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



**FOR THE YEAR ENDED JUNE 30, 2013**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**BEDFORD COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2013**

*COMPTROLLER OF THE TREASURY*  
*JUSTIN P. WILSON*

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*JEFF BAILEY, CPA, CGFM, CFE*  
*Audit Manager*

*KENT WHITE, CPA, CGFM, CFE*  
*Auditor 4*

*SHERRIE GILL, CFE*  
*KINSLEY HAYES*  
*JACOB KENNEDY, CISA*  
*State Auditors*

*ROBERT DANIEL, CPA*  
*Finance Director*  
*Bedford County, Tennessee*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Audit Highlights***

Comprehensive Annual Financial Report  
Bedford County, Tennessee  
For the Year Ended June 30, 2013

## ***Scope***

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2013.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF FINANCE DIRECTOR**

- ◆ Competitive bids were not solicited for gasoline and diesel fuel.
  - ◆ Drug Control Fund appropriations exceeded estimated available funding.
- 

### **OFFICE OF COUNTY MAYOR**

- ◆ The Ambulance Service had deficiencies in controls over its information system environment.
  - ◆ The Office of Probation Services' accounting software did not identify the user who processed transactions.
- 

### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The office had deficiencies in controls over its information system environment.
  - ◆ The billing software used by the School Age Childcare Program did not have adequate application controls.
-

## **OFFICE OF SHERIFF**

- ◆ Arrestee files did not include an acknowledgment from the Tennessee Bureau of Investigation that fingerprints had been received and accepted.
- 

## **OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF**

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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## **BEDFORD COUNTY, TENNESSEE**

### **Letter of Transmittal**

October 8, 2013

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

The Comprehensive Annual Financial Report of Bedford County, Tennessee, for the year ended June 30, 2013, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Bedford County, Tennessee. This report was prepared by the county's Finance Department in conjunction with the above state agency.

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

The State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit has issued an unmodified ("clean") opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2013. The independent auditor's report is presented at the front of the financial section of this report.

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

## ***Profile of the Government***

Bedford County was established on December 4, 1807, by Public Act of the State of Tennessee. The county is named after Thomas Bedford, Jr., an American Revolutionary War hero. One odd fact about Bedford County is that, if the state senate journal is accurate, in the rush of business to pass the bill to create the county, the state senate failed to read and adopt the bill on three readings on three separate days, which was required by state constitutional provisions to create a Tennessee county. Bedford County is in the southern middle part of the state and borders Rutherford, Lincoln, Coffee, Moore, and Marshall counties. The county has a land mass of approximately 303,148 acres (474 square miles) and serves an estimated population of 45,573.

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

Bedford County operates under a County Mayor – County Commission form of government as provided by state statutes. The Bedford County Commission consists of an 18-member board elected in nine districts within the county. Policymaking and legislative authority is vested in the Bedford County Commission. The County Commission is responsible for various tasks, including but not limited to, adopting the annual budget, setting the property tax levy, appointing various boards and committees, and passing local resolutions. The county mayor is popularly elected for a four-year term and is the county's manager and chief financial officer. He is responsible for carrying out policies and resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing or recommending for appointment various department heads. In addition, he serves as chairperson of the County Commission and as a member of most committees.

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

Bedford County is required to adopt an annual budget in compliance with state statutes. The annual budget serves as the foundation for Bedford County's financial planning and control. As required, each department submits an itemized statement of appropriations needed for the upcoming year to the director of finance. Each fiscal year, the director of finance submits a consolidated budget to the Financial Management Committee. According to Section 5-21-110, *Tennessee Code Annotated*, "in preparing the budget, the budget committee may revise, as it deems necessary, the estimates or requests made by the various department officials, offices, institutions, and agencies of the county, but any county official or employee shall be entitled to a hearing before the budget committee with reference to any contemplated changes in the county official's or employee's budget requests or estimates." The proposed budget of the Financial Management Committee is published in a

paper of general circulation at least ten days before the Financial Management Committee conducts a public hearing on the budget. The County Commission may alter or revise the budget before adoption except for debt service. The County Commission adopts a budget before the end of July. The county director of finance, upon the request of a department head, except for salary and benefit related line-items, may transfer appropriations between line-items within a department. Transfers of appropriations between line-items, including salary and related line-items, within a department may be made by the Financial Management Committee. Transfers between departments require the approval of the Bedford County Commission.

### ***Local Economy***

Bedford County is predominately a manufacturing and agricultural county. Bedford County also ranks high in the number of manufacturing jobs per capita and is one of the largest manufacturing counties in the state. Major industries located within Bedford County's boundaries include a hospital; nursing homes; deep chill processing and perishable food distributor; manufacturers of writing instruments, school supplies, printing and engraving supplies; automobile cooling/heating exhausts; retail stores; and several financial institutions. The school system and Bedford County also have a significant economic presence, employing more than 1,400 teachers, professionals, and support staff.

As of June 2013, Bedford County had an estimated labor force of 23,120 with 20,980 employed resulting in a 9.3 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 8.3 percent.

Median household incomes within Bedford County are lower than the state as a whole. According to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), the state's median income was \$36,567 and the county's was \$30,832 in 2011. According to the latest estimate from the U.S. Census Bureau, Bedford County had a population of 45,573. This is an increase of 19.9 percent since the 2000 census. The median price of a single home in Bedford County was \$94,300.

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

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

In 2013, three existing manufacturing companies plan to add 614 jobs with a new investment of \$62.2 million in Bedford County over the next three years. National Pen Co. announced in March 2013 it will expand its call center and plans to hire 100 more workers. Rochester, N.Y. based Century Mold Co., Inc., announced in June 2013 that it has been phasing in \$1.8 million in equipment this year and will add another \$2.8 million next year. The company anticipates an additional 25 jobs. Calsonic Kansei North America (CKNA) announced a major expansion in September 2013. CKNA is the largest supplier for Nissan

in North America. The Shelbyville facility will receive an investment of approximately \$57.6 million, and an additional 489 new jobs will be created over the next three years.

### ***Long-term Financial Planning and Major Initiatives***

Unassigned fund balance in the General Fund at year-end was 22.9 percent of total General Fund current-year expenditures and exceeds the amount set by policy (three percent of current-year expenditures). The excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates. Also, the County Commission adopted a fund balance policy for the General Debt Service Fund that requires a minimum of three percent of current-year expenditures.

The Bedford County Commission and the Bedford County Financial Management Committee adopted a county debt policy where revenues meet the actual debt requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the General Debt Service Fund that will meet cash flow needs.

A \$450,000 community development block grant for a water line extension was awarded to the Flat Creek Water Cooperative in 2012. Future initiatives may include the renovation or construction of a jail facility. Also, the school system has expressed the need for a new school at Cascade.

### ***Relevant Financial Policies***

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

### ***Awards and Acknowledgments***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bedford County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the fourth consecutive year that Bedford County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the county had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the skill, effort, and dedication of the entire Department of Finance. They are: Lori Schuler, Pat Thomas, Denice Reese, Joyce Glover, Mary Anna Mitchell, Sherrie Armstrong, Colette Bales, and Melissa Brannon. I would also like to thank the staff of the county's Information Technology Department for keeping our accounting system operational. Credit also is due to the county mayor and the commission for their unfailing support for maintaining the highest standards of professionalism in the management of Bedford County's finances.

Sincerely,

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

Robert Daniel, CPA, CGFM  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

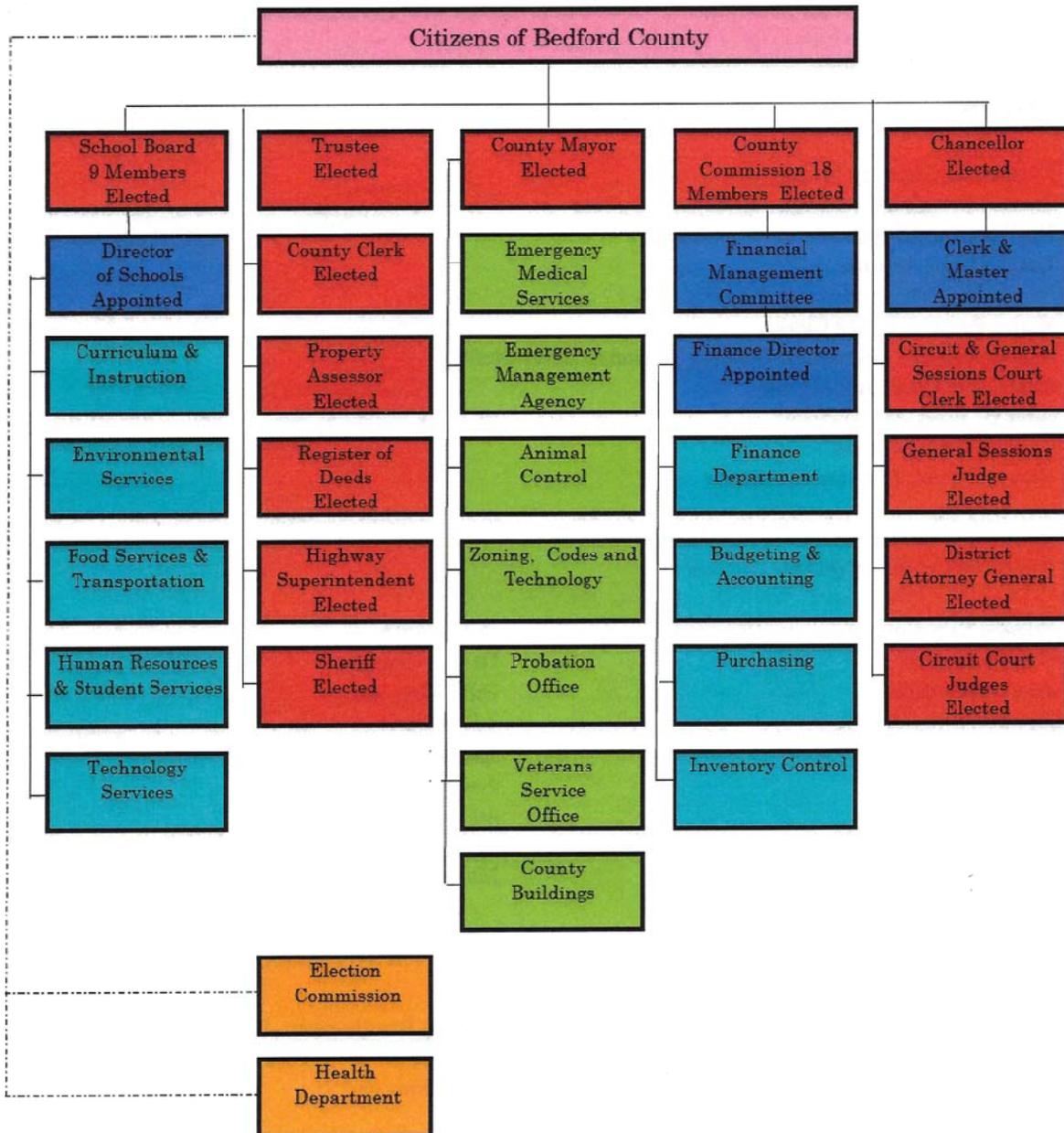
Presented to

**Bedford County  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



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

Bedford County Officials  
June 30, 2013

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**Officials**

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

**Board of County Commissioners**

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

**Financial Management Committee**

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

**Audit Committee**

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

(Continued)

## Bedford County Officials (Cont.)

### **Board of Education**

Amy Martin, Chairman  
Dixie Parker  
Ron Adcock  
Michael Cook  
Diane Neeley

Andrea Anderson  
Chad Graham  
John Boutwell  
Glenn Forsee

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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Emergency Communications District of Bedford County, which represent one percent, one percent, and two percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Emergency Communications District of Bedford County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable

to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note I.A., the Bedford County Solid Waste Authority ceased operations effective July 1, 2012, and made a one-time transfer of \$731,675 of capital assets to the county. Convenience center waste collection operations are now reported in the governmental activities of Bedford County.

As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Bedford County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-*

*2012-an amendment of GASB Statements No. 10 and No. 62, which have an effective date of June 30, 2014.*

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning net position of the governmental activities totaling \$735,172. This restatement was necessary due to the implementation of GASB Statement No. 65.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24-35 and the schedules of funding progress – pension plan and other postemployment benefits plans on pages 93-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

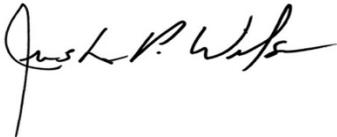
statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2013, on our consideration of Bedford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bedford County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2013

JPW/sb

**Bedford County, Tennessee**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2013**

As management for Bedford County, Tennessee, we offer readers of Bedford County's financial statements, this narrative overview and analysis of the financial activities of Bedford County for the year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The liabilities and deferred inflows of Bedford County exceeded its assets at the close of the most recent fiscal year by \$13,650,799 (net position). Of this amount, a negative \$39,833,406 represents unrestricted net position.
- Bedford County's total net position increased by \$2,790,422.
- At the close of the current fiscal year, Bedford County's governmental funds reported combined fund balances of \$18,097,240, an increase of \$1,362,183 in comparison with the prior year. The majority of this increase can be attributed to proceeds from the sale of the nursing home. Approximately 24.1 percent of this amount (\$4,362,556) is available for spending at the county's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$13,272,906, or approximately 69.8 percent of total General Fund expenditures.
- Bedford County's total outstanding long-term debt decreased by \$5,166,600 or approximately 7.8 percent during the current fiscal year.

**Overview of the Financial Statements**

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

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

The *statement of net position* presents information on all of Bedford County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Bedford County is improving or deteriorating.

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

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

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

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

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

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

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

Bedford County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway/Public Works Fund, and General Debt Service Fund, 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 form of combining statements in the combining and individual fund statements and schedules of this report.

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

The basic governmental fund financial statements can be found in Exhibits C-1 through C-6 of this report.

***Proprietary funds.*** Bedford County does not maintain any proprietary funds.

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

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

## **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Bedford County, liabilities and deferred inflows exceeded assets by \$13,650,799 at the close of the most recent fiscal year. The Constitution for the

State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bedford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Bedford County government. As of June 30, 2013, Bedford County had outstanding debt totaling \$55,976,000 for capital purposes of the Bedford County Board of Education, but the capital assets are reported in the financial statements of the Bedford County Board of Education. Bedford County has incurred the related liability significantly decreasing its unrestricted net position without a corresponding increase in the county's capital assets.

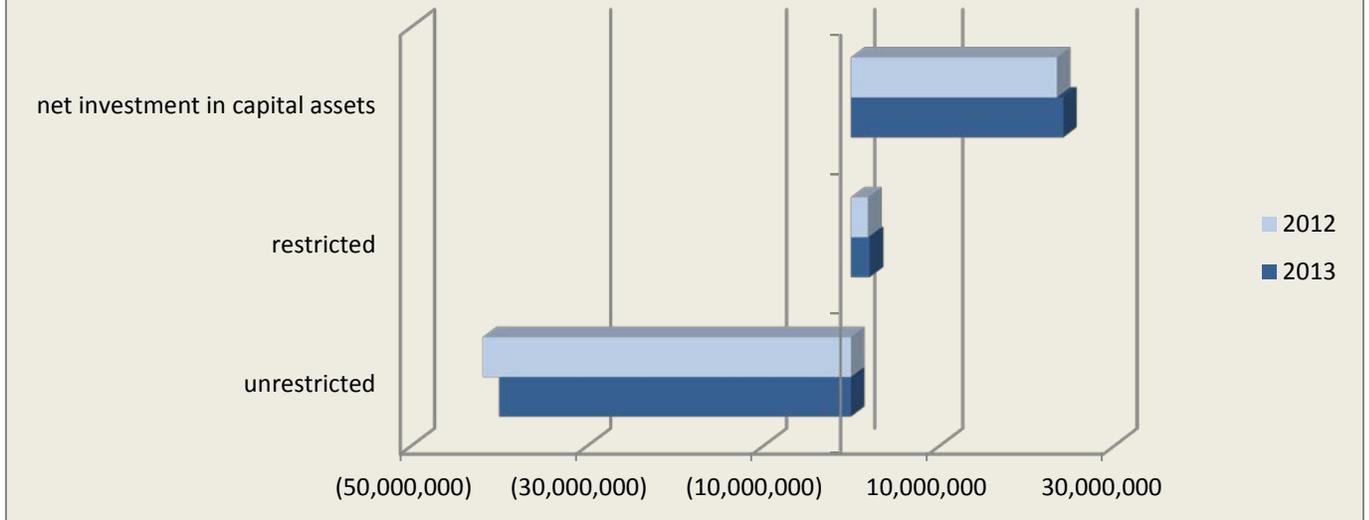
**BEDFORD COUNTY'S Net Position**

	Governmental Activities	
	2012-13	2011-12
Current and Other Assets	\$ 30,072,491	\$ 32,368,570
Capital Assets	29,552,891	29,333,583
Total Assets	<u>\$ 59,625,382</u>	<u>\$ 61,702,153</u>
Long-term Liabilities	\$ 62,580,688	\$ 67,672,974
Other Liabilities	819,392	10,470,400
Deferred Inflows of Resources	9,876,101	0
Total Liabilities and Deferred Inflows	<u>\$ 73,276,181</u>	<u>\$ 78,143,374</u>
Net Position:		
Net Investment in Capital Assets	\$ 24,061,291	\$ 23,433,157
Restricted	2,121,316	1,928,797
Unrestricted	<u>(39,833,406)</u>	<u>(41,803,175)</u>
Total Net Position	<u><u>\$ (13,650,799)</u></u>	<u><u>\$ (16,441,221)</u></u>

