
Public Health and Welfare	0	0	0	0	0	0	0	0	101,338	223,471
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	341,130	331,713
Other Operations	254,040	439,064	606,468	797,752	303,040	195,536	347,467	387,877	8,000	4,826
Highway/Public Works	594,373	967,776	1,740,500	1,379,754	971,846	870,595	961,417	972,780	1,286,623	1,496,633
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266	2,061,209	2,653,340	2,861,253	2,661,622
Capital Projects	0	0	0	0	0	0	0	0	0	65,443
Courthouse and Jail (1)	0	0	0	0	57,551	86,728	93,109	93,109	0	0
Public Library (1)	0	0	0	0	109,136	109,059	223,052	249,191	0	0
Solid Waste (1)	0	0	0	0	198,665	183,051	385,169	241,030	0	0
Drug Control (1)	0	0	0	0	99,497	82,630	91,807	165,820	0	0
Tourism (1)	0	0	0	0	0	100,279	61,626	88,919	0	0
Unrestricted	(22,816,572)	(20,570,791)	(17,603,786)	(14,374,348)	(9,992,846)	(6,996,196)	(7,484,171)	(7,666,758)	(7,588,444)	(22,981,735)
Subtotal Governmental Activities Net Assets	$ (19,865,544)	$ (14,971,714)	$ (9,664,011)	$ (3,764,257)	$ 2,019,291	$ 7,461,899	$ 11,903,741	$ 12,187,685	$ 13,838,743	$ (2,756,617)
Business-type Activities: (3) (4)										
Invested in Capital Assets, Net of Related Debt	$ 9,348,039	$ 9,663,218	$ 10,053,279	$ 10,749,737	$ 10,592,256	$ 10,518,405	$ 0	$ 0	$ 0	$ 0
Invested in Capital Assets	0	0	0	0	0	0	0	1,526,540	1,370,128	1,403,609
Unrestricted	1,442,959	1,312,134	1,340,772	1,287,859	1,393,488	1,544,982	0	1,398,449	1,173,406	1,155,461
Subtotal Business-type Activites Net Assets	$ 10,790,998	$ 10,975,352	$ 11,394,051	$ 12,037,596	$ 11,985,744	$ 12,063,387	$ 0	$ 2,924,989	$ 2,543,534	$ 2,559,070
Primary Government:										
Invested in Capital Assets, Net of Related Debt	$ 11,107,615	$ 13,340,966	$ 14,849,051	$ 18,235,280	$ 19,779,682	$ 21,883,356	$ 15,163,056	$ 15,002,377	$ 15,962,344	$ 14,532,349
Invested in Capital Assets	0	0	0	0	0	0	0	1,526,540	1,370,128	1,403,609
Restricted for:										
General Government	0	0	0	0	0	0	0	0	22,823	164,343
Finance	0	0	0	0	0	0	0	0	15,002	20,668
Administration of Justice	0	0	0	0	0	0	0	0	323,830	357,587
Public Safety	0	0	0	0	0	0	0	0	504,844	366,463
Public Health and Welfare	0	0	0	0	0	0	0	0	101,338	223,471
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	341,130	331,713
Other Operations	0	0	0	0	0	0	0	0	8,000	4,826
Highway/Public Works	594,373	967,776	1,740,500	1,379,754	971,846	870,595	961,417	972,780	1,286,623	1,496,633
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266	2,061,209	2,653,340	2,861,253	2,661,622
Capital Projects	0	0	0	0	0	0	0	0	0	65,443
Courthouse and Jail (1)	0	0	0	0	57,551	86,728	93,109	93,109	0	0
Public Library (1)	0	0	0	0	109,136	109,059	223,052	249,191	0	0
Solid Waste (1)	0	0	0	0	198,665	183,051	385,169	241,030	0	0
Drug Control (1)	0	0	0	0	99,497	82,630	91,807	165,820	0	0
Tourism (1)	0	0	0	0	0	100,279	61,626	88,919	0	0
Other Purposes	254,040	439,064	606,468	797,752	303,040	195,536	347,467	387,877	0	0
Unrestricted	(21,373,613)	(19,258,657)	(16,263,014)	(13,086,489)	(8,599,358)	(5,451,214)	(7,484,171)	(6,268,309)	(6,415,038)	(21,826,274)
Total Primary Government Net Assets (2)	$ (9,074,546)	$ (3,996,362)	$ 1,730,040	$ 8,273,339	$ 14,005,035	$ 19,525,286	$ 11,903,741	$ 15,112,674	$ 16,382,277	$ (197,547)

(1) Prior to fiscal years 2007 and 2008, amounts included in Other Purposes. Since GASB 54 they are now included in the appropriate functions.
(2) See Table 2 for changes in net assets from year to year.
(3) As of December 31, 2009, Anderson County Utility Board merged with Anderson County Water Authority.
(4) At the beginning of July 1, 2010, the Business-type Activity is now Anderson County Emergency Medical Services.