By far, the largest portion of Bedford County's net position totaling \$24,061,291 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt used to acquire those assets. Bedford County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although Bedford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Bedford County's net position totaling \$2,121,316 represents resources that are subject to external restrictions on how they may be used. Any balance remaining is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

## BEDFORD COUNTY'S Net Position June 30, 2012 and 2013

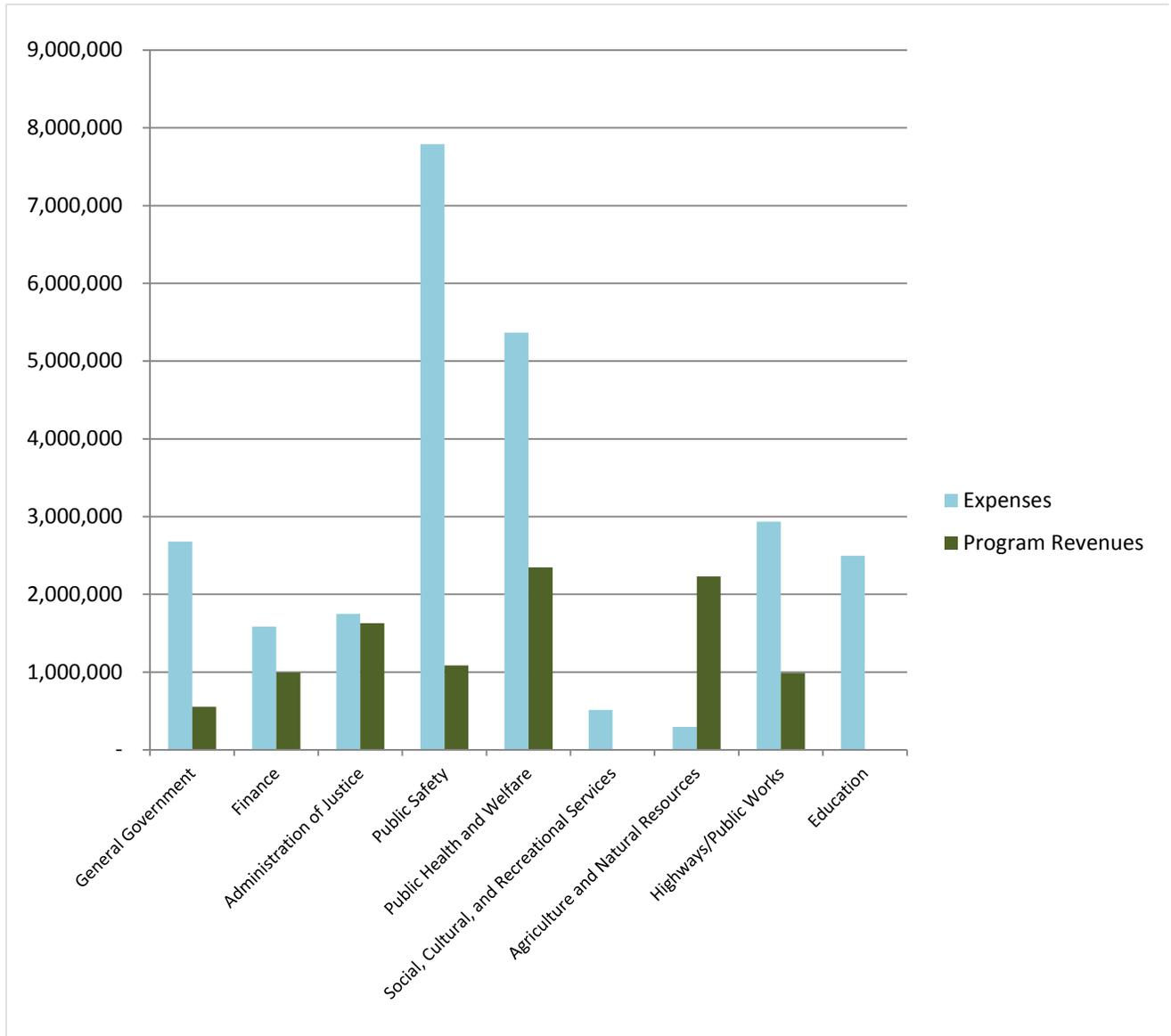


**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$2,790,422 from the prior fiscal year for an ending balance of a negative \$13,650,799. While the current recession had an impact on Bedford County, and charges for services, local option sales tax, and unrestricted investment earnings decreased, net position was partially offset by an increase in property taxes. Also, the previous year included a special item of \$1,821,783 representing a gain on the sale of nursing home assets.

## BEDFORD COUNTY'S Changes in Net Position

	Governmental Activities	
	2012-13	2011-12
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,646,977	\$ 6,134,287
Operating Grants and Contributions	3,439,576	3,365,287
Capital Grants and Contributions	749,197	837,862
General Revenues:		
Property Taxes	10,600,355	10,155,790
Local Option Sales Taxes	5,222,426	5,365,336
Other Taxes	1,142,346	1,244,429
Grants and Contributions Not		
Restricted to Specific Programs	1,078,237	909,020
Unrestricted Investment Earnings	40,277	223,752
Special Item	0	1,821,783
Miscellaneous	272,656	267,764
Total Revenues	<u>\$ 28,192,047</u>	<u>\$ 30,325,310</u>
Expenses:		
General Government	\$ 2,679,511	\$ 2,622,551
Finance	1,586,677	1,551,852
Administration of Justice	1,749,801	1,774,488
Public Safety	7,788,326	8,011,004
Public Health and Welfare	5,356,033	4,126,630
Social, Cultural, and Recreational Services	514,850	156,662
Agriculture and Natural Resources	294,011	260,546
Highway/Public Works	2,933,127	2,583,006
Education(Payment to CU)	2,495,792	2,693,913
Total Expenses	<u>\$ 25,398,128</u>	<u>\$ 23,780,652</u>
Increase (Decrease) in Net Position Before Transfers	\$ 2,793,919	\$ 6,544,658
Transfers	731,675	0
Increase (Decrease) in Net Position	3,525,594	6,544,658
Prior-period Adjustment	(735,172)	0
Net position, July 1	<u>(16,441,221)</u>	<u>(22,985,879)</u>
Net position, June 30	<u>\$ (13,650,799)</u>	<u>\$ (16,441,221)</u>

## Expenses and Program Revenues – Governmental Activities

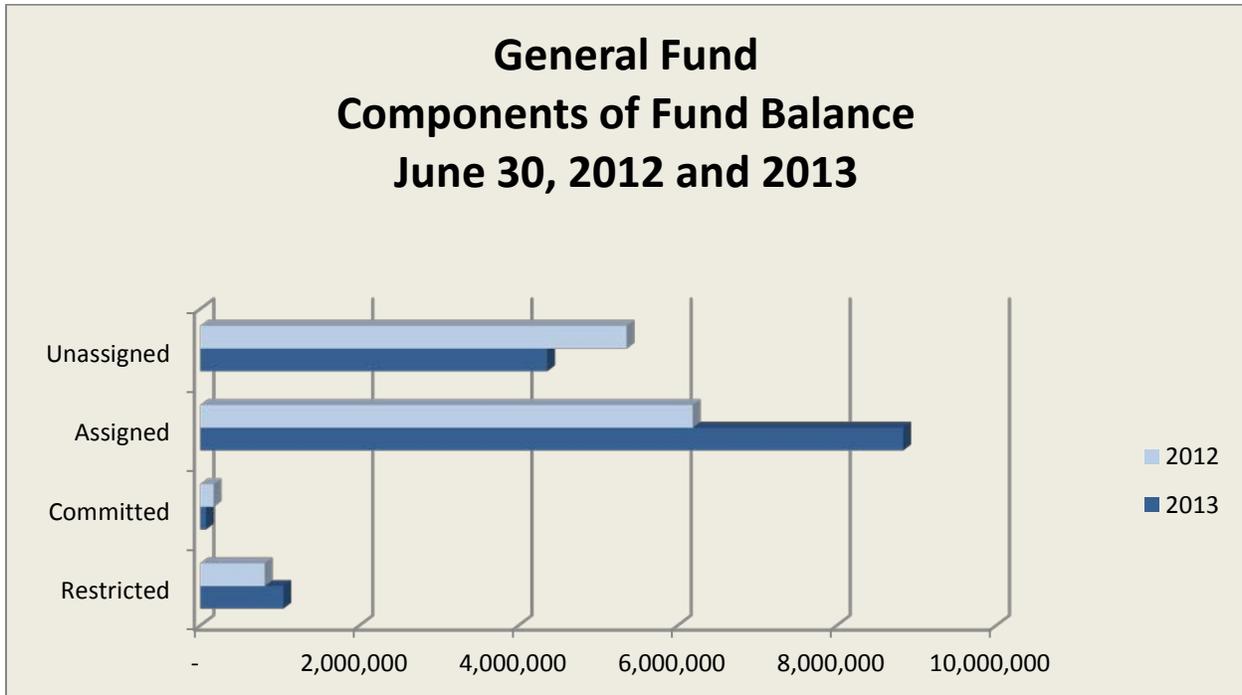


### Financial Analysis of the Government’s Funds

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

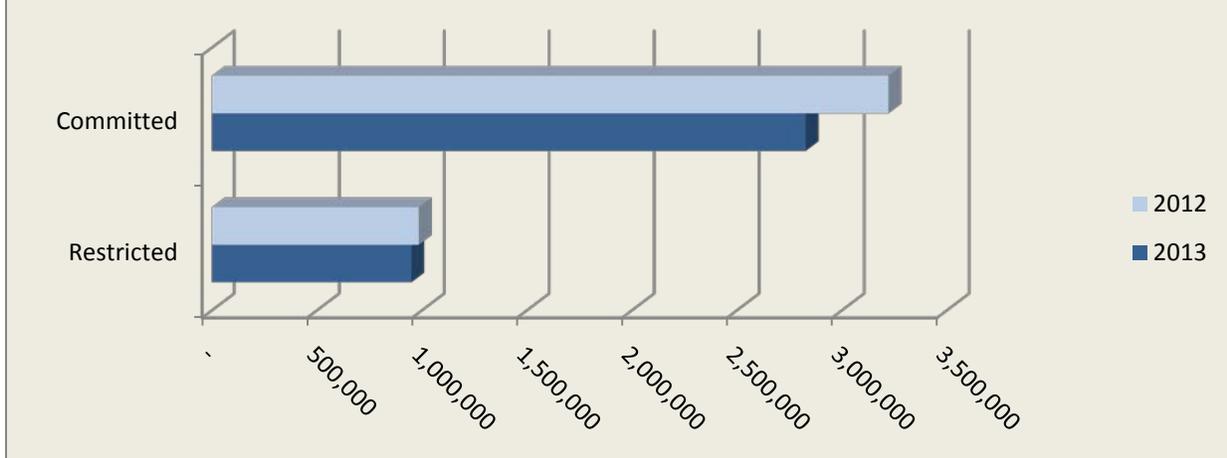
**Governmental funds.** The focus of Bedford County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County government’s financing requirements. In particular, unassigned fund balance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

At June 30, 2013, Bedford County’s governmental funds reported combined ending fund balances of \$18,097,240, an increase of \$1,362,183, in comparison with the prior year. Approximately 24.1 percent of this amount (\$4,362,556) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes (\$1,995,822); 2) committed for particular purposes (\$2,901,622); or 3) assigned for particular purposes (\$8,837,240).



The General Fund is the chief operating fund of Bedford County. At the end of the current fiscal year, unassigned fund balance was \$4,362,556, while total fund balance increased to \$14,318,245. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 22.9 percent of total General Fund expenditures, while total fund balance represents approximately 75.3 percent of that same amount.

## Other Governmental Funds Components of Fund Balance June 30, 2012 and 2013



The fund balance of Bedford County’s General Fund increased by \$1,790,949 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was primarily due to the sale of nursing home assets.

The General Debt Service Fund had a decrease in fund balance during the current year of \$227,148 to bring the year-end fund balance to \$2,359,440. This decrease was primarily from decreased investment income.

### General Fund Budgetary Highlights

**Original budget compared to final budget.** During the fiscal year, there were increases to original estimated revenues and original budgeted appropriations. The increase in estimated revenues was not significant except for an increase in revenues from the federal government, which was increased by \$453,264. Generally, the movement of the appropriations between the departments was not significant. The exceptions were the appropriation for the other public safety in the public safety function, which was increased by \$379,593, the appropriation for the convenience centers in public health and welfare function, which was increased by \$1,066,717, the appropriation for the miscellaneous in the other operations function, which was increased by \$597,048, and the appropriation for the other general government projects in the capital projects function, which was increased by \$719,308.

The increase in public safety was due to reclassifying the E-911 contribution. The increase in public health and welfare was due to the county closing the Solid Waste Authority Fund into the General Fund. The increase in miscellaneous was the result of the settlement of a lawsuit against the sheriff. The increase in capital projects was due to the purchase of an office building, capital improvements of existing buildings, and a housing development authority grant project.

**Final budget compared to actual results.** The most significant differences between estimated revenues and actual revenues in the final budget were in local taxes with approximately \$860,894 more than anticipated.

At the close of the fiscal year, General Fund revenues were \$1,140,746 more than budgetary estimates. This favorable variance was due primarily to conservative budget estimates for local taxes in anticipation of the current economic recession.

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances. At the close of the fiscal year, actual expenditures and encumbrances were \$1,507,923 less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnovers, appropriations are normally left unspent in those cost categories. Since public safety and public health and welfare have most of the full-time employment, these functions typically will have more unspent appropriations than the other functions.

**Capital Assets and Debt Administration**

**Capital assets.** Bedford County’s investment in capital assets for its governmental funds as of June 30, 2013, amounts to \$29,552,891, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The total increase in capital assets for the current fiscal year was approximately .8 percent.

**Bedford County’s Capital Assets**  
(net of depreciation)

	Governmental Activities	
	2013	2012
Land	\$ 867,300	\$ 1,075,718
Construction in Progress	0	103,451
Buildings and Improvements	7,394,671	7,606,336
Other Capital Assets	2,573,564	1,579,632
Infrastructure	18,717,356	18,968,446
<b>Total</b>	<b>\$ 29,552,891</b>	<b>\$ 29,333,583</b>

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

- Office building totaling \$310,817.
- Completed phone system totaling \$103,451.
- Ten (10) new cars for the Sheriff’s Department totaling \$231,362.
- Ambulance remounts totaling \$207,924.
- Transfer of Solid Waste Authority net capital assets to Bedford County totaling \$731,675.

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

**Long-term debt.** At the end of the current fiscal year, Bedford County government had total debt outstanding of \$61,467,600. All debt is backed by the full faith and credit of the government.

**Bedford County’s Outstanding Debt**  
(net of depreciation)

	Governmental Activities	
	2013	2012
General Obligation Bonds	\$ 58,685,000	\$ 62,035,000
Notes Payable	471,600	1,780,200
Other Debt Payable	2,311,000	2,819,000
Total	<u>\$ 61,467,600</u>	<u>\$ 66,634,200</u>

Bedford County’s total debt decreased by \$5,166,600 (7.8 percent) during the current fiscal year.

Bedford County issued general obligation bonds to refinance previously outstanding general obligation bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments of \$845,422.

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

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

**Economic Factors and Next Year’s Budget and Rates**

The following economic factors currently affect Bedford County and were considered in developing the 2013-14 fiscal year budget.

- The unemployment rate for Bedford County is currently 9.3 percent, which is a decrease from a rate of 10.4 percent a year ago because of the current recession. While the unemployment rate is likely to decrease, it is not expected to reach the pre-recession level for several years.
- Bedford County has experienced a slowdown in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and a decrease in local option sales tax collections.
- Interest rates are expected to remain at low levels throughout fiscal year 2013-14.
- Bedford County's daytime population exceeds 32,000 persons a day, requiring twenty-four hour services for residents and non-residents alike.

During the current fiscal year, the unassigned fund balance in the General Fund was \$4,362,556. Bedford County has appropriated \$1,400,000 of this amount for spending in the 2013-14 fiscal year budget. This action was taken as an additional measure to mitigate the impact of the economy on the 2013-14 fiscal year budget.