Table 2

Anderson County, Tennessee
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting) (cont.)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General Government	$ 2,384,417	$ 2,958,476	$ 3,043,074	$ 3,625,905	$ 3,382,567	$ 3,825,776	$ 3,678,421	$ 3,806,607	$ 3,685,858	$ 3,548,769
Finance	2,074,278	2,264,600	2,353,548	2,289,764	2,500,844	2,582,694	2,772,399	2,795,163	2,791,197	2,710,791
Administration of Justice	2,143,265	2,487,842	2,396,649	2,499,792	2,354,901	2,227,931	2,601,237	2,867,590	2,912,864	3,122,189
Public Safety	6,005,316	6,525,846	6,550,593	7,265,640	7,634,445	9,474,855	10,629,849	11,073,910	11,594,279	11,914,342
Public Health and Welfare	4,306,111	4,821,032	5,490,734	5,700,376	5,847,219	6,087,420	6,830,198	2,847,206	2,677,855	4,308,053
Social, Cultural and Recreational Services	246,687	274,330	290,638	305,178	395,711	363,662	543,805	606,085	672,862	686,748
Agricultural and Natural Resources	153,247	160,814	158,093	256,550	259,270	194,110	191,929	198,699	279,392	286,919
Other Operations	907,842	950,493	784,386	1,101,170	1,168,858	1,814,950	1,393,097	1,252,748	1,211,879	1,577,100
Highways	4,273,421	3,965,497	2,830,170	3,315,744	4,355,441	3,744,401	3,777,430	3,887,060	3,405,748	3,974,540
Education	0	0	0	103,464	0	0	0	0	0	18,622,722
Inerest on Long-term Debt	2,195,850	1,631,665	1,543,338	1,774,242	1,787,493	1,561,094	1,056,082	758,747	861,452	1,603,475
Other Debt Service	213,476	233,936	128,947	215,508	262,708	123,866	117,537	53,825	244,402	261,308
Total Governmental Activities Expenses	$ 24,903,910	$ 26,274,531	$ 25,570,170	$ 28,453,333	$ 29,949,457	$ 32,000,759	$ 33,591,984	$ 30,147,640	$ 30,337,788	$ 52,616,956
Business-type Activities										
Water and Sewer (3)	$ 1,841,550	$ 1,962,176	$ 2,069,838	$ 2,238,689	$ 2,402,422	$ 2,368,759	$ 1,475,798	$ 0	$ 0	$ 0
Ambulance Service (4)	0	0	0	0	0	0	0	4,411,487	5,189,348	5,523,704
Total Business-type Activities Expenses	$ 1,841,550	$ 1,962,176	$ 2,069,838	$ 2,238,689	$ 2,402,422	$ 2,368,759	$ 1,475,798	$ 4,411,487	$ 5,189,348	$ 5,523,704
Total Primary Government Expenses	$ 26,745,460	$ 28,236,707	$ 27,640,008	$ 30,692,022	$ 32,351,879	$ 34,369,518	$ 35,067,782	$ 34,559,127	$ 35,527,136	$ 58,140,660
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 1,078,964	$ 1,125,816	$ 1,026,912	$ 1,044,089	$ 1,211,133	$ 1,053,338	$ 1,160,416	$ 1,185,031	$ 866,276	$ 944,164
Finance	1,583,976	1,630,854	1,754,221	1,813,917	1,972,724	1,987,292	2,043,580	2,034,646	2,092,261	2,170,181
Administration of Justice	1,647,842	1,656,494	1,802,240	1,927,388	1,835,139	1,685,908	1,937,762	1,965,338	1,837,826	2,257,404
Public Safety	537,734	552,327	503,359	554,705	502,858	515,637	718,661	556,712	159,292	1,018,448
Public Health and Welfare (1)	2,496,522	3,530,284	3,847,134	4,530,165	4,832,207	5,142,663	5,849,858	128,311	662,670	622,962
Social, Cultural and Recreational Services	46,634	53,948	53,712	59,388	61,976	190,913	68,771	71,417	78,901	90,886
Other Operations	0	0	0	0	0	0	140,187	0	661	434
Highways	183,836	205,001	272,479	350,675	406,180	560,649	522,822	513,164	602,453	868,539
Debt Service:										
Interest on Long-term Debt	0	0	0	0	338,925	326,092	158,325	69,580	0	0
Operating Grants and Contributions	3,336,015	3,426,740	3,174,796	2,643,078	2,852,540	3,257,888	3,061,445	3,457,014	4,137,178	3,603,825
Capital Grants and Contributions (2)	1,313,529	352,265	292,704	2,087,387	897,373	893,945	985,527	1,556,900	880,110	1,426,256
Total Governmental Activities Program Revenues	$ 12,225,052	$ 12,533,729	$ 12,727,557	$ 15,010,792	$ 14,911,055	$ 15,614,325	$ 16,647,354	$ 11,538,113	$ 11,317,628	$ 13,003,099
Business-type Activities:										
Charges for Services:										
Water and Sewer	$ 1,670,079	$ 1,719,379	$ 1,818,137	$ 1,967,035	$ 2,279,290	$ 2,431,402	$ 1,247,504	$ 0	$ 0	$ 0
Ambulance Service	0	0	0	0	0	0	0	5,534,480	4,805,793	5,536,443
Capital Grants and Contributions	0	423,375	425,000	940,801	0	0	0	0	0	0
Total Business-type Activities Program Revenues	$ 1,670,079	$ 2,142,754	$ 2,243,137	$ 2,907,836	$ 2,279,290	$ 2,431,402	$ 1,247,504	$ 5,534,480	$ 4,805,793	$ 5,536,443
Total Primary Government Program Revenues	$ 13,895,131	$ 14,676,483	$ 14,970,694	$ 17,918,628	$ 17,190,345	$ 18,045,727	$ 17,894,858	$ 17,072,593	$ 16,123,421	$ 18,539,542

(Continued)

Table 2

Anderson County, Tennessee
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting) (cont.)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental Activities	$ (12,678,858)	$ (13,740,802)	$ (12,842,613)	$ (13,442,541)	$ (15,038,402)	$ (16,386,434)	$ (16,944,630)	$ (18,609,527)	$ (19,020,160)	$ (39,613,857)
Business-type Activities	(171,471)	180,578	173,299	669,147	(123,132)	62,643	(228,294)	1,122,993	(383,555)	12,739
Total Primary Government Net Expense	$ (12,850,329)	$ (13,560,224)	$ (12,669,314)	$ (12,773,394)	$ (15,161,534)	$ (16,323,791)	$ (17,172,924)	$ (17,486,534)	$ (19,403,715)	$ (39,601,118)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	$ 12,842,570	$ 13,040,094	$ 12,735,886	$ 12,833,697	$ 13,117,940	$ 13,464,967	$ 14,075,895	$ 13,839,528	$ 14,156,678	$ 16,408,402
Sales Taxes	511,551	722,130	805,743	843,717	985,038	1,016,987	926,173	934,132	910,270	673,151
Other Taxes	821,487	886,672	1,439,492	1,426,737	1,983,801	1,683,405	1,984,125	1,852,972	2,069,023	2,402,726
Grants and Contributions not Restricted										0
to Specific Programs	3,678,888	3,707,744	3,081,497	3,538,483	4,140,252	5,150,780	4,198,585	3,959,502	3,429,501	3,625,716
Unrestricted Investment Income	256,942	203,825	276,969	504,488	559,351	484,487	160,454	50,899	37,857	67,991
Gain (Loss) on Sale of Capital Assets	0	0	0	96,514	0	0	0	0	0	0
Miscellaneous	86,743	74,167	49,095	58,769	70,568	43,416	41,240	58,435	67,889	40,182
Transfers	0	0	(238,366)	39,890	(35,000)	(15,000)	0	(1,801,996)	0	(1,812)
Total Governmental Activities	$ 18,198,181	$ 18,634,632	$ 18,150,316	$ 19,342,295	$ 20,821,950	$ 21,829,042	$ 21,386,472	$ 18,893,472	$ 20,671,218	$ 23,216,356
Business-type Activites:										
Sales Taxes	$ 49,546	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Unrestricted Investment Income	5,622	3,776	7,034	14,288	36,280	0	4,190	0	0	0
Miscellaneous	10,500	0	0	0	0	0	0	0	2,100	985
Transfers	0	0	238,366	(39,890)	35,000	15,000	0	1,801,996	0	1,812
Total Business-type Activities	$ 65,668	$ 3,776	$ 245,400	$ (25,602)	$ 71,280	$ 15,000	$ 4,190	$ 1,801,996	$ 2,100	$ 2,797
Total Primary Government	$ 18,263,849	$ 18,638,408	$ 18,395,716	$ 19,316,693	$ 20,893,230	$ 21,844,042	$ 21,390,662	$ 20,695,468	$ 20,673,318	$ 23,219,153
Change in Net Assets										
Governmental Activities	$ 5,519,323	$ 4,893,830	$ 5,307,703	$ 5,899,754	$ 5,783,548	$ 5,442,608	$ 4,441,842	$ 283,945	$ 1,651,058	$ (16,397,501)
Business-type Activities	(105,803)	184,354	418,699	643,545	(51,852)	77,643	(224,104)	2,924,989	(381,455)	15,536
Total Primary Government (5)	$ 5,413,520	$ 5,078,184	$ 5,726,402	$ 6,543,299	$ 5,731,696	$ 5,520,251	$ 4,217,738	$ 3,208,934	$ 1,269,603	$ (16,381,965)

(1) The majority of the annual increases from fiscal years ending 2004 thru 2009 can be attributed to the ambulance service operations. The decline in 2010 is a result of the ambulance service being classified as a Business-type Activity.

(2) This amount for the year 2006 includes:

Community Development Block Grant	$ 359,981
Homeland Security Cluster Grant	882,049
Helping America Vote Act Requirement Payments	312,500
	$ 1,554,530

(3) As of December 31, 2009, Anderson County Utility Board merged with Anderson County Water Authority.

(4) The Business-type Activity is now Anderson County Emergency Medial Services.

(5) The fiscal year ending 2012 has a negative change in the Net Assets primarily due to the issuance of $14,750,000 of bonds.

Table 3

Anderson County, Tennessee
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax (1)	Local Option Sales Tax	Interstate Communi-cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral,Coal Gas & Oil Severance Tax	Other Local Tax	Total
2003	$ 12,842,570	$ 511,551	$ 5,841	$ 128,715	$ 254,295	$ 297,608	$ 129,584	$ 5,444	$ 14,175,608
2004	13,040,094	722,130	5,349	129,939	280,883	333,822	132,095	4,584	14,648,896
2005	12,735,886	805,743	5,364	134,738	327,692	756,324 (2)	198,865	16,509	14,981,121
2006	12,833,697	843,717	5,479	139,225	294,356	793,956	189,147	4,574	15,104,151
2007	13,117,940	985,038	5,125	177,196	289,691	1,307,583	181,814	22,392	16,086,779
2008	13,464,967	1,016,987	4,084	180,233	296,065	1,028,801	149,665	24,557	16,165,359
2009	14,075,895	926,173	3,753	178,023	290,851	1,008,018	466,144 (3)	3,251	16,952,108
2010	13,839,528	934,132	5,735	178,023	290,851	1,008,018	350,342	20,003	16,626,632
2011	14,156,678	910,270	3,746	324,673	356,430	1,120,438	261,267	6,215	17,139,717
2012	16,408,402	673,151	2,061	267,425	329,676	1,314,279	322,140	169,206 (4)	19,486,340

(1) Includes current year, prior year, interest and penalty, and in-lieu-of property taxes.
(2) Prior to fiscal year 2005, business tax was distributed based on property tax distribution, which included the Discretely Presented Anderson County School Department.
(3) This is the first year that Gas and Oil Severance Tax was collected and included in this figure.
(4) Wholesale Beer Tax was reallocated to the primary government for fiscal year 2012.

Table 4

Anderson County, Tennessee
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (4)	2012
General Fund:										
Nonspendable (1)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 560,530	$ 405,685
Restricted (1)	0	0	0	0	0	0	0	0	608,426	1,276,846
Committed (1)	0	0	0	0	0	0	0	0	1,289,938	1,543,171
Assigned (1)	0	0	0	0	0	0	0	0	1,800	9,250
Reserved	199,846	296,073	755,557	279,141	324,579	618,661	759,326	1,165,325	0	0
Unassigned(2)	4,261,566	4,000,725	4,156,848	5,286,117	7,019,488	7,715,751	4,360,374	3,064,517	1,388,910	2,500,862
Total General Fund	$ 4,461,412	$ 4,296,798	$ 4,912,405	$ 5,565,258	$ 7,344,067	$ 8,334,412	$ 5,119,700	$ 4,229,842	$ 3,849,604	$ 5,735,814
All Other Governmental Funds:										
Nonspendable (1)										
Special Revenue Funds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 57,433	$ 57,910
Restricted (1)										
Special Revenue Funds	0	0	0	0	0	0	0	0	1,574,076	1,798,331
Debt Service Funds	0	0	0	0	0	0	0	0	12,623,723	4,810,991
Capital Projects Funds	0	0	0	0	0	0	0	0	0	11,423,181
Committed (1)										
Special Revenue Funds	0	0	0	0	0	0	0	0	497,673	819,227
Debt Service Funds	0	0	0	0	0	0	0	0	47,657	112,511
Capital Projects Funds	0	0	0	0	0	0	0	0	25,427	0
Reserved	13,215	385,599	4,598,932	7,147,825	9,729,622	9,468,991	8,776,515	8,855,295	0	0
Unreserved, Reported in:										
Special Revenue Funds	1,035,630	1,415,124	1,277,166	2,164,596	1,320,239	1,213,829	1,608,528	1,476,166	0	0
Debt Service Funds	1,767,012	1,790,559	2,617,523	2,831,162	3,048,646	3,648,132	4,523,342	4,815,007	0	0
Capital Projects Funds	0	0	0	47,960	(190,806)	0	0	194,427	0	0
Total Other Governmental Funds	$ 2,815,857	$ 3,591,282	$ 8,493,621	$ 12,191,543	$ 13,907,701	$ 14,330,952	$ 14,908,385	$ 15,340,895	$ 14,825,989	$ 19,022,151
Total Governmental Funds (3)	$ 7,277,269	$ 7,888,080	$ 13,406,026	$ 17,756,801	$ 21,251,768	$ 22,665,364	$ 20,028,085	$ 19,570,737	$ 18,675,593	$ 24,757,965

(1) See Exhibit C-1 for details of reserves.
(2) Prior to Fiscal Year 2011 Unassigned was known as Unreserved.
(3) See Table 5 for changes in fund balances from year to year.
(4) GASB 54 has been implemented in the Fiscal Year 2011.