### **Request for Information**

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

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# BASIC FINANCIAL STATEMENTS

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Bedford County, Tennessee  
Statement of Net Position  
June 30, 2013

	Primary Governmental Activities	Component Units		
		Bedford County School Department	Emergency Communications District	
\$	555	\$ 4,140	\$	438,957
	17,351,684	10,540,687		0
	0	69,787		0
	1,965,098	39,182		31,294
	(1,292,025)	0		0
	1,759,374	791,120		138,415
	0	0		36,328
	10,833,766	8,782,985		0
	(545,961)	(422,380)		0
	0	0		26,921
	0	0		100
	867,300	2,785,691		0
	7,394,671	87,007,793		242,481
	2,573,564	3,183,471		487,966
	18,717,356	0		0
\$	<u>59,625,382</u>	<u>112,782,476</u>	\$	<u>1,402,462</u>

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Inventories	
Accounts Receivable	
Allowance for Uncollectibles	
Due from Other Governments	
Due from Primary Government	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Prepaid Items	
Restricted Assets	
Capital Assets:	
Assets Not Depreciated:	
Land	
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	
Other Capital Assets	
Infrastructure	
Total Assets	

(Continued)

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

	<u>Primary</u>	<u>Component Units</u>	
	<u>Governmental</u>	<u>Bedford</u>	<u>Emergency</u>
	<u>Activities</u>	<u>School</u>	<u>Communications</u>
		<u>Department</u>	<u>District</u>
Accounts Payable	\$ 18,330	\$ 13,181	\$ 30,882
Accrued Payroll	0	0	12,640
Accrued Interest Payable	169,635	0	0
Compensated Absences Payable	0	0	26,879
Payroll Deductions Payable	773	1,537,778	1,587
Claims and Judgments	582,974	0	0
Due to Component Unit	36,328	0	0
Due to State of Tennessee	11,352	0	0
Noncurrent Liabilities:			
Due Within One Year	4,241,392	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)			
Total Liabilities	<u>58,339,296</u>	<u>842,483</u>	<u>0</u>
	<u>\$ 63,400,080</u>	<u>\$ 2,393,442</u>	<u>\$ 71,988</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u> 			
Deferred Current Property Taxes	\$ 9,876,101	\$ 8,058,899	\$ 0
Total Deferred Inflows of Resources	<u>\$ 9,876,101</u>	<u>\$ 8,058,899</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	<u>Primary</u>	<u>Component Units</u>	
	<u>Governmental</u>	<u>Bedford</u>	<u>Emergency</u>
	<u>Activities</u>	<u>School</u>	<u>Communications</u>
		<u>Department</u>	<u>District</u>
Net Investment in Capital Assets	\$ 24,061,291	\$ 0	\$ 0
Investment in Capital Assets Restricted for:	0	92,976,955	730,447
Finance	9,499	0	0
Administration of Justice	916,498	0	0
Public Safety	18,815	0	0
Public Health and Welfare	104,841	0	0
Highway/Public Works	1,071,663	0	0
Central Cafeteria	0	1,805,125	0
Education	0	167,676	0
Unrestricted	<u>(39,833,406)</u>	<u>7,380,379</u>	<u>600,027</u>
Total Net Position	<u>\$ (13,650,799)</u>	<u>\$ 102,330,135</u>	<u>\$ 1,330,474</u>

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

Exhibit B

Bedford County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District
Primary Government: Governmental Activities:								
General Government	\$ 2,679,511	\$ 539,912	\$ 15,164	\$ 0	\$ (2,124,435)	\$ 0	\$ 0	\$ 0
Finance	1,586,677	997,037	0	0	(589,640)	0	0	0
Administration of Justice	1,749,801	1,619,539	9,000	0	(121,262)	0	0	0
Public Safety	7,788,326	939,714	69,129	77,695	(6,701,788)	0	0	0
Public Health and Welfare	5,356,033	1,523,074	457,051	366,360	(3,009,548)	0	0	0
Social, Cultural, and Recreational Services	514,850	0	0	0	(514,850)	0	0	0
Agriculture and Natural Resources	294,011	8,310	1,918,814	305,142	1,938,255	0	0	0
Highway/Public Works	2,933,127	19,391	970,418	0	(1,943,318)	0	0	0
Education	2,495,792	0	0	0	(2,495,792)	0	0	0
<b>Total Primary Government</b>	<b>\$ 25,398,128</b>	<b>\$ 5,646,977</b>	<b>\$ 3,439,576</b>	<b>\$ 749,197</b>	<b>\$ (15,562,378)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:								
Bedford County School Department	\$ 64,609,492	\$ 1,607,907	\$ 8,240,600	\$ 0	\$ 0	\$ (54,760,985)	\$ 0	\$ 0
Bedford County Solid Waste Authority	7,893	0	0	0	0	0	(7,893)	0
Emergency Communications District	916,920	586,391	2,144	0	0	0	0	(328,385)
<b>Total Component Units</b>	<b>\$ 65,534,305</b>	<b>\$ 2,194,298</b>	<b>\$ 8,242,744</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (54,760,985)</b>	<b>\$ (7,893)</b>	<b>\$ (328,385)</b>

(Continued)

Exhibit B

Bedford County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 7,731,057	\$ 0	\$ 0
Property Taxes Levied for Debt Service				0	0	0
Local Option Sales Tax				1,922,541	0	0
Business Tax				0	0	0
Litigation Tax - General				0	0	0
Wholesale Beer Tax				0	0	0
Adequate Facilities/Development Tax				0	0	0
Litigation Tax - Courtroom Security				0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				0	0	0
Mineral Severance Tax				0	0	0
Other Local Taxes				3,842	0	0
Grants and Contributions Not Restricted to Specific Programs				39,375,514	0	563,835
Unrestricted Investment Earnings				43,626	0	149
Miscellaneous				158,615	0	0
Total General Revenues				\$ 49,235,195	\$ 0	\$ 563,984
Transfers				0	(731,675)	0
Change in Net Position				(5,525,790)	739,568	235,599
Net Position, July 1, 2012				107,855,925	739,568	1,094,875
Prior-period Adjustment				0	0	0
			Accounting Change - See Note IV.B.			
Net Position, June 30, 2013				\$ 102,330,135	\$ 0	\$ 1,330,474

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

Exhibit C-1

Bedford County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2013

	Major Funds		Nonmajor Funds		Total
	Highway /	General	Other	Governmental	Governmental
	Public	Debt	Governmental	Funds	Funds
	Works	Service	Funds		
	General				
<u>ASSETS</u>					
Cash	\$ 555	\$ 0	\$ 0	\$ 0	\$ 555
Equity in Pooled Cash and Investments	14,204,592	736,840	1,936,866	473,386	17,351,684
Accounts Receivable	1,891,299	2,276	71,523	0	1,965,098
Allowance for Uncollectibles	(1,291,224)	0	(801)	0	(1,292,025)
Due from Other Governments	570,376	369,776	819,222	0	1,759,374
Property Taxes Receivable	9,592,332	345,670	895,764	0	10,833,766
Allowance for Uncollectible Property Taxes	(473,506)	(17,063)	(55,392)	0	(545,961)
Total Assets	\$ 24,494,424	\$ 1,437,499	\$ 3,667,182	\$ 473,386	\$ 30,072,491
<u>LIABILITIES</u>					
Accounts Payable	\$ 18,330	\$ 0	\$ 0	\$ 0	\$ 18,330
Payroll Deductions Payable	0	773	0	0	773
Claims and Judgments Payable	582,974	0	0	0	582,974
Due to Component Units	36,328	0	0	0	36,328
Due to State of Tennessee	11,352	0	0	0	11,352
Total Liabilities	\$ 648,984	\$ 773	\$ 0	\$ 0	\$ 649,757
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,769,978	\$ 316,035	\$ 790,088	\$ 0	\$ 9,876,101
Deferred Delinquent Property Taxes	309,473	11,152	44,609	0	365,234
Other Deferred/Unavailable Revenue	447,744	163,370	473,045	0	1,084,159
Total Deferred Inflows of Resources	\$ 9,527,195	\$ 490,557	\$ 1,307,742	\$ 0	\$ 11,325,494
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Finance	\$ 9,499	\$ 0	\$ 0	\$ 0	\$ 9,499
Restricted for Administration of Justice	916,498	0	0	0	916,498
Restricted for Public Safety	14,501	0	0	4,314	18,815
Restricted for Public Health and Welfare	104,841	0	0	0	104,841
Restricted for Highways/Public Works	0	946,169	0	0	946,169
Committed:					
Committed for General Government	9,742	0	0	0	9,742
Committed for Finance	1,101	0	0	0	1,101
Committed for Public Safety	26,721	0	0	0	26,721
Committed for Public Health and Welfare	4,100	0	0	0	4,100
Committed for Agriculture and Natural Resources	31,446	0	0	0	31,446
Committed for Debt Service	0	0	2,359,440	0	2,359,440
Committed for Capital Projects	0	0	0	469,072	469,072
Assigned:					
Assigned for Capital Projects	8,837,240	0	0	0	8,837,240
Unassigned	4,362,556	0	0	0	4,362,556
Total Fund Balances	\$ 14,318,245	\$ 946,169	\$ 2,359,440	\$ 473,386	\$ 18,097,240
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,494,424	\$ 1,437,499	\$ 3,667,182	\$ 473,386	\$ 30,072,491

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

Exhibit C-2

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 18,097,240
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 867,300	
Add: buildings and improvements net of accumulated depreciation	7,394,671	
Add: other capital assets net of accumulated depreciation	2,573,564	
Add: infrastructure net of accumulated depreciation	<u>18,717,356</u>	29,552,891
(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	\$ (471,600)	
Less: other loans payable	(2,311,000)	
Less: bonds payable	(58,685,000)	
Add: deferred amount on refunding	9,479	
Less: compensated absences payable	(295,821)	
Less: other postemployment benefits liability	(455,363)	
Less: accrued interest on bonds and notes	(169,635)	
Less: other deferred revenue - premium on debt	<u>(371,383)</u>	(62,750,323)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,449,393</u>
Net position of governmental activities (Exhibit A)		<u>\$ (13,650,799)</u>

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

Exhibit C-3

Bedford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,830,829	\$ 404,755	\$ 6,562,362	\$ 0	\$ 17,797,946
Licenses and Permits	118,632	0	0	0	118,632
Fines, Forfeitures, and Penalties	470,954	0	0	7,510	478,464
Charges for Current Services	1,844,425	0	0	132	1,844,557
Other Local Revenues	500,317	41,804	174,011	10,500	726,632
Fees Received from County Officials	1,854,492	0	0	0	1,854,492
State of Tennessee	1,671,396	2,230,616	0	0	3,902,012
Federal Government	494,331	0	0	18,600	512,931
Other Governments and Citizens Groups	27,178	2,780	970,418	0	1,000,376
<b>Total Revenues</b>	<b>\$ 17,812,554</b>	<b>\$ 2,679,955</b>	<b>\$ 7,706,791</b>	<b>\$ 36,742</b>	<b>\$ 28,236,042</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,361,659	\$ 0	\$ 0	\$ 0	\$ 1,361,659
Finance	1,581,299	0	0	0	1,581,299
Administration of Justice	1,759,688	0	0	0	1,759,688
Public Safety	7,636,476	0	0	41,496	7,677,972
Public Health and Welfare	4,218,825	0	0	0	4,218,825
Social, Cultural, and Recreational Services	167,090	0	0	0	167,090
Agriculture and Natural Resources	208,192	0	0	0	208,192
Other Operations	1,363,947	7,000	0	68,349	1,439,296
Highways	0	2,674,616	0	0	2,674,616
Capital Outlay	0	0	0	108,254	108,254
Debt Service:					
Principal on Debt	0	0	5,166,600	0	5,166,600
Interest on Debt	0	0	2,655,861	0	2,655,861
Other Debt Service	0	0	111,478	0	111,478
Capital Projects	724,429	0	0	18,600	743,029
<b>Total Expenditures</b>	<b>\$ 19,021,605</b>	<b>\$ 2,681,616</b>	<b>\$ 7,933,939</b>	<b>\$ 236,699</b>	<b>\$ 29,873,859</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,209,051)	\$ (1,661)	\$ (227,148)	\$ (199,957)	\$ (1,637,817)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 8,405,000	\$ 0	\$ 8,405,000
Proceeds from Sale of Nursing Home Capital Assets	3,000,000	0	0	0	3,000,000
Transfers In	0	0	0	347,929	347,929
Transfers Out	0	0	0	(347,929)	(347,929)
Payments to Refunded Debt Escrow Agent	0	0	(8,405,000)	0	(8,405,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 3,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,000,000</b>
Net Change in Fund Balances	\$ 1,790,949	\$ (1,661)	\$ (227,148)	\$ (199,957)	\$ 1,362,183
Fund Balance, July 1, 2012	12,527,296	947,830	2,586,588	673,343	16,735,057
<b>Fund Balance, June 30, 2013</b>	<b>\$ 14,318,245</b>	<b>\$ 946,169</b>	<b>\$ 2,359,440</b>	<b>\$ 473,386</b>	<b>\$ 18,097,240</b>

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

Exhibit C-4

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,362,183
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,231,563	
Add: transfer of capital assets from Solid Waste Authority	731,675	
Less: current-year depreciation expense	<u>(1,777,270)</u>	185,968
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 40,425	
Less: proceeds from sale of capital assets	<u>(7,085)</u>	33,340
(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, 2013	\$ 1,449,393	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(4,564,420)</u>	(3,115,027)
(4) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: refunding bond proceeds	\$ (8,405,000)	
Add: change in premium on debt issuances	37,692	
Add: principal payments on bonds	3,350,000	
Add: principal payments on notes	1,308,600	
Add: principal payments on other loans	508,000	
Less: change in deferred amount on refunding debt	(10,320)	
Add: principal payment to refunding agent	<u>8,405,000</u>	5,193,972
(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	\$ (33,156)	
Change in compensated absences payable	(32,668)	
Change in other postemployment benefits liability	<u>(69,018)</u>	<u>(134,842)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,525,594</u>

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

Exhibit C-5

Bedford County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 10,830,829	\$ 0	\$ 0	\$ 10,830,829	\$ 9,940,000	\$ 9,969,935	\$ 860,894
Licenses and Permits	118,632	0	0	118,632	142,000	142,000	(23,368)
Fines, Forfeitures, and Penalties	470,954	0	0	470,954	283,515	283,515	187,439
Charges for Current Services	1,844,425	0	0	1,844,425	1,663,700	1,664,852	179,573
Other Local Revenues	500,317	0	0	500,317	389,162	569,124	(68,807)
Fees Received from County Officials	1,854,492	0	0	1,854,492	1,820,200	1,820,200	34,292
State of Tennessee	1,671,396	0	0	1,671,396	1,542,580	1,585,120	86,276
Federal Government	494,331	0	0	494,331	156,620	609,884	(115,553)
Other Governments and Citizens Groups	27,178	0	0	27,178	0	27,178	0
<b>Total Revenues</b>	<b>\$ 17,812,554</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 17,812,554</b>	<b>\$ 15,937,777</b>	<b>\$ 16,671,808</b>	<b>\$ 1,140,746</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 99,836	\$ 0	\$ 0	\$ 99,836	\$ 108,860	\$ 108,946	\$ 9,110
Board of Equalization	1,310	0	0	1,310	8,000	8,000	6,690
Beer Board	275	0	0	275	1,000	1,000	725
Budget and Finance Committee	2,779	0	0	2,779	3,067	3,067	288
County Mayor/Executive	168,150	(220)	0	167,930	273,958	273,958	106,028
County Attorney	58,990	0	0	58,990	65,000	65,000	6,010
Election Commission	181,852	0	759	182,611	201,788	201,788	19,177
Register of Deeds	268,445	(5,000)	0	263,445	270,921	270,921	7,476
Planning	212,000	(800)	0	211,200	233,706	232,281	21,081
Codes Compliance	60,766	0	0	60,766	64,931	66,626	5,860
County Buildings	307,256	(1,391)	8,983	314,848	596,968	637,968	323,120
<b>Finance</b>							
Accounting and Budgeting	461,309	(4,129)	1,101	458,281	550,990	514,934	56,653
Property Assessor's Office	338,428	0	0	338,428	361,186	346,186	7,758
Reappraisal Program	133,844	0	0	133,844	118,997	140,505	6,661
County Trustee's Office	267,701	0	0	267,701	323,105	323,105	55,404
County Clerk's Office	380,017	0	0	380,017	392,010	395,116	15,099

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
					Original			Final
					Original	Final		
<u>Expenditures (Cont.)</u>								
<u>Administration of Justice</u>	\$	(866)	0	\$	\$	\$		
Circuit Court	525,595	(866)	0	524,729	532,257	546,921	22,192	
General Sessions Court	222,106	(174)	0	221,932	225,173	225,173	3,241	
Chancery Court	272,975	(1,877)	0	271,098	284,166	284,166	13,068	
Juvenile Court	197,095	0	0	197,095	208,186	228,351	31,256	
Judicial Commissioners	174,638	0	0	174,638	179,257	179,257	4,619	
Other Administration of Justice	72,520	0	0	72,520	116,873	96,873	24,353	
Probation Services	294,759	0	0	294,759	282,805	308,589	13,830	
<u>Public Safety</u>								
Sheriff's Department	2,714,067	(4,515)	16,947	2,726,499	2,447,277	2,803,119	76,620	
Traffic Control	27,510	0	0	27,510	31,319	31,319	3,809	
Jail	1,758,197	(1,632)	0	1,756,565	1,796,695	1,797,416	40,851	
Workhouse	892,491	(413)	699	892,777	935,104	935,711	42,934	
Juvenile Services	447,461	0	0	447,461	471,344	471,344	23,883	
Other Emergency Management	1,396,457	(22,174)	9,074	1,383,357	1,325,048	1,433,647	50,290	
County Coroner/Medical Examiner	20,700	0	0	20,700	20,000	20,700	0	
Other Public Safety	379,593	0	0	379,593	0	379,593	0	
<u>Public Health and Welfare</u>								
Local Health Center	463,137	(1,260)	0	461,877	560,300	600,710	138,833	
Rabies and Animal Control	216,234	(3,075)	0	213,159	227,355	259,830	46,671	
Ambulance/Emergency Medical Services	2,330,502	(91,570)	4,100	2,243,032	2,413,631	2,418,857	175,825	
Other Local Health Services	65,821	0	0	65,821	74,440	74,440	8,619	
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0	
Appropriation to State	40,500	0	0	40,500	54,000	40,500	0	
General Welfare Assistance	100,075	0	0	100,075	100,475	100,475	400	
Convenience Centers	989,656	0	0	989,656	0	1,066,717	77,061	
<u>Social, Cultural, and Recreational Services</u>								
Adult Activities	9,500	0	0	9,500	9,500	9,500	0	
Senior Citizens Assistance	15,200	0	0	15,200	15,200	15,200	0	
Libraries	142,390	0	0	142,390	142,390	142,390	0	