Table 5

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Local Taxes	$ 14,864,570	$ 15,402,349	$ 15,973,264	$ 15,901,248	$ 17,453,374	$ 17,758,428	$ 17,931,124	$ 18,702,680	$ 19,492,053	$ 21,646,045
Licenses and Permits	262,113	303,338	312,175	277,564	435,207	334,781	364,232	426,596	298,821	362,401
Fines, Forfeitures, and Penalties	370,148	427,735	494,129	464,091	472,529	416,581	504,416	632,630	567,429	575,999
Charges for Current Services	5,979,533	5,839,958	6,228,056	6,930,644	4,984,369	5,453,574	5,951,297	810,065	849,905	833,953
Other Local Revenues	1,158,942	849,065	963,584	1,369,514	1,747,527	2,069,933	1,620,956	1,349,716	1,215,914	1,840,992
Fees Received from County Officials (1)	0	1,277,573	1,323,177	1,354,986	3,693,734	3,677,288	3,862,048	3,692,571	3,667,789	4,156,362
State of Tennessee	3,551,284	3,483,171	3,438,717	3,401,578	3,686,942	4,035,130	3,869,497	3,840,768	4,417,699	3,903,351
Federal Government	409,311	678,092	231,108	1,833,543	642,244	600,570	523,594	537,182	451,533	1,850,041
Other Governments and Citizens Groups	3,458,424	2,966,178	2,174,828	2,574,130	2,382,651	3,317,542	2,491,489	1,782,115	530,604	1,091,979
Total Revenues	$ 30,054,325	$ 31,227,459	$ 31,139,038	$ 34,107,298	$ 35,498,577	$ 37,663,827	$ 37,118,653	$ 31,774,323	$ 31,491,747	$ 36,261,123
Expenditures:										
General Government	$ 2,706,226	$ 2,994,719	$ 3,167,562	$ 3,459,948	$ 3,290,754	$ 3,444,613	$ 3,478,014	$ 3,530,085	$ 4,072,604	$ 3,179,117
Finance	2,055,313	2,213,122	2,293,211	2,263,540	2,495,518	2,602,777	2,757,148	2,778,596	2,755,700	2,679,473
Administration of Justice	2,151,193	2,358,261	2,330,126	2,472,047	2,355,187	2,429,489	2,710,219	2,795,870	2,913,006	3,135,634
Public Safety	6,165,119	6,222,472	6,340,657	7,821,651	7,809,510	9,450,720	10,710,833	10,627,558	11,328,197	11,643,265
Public Health and Welfare	4,482,218	5,043,678	5,264,081	5,245,520	5,742,633	6,280,097	7,702,019	2,688,777	2,494,491	2,523,813
Social, Cultural, and Recreational Services	263,472	268,495	287,399	298,894	318,068	359,240	538,636	598,734	694,235	673,710
Agricultural and Natural Resources	152,408	167,853	153,674	255,659	257,428	189,683	196,294	197,427	275,149	283,632
Other Operations	904,384	939,409	777,750	1,057,494	1,157,513	1,587,847	1,378,998	1,244,342	1,293,053	1,597,043
Highways	2,755,636	2,443,708	2,470,425	3,545,565	3,897,183	3,591,901	3,393,640	3,501,270	3,378,288	3,556,381
Debt Service:										
Principal on Debt	4,494,918	4,756,275	4,060,229	4,097,347	4,215,281	4,195,683	4,316,371	4,405,900	1,081,000	2,502,553
Interest on Debt	2,456,869	1,640,404	1,534,095	1,714,639	1,700,799	1,480,507	1,006,019	717,066	880,081	1,482,214
Other Debt Service	153,024	284,776	90,211	252,051	221,390	83,246	76,568	78,513	389,779	635,401
Capital Projects	105,814	1,228,570	778,751	975,440	3,949,006	650,169	1,534,296	1,570,112	1,191,527	22,062,520
Total Expenditures	$ 28,846,594	$ 30,561,742	$ 29,548,171	$ 33,459,795	$ 37,410,270	$ 36,345,972	$ 39,799,055	$ 34,734,250	$ 32,747,110	$ 55,954,756
Excess of Revenues Over (Under) Expenditures	$ 1,207,731	$ 665,717	$ 1,590,867	$ 647,503	$ (1,911,693)	$ 1,317,855	$ (2,680,402)	$ (2,959,927)	$ (1,255,363)	$ (19,693,633)
Other Financing Sources (Uses):										
Bonds Issued	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 24,750,000
Notes Issued	100,000	8,395,000	300,000	0	0	0	0	2,450,000	0	644,574
Capital Leases Issued	196,931	318,291	0	0	0	0	0	0	0	0
Refunding Debt Issued	12,933,000	0	0	4,580,000	0	0	0	0	19,055,000	0
Other Loans Issued	0	0	3,344,356	3,856,132	5,499,975	81,245	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0	13,115	11,220	1,100
Premiums on Bonds Sold	0	0	0	0	0	29,496	0	0	359,660	578,835
Insurance Recovery	0	0	0	0	41,685	0	43,123	19,525	2,648	1,496
Transfers In (1)	2,552,902	1,380,648	1,809,005	1,549,975	2,100,128	1,497,380	1,955,218	1,869,414	467,150	16,107
Transfers Out (1)	(2,552,902)	(1,380,648)	(2,109,005)	(1,710,085)	(2,235,128)	(1,512,380)	(1,955,218)	(1,849,475)	(467,150)	(216,107)
Redemption of Refunded Debt	(12,867,400)	(8,185,474)	0	(4,572,750)	0	0	0	0	(19,068,309)	0
Total Other Financing Sources (Uses)	$ 362,531	$ 527,817	$ 3,344,356	$ 3,703,272	$ 5,406,660	$ 95,741	$ 43,123	$ 2,502,579	$ 360,219	$ 25,776,005
Net Change in Fund Balances	$ 1,570,262	$ 1,193,534	$ 4,935,223	$ 4,350,775	$ 3,494,967	$ 1,413,596	$ (2,637,279)	$ (457,348)	$ (895,144)	$ 6,082,372
Debt service as a percentage of noncapital expenditures	24.2%	21.8%	19.4%	17.9%	17.7%	15.9%	14.8%	16.2%	6.5%	7.6%

(1) Prior to July 1, 2004, fees collected by the individual constitutional officers were presented in total as charges for current services in a special revenue fund with the amount of funds remitted to the General Fund being reflected as transfers between funds. Subsequent to that date, the amount of funds remitted by the constitutional officers to the General Fund are shown as revenue directly into the General Fund and not in the special revenue fund.

Table 6

Anderson County, Tennessee
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Option Sales Tax	Interstate Communi-cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral Severance Tax	Coal Severance Tax	Other Local Tax	Total
2003	$ 12,809,222	$ 481,007	$ 5,841	$ 128,715	$ 253,487	$ 297,608	$ 129,584	$ 3,454	$ 1,990	$ 14,110,908
2004	12,984,453	724,201	5,349	129,939	280,883	333,822	132,095	3,341	1,243	14,595,326
2005	12,853,661	796,107	5,292	134,738	327,692	756,324	198,865	15,723	786	15,089,188
2006	12,770,676	828,239	5,473	139,225	294,356	793,956	189,147	3,509	1,065	15,025,646
2007	13,118,321	964,365	5,248	177,196	289,691	1,307,583	181,814	20,092	2,300	16,066,610
2008	13,604,976	1,016,987	4,084	180,233	296,065	1,028,801	149,665	21,827	2,730	16,305,368
2009	13,737,972	942,886	3,852	168,321	297,034	1,045,622	126,280	40,612	2,284	16,364,863
2010	13,920,827	940,492	5,735	178,023	290,851	1,008,018	138,958	68,597	10,571	16,562,072
2011	14,202,539	927,865	3,746	325,250	356,430	1,120,438	149,196	112,071	1,979	17,199,514
2012	16,225,512	655,449	2,061	267,425	329,676	1,314,279	117,727	95,216	182,383 (1)	19,189,728

(1) Wholesale Beer Tax was reallocated to the primary government for fiscal year 2012.

Table 7

Anderson County, Tennessee
Appraised and Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Year	(1a) Real Property Appraised Value	(1a) Real Property Assessed Value	(1b) Personal Property Appraised Value	(1b) Personal Property Assessed Value	(1c) Public Utility Property Appraised Value	(1c) Public Utility Property Assessed Value	Total Appraised Value	Total Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed to Total Appraised Value
2003	2002	$ 2,974,766,300	$ 853,864,145	$ 317,599,626	$ 88,263,392	$ 59,732,351	$ 32,852,793	$ 3,352,098,277	$ 974,980,330	$ 3.32	29.09%
2004	2003	3,012,353,000	863,322,920	306,978,956	82,335,143	52,690,385	28,979,712	3,372,022,341	974,637,775	3.40	28.90%
2005 (2)	2004	3,050,012,600	872,896,130	312,102,890	83,469,007	53,459,049	29,402,477	3,415,574,539	985,767,614	3.40	28.86%
2006	2005	3,809,604,800	1,077,413,360	324,661,031	97,398,417	74,055,042	40,730,273	4,208,320,873	1,215,542,050	2.82	28.88%
2007	2006	3,904,492,300	1,102,774,960	353,263,679	105,979,217	72,689,618	39,979,290	4,330,445,597	1,248,733,467	2.82	28.84%
2008	2007	4,043,862,400	1,149,011,110	389,371,776	100,002,700	64,086,782	35,247,730	4,497,320,958	1,284,261,540	2.82	28.56%
2009	2008	4,134,408,100	1,177,967,050	389,765,798	100,456,659	65,417,775	35,979,776	4,589,591,673	1,314,403,485	2.82	28.64%
2010	2009	4,203,971,000	1,198,159,565	413,123,786	103,947,656	60,168,982	33,092,940	4,677,263,768	1,335,200,161	2.82	28.55%
2011	2010	5,072,033,400	1,438,571,130	420,909,761	126,273,011	40,289,379	22,159,158	5,533,232,540	1,587,003,299	2.37	28.68%
2012	2011	5,103,304,200	1,447,259,535	405,505,830	121,651,846	61,665,568	33,916,062	5,570,475,598	1,602,827,443	2.532	28.77%

(1) Assessment Rates are set by Tennessee State Law as follows:
(a) Real Property: Residential and Farm at 25 percent of value.
Commercial and Industrial at 40 percent of value.
(b) Personal Property at 30 percent of value.
(c) Railroads at 40 percent of value and other Public Utilities at 55 percent of value.
(2) In fiscal years 2005 and 2010, county-wide reappraisals of real property were conducted by the State of Tennessee, Division of Property Assessment. Also the county-wide reappraisals of real property were completed during tax years 2005 and 2010.