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 110,703	\$ (60)	\$ 0	\$ 110,643	\$ 124,658	\$ 124,658	\$ 14,015
Soil Conservation	37,000	0	0	37,000	37,000	37,000	0
Other Agriculture and Natural Resources	60,489	(1,111)	0	59,378	69,601	69,890	10,512
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	27,355	(425)	0	26,930	30,161	30,161	3,231
Other Charges	250,440	0	0	250,440	199,428	250,992	552
Contributions to Other Agencies	115,528	0	0	115,528	122,000	122,000	6,472
Miscellaneous	966,676	0	0	966,676	382,395	979,443	12,767
<u>Capital Projects</u>							
Other General Government Projects	724,429	0	0	724,429	20,000	739,308	14,879
Total Expenditures	\$ 19,021,605	\$ (140,692)	\$ 41,663	\$ 18,922,576	\$ 17,029,373	\$ 20,430,499	\$ 1,507,923
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,209,051)	\$ 140,692	\$ (41,663)	\$ (1,110,022)	\$ (1,091,596)	\$ (3,758,691)	\$ 2,648,669
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Nursing Home Capital Assets	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
Insurance Recovery	0	0	0	0	9,171	37,643	(37,643)
Transfers In	0	0	0	0	36,772	49,948	(49,948)
Transfers Out	0	0	0	0	(1,329,143)	0	0
Total Other Financing Sources	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000	\$ (1,283,200)	\$ 3,087,591	\$ (87,591)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 1,790,949	\$ 140,692	\$ (41,663)	\$ 1,889,978	\$ (2,374,796)	\$ (671,100)	\$ 2,561,078
Fund Balance, July 1, 2012	12,527,296	(140,692)	0	12,386,604	10,183,026	12,470,936	(84,332)
Fund Balance, June 30, 2013	\$ 14,318,245	\$ 0	\$ (41,663)	\$ 14,276,582	\$ 7,808,230	\$ 11,799,836	\$ 2,476,746

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

Exhibit C-6

Bedford County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 404,755	\$ 0	\$ 404,755	\$ 445,100	\$ 445,100	\$ (40,345)
Charges for Current Services	0	0	0	1,250	1,250	(1,250)
Other Local Revenues	41,804	0	41,804	34,000	68,630	(26,826)
State of Tennessee	2,230,616	0	2,230,616	2,301,315	2,351,315	(120,699)
Other Governments and Citizens Groups	2,780	0	2,780	12,500	12,500	(9,720)
<b>Total Revenues</b>	<b>\$ 2,679,955</b>	<b>\$ 0</b>	<b>\$ 2,679,955</b>	<b>\$ 2,794,165</b>	<b>\$ 2,878,795</b>	<b>\$ (198,840)</b>
<b>Expenditures</b>						
<u>Other Operations</u>						
Contributions to Other Agencies	\$ 7,000	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
<u>Highways</u>						
Administration	226,900	0	226,900	243,106	263,139	36,239
Highway and Bridge Maintenance	1,187,839	(73,895)	1,113,944	1,326,610	1,326,452	212,508
Operation and Maintenance of Equipment	415,727	(6,800)	408,927	502,061	542,695	133,768
Litter and Trash Collection	55,214	0	55,214	64,431	69,456	14,242
Other Charges	121,548	0	121,548	109,000	128,155	6,607
Employee Benefits	50,596	0	50,596	39,000	54,475	3,879
Capital Outlay	616,792	(77,571)	539,221	515,000	602,000	62,779
<b>Total Expenditures</b>	<b>\$ 2,681,616</b>	<b>\$ (158,266)</b>	<b>\$ 2,523,350</b>	<b>\$ 2,806,208</b>	<b>\$ 2,993,372</b>	<b>\$ 470,022</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (1,661)</b>	<b>\$ 158,266</b>	<b>\$ 156,605</b>	<b>\$ (12,043)</b>	<b>\$ (114,577)</b>	<b>\$ 271,182</b>

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0 \$	0 \$	0 \$	1,000 \$	1,000 \$	(1,000)
Transfers Out	0	0	0	(19,384)	0	0
Total Other Financing Sources	\$ 0 \$	0 \$	0 \$	(18,384) \$	1,000 \$	(1,000)
Net Change in Fund Balance	\$ (1,661) \$	158,266 \$	156,605 \$	(30,427) \$	(113,577) \$	270,182
Fund Balance, July 1, 2012	947,830	(158,266)	789,564	548,728	547,577	241,987
Fund Balance, June 30, 2013	\$ 946,169 \$	0 \$	946,169 \$	518,301 \$	434,000 \$	512,169

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

Exhibit D

Bedford County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,353,365
Accounts Receivable	5,551
Due from Other Governments	<u>578,828</u>
Total Assets	<u>\$ 1,937,744</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 578,828
Due to Litigants, Heirs, and Others	<u>1,358,916</u>
Total Liabilities	<u>\$ 1,937,744</u>

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

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**BEDFORD COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**BEDFORD COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

The Bedford County School Department operates the public school system in the county, and the voters of Bedford County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Bedford County Solid Waste Authority ceased operations effective July 1, 2012, and made a one-time transfer of \$731,675 of capital assets to the county. Convenience center waste collection operations subsequent to July 1, 2012, are reported in the governmental activities of Bedford County.

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

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

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

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

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

Bedford County issues all debt for the discretely presented Bedford County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2013.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Bedford County considers grants and similar revenues to be available if they are collected within 30 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Bedford County reports the following major governmental funds:

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

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

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

Additionally, Bedford County reports the following fund types:

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

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

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

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

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

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

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

**Solid Waste/Sanitation Fund** – This is the authority’s only operating fund. This fund ceased operations July 1, 2012, and contributed all of its assets to the county’s General Fund.

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bedford County School Department. Each fund’s portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service and Central Cafeteria funds. Bedford County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer’s Investment Pool are reported at fair value. The State Treasurer’s

Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

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

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

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

3. **Inventories**

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

4. **Capital Assets**

**Primary Government and Discretely Presented School Department**

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

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

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

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

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

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

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources,

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Bedford County had no deferred outflows of resources to report at June 30, 2013.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and/or the governmental funds balance sheet. These revenues are from deferred current property taxes, delinquent property taxes, local option sales tax, gasoline and motor fuel tax, petroleum special tax, and patient charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

**Primary Government**

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

**Discretely Presented Bedford County School Department**

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

**7. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums

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

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

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

## **8. Net Position and Fund Balance**

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

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

As of June 30, 2013, Bedford County had \$55,976,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. These debts are liabilities of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission makes assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification

represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**9. Prior-period Adjustment**

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$735,172 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Bedford County School Department**

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

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

**Primary Government**

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

**Discretely Presented Bedford County School Department**

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

## **Discretely Presented Bedford County Solid Waste Authority**

Exhibit J-2 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **Budgetary Information**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

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

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

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

##### Deposits

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

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

##### Investments

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

agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2013.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2013, was as follows:

**Primary Government**

**Governmental Activities:**

	* Restated Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 847,300	\$ 20,000	\$ 0	\$ 867,300
Construction in Progress	103,451	0	(103,451)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 950,751</b>	<b>\$ 20,000</b>	<b>\$ (103,451)</b>	<b>\$ 867,300</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,799,718	\$ 310,817	\$ 0	\$ 13,110,535
Other Capital Assets	7,526,101	666,801	(207,264)	7,985,638
Roads and Bridges	24,982,088	377,821	0	25,359,909
<b>Total Capital Assets Depreciated</b>	<b>\$ 45,307,907</b>	<b>\$ 1,355,439</b>	<b>\$ (207,264)</b>	<b>\$ 46,456,082</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,374,263	\$ 341,601	\$ 0	\$ 5,715,864
Other Capital Assets	4,780,948	831,305	(200,179)	5,412,074
Roads and Bridges	6,038,189	604,364	0	6,642,553
<b>Total Accumulated Depreciation</b>	<b>\$ 16,193,400</b>	<b>\$ 1,777,270</b>	<b>\$ (200,179)</b>	<b>\$ 17,770,491</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 29,114,507</b>	<b>\$ (421,831)</b>	<b>\$ (7,085)</b>	<b>\$ 28,685,591</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 30,065,258</b>	<b>\$ (401,831)</b>	<b>\$ (110,536)</b>	<b>\$ 29,552,891</b>

\* The Bedford County Solid Waste Authority ceased operations effective July 1, 2012, and contributed its capital assets of \$731,675 to the General Fund. Bedford County also reclassified some capital assets with no effect on total net assets.

On August 9, 2012, the county received a payment of \$3,000,000 from the sale of the county's nursing home. The sale took place in the previous fiscal year, and the transaction was recognized in the Governmental Activities in the prior year. However, the revenues were deferred because they were received after the county's availability period of 30 days. Therefore, this \$3,000,000 was recognized in the county's General Fund as an other financing source during the year ended June 30, 2013.

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

**Governmental Activities:**

General Government	\$	70,921
Public Safety		390,782
Public Health and Welfare		642,835
Agriculture and Natural Resources		10,645
Highway/Public Works		<u>662,087</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>1,777,270</u>

**Discretely Presented Bedford County School Department**

**Governmental Activities:**

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 2,785,691	\$ 0	\$ 0	\$ 2,785,691
Total Capital Assets Not Depreciated	<u>\$ 2,785,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,785,691</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 118,196,982	\$ 155,219	\$ 0	\$ 118,352,201
Other Capital Assets	8,707,021	128,650	(5,500)	8,830,171
Total Capital Assets Depreciated	<u>\$ 126,904,003</u>	<u>\$ 283,869</u>	<u>\$ (5,500)</u>	<u>\$ 127,182,372</u>

**Governmental Activities (Cont.):**

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For: Buildings and Improvements	\$ 28,478,321	\$ 2,866,087	\$ 0	\$ 31,344,408
Other Capital Assets	5,010,041	641,659	(5,000)	5,646,700
Total Accumulated Depreciation	<u>\$ 33,488,362</u>	<u>\$ 3,507,746</u>	<u>\$ (5,000)</u>	<u>\$ 36,991,108</u>
Total Capital Assets Depreciated, Net	<u>\$ 93,415,641</u>	<u>\$ (3,223,877)</u>	<u>\$ (500)</u>	<u>\$ 90,191,264</u>
Governmental Activities Capital Assets, Net	<u>\$ 96,201,332</u>	<u>\$ (3,223,877)</u>	<u>\$ (500)</u>	<u>\$ 92,976,955</u>

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

**Governmental Activities:**

Instruction	\$ 2,936,688
Support Services	535,740
Operation of Non-Instructional Services	<u>35,318</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,507,746</u></u>

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2013, was as follows:

**Due to/from Primary Government and Component Unit:**

Receivable Fund	Payable Fund	Amount
Component Unit:		
Emergency Communications District	Primary Government: General	\$ 36,328

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

**Primary Government**

	Transfer In Nonmajor Governmental Fund
Transfer Out	
Nonmajor governmental fund	\$ 347,929

**Discretely Presented Bedford County School Department**

	Transfer In General Purpose School Fund
Transfer Out	
Nonmajor governmental fund	\$ 121,037

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

**D. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

Bedford County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 30 years for bonds, up to ten years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	3.25 to 5%	4-1-2037	\$ 54,790,000	\$ 47,585,000
General Obligation Bonds - Refunding	1.8 to 4.5	4-1-2023	14,540,000	11,100,000
Capital Outlay Notes	2.7 to 3.94	5-23-2016	1,593,000	471,600
Other Loans	variable	5-25-2017	8,000,000	2,311,000

In prior years, Bedford County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$8,000,000 available for loan to Bedford County on an as-needed basis for various renovation and construction projects. Bedford County had borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2013, the variable interest rate was .26 percent, and other fees totaled approximately .35 percent (letter of credit), .06 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 222,600	\$ 15,859	\$ 238,459
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	\$ 471,600	\$ 25,556	\$ 497,156

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 534,000	\$ 5,959	\$ 10,404	\$ 550,363
2015	562,000	4,582	8,236	574,818
2016	592,000	3,133	5,954	601,087
2017	623,000	1,605	3,465	628,070
Total	\$ 2,311,000	\$ 15,279	\$ 28,059	\$ 2,354,338

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 3,470,000	\$ 2,339,938	\$ 5,809,938
2015	2,950,000	2,222,042	5,172,042
2016	3,070,000	2,132,349	5,202,349
2017	2,435,000	2,030,835	4,465,835
2018	2,520,000	1,938,875	4,458,875
2019-2023	14,235,000	8,343,481	22,578,481
2024-2028	10,360,000	5,836,445	16,196,445
2029-2033	9,965,000	3,561,975	13,526,975
2034-2037	9,680,000	1,112,624	10,792,624
Total	<u>\$ 58,685,000</u>	<u>\$ 29,518,564</u>	<u>\$ 88,203,564</u>

There is \$2,359,440 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans, totaled \$1,364, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

##### Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2012	\$ 62,035,000	\$ 1,780,200	\$ 2,819,000
Additions	8,405,000	0	0
Reductions	(11,755,000)	(1,308,600)	(508,000)
Balance, June 30, 2013	<u>\$ 58,685,000</u>	<u>\$ 471,600</u>	<u>\$ 2,311,000</u>
Balance Due Within One Year	<u>\$ 3,470,000</u>	<u>\$ 222,600</u>	<u>\$ 534,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 263,153	\$ 386,345
Additions	502,799	80,050
Reductions	(470,131)	(11,032)
Balance, June 30, 2013	<u>\$ 295,821</u>	<u>\$ 455,363</u>
Balance Due Within One Year	<u>\$ 14,792</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 62,218,784
Less: Balance Due Within One Year	(4,241,392)
Add: Unamortized Premium on Debt	371,383
Less: Deferred Amount on Refunding	<u>(9,479)</u>
 Noncurrent Liabilities - Due in More Than One Year - Exhibit A	 <u><u>\$ 58,339,296</u></u>

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

Current Refunding

On March 25, 2013, Bedford County refunded a general obligation school refunding bond with a separate bond issue. The county issued \$8,405,000 of general obligation school refunding bonds to provide resources to retire the bonds. As a result of the current refunding, total debt service payments over the next ten years will be reduced by \$845,422, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$704,233 was obtained.

**Discretely Presented Bedford County School Department**

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Bedford County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2012	\$ 604,355
Additions	588,514
Reductions	<u>(350,386)</u>
 Balance, June 30, 2013	 <u><u>\$ 842,483</u></u>
 Balance Due Within One Year	 <u><u>\$ 0</u></u>

**Discretely Presented Bedford County Solid Waste Authority**

**Changes in Long-term Obligations**

Long-term obligation activity for the discretely presented Bedford County Solid Waste Authority for the year ended June 30, 2013, was as follows:

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 14,029	\$ 5,256
Additions	0	0
Reductions	(14,029)	(5,256)
Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$106,258 and \$65,179, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

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

TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

### **Bedford County**

#### **Employee Health Insurance**

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

#### **Discretely Presented Bedford County School Department**

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

### **B. Accounting Changes**

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$735,172 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Bedford County early implemented Statement No. 65, *Items Previously Reported as Assets and*

*Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

**C. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney stated that some of the lawsuits were related to salaries, wages, and benefits, which are not covered by insurance. The amount of any potential judgment(s), if any, was not reasonably estimable at June 30, 2013.

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

On May 16, 2013, the Longview Community Club donated land to Bedford County. This contribution is contingent upon the county building a fire station on this site within three years.

**D. Claims and Judgments Payable**

On June 12, 2013, a federal judge awarded a total of \$582,974 to five plaintiffs and their attorneys for unpaid overtime and other employee claims in the Sheriff's Department. A liability for this judgment of \$572,974 was presented in the General Fund at June 30, 2013. The county subsequently paid this judgment on July 12, 2013.

**E. Change in Administration**

Superintendent of Schools Ray Butrum resigned on November 1, 2012, and was succeeded by Mike Bone as interim Superintendent of Schools effective November 2, 2012. Ed Gray served as co-interim Superintendent of Schools from November 19, 2012, through May 28, 2013. They were succeeded by Don Embry who became the new Superintendent of Schools effective April 1, 2013.

**F. Joint Ventures**

**Primary Government**

The Argie Cooper Public Library is jointly owned by Bedford County and the City of Shelbyville and operates under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The library is governed by a voluntary 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$142,390 to the operations of the library during the year ended June 30, 2013. As discussed in Note V.C. above, the Bedford County Commission has

authorized a contribution of \$1 million to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract of not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County did not contribute to the Joint Economic Development Board for the year ended June 30, 2013.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Bedford County did not contribute to the DTF for the year ended June 30, 2013.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Giles, Franklin, Moore and Lincoln and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating County Commission or City Council appointed the authority's board for varying terms of office. Bedford County made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2013.

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

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

Administrative Offices:

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

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

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

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

**Discretely Presented Bedford County School Department**

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

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

Administrative Office:

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

**G. Jointly Governed Organization**

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

**H. Retirement Commitments**

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

**Plan Description**

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

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

## Funding Policy

Bedford County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 5.96 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, 2013, the county's annual pension cost of \$953,404 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, 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
6-30-13	\$953,404	100%	\$0
6-30-12	999,419	100	0
6-30-11	978,307	100	0

## Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.74 percent funded. The actuarial accrued liability for benefits was \$44.75 million, and the actuarial value of assets was

\$41.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.37 million, and the ratio of the UAAL to the covered payroll was 27.65 percent.

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

## **SCHOOL TEACHERS**

### **Plan Description**

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

## **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 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, 2013, 2012, and 2011, were \$2,482,860, \$2,462,823, and \$2,367,708, respectively, equal to the required contributions for each year.

## **2. Deferred Compensation**

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

## **I. Other Postemployment Benefits (OPEB)**

### Plan Description

Bedford County participates in the state-administered Local Government Group Insurance Plan for healthcare benefits. The Bedford County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, and Section 8-27-207, *TCA* for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

### Funding Policy

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

actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Bedford County and the Bedford County School Department recognized expenditures of \$11,032 and \$350,386, respectively, for postemployment health care during the year ended June 30, 2013.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 590,000	\$ 81,000
Interest on the NOPEBO	24,174	15,454
Adjustment to the ARC	(25,660)	(16,404)
Annual OPEB cost	<u>\$ 588,514</u>	<u>\$ 80,050</u>
Amount of contribution	(350,386)	(11,032)
Increase/decrease in NOPEBO	\$ 238,128	\$ 69,018
Net OPEB obligation, 7-1-12	<u>604,355</u>	<u>386,345</u>
Net OPEB obligation, 6-30-13	<u><u>\$ 842,483</u></u>	<u><u>\$ 455,363</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	\$ 445,758	88 %	\$ 371,655
6-30-12	"	583,086	60	604,355
6-30-13	"	588,514	60	842,483
6-30-11	Local Government Group	137,482	16	318,160
6-30-12	"	79,217	14	386,345
6-30-13	"	80,050	14	455,363

### Funded Status and Funding Progress

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

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

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

### Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 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 July 1, 2007.

**J. Office of Central Accounting, Budgeting, and Purchasing**

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

**K. Purchasing Laws**

Office of Director of Finance

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

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

**A. Summary of Significant Accounting Policies**

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

Financial Reporting Entity – Component Unit – Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Bedford County Mayor and approved by the Bedford County Commission, the district is considered a component unit of Bedford County.

Pursuant to *Tennessee Code Annotated*, Section 7-86-114, before issuing negotiable bonds, the district must have approval of the legislative body of the county wherein the district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of

over five years' duration. In addition, the Bedford County Commission has the ability to adjust the district's service charges.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The district does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the district functions in a manner similar to a private business enterprise.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district's assets, liabilities, net position, revenues, and expenses. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net position. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Budgetary Law and Practice – The treasurer of the district files an annual budget with the Mayor of Bedford County in accordance with *Tennessee Code Annotated*, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents a preliminary budget to the board of directors. The budget is then discussed and amended as necessary for approval by the board.

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

Capital Assets – Capital assets are stated at cost or estimated historical cost if actual cost is not available. Maintenance, repairs, and minor renewals are expensed as incurred while major renewals and betterments are capitalized. The district defines capital assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

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

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

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2013, the district did not hold any certificates of deposit.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district does not have any items that qualify for reporting in this category as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The district does not have any items that qualify for reporting in this category as of June 30, 2013.

**B. Cash and Cash Equivalents**

The district’s investments must be made in accordance with Section 5-8-301, *Tennessee Code Annotated*, which generally limits maturities to no greater than two years. The board of directors has not formally adopted deposit and investment policies that limit the district’s allowable deposits or investments; however, during the year ended June 30, 2013, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2013, the carrying amount of cash deposits was \$438,957, and the bank balance was \$537,304. At June 30, 2013, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro-rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash is presented in the financial statements as follows:

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2013</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
First Bank checking	N/A	\$ 363,434	\$ 461,781
First Bank money market	.2%	75,523	75,523
Total		<u>\$ 438,957</u>	<u>\$ 537,304</u>

**C. Accounts Receivable**

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

The following is the detail of the receivables at June 30, 2013:

AT&T	\$ 12,563
United Telephone Company	15,437
Others	<u>3,294</u>
Total	<u><u>\$ 31,294</u></u>

**D. Accounts Payable**

Accounts payable includes amounts due vendors totaling \$30,882 at June 30, 2013.

**E. Special Investigation**

The State of Tennessee Comptroller's office performed a special investigation of the district and released its report March 25, 2013. In the report questionable purchases totaling \$46,807 were identified as well as several deficiencies in purchasing procedures and other findings including noncompliance with district policies.

On November 18, 2013, the suspect was indicted by the grand jury on one count of theft in excess of \$10,000.

This special investigative report is a matter of public record and is made available for public inspection. Any inquiries concerning the investigation should be directed toward the State of Tennessee Comptroller of the Treasury, First Floor, State Capitol, Nashville, Tennessee 37243-9034.

**F. Capital Assets**

Capital assets are summarized as follows:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets				
Depreciated:				
Building and				
Improvements	\$ 242,481	\$ 0	\$ 0	\$ 242,481
Furniture and Fixtures	90,188	0	0	90,188
Office Equipment	67,905	0	(19,183)	48,722
Communications Equipment	855,833	90,374	(202,123)	744,084
Vehicle	45,150	0	0	45,150
Intangibles	0	29,152	0	29,152
Other Capital Assets	143,564	0	(34,000)	109,564
Total Capital Assets				
Depreciated	<u>\$ 1,445,121</u>	<u>\$ 119,526</u>	<u>\$ (255,306)</u>	<u>\$ 1,309,341</u>

Capital Assets (Cont.)	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For:				
Building and Improvements	\$ 23,401	\$ 6,062	\$ 0	\$ 29,463
Furniture and Fixtures	42,734	8,947	0	51,681
Office Equipment	38,517	13,701	(19,183)	33,035
Communications Equipment	470,562	89,292	(202,123)	357,731
Vehicle	32,218	5,747	0	37,965
Intangibles	0	1,944	0	1,944
Other Capital Assets	90,760	10,315	(34,000)	67,075
Total Accumulated Depreciation	\$ 698,192	\$ 136,008	\$ (255,306)	\$ 578,894
Total Capital Assets Depreciated, Net	\$ 746,929	\$ (16,482)	\$ 0	\$ 730,447

#### **G. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district obtains insurance covering the above risks of loss through a public risk entity pool, Tennessee Risk Management Trust (TRMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TRMT provides for it to be self-sustaining through member premiums. Settled claims have not exceeded the coverage in any of the past three fiscal years.

#### **H. Long-term Debt**

Long-term liability activity for capital leases for the year ended June 30, 2013, was as follows:

Balance 7-1-12	Payments	Balance 6-30-13	Due Within One Year
\$30,704	(\$30,704)	\$0	\$0

#### **I. Capital Lease Obligations**

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

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

Assets:	
Communications Equipment	\$ 604,591
Less: Accumulated Depreciation	<u>(337,563)</u>
Total, Net	<u>\$ 267,028</u>

This lease was paid off during the year ended June 30, 2013.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Bedford County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government, Discretely Presented Bedford County School Department,  
and Discretely Presented Bedford County Solid Waste Authority  
June 30, 2013

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government, School Department, and Solid Waste Authority	7-1-11	\$ 41,052	\$ 44,750	\$ 3,698	91.74 %	\$ 13,372	27.65 %
"	7-1-09	34,356	38,393	4,037	89.49	14,351	28.13
"	7-1-07	33,805	33,831	26	99.92	12,583	.21

Exhibit E-2

Bedford County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Bedford County School Department  
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 1,622	\$ 1,622	0 %	\$ 9,129	18 %
"	7-1-10	0	1,665	1,665	0	9,594	17
"	7-1-11	0	506	506	0	9,938	5
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	4,040	4,040	0	31,598	13
"	7-1-10	0	4,199	4,199	0	30,807	14
"	7-1-11	0	5,010	5,010	0	33,694	15

**BEDFORD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2013**

**BUDGETARY INFORMATION**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

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

# Capital Projects Funds

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

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

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

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

Exhibit F-1

Bedford County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	General Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 4,314	\$ 469,072	\$ 473,386
Total Assets	<u>\$ 4,314</u>	<u>\$ 469,072</u>	<u>\$ 473,386</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 4,314	\$ 0	\$ 4,314
Committed:			
Committed for Capital Projects	0	469,072	469,072
Total Fund Balances	<u>\$ 4,314</u>	<u>\$ 469,072</u>	<u>\$ 473,386</u>

Exhibit F-2

Bedford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2013

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Drug Control	Constit- utional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Nursing Home Projects	Total	
<b>Revenues</b>								
Fines, Forfeitures, and Penalties	\$ 7,510	\$ 0	\$ 7,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,510
Charges for Current Services	0	132	132	0	0	0	0	132
Other Local Revenues	500	0	500	0	0	10,000	10,000	10,500
Federal Government	0	0	0	0	18,600	0	18,600	18,600
<b>Total Revenues</b>	<b>\$ 8,010</b>	<b>\$ 132</b>	<b>\$ 8,142</b>	<b>\$ 0</b>	<b>\$ 18,600</b>	<b>\$ 10,000</b>	<b>\$ 28,600</b>	<b>\$ 36,742</b>
<b>Expenditures</b>								
Current:								
Public Safety	\$ 41,364	\$ 132	\$ 41,496	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,496
Other Operations	75	0	75	68,174	0	100	68,274	68,349
Capital Outlay	0	0	0	108,254	0	0	108,254	108,254
Capital Projects	0	0	0	0	18,600	0	18,600	18,600
<b>Total Expenditures</b>	<b>\$ 41,439</b>	<b>\$ 132</b>	<b>\$ 41,571</b>	<b>\$ 176,428</b>	<b>\$ 18,600</b>	<b>\$ 100</b>	<b>\$ 195,128</b>	<b>\$ 236,699</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (33,429)</b>	<b>\$ 0</b>	<b>\$ (33,429)</b>	<b>\$ (176,428)</b>	<b>\$ 0</b>	<b>\$ 9,900</b>	<b>\$ (166,528)</b>	<b>\$ (199,957)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 347,929	\$ 0	\$ 0	\$ 347,929	\$ 347,929
Transfers Out	0	0	0	0	0	(347,929)	(347,929)	(347,929)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 347,929</b>	<b>\$ 0</b>	<b>\$ (347,929)</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Change in Fund Balances</b>	<b>\$ (33,429)</b>	<b>\$ 0</b>	<b>\$ (33,429)</b>	<b>\$ 171,501</b>	<b>\$ 0</b>	<b>\$ (338,029)</b>	<b>\$ (166,528)</b>	<b>\$ (199,957)</b>
<b>Fund Balance, July 1, 2012</b>	<b>37,743</b>	<b>0</b>	<b>37,743</b>	<b>297,571</b>	<b>0</b>	<b>338,029</b>	<b>635,600</b>	<b>673,343</b>
<b>Fund Balance, June 30, 2013</b>	<b>\$ 4,314</b>	<b>\$ 0</b>	<b>\$ 4,314</b>	<b>\$ 469,072</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 469,072</b>	<b>\$ 473,386</b>

Exhibit F-3

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 7,510	\$ 0	\$ 7,510	\$ 26,500	\$ 26,500	\$ (18,990)
Other Local Revenues	500	0	500	8,000	8,000	(7,500)
Total Revenues	\$ 8,010	\$ 0	\$ 8,010	\$ 34,500	\$ 34,500	\$ (26,490)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 41,364	\$ (1,000)	\$ 40,364	\$ 15,000	\$ 47,543	\$ 7,179
<u>Other Operations</u>						
Miscellaneous	75	0	75	0	2,100	2,025
Total Expenditures	\$ 41,439	\$ (1,000)	\$ 40,439	\$ 15,000	\$ 49,643	\$ 9,204
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,429)	\$ 1,000	\$ (32,429)	\$ 19,500	\$ (15,143)	\$ (17,286)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (33,429)	\$ 1,000	\$ (32,429)	\$ 19,500	\$ (15,143)	\$ (17,286)
	37,743	(1,000)	36,743	53,856	0	36,743
Fund Balance, June 30, 2013	\$ 4,314	\$ 0	\$ 4,314	\$ 73,356	\$ (15,143)	\$ 19,457

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,562,362	\$ 6,267,400	\$ 6,267,400	\$ 294,962
Other Local Revenues	174,011	359,337	359,337	(185,326)
Other Governments and Citizens Groups	970,418	0	970,924	(506)
Total Revenues	<u>\$ 7,706,791</u>	<u>\$ 6,626,737</u>	<u>\$ 7,597,661</u>	<u>\$ 109,130</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 638,600	\$ 640,185	\$ 640,185	\$ 1,585
Education	4,528,000	3,588,000	4,528,000	0
<u>Interest on Debt</u>				
General Government	223,997	226,257	226,257	2,260
Education	2,431,864	2,400,652	2,432,576	712
<u>Other Debt Service</u>				
General Government	92,665	75,000	96,000	3,335
Education	18,813	20,000	20,000	1,187
Total Expenditures	<u>\$ 7,933,939</u>	<u>\$ 6,950,094</u>	<u>\$ 7,943,018</u>	<u>\$ 9,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (227,148)</u>	<u>\$ (323,357)</u>	<u>\$ (345,357)</u>	<u>\$ 118,209</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 8,405,000	\$ 0	\$ 8,405,000	\$ 0
Payments to Refunded Debt Escrow Agent	(8,405,000)	0	(8,408,000)	3,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,000)</u>	<u>\$ 3,000</u>
Net Change in Fund Balance	\$ (227,148)	\$ (323,357)	\$ (348,357)	\$ 121,209
Fund Balance, July 1, 2012	<u>2,586,588</u>	<u>2,054,427</u>	<u>3,592,256</u>	<u>(1,005,668)</u>
Fund Balance, June 30, 2013	<u>\$ 2,359,440</u>	<u>\$ 1,731,070</u>	<u>\$ 3,243,899</u>	<u>\$ (884,459)</u>

# Fiduciary Funds

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

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

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

Exhibit H-1

Bedford County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2013

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,353,365	\$ 1,353,365
Accounts Receivable	0	5,551	5,551
Due from Other Governments	578,828	0	578,828
Total Assets	\$ 578,828	\$ 1,358,916	\$ 1,937,744
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 578,828	\$ 0	\$ 578,828
Due to Litigants, Heirs, and Others	0	1,358,916	1,358,916
Total Liabilities	\$ 578,828	\$ 1,358,916	\$ 1,937,744

## Exhibit H-2

Bedford County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,497,259	\$ 3,497,259	\$ 0
Due from Other Governments	576,356	578,828	576,356	578,828
Total Assets	\$ 576,356	\$ 4,076,087	\$ 4,073,615	\$ 578,828
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 576,356	\$ 4,076,087	\$ 4,073,615	\$ 578,828
Total Liabilities	\$ 576,356	\$ 4,076,087	\$ 4,073,615	\$ 578,828
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 982,826	\$ 8,659,295	\$ 8,288,756	\$ 1,353,365
Accounts Receivable	7,492	5,551	7,492	5,551
Total Assets	\$ 990,318	\$ 8,664,846	\$ 8,296,248	\$ 1,358,916
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 990,318	\$ 8,664,846	\$ 8,296,248	\$ 1,358,916
Total Liabilities	\$ 990,318	\$ 8,664,846	\$ 8,296,248	\$ 1,358,916
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 982,826	\$ 8,659,295	\$ 8,288,756	\$ 1,353,365
Equity in Pooled Cash and Investments	0	3,497,259	3,497,259	0
Accounts Receivable	7,492	5,551	7,492	5,551
Due from Other Governments	576,356	578,828	576,356	578,828
Total Assets	\$ 1,566,674	\$ 12,740,933	\$ 12,369,863	\$ 1,937,744
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 576,356	\$ 4,076,087	\$ 4,073,615	\$ 578,828
Due to Litigants, Heirs, and Others	990,318	8,664,846	8,296,248	1,358,916
Total Liabilities	\$ 1,566,674	\$ 12,740,933	\$ 12,369,863	\$ 1,937,744