Table 8

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

		County Direct Rates											Overlapping Rates			
Fiscal Year	Tax Year	General Fund	(4) Library Fund	(4) Highway Dept	General Purpose School Fund	General Debt Service Fund	Rural Debt Service	Education Debt Service	Total Direct Tax Rate	Total Direct Inside Clinton	Total Direct Inside Oak Ridge	Total Direct Remainder of Anderson County	City of Clinton	City of Oak Ridge	City of Norris	City of Lake City
2003	2002	$0.96	$0.00	$0.00	$1.92	$0.26	$0.01	$0.17	$3.32	$3.31	$3.14	$3.32	$0.89	$2.94	$1.89	$1.60
2004	2003	0.96	0.00	0.00	1.92	0.26	0.01	0.17	3.32	3.31	3.14	3.32	0.89	2.87	1.89	1.60
2005	(3) 2004	0.93	0.00	0.00	2.06	0.23	0.01	0.17	3.40	3.39	3.22	3.40	0.89	2.87	1.60	1.60
2006	2005	0.78	0.00	0.00	1.72	0.19	0.01	0.13	2.82	2.81	2.68	2.83	0.89	2.87	1.60	1.60
2007	2006	0.78	0.00	0.00	1.71	0.19	0.01	0.13	2.82	2.81	2.68	2.82	0.73	2.55	1.53	1.60
2008	2007	0.78	0.00	0.00	1.71	0.19	0.01	0.13	2.82	2.81	2.68	2.82	0.73	2.65	1.53	1.60
2009	2008	0.79	0.00	0.00	1.71	0.18	0.01	0.13	2.82	2.81	2.68	2.82	0.78	2.77	1.98	1.60
2010	(3) 2009	0.79	0.00	0.00	1.71	0.18	0.01	0.13	2.82	2.81	2.68	2.82	0.76	2.39	1.55	1.60
2011	2010	0.7163	0.0262	0.0275	1.44	0.05	0.01	0.10	2.37	2.36	2.26	2.37	0.76	2.39	1.55	1.60
2012	2011	0.7563	0.0262	0.0275	1.44	0.10	0.029	0.153	2.532	2.503	2.35	2.532	0.76	2.39	1.55	1.60

(1) Tax rates are in dollars per $100 of assessed value.
(2) City residents pay county taxes in addition to city taxes.
(3) In fiscal years 2005 and 2010, county-wide reappraisals of real property were conducted by the State of Tennessee, Division of Property Assessment.
Also the county-wide reappraisals of real property were completed during tax years 2005 and 2010.
(4) Since the implementation of GASB 54 for the Library and Highway Department to remain Special Revenue Funds they had to receive property taxes instead of transfers from the General Fund.

Table 9

Anderson County, Tennessee
Principal Property Taxpayers (1)
Current Year and Nine Years Ago

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (3)
Oak Ridge Project LLC	$ 37,379,552	1	2.33%			
Magna International	16,013,891	2	1.00%			
Summit Properties	13,680,920	3	0.85%	$ 10,754,440	3	1.10%
Food Lion	9,309,164	4	0.58%	8,951,474	4	0.92%
Bell South	9,552,815	5	0.60%	14,778,825	1	1.52%
Wal Mart	9,419,634	6	0.59%			
Methodist Medical Center	9,611,210	7	0.60%	6,774,160	7	0.69%
Carlisle Tire	8,064,119	8	0.50%			
Norfolk Southern	7,852,101	9	0.49%			
R&R Enterprises	7,232,765	10	0.45%			
Boeign, Incorportated				11,740,089	2	1.20%
Crown American Corporation				7,198,000	5	0.74%
D H Compound				6,960,521	6	0.71%
Carlisle Tire, Incorporated				6,210,752	8	0.64%
Oak Ridge Corporate				4,916,440	9	0.50%
Richard Chinn				4,392,700	10	0.45%
Totals	$ 128,116,171		7.99%	$ 82,677,401		8.47%

(1) Taken from the records of the Anderson County Trustee's Office.
(2) Total taxable value including real, personal, and public utility property for tax year 2011 (fiscal year 2012) is $1,602,827,443.
(3) Total taxable value including real, personal, and public utility property for tax year 2002 (fiscal year 2003) is $974,980,330.

Table 10

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date		Uncollected Taxes to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2003	2002	$ 31,553,817	$ 29,547,862	93.64%	$ 1,927,069	$ 31,474,931	99.75%	$ 78,886	0.25%
2004	2003	31,541,534	29,710,989	94.20	1,803,552	31,514,541	99.91	26,993	0.09
2005	2004	32,691,543	31,110,500	95.16	1,541,633	32,652,133	99.88	39,410	0.12
2006	2005	33,550,148	31,908,542	95.11	1,621,238	33,529,780	99.94	20,368	0.06
2007	2006	34,484,834	32,724,486	94.90	1,744,444	34,468,930	99.95	15,904	0.05
2008	2007	34,479,582	33,772,795	97.95	685,511	34,458,306	99.94	21,276	0.06
2009	2008	35,271,646	34,150,225	96.82	1,084,439	35,234,664	99.90	36,982	0.10
2010	2009	35,939,486	34,723,573	96.62	961,777	35,685,350	99.29	254,136	0.71
2011	2010	36,336,767	35,100,300	96.60	653,443	35,753,743	98.40	583,024	4.28
2012	2011	39,418,410	36,853,130	93.49	0	36,853,130	93.49	1,555,763	3.95

(1) Collections in subsequent years include amounts collected by the Trustee's Office after June 30 of each year and amounts collected by the Clerk and Master in Chancery Court.

Table 11

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

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds (1)	Capital Outlay Notes	Capital Leases	Water and Sewer Revenue Bonds (1)	Capital Outlay Notes	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2003	$ 43,494,290	$ 1,388,094	$ 486,943	$ 1,175,271	$ 159,400	$ 46,703,998	2.39%	$ 650
2004	40,603,340	899,284	148,719	1,253,963	102,119	43,007,425	2.19%	595
2005	40,383,107	835,474	16,889	1,250,367	42,800	42,528,637	1.98%	589
2006	40,487,589	521,666	0	1,177,475	10,000	42,196,730	1.96%	582
2007	41,958,949	335,000	0	1,102,755	0	43,396,704	1.98%	590
2008	37,899,511	280,000	0	1,022,723	0	39,202,234	1.77%	527
2009	33,638,140	225,000	0	0	0	33,863,140	1.50%	453
2010	31,727,241	180,000	0	0	0	31,907,241	1.48%	426
2011	30,776,000	140,000	0	0	0	30,916,000	1.43%	412
2012	53,092,000	913,880	0	0	0	54,005,880	2.12%	719

(1) Includes long-term loans payable financed by PBA loan agreements.
(2) See Table 16 for personal income and population data.