# Bedford County School Department

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

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

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

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

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

Exhibit I-1

Bedford County, Tennessee  
Statement of Activities  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 40,358,742	\$ 328,926	\$ 4,474,708	\$ (35,555,108)
Support Services	19,196,979	166,359	317,036	(18,713,584)
Operation of Non-Instructional Services	5,053,771	1,112,622	3,448,856	(492,293)
Total Governmental Activities	\$ 64,609,492	\$ 1,607,907	\$ 8,240,600	\$ (54,760,985)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes			\$	7,731,057
Local Option Sales Tax				1,922,541
Other Local Taxes				3,842
Grants and Contributions Not Restricted to Specific Programs				39,375,514
Unrestricted Investment Earnings				43,626
Miscellaneous				158,615
Total General Revenues			\$	49,235,195
Change in Net Position			\$	(5,525,790)
Net Position, July 1, 2012				107,855,925
Net Position, June 30, 2013			\$	102,330,135

Exhibit I-2

Bedford County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Bedford County School Department  
June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 3,840	\$ 4,140
Equity in Pooled Cash and Investments	8,956,465	1,584,222	10,540,687
Inventories	0	69,787	69,787
Accounts Receivable	29,959	9,223	39,182
Due from Other Governments	363,547	427,573	791,120
Property Taxes Receivable	8,782,985	0	8,782,985
Allowance for Uncollectible Property Taxes	(422,380)	0	(422,380)
Total Assets	<u>\$ 17,710,876</u>	<u>\$ 2,094,645</u>	<u>\$ 19,805,521</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 13,181	\$ 0	\$ 13,181
Payroll Deductions Payable	1,448,677	89,101	1,537,778
Total Liabilities	<u>\$ 1,461,858</u>	<u>\$ 89,101</u>	<u>\$ 1,550,959</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,058,899	\$ 0	\$ 8,058,899
Deferred Delinquent Property Taxes	267,653	0	267,653
Other Deferred/Unavailable Revenue	158,377	0	158,377
Total Deferred Inflows of Resources	<u>\$ 8,484,929</u>	<u>\$ 0</u>	<u>\$ 8,484,929</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 69,787	\$ 69,787
Restricted:			
Restricted for Education	165,078	2,598	167,676
Restricted for Operation of Non-Instructional Services	0	1,735,338	1,735,338
Committed:			
Committed for Education	90,556	197,821	288,377
Unassigned	7,508,455	0	7,508,455
Total Fund Balances	<u>\$ 7,764,089</u>	<u>\$ 2,005,544</u>	<u>\$ 9,769,633</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,710,876</u>	<u>\$ 2,094,645</u>	<u>\$ 19,805,521</u>

Exhibit I-3

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented Bedford County School Department  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	9,769,633
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,785,691	
Add: buildings and improvements net of accumulated depreciation		87,007,793	
Add: other capital assets net of accumulated depreciation		<u>3,183,471</u>	92,976,955
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(842,483)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>426,030</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>102,330,135</u></u>

Exhibit I-4

Bedford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,198,143	\$ 0	\$ 10,198,143
Licenses and Permits	2,248	0	2,248
Charges for Current Services	123,585	1,434,418	1,558,003
Other Local Revenues	222,788	44,153	266,941
State of Tennessee	37,636,177	0	37,636,177
Federal Government	633,875	8,778,966	9,412,841
Other Governments and Citizens Groups	68,174	0	68,174
Total Revenues	<u>\$ 48,884,990</u>	<u>\$ 10,257,537</u>	<u>\$ 59,142,527</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 32,885,273	\$ 3,948,410	\$ 36,833,683
Support Services	17,228,719	1,561,170	18,789,889
Operation of Non-Instructional Services	206,553	4,811,900	5,018,453
Capital Outlay	505,462	0	505,462
Total Expenditures	<u>\$ 50,826,007</u>	<u>\$ 10,321,480</u>	<u>\$ 61,147,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,941,017)</u>	<u>\$ (63,943)</u>	<u>\$ (2,004,960)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 121,037	\$ 0	\$ 121,037
Transfers Out	0	(121,037)	(121,037)
Total Other Financing Sources (Uses)	<u>\$ 121,037</u>	<u>\$ (121,037)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (1,819,980)	\$ (184,980)	\$ (2,004,960)
Fund Balance, July 1, 2012	9,584,069	2,190,524	11,774,593
Fund Balance, June 30, 2013	<u>\$ 7,764,089</u>	<u>\$ 2,005,544</u>	<u>\$ 9,769,633</u>

Exhibit I-5

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (2,004,960)
(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	\$ 283,869	
Less: current-year depreciation expense	<u>(3,507,746)</u>	(3,223,877)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: disposal of capital assets		(500)
(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, 2013	\$ 426,030	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(484,355)</u>	(58,325)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(238,128)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (5,525,790)</u>

Exhibit I-6

Bedford County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Bedford County School Department  
June 30, 2013

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,240	\$ 600	\$ 3,840
Equity in Pooled Cash and Investments	36,025	1,461,143	87,054	1,584,222
Inventories	0	69,787	0	69,787
Accounts Receivable	0	1,061	8,162	9,223
Due from Other Governments	143,239	282,329	2,005	427,573
Total Assets	<u>\$ 179,264</u>	<u>\$ 1,817,560</u>	<u>\$ 97,821</u>	<u>\$ 2,094,645</u>
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 76,666	\$ 12,435	\$ 0	\$ 89,101
Total Liabilities	<u>\$ 76,666</u>	<u>\$ 12,435</u>	<u>\$ 0</u>	<u>\$ 89,101</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 69,787	\$ 0	\$ 69,787
Restricted:				
Restricted for Education	2,598	0	0	2,598
Restricted for Operation of Non-Instructional Services	0	1,735,338	0	1,735,338
Committed:				
Committed for Education	100,000	0	97,821	197,821
Total Fund Balances	<u>\$ 102,598</u>	<u>\$ 1,805,125</u>	<u>\$ 97,821</u>	<u>\$ 2,005,544</u>
Total Liabilities and Fund Balances	<u>\$ 179,264</u>	<u>\$ 1,817,560</u>	<u>\$ 97,821</u>	<u>\$ 2,094,645</u>

Exhibit I-7

Bedford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 1,108,222	\$ 326,196	\$ 1,434,418
Other Local Revenues	0	44,153	0	44,153
Federal Government	5,351,635	3,427,331	0	8,778,966
Total Revenues	<u>\$ 5,351,635</u>	<u>\$ 4,579,706</u>	<u>\$ 326,196</u>	<u>\$ 10,257,537</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 3,948,410	\$ 0	\$ 0	\$ 3,948,410
Support Services	1,533,370	25,000	2,800	1,561,170
Operation of Non-Instructional Services	0	4,481,330	330,570	4,811,900
Total Expenditures	<u>\$ 5,481,780</u>	<u>\$ 4,506,330</u>	<u>\$ 333,370</u>	<u>\$ 10,321,480</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (130,145)</u>	<u>\$ 73,376</u>	<u>\$ (7,174)</u>	<u>\$ (63,943)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (121,037)	\$ 0	\$ 0	\$ (121,037)
Total Other Financing Sources (Uses)	<u>\$ (121,037)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (121,037)</u>
Net Change in Fund Balances	\$ (251,182)	\$ 73,376	\$ (7,174)	\$ (184,980)
Fund Balance, July 1, 2012	353,780	1,731,749	104,995	2,190,524
Fund Balance, June 30, 2013	<u>\$ 102,598</u>	<u>\$ 1,805,125</u>	<u>\$ 97,821</u>	<u>\$ 2,005,544</u>

Exhibit I-8

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 10,198,143	\$ 0	\$ 0	\$ 10,198,143	\$ 9,484,700	\$ 9,484,700	\$ 713,443
Licenses and Permits	2,248	0	0	2,248	3,000	3,000	(752)
Charges for Current Services	123,585	0	0	123,585	87,000	137,466	(13,881)
Other Local Revenues	222,788	0	0	222,788	147,500	200,086	22,702
State of Tennessee	37,636,177	0	0	37,636,177	37,793,972	38,304,566	(668,389)
Federal Government	633,875	0	0	633,875	365,000	1,158,950	(525,075)
Other Governments and Citizens Groups	68,174	0	0	68,174	0	68,174	0
<b>Total Revenues</b>	<b>\$ 48,884,990</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 48,884,990</b>	<b>\$ 47,881,172</b>	<b>\$ 49,356,942</b>	<b>\$ (471,952)</b>
<b>Expenditures</b>							
<u>Instruction</u>							
Regular Instruction Program	\$ 28,318,245	\$ (220,519)	\$ 3,965	\$ 28,101,691	\$ 29,281,611	\$ 29,711,003	\$ 1,609,312
Alternative Instruction Program	465,447	0	0	465,447	424,408	473,388	7,941
Special Education Program	2,819,481	0	0	2,819,481	2,934,428	2,934,690	115,209
Vocational Education Program	1,160,831	0	0	1,160,831	1,248,714	1,248,714	87,883
Adult Education Program	121,269	0	0	121,269	115,511	163,068	41,799
<u>Support Services</u>							
Attendance	97,361	(237)	0	97,124	93,916	100,865	3,741
Health Services	403,226	(1,827)	3,110	404,509	562,677	561,442	156,933
Other Student Support	1,292,931	(1,378)	0	1,291,553	1,225,671	1,596,329	304,776
Regular Instruction Program	1,103,618	(1,974)	0	1,101,644	1,136,458	1,188,391	86,747
Alternative Instruction Program	88,271	0	0	88,271	87,951	88,351	80
Special Education Program	305,523	(1,610)	0	303,913	290,323	351,746	47,833
Vocational Education Program	27,034	0	0	27,034	28,335	28,335	1,301
Adult Programs	88,071	0	0	88,071	115,991	88,872	801
Other Programs	171,437	0	0	171,437	0	171,437	0
Board of Education	619,178	(160)	1,080	620,098	622,667	650,552	30,454
Director of Schools	1,402,461	0	0	1,402,461	1,307,378	1,425,687	23,226

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 3,082,204	\$ (198)	\$ 2,296	\$ 3,084,302	\$ 3,093,511	\$ 3,163,198	\$ 78,896
Human Services/Personnel	149,989	0	46	150,035	131,522	168,479	18,444
Operation of Plant	4,682,312	(14,394)	159	4,668,077	5,364,033	5,373,766	705,689
Maintenance of Plant	1,503,698	(40,158)	200	1,463,740	1,454,028	1,527,022	63,282
Transportation	2,002,369	(7,779)	1,000	1,995,590	2,432,732	2,297,907	302,317
Central and Other	209,036	0	0	209,036	217,438	217,438	8,402
<u>Operation of Non-Instructional Services</u>							
Food Service	57,015	0	0	57,015	60,160	60,160	3,145
Community Services	149,538	0	0	149,538	118,370	164,825	15,287
<u>Capital Outlay</u>							
Regular Capital Outlay	505,462	(254,648)	78,700	329,514	328,000	359,053	29,539
Total Expenditures	\$ 50,826,007	\$ (544,882)	\$ 90,556	\$ 50,371,681	\$ 52,675,833	\$ 54,114,718	\$ 3,743,037
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,941,017)	\$ 544,882	\$ (90,556)	\$ (1,486,691)	\$ (4,794,661)	\$ (4,757,776)	\$ 3,271,085
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,200	\$ (70,200)
Transfers In	121,037	0	0	121,037	208,000	108,001	13,036
Total Other Financing Sources	\$ 121,037	\$ 0	\$ 0	\$ 121,037	\$ 208,000	\$ 178,201	\$ (57,164)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2012	\$ (1,819,980)	\$ 544,882	\$ (90,556)	\$ (1,365,654)	\$ (4,586,661)	\$ (4,579,575)	\$ 3,213,921
	9,584,069	(544,882)	0	9,039,187	7,261,501	7,270,584	1,768,603
<u>Fund Balance, June 30, 2013</u>	\$ 7,764,089	\$ 0	\$ (90,556)	\$ 7,673,533	\$ 2,674,840	\$ 2,691,009	\$ 4,982,524

Exhibit I-9

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 5,351,635	\$ 0	\$ 5,351,635	\$ 6,525,600	\$ 6,562,886	\$ (1,211,251)
Total Revenues	\$ 5,351,635	\$ 0	\$ 5,351,635	\$ 6,525,600	\$ 6,562,886	\$ (1,211,251)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,788,924	\$ (67,607)	\$ 2,721,317	\$ 2,715,740	\$ 3,055,067	\$ 333,750
Special Education Program	1,003,230	0	1,003,230	1,409,298	1,403,550	400,320
Vocational Education Program	156,256	(47,840)	108,416	109,419	109,033	617
<u>Support Services</u>						
Health Services	174,918	0	174,918	280,331	280,331	105,413
Other Student Support	245,818	(6,499)	239,319	308,525	309,152	69,833
Regular Instruction Program	525,460	(18,248)	507,212	886,351	900,336	393,124
Special Education Program	266,628	(1,025)	265,603	345,165	345,165	79,562
Vocational Education Program	6,275	(1,945)	4,330	4,700	4,545	215
Office of the Principal	4,079	0	4,079	334,939	4,079	0
Transportation	305,775	0	305,775	357,630	383,312	77,537
Central and Other	4,417	0	4,417	0	4,417	0
Total Expenditures	\$ 5,481,780	\$ (143,164)	\$ 5,338,616	\$ 6,752,098	\$ 6,798,987	\$ 1,460,371
Excess (Deficiency) of Revenues Over Expenditures	\$ (130,145)	\$ 143,164	\$ 13,019	\$ (226,498)	\$ (236,101)	\$ 249,120

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0 \$	0 \$	0 \$	273,664 \$	273,664 \$	(273,664)
Transfers Out	(121,037)	0	(121,037)	(311,242)	(311,242)	190,205
Total Other Financing Sources	<u>\$ (121,037) \$</u>	<u>0 \$</u>	<u>(121,037) \$</u>	<u>(37,578) \$</u>	<u>(37,578) \$</u>	<u>(83,459)</u>
Net Change in Fund Balance	\$ (251,182) \$	143,164 \$	(108,018) \$	(264,076) \$	(273,679) \$	165,661
Fund Balance, July 1, 2012	353,780	(143,164)	210,616	264,076	273,679	(63,063)
Fund Balance, June 30, 2013	<u>\$ 102,598 \$</u>	<u>0 \$</u>	<u>102,598 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>102,598</u>

Exhibit I-10

Bedford County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Bedford County School Department  
 Central Cafeteria Fund  
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,108,222	\$ 0	\$ 0	\$ 1,108,222	\$ 1,165,000	\$ 1,165,000	\$ (56,778)
Other Local Revenues	44,153	0	0	44,153	5,000	5,229	38,924
Federal Government	3,427,331	0	0	3,427,331	2,925,000	3,210,694	216,637
Total Revenues	\$ 4,579,706	\$ 0	\$ 0	\$ 4,579,706	\$ 4,095,000	\$ 4,380,923	\$ 198,783
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 25,000	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
Operation of Non-Instructional Services	4,481,330	(19,823)	12,900	4,474,407	4,692,428	4,995,739	521,332
Food Service	4,506,330	(19,823)	12,900	4,499,407	4,717,428	5,020,739	521,332
Total Expenditures	\$ 73,376	\$ 19,823	\$ (12,900)	\$ 80,299	\$ (622,428)	\$ (639,816)	\$ 720,115
Excess (Deficiency) of Revenues Over Expenditures							
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Net Change in Fund Balance	\$ 73,376	\$ 19,823	\$ (12,900)	\$ 80,299	\$ (639,816)	\$ (639,816)	\$ 720,115
Fund Balance, July 1, 2012	1,731,749	(19,823)	0	1,711,926	1,088,520	1,636,724	75,202
Fund Balance, June 30, 2013	\$ 1,805,125	\$ 0	\$ (12,900)	\$ 1,792,225	\$ 448,704	\$ 996,908	\$ 795,317

Exhibit I-11

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bedford County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 326,196	\$ 380,496	\$ 380,496	\$ (54,300)
Total Revenues	\$ 326,196	\$ 380,496	\$ 380,496	\$ (54,300)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 2,800	\$ 2,800	\$ 2,800	\$ 0
<u>Operation of Non-Instructional Services</u>				
Community Services	330,570	378,449	378,449	47,879
Total Expenditures	\$ 333,370	\$ 381,249	\$ 381,249	\$ 47,879
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,174)	\$ (753)	\$ (753)	\$ (6,421)
Net Change in Fund Balance	\$ (7,174)	\$ (753)	\$ (753)	\$ (6,421)
Fund Balance, July 1, 2012	104,995	136,668	136,096	(31,101)
Fund Balance, June 30, 2013	\$ 97,821	\$ 135,915	\$ 135,343	\$ (37,522)

# Bedford County Solid Waste Authority

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is the authority's only operating fund. The authority ceased operations in July 2012.

Exhibit J-1

Bedford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2013

	Major Fund <u>Solid</u> Waste / <u>Sanitation</u>
<hr/>	
<u>Expenditures</u>	
Current:	
Public Health and Welfare	\$ 27,178
Total Expenditures	<u>\$ 27,178</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (27,178)</u>
Net Change in Fund Balances	\$ (27,178)
Fund Balance, July 1, 2012	<u>27,178</u>
Fund Balance, June 30, 2013	<u><u>\$ 0</u></u>

Exhibit J-2

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund to the  
Statement of Activities  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2013

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-1)		\$ (27,178)
(1) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: assets donated to Bedford County		(731,675)
(2) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 14,029	
Change in other postemployment benefits liability	<u>5,256</u>	<u>19,285</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (739,568)</u>

Exhibit J-3

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bedford County Solid Waste Authority  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 27,178	\$ 0	\$ 27,178	\$ 0
Total Expenditures	\$ 27,178	\$ 0	\$ 27,178	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,178)	\$ 0	\$ (27,178)	\$ 0
Net Change in Fund Balance	\$ (27,178)	\$ 0	\$ (27,178)	\$ 0
Fund Balance, July 1, 2012	27,178	0	27,178	0
Fund Balance, June 30, 2013	\$ 0	\$ 0	\$ 0	\$ 0

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Bedford County, Tennessee  
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
EMA Project	\$ 193,000	3.94%	8-21-08	8-21-13	\$ 77,200	0	\$ 38,600	0	\$ 38,600
School Project	4,700,000	3.23	9-8-08	6-19-13	940,000	0	940,000	0	0
Tennessee Vocational Rehabilitation Center	1,100,000	3.75	2-3-05	1-1-15	373,000	0	120,000	0	253,000
County Projects	450,000	2.84	6-30-10	6-26-13	150,000	0	150,000	0	0
County Projects/Garbage Truck	300,000	2.7	5-23-11	5-23-16	240,000	0	60,000	0	180,000
Total Notes Payable					\$ 1,780,200	0	\$ 1,308,600	0	\$ 471,600
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
School	8,000,000	variable	5-23-1997	5-25-17	\$ 2,819,000	0	\$ 508,000	0	\$ 2,311,000
Total Other Loans Payable					\$ 2,819,000	0	\$ 508,000	0	\$ 2,311,000
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
General Obligation School Refunding	2,700,000	1.8	4-12-12	4-1-16	\$ 2,700,000	0	\$ 635,000	0	\$ 2,065,000
School	14,000,000	2 to 4	6-12-03	3-25-13	9,095,000	0	690,000	8,405,000	0
General Obligation School Refunding	8,405,000	2.09	3-25-13	4-1-23	0	8,405,000	0	0	8,405,000
School	4,290,000	3.25 to 4.3	4-15-05	4-25-25	3,225,000	0	200,000	0	3,025,000
General Obligation	6,500,000	3.75	12-14-06	6-30-27	5,290,000	0	270,000	0	5,020,000
School	44,000,000	4 to 5	6-14-07	4-1-37	40,495,000	0	955,000	0	39,540,000
General Obligation School Refunding	3,435,000	3 to 4.5	5-7-08	4-1-14	1,230,000	0	600,000	0	630,000
Total Bonds Payable					\$ 62,035,000	\$ 8,405,000	\$ 3,350,000	\$ 8,405,000	\$ 58,685,000

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 222,600	\$ 15,859	\$ 238,459
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	\$ 471,600	\$ 25,556	\$ 497,156

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2014	\$ 534,000	\$ 5,959	\$ 10,404	\$ 550,363
2015	562,000	4,582	8,236	574,818
2016	592,000	3,133	5,954	601,087
2017	623,000	1,605	3,465	628,070
Total	\$ 2,311,000	\$ 15,279	\$ 28,059	\$ 2,354,338

Year Ending June 30	Bonds			Total
	Principal	Interest		
2014	\$ 3,470,000	\$ 2,339,938	\$	\$ 5,809,938
2015	2,950,000	2,222,042		5,172,042
2016	3,070,000	2,132,349		5,202,349
2017	2,435,000	2,030,835		4,465,835
2018	2,520,000	1,938,875		4,458,875
2019	2,630,000	1,855,030		4,485,030
2020	2,725,000	1,767,390		4,492,390
2021	2,840,000	1,674,760		4,514,760
2022	2,960,000	1,576,286		4,536,286
2023	3,080,000	1,470,015		4,550,015
2024	2,175,000	1,359,173		3,534,173
2025	2,265,000	1,265,073		3,530,073
2026	2,045,000	1,168,837		3,213,837
2027	2,130,000	1,072,087		3,202,087
2028	1,745,000	971,275		2,716,275
2029	1,825,000	884,025		2,709,025
2030	1,905,000	801,900		2,706,900
2031	1,990,000	716,175		2,706,175
2032	2,075,000	626,625		2,701,625
2033	2,170,000	533,250		2,703,250
2034	2,265,000	435,600		2,700,600
2035	2,365,000	333,675		2,698,675
2036	2,470,000	227,250		2,697,250
2037	2,580,000	116,099		2,696,099
Total	\$ 58,685,000	\$ 29,518,564	\$	\$ 88,203,564

Exhibit K-3

Bedford County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Nursing Home Projects	General Capital Projects	Close fund	\$ 347,929
Total Transfers Primary Government			<u>\$ 347,929</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose Schools	Operations	\$ 100,000
"	"	Indirect cost	21,037
Total Transfers Discretely Presented Bedford County School Department			<u>\$ 121,037</u>

Exhibit K-4

Bedford County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 82,554	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, TCA, and County Commission	93,298 (1)	100,000	"
Superintendent of Schools:	State Board of Education and County Commission	125,771	100,000	"
Ray Butrum (7-1-12 through 11-1-12)	State Board of Education and County Commission	29,750 (5)	150,000	Employee Blanket Bond
Mike Bone (11-2-12 through 3-28-13)	State Board of Education and County Commission	37,450 (5)	100,000	RLI Insurance Company
Ed Gray (11-19-12 through 5-28-13)	State Board of Education and County Commission	24,710	100,000	"
Don Embry (4-1-13 through 6-30-13)	State Board of Education and County Commission	65,977 (3)	1,400,000	Auto-Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	66,727 (4)	50,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	64,977	50,000	"
County Clerk	Section 8-24-102, TCA			
Circuit and General Sessions				
Courts Clerk	Section 8-24-102, TCA, and County Commission	72,475 (2)	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	72,475 (2)	50,000	"
Register of Deeds	Section 8-24-102, TCA	65,977 (3)	25,000	"
Sheriff	Section 8-24-102, TCA	78,623	25,000	"
Finance Director	County Commission	91,300	50,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government and Discretely Presented Solid Waste Authority			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

- (1) Includes \$14,675 for serving as solid waste administrative officer.
- (2) Includes additional ten percent of clerk's salary for overseeing more than one court and level-three training incentive pay of \$1,000.
- (3) Includes level-three training incentive pay of \$1,000.
- (4) Includes level-three training incentive pay of \$1,000 and Tennessee certified assessor's pay of \$750.
- (5) Served as co-interim Superintendent of Schools.

Exhibit K-5

Bedford County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2013

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		Community Development/Industrial Park		Nursing Home Projects	
<u>Local Taxes</u>										
<u>County Property Taxes</u>										
Current Property Tax	\$ 8,354,321	\$ 0	\$ 0	\$ 301,725	\$ 1,205,231	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,861,277
Trustee's Collections - Prior Year	300,310	0	0	10,822	44,576	0	0	0	0	355,708
Trustee's Collections - Bankruptcy	1,433	0	0	52	137	0	0	0	0	1,622
Circuit/Clerk & Master Collections - Prior Years	272,281	0	0	9,812	40,368	0	0	0	0	322,461
Interest and Penalty	58,835	0	0	2,120	8,581	0	0	0	0	69,536
Payments in-Lieu-of Taxes - T.V.A.	392,611	0	0	14,148	56,593	0	0	0	0	463,352
Payments in-Lieu-of Taxes - Local Utilities	65,429	0	0	2,358	9,718	0	0	0	0	77,505
Payments in-Lieu-of Taxes - Other	100,040	0	0	3,605	14,420	0	0	0	0	118,065
<u>County Local Option Taxes</u>										
Local Option Sales Tax	193,427	0	0	0	5,050,114	0	0	0	0	5,243,541
Litigation Tax - General	195,531	0	0	0	0	0	0	0	0	195,531
Litigation Tax - Jail, Workhouse, or Courthouse	95,147	0	0	0	0	0	0	0	0	95,147
Litigation Tax - Courtroom Security	102,333	0	0	0	0	0	0	0	0	102,333
Business Tax	378,816	0	0	0	0	0	0	0	0	378,816
Mineral Severance Tax	0	0	0	60,113	0	0	0	0	0	60,113
Adequate Facilities/Development Tax	1,000	0	0	0	132,624	0	0	0	0	133,624
<u>Statutory Local Taxes</u>										
Bank Excise Tax	127,964	0	0	0	0	0	0	0	0	127,964
Wholesale Beer Tax	189,353	0	0	0	0	0	0	0	0	189,353
Interstate Telecommunications Tax	1,998	0	0	0	0	0	0	0	0	1,998
<b>Total Local Taxes</b>	<b>\$ 10,830,829</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 404,755</b>	<b>\$ 6,562,362</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 17,797,946</b>
<u>Licenses and Permits</u>										
<u>Licenses</u>										
Cable TV Franchise	34,038	0	0	0	0	0	0	0	0	34,038
<u>Permits</u>										
Beer Permits	2,518	0	0	0	0	0	0	0	0	2,518
Building Permits	65,046	0	0	0	0	0	0	0	0	65,046
Other Permits	17,030	0	0	0	0	0	0	0	0	17,030
<b>Total Licenses and Permits</b>	<b>\$ 118,632</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 118,632</b>
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	3,050	0	0	0	0	0	0	0	0	3,050
Officers Costs	15,398	0	0	0	0	0	0	0	0	15,398
DUI Treatment Fines	375	0	0	0	0	0	0	0	0	375
Data Entry Fee - Circuit Court	1,167	0	0	0	0	0	0	0	0	1,167

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Nursing Home Projects			
<b>Fines, Forfeitures, and Penalties (Cont.)</b>										
<u>Criminal Court</u>										
Interpreter Fees	\$ 97	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	97
<u>General Sessions Court</u>										
Fines	737		0	0	0	0	0	0	0	737
Officers Costs	93,279		0	0	0	0	0	0	0	93,279
Game and Fish Fines	690		0	0	0	0	0	0	0	690
Drug Control Fines	280	5,439	0	0	0	0	0	0	0	5,719
Jail Fees	696		0	0	0	0	0	0	0	696
DUI Treatment Fines	17,941		0	0	0	0	0	0	0	17,941
Data Entry Fee - General Sessions Court	13,871		0	0	0	0	0	0	0	13,871
<u>Juvenile Court</u>										
Fines	29,691		0	0	0	0	0	0	0	29,691
Jail Fees	271,210		0	0	0	0	0	0	0	271,210
<u>Chancery Court</u>										
Officers Costs	3,554		0	0	0	0	0	0	0	3,554
Data Entry Fee - Chancery Court	8,132		0	0	0	0	0	0	0	8,132
Courtroom Security Fee	112		0	0	0	0	0	0	0	112
<u>Other Courts - In-county</u>										
Fines	9,008		0	0	0	0	0	0	0	9,008
<u>Other Fines, Forfeitures, and Penalties</u>										
Proceeds from Confiscated Property	500		0	0	0	0	0	0	0	500
Other Fines, Forfeitures, and Penalties	1,166	2,071	0	0	0	0	0	0	0	3,237
<b>Total Fines, Forfeitures, and Penalties</b>	\$ 470,954	\$ 7,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 478,464
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Patient Charges	\$ 1,222,649	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,222,649
Work Release Charges for Board	690		0	0	0	0	0	0	0	690
Other General Service Charges	95		0	0	0	0	0	0	0	95
Service Charges	400		0	0	0	0	0	0	0	400
<u>Fees</u>										
Copy Fees	382		0	0	0	0	0	0	0	382
Archives and Records Management Fee - County Clerk	5,386		0	0	0	0	0	0	0	5,386
Telephone Commissions	57,159		0	0	0	0	0	0	0	57,159
Constitutional Officers' Fees and Commissions	0		132	0	0	0	0	0	0	132
Data Processing Fee - Register	14,538		0	0	0	0	0	0	0	14,538
Probation Fees	468,412		0	0	0	0	0	0	0	468,412

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		Community Development/ Industrial Park			
							Nursing Home Projects			
<u>Charges for Current Services (Cont.)</u>										
<u>Fees (Cont.)</u>										
Data Processing Fee - Sheriff	\$ 5,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,324
Sexual Offender Registration Fees - Sheriff	3,300	0	0	0	0	0	0	0	0	3,300
Data Processing Fee - County Clerk	3,524	0	0	0	0	0	0	0	0	3,524
<u>Other Charges for Services</u>										
Other Charges for Services	62,566	0	0	0	0	0	0	0	0	62,566
Total Charges for Current Services	\$ 1,844,425	\$ 0	\$ 132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,844,557
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,277	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,277
Lease/Rentals	228,841	0	0	0	133,734	0	0	10,000	0	372,575
Sale of Materials and Supplies	0	0	0	1,352	0	0	0	0	0	1,352
Commissary Sales	6,351	0	0	0	0	0	0	0	0	6,351
Sale of Gasoline	0	0	0	15,259	0	0	0	0	0	15,259
Sale of Maps	4,562	0	0	0	0	0	0	0	0	4,562
Sale of Recycled Materials	68,349	0	0	0	0	0	0	0	0	68,349
Sale of Animals/Livestock	7,065	0	0	0	0	0	0	0	0	7,065
Miscellaneous Refunds	124,633	0	0	1,143	0	0	0	0	0	125,776
<u>Nonrecurring Items</u>										
Sale of Equipment	11,130	0	0	24,050	0	0	0	0	0	35,180
Sale of Property	5,250	0	0	0	0	0	0	0	0	5,250
Contributions and Gifts	8,718	500	0	0	0	0	0	0	0	9,218
<u>Other Local Revenues</u>										
Other Local Revenues	35,418	0	0	0	0	0	0	0	0	35,418
Total Other Local Revenues	\$ 500,317	\$ 500	\$ 0	\$ 41,804	\$ 174,011	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 726,632
<u>Fees Received from County Officials</u>										
<u>Fees in-Lieu-of Salary</u>										
County Clerk	\$ 381,245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 381,245
Circuit Court Clerk	112,479	0	0	0	0	0	0	0	0	112,479
General Sessions Court Clerk	318,477	0	0	0	0	0	0	0	0	318,477
Clerk and Master	242,112	0	0	0	0	0	0	0	0	242,112
Register	175,529	0	0	0	0	0	0	0	0	175,529
Sheriff	23,062	0	0	0	0	0	0	0	0	23,062
Trustee	601,588	0	0	0	0	0	0	0	0	601,588
Total Fees Received from County Officials	\$ 1,854,492	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,854,492

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		Community Development/ Industrial Park		Nursing Home Projects	
<u>State of Tennessee</u>										
<u>General Government Grants</u>										
Juvenile Services Program	9,000	0	0	0	0	0	0	0	0	9,000
Solid Waste Grants	23,802	0	0	0	0	0	0	0	0	23,802
<u>Health and Welfare Grants</u>										
Health Department Programs	439,434	0	0	0	0	0	0	0	0	439,434
Public Works Grants										
Bridge Program	0	0	0	115,051	0	0	0	0	0	115,051
State Aid Program	0	0	0	201,716	0	0	0	0	0	201,716
Litter Program	0	0	0	61,720	0	0	0	0	0	61,720
<u>Other State Revenues</u>										
Income Tax	144,102	0	0	0	0	0	0	0	0	144,102
Beer Tax	18,586	0	0	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	71,692	0	0	0	0	0	0	0	0	71,692
Mixed Drink Tax	4,895	0	0	0	0	0	0	0	0	4,895
Emergency Hospital - Prisoners	253	0	0	0	0	0	0	0	0	253
Contracted Prisoner Boarding	929,193	0	0	0	0	0	0	0	0	929,193
Gasoline and Motor Fuel Tax	0	0	0	1,819,618	0	0	0	0	0	1,819,618
Petroleum Special Tax	0	0	0	32,511	0	0	0	0	0	32,511
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	15,164
State Shared Sales Tax - Cities	7,100	0	0	0	0	0	0	0	0	7,100
Other State Revenues	8,175	0	0	0	0	0	0	0	0	8,175
Total State of Tennessee	1,671,396	0	0	2,230,616	0	0	0	0	0	3,902,012
<u>Federal Government</u>										
<u>Federal Through State</u>										
Community Development	0	0	0	0	0	0	18,600	0	0	18,600
Civil Defense Reimbursement	43,350	0	0	0	0	0	0	0	0	43,350
Homeland Security Grants	77,695	0	0	0	0	0	0	0	0	77,695
Other Federal through State	373,286	0	0	0	0	0	0	0	0	373,286
Total Federal Government	494,331	0	0	0	0	0	18,600	0	0	512,931
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Paving and Maintenance	0	0	0	2,780	0	0	0	0	0	2,780
Contributions	27,178	0	0	0	970,418	0	0	0	0	997,596
Total Other Governments and Citizens Groups	27,178	0	0	2,780	970,418	0	0	0	0	1,000,376
<u>Total</u>	17,812,554	8,010	132	2,679,955	7,706,791	0	18,600	10,000	0	28,236,042