Table 12

Anderson County, Tennessee
Ratios of General Bonded Debt Outstanding (1)
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Property Value	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2003	71,904	$ 974,980,330	$ 43,494,290	$ 1,767,011	$ 41,727,279	4.28%	$ 580
2004	72,244	974,637,775	40,603,340	2,373,282	38,230,058	3.92%	529
2005	72,244	985,767,614	40,383,107	2,637,523	37,745,584	3.83%	522
2006	72,469	1,215,542,050	40,487,589	2,877,398	37,610,191	3.09%	519
2007	73,579	1,248,733,467	41,958,949	3,048,646	38,910,303	3.12%	529
2008	74,446	1,284,261,540	37,899,511	3,648,132	34,251,379	2.67%	460
2009	74,738	1,314,403,485	33,638,140	4,523,342	29,114,798	2.22%	390
2010	74,849	1,335,200,161	31,727,241	4,815,007	26,912,234	2.02%	360
2011	75,129	1,587,003,299	30,776,000	4,778,380	25,997,620	1.64%	346
2012	75,129	1,602,827,443	53,092,000	4,923,502	48,168,498	3.01%	641

(1) Includes long-term loans payable financed by PBA loan agreements.

Table 13

Anderson County, Tennessee
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Direct General Bonded Debt and Loans Payable:			
Anderson County	$	53,092,000	(1)
Less: Amount Available in Debt Service Funds		(4,923,502)	
Total Direct General Bonded Debt and Loans Payable - Net	$	48,168,498	
Overlapping General Bonded Debt:			
City of Oak Ridge	$	88,318,028	(2)
City of Clinton		12,836,000	(2)
City of Lake City		554,848	(2)
Total Overlapping General Bonded Debt	$	101,708,876	
TOTAL DIRECT GENERAL BONDED DEBT AND LOANS PAYABLE AND OVERLAPPING GENERAL BONDED DEBT	$	149,877,374	

Method used to calculate overlappiing debt:
Information on the county's bonded debt and loans payable is taken from information on Exhibit K-1 under the Miscellaneous Schedules section of this audit.

The amounts available in the fund balances of the debts services on Exhibit C-1 under the Basic Financial Statements is then removed from the total bonded debt.

The overlapping General Bonded Debt is obtained from each individual city in Anderson County. Their totals are then added to the county's direct general bonded debt and loans payable - net to obtain Total Direct General Bonded Debt and Loans Payable and Over-lapping General Bonded Debt.

Footnotes:
(1) Includes long-term loans payable financed by PBA loan agreements.
(2) Includes general bonded debt only.

Table 14

Anderson County, Tennessee
Legal Debt Margin Information
June 30, 2012

Not Applicable to Anderson County, Tennessee

NOTE:

Section 9-21-103 of the laws of the State of Tennessee provides that bonds or notes may be issued without regard to any limit on indebtedness for Tennessee counties.

Table 15

Anderson County, Tennessee
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Total Revenues (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service Requirements (3) Bonds (4)	Notes	Total	Coverage
2003	$ 1,735,747	$ 1,348,129	$ 387,618	$ 101,947	$ 74,964	$ 176,911	2.19
2004	1,723,155	1,456,902	266,253	126,310	60,418	186,728	1.43
2005	1,825,171	1,566,766	258,405	132,010	61,841	193,851	1.33
2006	1,981,323	1,714,328	266,995	137,233	34,122	171,355	1.56
2007	2,350,570	1,858,103	492,467	130,277	10,382	140,659	3.50
2008	2,444,516	1,819,125	625,391	131,294	0	131,294	4.76
2009 (5)	0	0	0	0	0	0	0

This table only includes the Water and Revenue Bonds of the Public Utility Fund (Enterprise Fund).

Notes:
(1) Includes operating revenues and nonoperating revenues excluding capital grants and contributions from developers.
(2) Does not include depreciation expense.
(3) Includes principal and interest amounts.
(4) Includes other loans payable.
(5) On December 31, 2008, Anderson County Utility Board (ACUB) merged with Anderson County Water Authority Board. All debt requirements transferred with ACUB.

Table 16

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

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Attendance (2)	Unemployment Rate (3)
2003	71,904	$ 1,955,357	$ 27,194	39.9	8,510	4.4%
2004	72,244	1,964,603	27,194	39.9	8,486	5.1%
2005	72,244	2,151,426	29,780	39.2	8,431	5.8%
2006	72,469	2,158,127	29,780	40.7	8,336	5.3%
2007	73,579	2,191,183	29,780	41.4	8,528	3.6%
2008	74,446	2,217,002	29,780	41.4	8,694	5.4%
2009	74,738	2,258,433	30,218	41.4	8,541	10.8%
2010	74,849	2,154,154	28,780	39.2	8,117	9.4%
2011	75,129	2,162,213	28,780	39.9	8,186	9.4%
2012	75,129	2,543,192	33,851	39.5	8,141	8.6%

Data Sources:
(1) Tennessee Advisory Commission on Intergovermental Relations (TACIR) (tn.gov).
(2) Anderson County Schools.
(3) Tennessee Department of Labor and Workforce Development.

Table 17

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

	2012			2003		
Employer	Employees	Rank	Percentage of County Work Force	Employees	Rank	Percentage of County Work Force
BWXT - Y12 (1)	4,600	1	11.94%	4,700	1	(3)
UT Battelle (1)	4,200	2	10.91%	3,883	2	(3)
Anderson County Government	1,716	3	4.46%	1,268	4	(3)
Methodist Medical Center	1,350	4	3.51%	1,336	3	(3)
Bechtel Jacobs Co., LLC	1,337	5	3.47%	986	5	(3)
SAIC	1,100	6	2.86%	869	7	(3)
Wackenhut-Oak Ridge Team	902	7	2.34%			
Oak Ridge Associated Universities	850	8	2.21%			
SiTel	500	9	1.30%			
City of Oak Ridge	464	10	1.20%			
BNFL, Inc.	-		-	915	6	(3)
Eagle Bend Manufacturing	-		-	750	8	(3)
ClientLogic	-			720	9	(3)
Carlisle Tire & Wheel Co. (2)	-		-	700	10	(3)
Total	17,019		44.19%	14,707		

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

(1) In 1997 Lockheed Martin Energy System, Inc., was the Department of Energy contract manager for the Y-12 and X-10 sites in Oak Ridge. In 2006 those sites were managed by BWXT-Y12 and UT Battelle.
(2) Carlisle Tire & Wheel Co. was previously named Dico Tire.
(3) Due to unavailability of total county work force, percentage is not calculated.

Table 18

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

	Full-time Equivalent Employees as of June 30									
Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	37.0	38.5	39.7	43.7	42.3	42.0	40.0	39.0	51.0	48.0
Finance	48.8	50.7	49.0	48.3	50.3	45.4	48.0	47.0	44.0	44.0
Administration of Justice	50.8	52.9	51.7	54.1	43.7	47.6	46.0	46.0	47.0	49.0
Public Safety	103.0	112.9	111.5	121.0	131.8	147.6	159.0	167.0	164.0	171.0
Public Health and Welfare	90.6	92.8	90.5	92.8	93.8	105.1	87.0	75.0	85.0	86.0
Social, Cultural, and Recreational Services	1.5	11.3	11.3	12.8	13.7	12.8	8.0	6.0	7.0	8.0
Agriculture and Natural Resources	2.6	2.7	2.5	2.7	3.0	3.0	3.0	3.0	3.0	3.0
Other Operations	3.7	4.3	3.3	4.5	6.1	6.1	6.0	4.0	4.0	4.0
Solid Waste	3.0	3.0	3.0	3.0	2.4	3.0	3.0	3.0	1.0	3.0
Highways	38.2	36.8	33.2	33.1	33.0	33.8	34.0	30.0	33.0	35.0
Water and Sewer (1)	15.8	15.9	14.8	16.4	18.2	21.3	0.0	0.0	0.0	0.0
TOTAL	395.0	421.8	410.5	432.4	438.3	467.7	434.0	420.0	439.0	451.0

(1) On December 31, 2008, Anderson County Utility Board (ACUB) merged with Anderson County Water Authority; therefore, ACUB employees will not be reflected on this report subsequent to 2008.

Table 19

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

Function:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Register of Deeds										
Documents Filed	18,500	18,000	15,500	17,000	16,100	14,708	14,042	12,793	11,114	11,341
Chancery Court										
Cases Filed	1,566	1,670	1,565	1,704	1,655	2,121	2,396	2,215	2,167	2,102
Case Dispositions	1,394	1,448	1,390	2,117	1,564	1,704	2,146	1,889	1,951	1,744
General Sessions Court I										
Civil Cases Filed	1,354	1,522	1,320	1,439	1,679	2,087	2,185	2,138	2,062	1,959
Criminal Cases Files	7,839	8,641	8,710	6,246	7,478	7,887	7,671	7,825	7,491	7,462
General Sessions Court II										
Civil Cases Filed	382	419	429	420	560	519	700	615	607	748
Criminal Cases Files	5,497	6,201	5,702	5,423	5,182	4,584	5,442	5,104	5,121	5,158
Circuit Court										
Cases Filed	761	839	757	858	750	713	638	606	571	455
Case Dispositions	599	NA	772	785	926	880	741	664	655	566
Criminal Court										
Cases Filed	964	1,025	922	934	911	1,729	1,640	2,441	2,651	2,609
Case Dispositions	815	835	974	980	617	519	1,411	1,691	1,289	1,337
Sheriff's Department										
Physical Arrests	793	910	768	803	2,363	2,717	3,157	2,779	3,551	3,323
Traffic Violations	2,071	1,997	1,042	576	274	406	702	674	950	979
Back-Up Units Required	4,566	6,283	5,856	5,974	5,974	7,985	9,836	9,357	9,234	7,680
Emergency Dispatch										
Calls for Service										
Sherriff	22,777	25,661	25,205	12,602	24,795	28,645	34,016	36,115	34,357	29,925
Ambulance	17,166	19,327	20,953	10,476	22,446	22,101	25,440	29,373	29,982	22,313
Fire & Rescue Calls	NA	NA	NA	2,135	5,121	4,152	4,992	4,490	4,158	4,152
Ambulance Service										
Transports (1)	11,868	13,043	14,760	15,843	15,797	17,875	20,505	15,319	25,815	19,195
Highway Department										
Road Resurfacing (miles)	28	14	32	36	28	17	14	14	4	9.3
Water										
New Connections	105	88	100	100	125	209	(2)	(2)	(2)	(2)
Gallons Produced and Purchased	474,336	455,233	485,515	483,672	439,240	476,752	(2)	(2)	(2)	(2)
Gallons Sold	353,989	334,293	338,187	338,670	360,308	376,930	(2)	(2)	(2)	(2)
Wastewater										
Average Daily Sewage treatment (thousands of gallons)	64	65	67	69	78	80	(2)	(2)	(2)	(2)

Sources: Various government departments.
NA Information not available.
(1) These numbers only represent actual transports of patients. They do not represent any calls that had no transports or a stand-by. Fiscal years 2008 and 2009 include all responses.
(2) These numbers are not available due to the merger of Anderson County Water Authority and Anderson County Utility Board on December 31, 2008.

Table 20

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

	Fiscal Year Ending									
Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	5	6	6	5	5	6	6	8	9	9
Administration of Justice										
Vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety										
Buildings	2	2	2	2	3	4	4	4	4	5
Vehicles	79	77	81	71	77	91	110	115	123	137
Haz-mat Vehicle	0	0	0	1	1	1	1	1	1	1
Public Health and Welfare										
Buildings	2	2	2	2	2	2	3	3	3	3
Ambulances	10	14	16	18	16	19	21	19	20	22
Vehicles	2	3	3	4	4	5	9	7	8	8
Social, Cultural, and Recreational										
Buildings	1	1	1	1	1	1	1	1	1	1
Parks	8	8	8	7	7	7	7	7	7	7
Highway										
Buildings	1	1	1	1	1	1	1	1	1	1
Bridges	65	65	65	65	65	66	66	67	68	68
Roads (miles)	500	501	534	535	535	536	538	504	530	506
Water										
Water Mains (miles)	440	450	460	465	475	480	(1)	(1)	(1)	(1)
Fire Hydrants	145	160	180	188	205	220	(1)	(1)	(1)	(1)
Sewer										
Sanitary Sewers (miles)	43	43	43	50	57	57	(1)	(1)	(1)	(1)

Sources: Various government departments.
(1) These assets were transferred to Anderson County Water Authority during the merger with Anderson County Utility Board on December 31, 2008.

SINGLE AUDIT SECTION

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

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

November 6, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Anderson County's basic financial statements and have issued our report thereon dated November 6, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Anderson County Emergency Communication District as described in our report on Anderson County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Anderson County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Anderson County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Anderson County's internal control

over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Anderson County's internal control over financial reporting.

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

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

Compliance and Other Matters

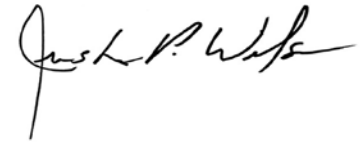
As part of obtaining reasonable assurance about whether Anderson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.01 and 12.02.

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

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

This report is intended solely for the information and use of management, the county mayor, highway superintendent, director of schools, director of accounts and budgets, County Commission, Board of Education, others within Anderson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

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

Independent Auditor's Report

November 6, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Anderson County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Anderson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Anderson County's management. Our responsibility is to express an opinion on Anderson County's compliance based on our audit.

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

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

In our opinion, Anderson County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Anderson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Anderson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anderson County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County as of and for the year ended June 30, 2012, and have issued our report thereon dated November 6, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

This report is intended solely for the information and use of management, the county mayor, highway superintendent, director of schools, director of accounts and budgets, County Commission, Board of Education, others within Anderson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 144,416 (3)
Passed-through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	N/A	4,950
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	566,205
National School Lunch Program	10.555	N/A	1,539,706 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	201,135
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	9,578
Total U.S. Department of Agriculture			$ 2,465,990
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(2)	$ 343,835
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	239,314
Total U.S. Department of Housing and Urban Development			$ 583,149
U.S. Department of Interior:			
Direct Program:			
Abandoned Mine Land Reclamation (AMLR) Program	15.252	NA	$ 262,800
Total U.S. Department of Interior			$ 262,800
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	(2)	$ 2,935
Passed-through Tennessee Bureau of Investigation:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2009-SB-B9-2869	54,129
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	NA	90,070
Total U.S. Department of Justice			$ 147,134
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z11GHS274	$ 37,702
Total U.S. Department of Transportation			$ 37,702
Appalachian Regional Commission:			
Direct Program:			
Appalachian Area Development	23.002	N/A	$ 58,806
Total Appalachian Regional Commission			$ 58,806
U.S. Environmental Protection Agency:			
Direct Program:			
Congressionally Mandated Projects	66.202	N/A	$ 251,794
Total U.S. Environmental Protection Agency			$ 251,794

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	NA	$ 17,479
Total U.S. Department of Energy			$ 17,479
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	$ 98,076
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,637,346
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	4,179
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,662,793
Special Education - Preschool Grants	84.173	N/A	92,116
Special Education - Grants to States, Recovery Act	84.391	N/A	88,492
Career and Technical Education - Basic Grants to States	84.048	N/A	213,738
Funds for the Improvement of Education	84.215	N/A	287,676
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	7,437
Education Technology State Grants, Recovery Act	84.386	N/A	1,718
Improving Teacher Quality State Grants	84.367	N/A	280,827
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grants Recovery Act	84.395	N/A	468,283
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	(2)	104,024
Education Jobs Fund	84.410	(2)	89,056
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	47,074
Total U.S. Department of Education			$ 5,082,835
U.S. Department of Health and Human Services:			
Direct Program:			
Head Start	93.600	N/A	$ 2,795,512
Total U.S. Department of Health and Human Services			$ 2,795,512
Executive Office of the President:			
Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	$ 10,549
Total Executive Office of the President			$ 10,549
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
Disaster Grants - Public Assistance	97.036	(2)	$ 57,228
Pre-Disaster Mitigation	97.047	(2)	41,568
Homeland Security Grant Program	97.067	(2)	159,414
Total U.S. Department of Homeland Security			$ 258,210
Total Expenditures of Federal Awards			$ 11,971,960

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Juvenile Services Program - State Children's Services Commission	N/A	(2)	$ 10,710
Litter Program - State Department of Transportation	N/A	(2)	31,290
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	32,696
Law Enforcement Training Program	N/A	(2)	34,800
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	45,540
Health Department Grants - State Department of Health	N/A	(2)	354,866
Early Childhood Education - Pilot - State Department of Education	N/A	(2)	624,256
Total State Grants			$ 1,134,158

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 $1,684,122.

SUBRECIPIENT

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Head Start	93.600	$710,014	City of Oak Ridge

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Comprehensive Annual Financial Report for Anderson County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

ANDERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Anderson County is unqualified.

2. The audit of the financial statements of Anderson County disclosed no significant deficiencies in internal control.

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

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

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

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

7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391); the Head Start Program (CFDA No. 93.600); and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.

8. A $359,159 threshold was used to distinguish between Type A and Type B federal programs.

9. Anderson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF TRUSTEE

FINDING 12.01 **SOME COUNTY FUNDS WERE NOT INVESTED IN ACCORDANCE WITH STATE STATUTE**
(Noncompliance Under *Government Auditing Standards*)

In March 2012, the trustee contracted with an investment company to invest idle county funds of $500,000. The company was given the authority to act on behalf of the county to select and dispose of various investment instruments and to receive reasonable compensation for its services rendered. The trustee did not sufficiently monitor the activity of the invested funds to ensure the investments were of the type permitted by state statute. As a result, some investments made by the investment company were not permitted by state statutes as follows:

A. County funds were invested in mutual funds while waiting for better investments to become available. Mutual funds are not an investment type permitted by Section 5-8-301 *Tennessee Code Annotated* (*TCA*). This statute provides that county funds be invested in: (a) bonds, notes, or treasury bills of the United States or other obligations guaranteed as to principal and interest by the United States or any of its agencies; (b) certificates of deposit and other evidence of deposits at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations; (c) certain repurchase agreements; (d) the state investment pool; (e) certain bonds issued by states and political subdivisions; (f) nonconvertible debt securities of certain federal government sponsored enterprises; and (g) the county's own debt issued in accordance with Title 9, Chapter 21, *TCA*. Amounts invested in mutual funds ranged from $500,000 on March 21, 2012, to $164,751 on June 30, 2012.

B. Funds were invested in collateralized mortgage obligations and mortgage backed securities of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association with maturities ranging from February 1, 2026, through December 15, 2041. The length of maturity of these investments did not meet criteria established by Section 5-8-301, *TCA,* which provides that no idle funds are to be invested for a maturity of greater than two years, unless first the county legislative body shall appoint an investment committee as authorized by Sections 5-8-302 or 5-21-105, *TCA*, and such investment committee shall give its prior approval. Such investment committee may approve investments in maturities of up to five years and investments with maturities greater than five years only if the funds are derived from the sale of assets, settlements, or other infrequent or unusual occurrences. In addition, the Comptroller of the Treasury must

approve the investment. Furthermore, the statute provides that investments of this type must be rated in the highest category by at least two nationally recognized rating services.

Anderson County has an investment committee; however, the investment committee did not approve the above-noted investments. The funds invested were not derived from the sale of assets, settlements, or other infrequent or unusual occurrences. Also, the investments were not approved by the Comptroller of the Treasury and were not rated by nationally recognized rating services. The fair value of these investments totaled $218,708 at June 30, 2012.

RECOMMENDATION

The trustee should sufficiently monitor investment activity to ensure that investments are authorized by state statute.

MANAGEMENT'S RESPONSE – TRUSTEE

In the usual course of business, it is common for a trustee to contract with an investment company to invest county funds. In the referenced investment, I contracted with the Community Trust and Investment Company specifically to diversify our investment portfolio and extend our maturities beyond the usual three-to six-month certificate of deposit accounts that we often buy.

The investment was made in a portfolio money market fund. This was only the holding account that was used to draw down from as investments of particular interest came along. Unfortunately, with all the information I was given about the account, I was unaware that it was a mutual fund account, as I am acutely aware that a mutual fund is not a permitted investment type. Moreover, the account bears the name money market fund, not mutual fund. We commonly invest in money market demand accounts, and I was unaware that this was any different. The only purpose was to be a holding account and a place to drive interest earnings until they were transferred to the General Fund. I might add that there was never a loss of principal to Anderson County during this time.

The finding also references that certain mortgage backed securities (which are permitted by state statute) exceeded the maximum implied maturity period of two years. While this is true, these investments were never intended to be placed until full maturity. It is common for mortgage back securities to be bought and sold. This case is no different. These accounts were only intended to run out for a couple of years. The liquidity needs of the county do not normally allow for maturities beyond two years, and I am well aware of that fact.

This mistake, like any other, will be corrected immediately. Sometimes with the best information that we have, small details can inadvertently be overlooked. I am certainly not exempt from making a mistake. This will be corrected, and I will continue to be the trustee for Anderson County to the best of my ability.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 12.02 **THE ASSESSOR DID NOT ADEQUATELY PERFORM VISUAL INSPECTIONS AND CORRECT THE VISUAL INSPECTION ERRORS FOUND BY THE STATE DIVISION OF PROPERTY ASSESSMENTS**
(Noncompliance Under *Government Auditing Standards*)

The assessor did not adequately perform visual inspections required to maintain accurate property record cards. In addition, the state Division of Property Assessments performed certain visual inspections of property and reported to the assessor of property changes that needed to be made to property records; however, the assessor of property failed to make the necessary changes to the property records. Section 67-5-1601, *Tennessee Code Annotated*, requires the assessor to complete an on-site review of each parcel of real property over a five-year cycle. The review of property is reported to the state Division of Property Assessments. This deficiency can be attributed to the failure of management to provide accurate information for property resulting in property records reflecting incorrect information.

RECOMMENDATION

The assessor should correct all errors noted during visual inspections.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

ANDERSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2012

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