Exhibit K-6

Bedford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria	Extended School Program	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,224,351	\$ 0	\$ 0	\$ 0	\$ 7,224,351
Trustee's Collections - Prior Year	258,440	0	0	0	258,440
Trustee's Collections - Bankruptcy	1,308	0	0	0	1,308
Circuit/Clerk & Master Collections - Prior Years	234,365	0	0	0	234,365
Interest and Penalty	50,784	0	0	0	50,784
Payments in-Lieu-of Taxes - T.V.A.	339,556	0	0	0	339,556
Payments in-Lieu-of Taxes - Local Utilities	56,301	0	0	0	56,301
Payments in-Lieu-of Taxes - Other	86,521	0	0	0	86,521
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,942,675	0	0	0	1,942,675
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	3,842	0	0	0	3,842
<b>Total Local Taxes</b>	<b>\$ 10,198,143</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,198,143</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,248	\$ 0	\$ 0	\$ 0	\$ 2,248
<b>Total Licenses and Permits</b>	<b>\$ 2,248</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,248</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 750	\$ 0	\$ 0	\$ 0	\$ 750
Tuition - Other	0	0	0	326,196	326,196
Lunch Payments - Children	0	0	931,794	0	931,794
Lunch Payments - Adults	0	0	157,335	0	157,335
A la carte Sales	0	0	19,093	0	19,093
Receipts from Individual Schools	120,855	0	0	0	120,855
<u>Other Charges for Services</u>					
Other Charges for Services	1,980	0	0	0	1,980
<b>Total Charges for Current Services</b>	<b>\$ 123,585</b>	<b>\$ 0</b>	<b>\$ 1,108,222</b>	<b>\$ 326,196</b>	<b>\$ 1,558,003</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	43,626	\$ 0	\$ 43,626
Lease/Rentals	4,400	0	0	0	4,400
Refund of Telecommunication and Internet Fees (E-Rate)	45,504	0	0	0	45,504
Miscellaneous Refunds	141,930	0	527	0	142,457
<u>Nonrecurring Items</u>					
Sale of Equipment	16,658	0	0	0	16,658
Contributions and Gifts	14,296	0	0	0	14,296
<b>Total Other Local Revenues</b>	<b>\$ 222,788</b>	<b>\$ 0</b>	<b>\$ 44,153</b>	<b>\$ 0</b>	<b>\$ 266,941</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 171,437	\$ 0	\$ 0	\$ 0	\$ 171,437
<u>State Education Funds</u>					
Basic Education Program	36,483,323	0	0	0	36,483,323
Early Childhood Education	362,569	0	0	0	362,569
School Food Service	43,297	0	0	0	43,297
Driver Education	14,017	0	0	0	14,017
Other State Education Funds	165,749	0	0	0	165,749
Career Ladder Program	293,112	0	0	0	293,112
Career Ladder - Extended Contract	76,900	0	0	0	76,900
<u>Other State Revenues</u>					
Mixed Drink Tax	4,895	0	0	0	4,895

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria	Extended School Program	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Other State Grants	\$ 3,390	\$ 0	\$ 0	\$ 0	\$ 3,390
Other State Revenues	17,488	0	0	0	17,488
Total State of Tennessee	\$ 37,636,177	\$ 0	\$ 0	\$ 0	\$ 37,636,177
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,297,027	\$ 0	\$ 2,297,027
USDA - Commodities	0	0	207,394	0	207,394
Breakfast	0	0	848,412	0	848,412
USDA - Other	0	0	52,726	0	52,726
Adult Education State Grant Program	94,375	0	0	0	94,375
Vocational Education - Basic Grants to States	0	141,072	0	0	141,072
Title I Grants to Local Education Agencies	0	2,195,642	0	0	2,195,642
Special Education - Grants to States	34,791	1,708,337	0	0	1,743,128
Special Education Preschool Grants	0	41,896	0	0	41,896
English Language Acquisition Grants	0	62,326	0	0	62,326
Safe and Drug-free Schools - State Grants	0	3,807	0	0	3,807
Rural Education	0	111,322	0	0	111,322
Eisenhower Professional Development State Grants	0	254,995	0	0	254,995
Race-to-the-Top - ARRA	0	317,036	0	0	317,036
Other Federal through State	146,429	515,202	21,772	0	683,403
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	358,280	0	0	0	358,280
Total Federal Government	\$ 633,875	\$ 5,351,635	\$ 3,427,331	\$ 0	\$ 9,412,841
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 68,174	\$ 0	\$ 0	\$ 0	\$ 68,174
Total Other Governments and Citizens Groups	\$ 68,174	\$ 0	\$ 0	\$ 0	\$ 68,174
Total	\$ 48,884,990	\$ 5,351,635	\$ 4,579,706	\$ 326,196	\$ 59,142,527

Exhibit K-7

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	87,904	
Social Security		5,425	
State Retirement		2,276	
Employer Medicare		1,275	
Advertising		2,956	
Total County Commission			\$ 99,836

Board of Equalization

Board and Committee Members Fees	\$	1,310	
Total Board of Equalization			1,310

Beer Board

Board and Committee Members Fees	\$	275	
Total Beer Board			275

Budget and Finance Committee

Board and Committee Members Fees	\$	2,550	
Social Security		142	
State Retirement		54	
Employer Medicare		33	
Total Budget and Finance Committee			2,779

County Mayor/Executive

County Official/Administrative Officer	\$	82,554	
Supervisor/Director		24,722	
Secretary(ies)		30,173	
Part-time Personnel		510	
Social Security		8,454	
State Retirement		6,733	
Life Insurance		104	
Medical Insurance		5,452	
Unemployment Compensation		495	
Employer Medicare		1,977	
Communication		2,317	
Maintenance Agreements		1,190	
Postal Charges		445	
Travel		292	
Other Contracted Services		465	
Gasoline		270	
Office Supplies		1,431	
Other Charges		566	
Total County Mayor/Executive			168,150

County Attorney

County Official/Administrative Officer	\$	58,990	
Total County Attorney			58,990

Election Commission

County Official/Administrative Officer	\$	58,480	
Assistant(s)		28,441	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Custodial Personnel	\$	9,600	
Part-time Personnel		3,028	
Longevity Pay		300	
Overtime Pay		1,210	
Election Commission		3,450	
Election Workers		14,381	
Social Security		6,258	
State Retirement		5,282	
Life Insurance		101	
Medical Insurance		5,452	
Unemployment Compensation		585	
Employer Medicare		1,464	
Communication		656	
Data Processing Services		2,900	
Dues and Memberships		175	
Maintenance Agreements		8,989	
Maintenance and Repair Services - Equipment		57	
Postal Charges		9,036	
Printing, Stationery, and Forms		13,464	
Travel		2,684	
Office Supplies		1,457	
Other Supplies and Materials		310	
Data Processing Equipment		2,724	
Office Equipment		1,368	
Total Election Commission			\$ 181,852

Register of Deeds

County Official/Administrative Officer	\$	64,977	
Assistant(s)		112,440	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		3,300	
Social Security		10,767	
State Retirement		10,862	
Life Insurance		259	
Medical Insurance		16,357	
Unemployment Compensation		648	
Employer Medicare		2,518	
Communication		2,681	
Dues and Memberships		647	
Maintenance Agreements		1,088	
Postal Charges		782	
Travel		1,128	
Other Contracted Services		8,000	
Office Supplies		5,256	
Other Charges		6,144	
Data Processing Equipment		18,075	
Furniture and Fixtures		226	
Office Equipment		1,290	
Total Register of Deeds			268,445

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Part-time Personnel	\$	19,028	
Longevity Pay		300	
Other Salaries and Wages		106,440	
Board and Committee Members Fees		2,625	
In-Service Training		150	
Social Security		7,424	
State Retirement		6,375	
Life Insurance		200	
Medical Insurance		20,845	
Unemployment Compensation		648	
Employer Medicare		1,736	
Communication		978	
Contracts with Government Agencies		13,238	
Legal Notices, Recording, and Court Costs		561	
Maintenance and Repair Services - Vehicles		1,386	
Postal Charges		284	
Other Contracted Services		3,319	
Gasoline		644	
Office Supplies		728	
Small Tools		466	
Other Charges		912	
Data Processing Equipment		120	
Office Equipment		49	
Other Equipment		23,544	
Total Planning			\$ 212,000

Codes Compliance

Longevity Pay	\$	600	
Other Salaries and Wages		38,880	
In-Service Training		775	
Social Security		2,340	
State Retirement		2,359	
Life Insurance		52	
Medical Insurance		5,452	
Unemployment Compensation		162	
Employer Medicare		547	
Communication		393	
Dues and Memberships		125	
Legal Notices, Recording, and Court Costs		187	
Maintenance and Repair Services - Vehicles		1,569	
Postal Charges		12	
Gasoline		934	
Office Supplies		518	
Other Charges		95	
Office Equipment		5,766	
Total Codes Compliance			60,766

County Buildings

Custodial Personnel	\$	25,008	
Maintenance Personnel		36,707	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Longevity Pay	\$	300	
Social Security		2,200	
State Retirement		2,368	
Life Insurance		151	
Medical Insurance		11,403	
Unemployment Compensation		487	
Employer Medicare		514	
Communication		5,935	
Maintenance Agreements		1,558	
Maintenance and Repair Services - Buildings		72,640	
Pest Control		400	
Other Contracted Services		15,630	
Custodial Supplies		7,854	
Utilities		103,921	
Other Supplies and Materials		8,268	
Other Charges		11,692	
Other Equipment		220	
Total County Buildings			\$ 307,256

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	91,300	
Accountants/Bookkeepers		173,815	
Clerical Personnel		34,462	
Longevity Pay		10,800	
In-Service Training		2,022	
Social Security		21,079	
State Retirement		16,350	
Life Insurance		388	
Medical Insurance		39,294	
Unemployment Compensation		1,296	
Employer Medicare		4,187	
Communication		21,616	
Data Processing Services		11,622	
Dues and Memberships		1,664	
Maintenance and Repair Services - Equipment		75	
Postal Charges		4,731	
Travel		645	
Other Contracted Services		1,445	
Data Processing Supplies		3,977	
Office Supplies		9,045	
Other Charges		4,237	
Data Processing Equipment		1,323	
Office Equipment		5,936	
Total Accounting and Budgeting			461,309

Property Assessor's Office

County Official/Administrative Officer	\$	64,977	
Assistant(s)		29,874	
Deputy(ies)		27,061	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Data Processing Personnel	\$	28,172	
Secretary(ies)		29,578	
Clerical Personnel		27,619	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		8,350	
Other Salaries and Wages		750	
In-Service Training		545	
Social Security		12,695	
State Retirement		13,005	
Life Insurance		304	
Medical Insurance		32,715	
Unemployment Compensation		810	
Employer Medicare		2,969	
Communication		1,739	
Data Processing Services		12,509	
Dues and Memberships		1,791	
Maintenance Agreements		801	
Maintenance and Repair Services - Equipment		5,141	
Postal Charges		2,439	
Rentals		15,780	
Travel		831	
Other Contracted Services		10,205	
Gasoline		4,959	
Office Supplies		681	
Premiums on Corporate Surety Bonds		100	
Other Charges		1,028	
Total Property Assessor's Office			\$ 338,428

Reappraisal Program

Clerical Personnel	\$	27,061	
Longevity Pay		2,150	
Other Salaries and Wages		40,430	
In-Service Training		125	
Social Security		4,058	
State Retirement		4,165	
Life Insurance		101	
Medical Insurance		10,905	
Unemployment Compensation		324	
Employer Medicare		949	
Data Processing Services		4,127	
Postal Charges		998	
Printing, Stationery, and Forms		228	
Travel		205	
Office Supplies		1,457	
Other Charges		2,006	
Motor Vehicles		32,588	
Office Equipment		1,967	
Total Reappraisal Program			133,844

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	64,977	
Deputy(ies)		115,055	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		5,450	
Overtime Pay		2,170	
In-Service Training		50	
Social Security		11,137	
State Retirement		10,830	
Life Insurance		243	
Medical Insurance		20,532	
Unemployment Compensation		746	
Employer Medicare		2,605	
Communication		3,117	
Data Processing Services		5,080	
Dues and Memberships		832	
Legal Notices, Recording, and Court Costs		334	
Maintenance Agreements		8,276	
Postal Charges		5,913	
Travel		1,797	
Office Supplies		3,808	
Other Charges		182	
Office Equipment		3,567	
Total County Trustee's Office	\$		267,701

County Clerk's Office

County Official/Administrative Officer	\$	64,977	
Deputy(ies)		198,184	
Part-time Personnel		1,995	
Longevity Pay		9,950	
Social Security		16,063	
State Retirement		15,667	
Life Insurance		378	
Medical Insurance		29,225	
Unemployment Compensation		1,304	
Employer Medicare		3,757	
Communication		2,186	
Dues and Memberships		737	
Maintenance Agreements		12,210	
Postal Charges		10,745	
Travel		825	
Office Supplies		6,512	
Other Charges		163	
Office Equipment		5,139	
Total County Clerk's Office			380,017

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	71,475	
Deputy(ies)		238,261	
Part-time Personnel		11,494	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Educational Incentive - Official/Admin Officer	\$	1,000	
Longevity Pay		10,700	
Other Salaries and Wages		35,812	
Jury and Witness Expense		18,930	
Social Security		21,861	
State Retirement		20,622	
Life Insurance		503	
Medical Insurance		36,122	
Unemployment Compensation		1,830	
Employer Medicare		5,113	
Communication		4,207	
Dues and Memberships		612	
Maintenance Agreements		16,401	
Postal Charges		3,865	
Travel		113	
Office Supplies		5,281	
Other Charges		1,113	
Data Processing Equipment		13,516	
Office Equipment		6,764	
Total Circuit Court			\$ 525,595

General Sessions Court

Judge(s)	\$	145,544	
Secretary(ies)		35,758	
Longevity Pay		1,950	
In-Service Training		175	
Social Security		9,190	
State Retirement		10,950	
Life Insurance		101	
Medical Insurance		10,905	
Unemployment Compensation		162	
Employer Medicare		2,611	
Communication		560	
Dues and Memberships		100	
Postal Charges		100	
Rentals		4,000	
Total General Sessions Court			222,106

Chancery Court

County Official/Administrative Officer	\$	71,475	
Assistant(s)		117,860	
Part-time Personnel		13,569	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		2,700	
Social Security		11,836	
State Retirement		11,536	
Life Insurance		259	
Medical Insurance		10,905	
Unemployment Compensation		974	
Employer Medicare		2,768	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Communication	\$	1,555	
Data Processing Services		7,644	
Dues and Memberships		1,282	
Maintenance Agreements		1,665	
Postal Charges		2,000	
Office Supplies		6,303	
In Service/Staff Development		1,925	
Office Equipment		5,719	
Total Chancery Court			\$ 272,975

Juvenile Court

Youth Service Officer(s)	\$	41,389	
Social Workers		65,221	
Salary Supplements		9,181	
Longevity Pay		2,400	
In-Service Training		195	
Social Security		7,205	
State Retirement		7,061	
Life Insurance		143	
Medical Insurance		3,635	
Unemployment Compensation		648	
Employer Medicare		1,685	
Communication		996	
Contracts with Government Agencies		5,110	
Postal Charges		400	
Rentals		8,000	
Office Supplies		239	
Other Charges		43,587	
Total Juvenile Court			197,095

Judicial Commissioners

Deputy(ies)	\$	124,214	
Part-time Personnel		7,585	
Longevity Pay		2,350	
Social Security		7,918	
State Retirement		7,524	
Life Insurance		201	
Medical Insurance		20,228	
Unemployment Compensation		904	
Employer Medicare		1,852	
Maintenance Agreements		1,076	
Office Supplies		456	
Furniture and Fixtures		330	
Total Judicial Commissioners			174,638

Other Administration of Justice

Probation Officer(s)	\$	9,213	
Guidance Personnel		41,803	
Longevity Pay		1,400	
Social Security		3,046	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

State Retirement	\$	3,128	
Life Insurance		69	
Medical Insurance		7,270	
Unemployment Compensation		162	
Employer Medicare		712	
Communication		872	
Postal Charges		350	
Rentals		4,000	
Office Supplies		495	
Total Other Administration of Justice			\$ 72,520

Probation Services

County Official/Administrative Officer	\$	40,941	
Clerical Personnel		147,814	
Longevity Pay		4,500	
Social Security		10,942	
State Retirement		10,808	
Life Insurance		314	
Medical Insurance		24,990	
Unemployment Compensation		1,295	
Employer Medicare		2,559	
Communication		4,775	
Data Processing Services		9,705	
Maintenance Agreements		6,263	
Postal Charges		360	
Printing, Stationery, and Forms		2,242	
Rentals		16,800	
Travel		75	
Office Supplies		5,013	
Other Charges		1,485	
Data Processing Equipment		2,765	
Furniture and Fixtures		987	
Office Equipment		126	
Total Probation Services			294,759

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,623	
Assistant(s)		49,887	
Deputy(ies)		524,773	
Detective(s)		187,560	
Captain(s)		88,334	
Sergeant(s)		90,372	
Data Processing Personnel		40,970	
Salary Supplements		23,599	
Dispatchers/Radio Operators		136,479	
Secretary(ies)		61,172	
Part-time Personnel		5,702	
School Resource Officer		216,909	
Overtime Pay		158,750	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Salaries and Wages	\$	53,312	
In-Service Training		5,405	
Social Security		100,611	
State Retirement		97,083	
Life Insurance		2,038	
Medical Insurance		163,118	
Unemployment Compensation		7,513	
Employer Medicare		23,530	
Communication		23,473	
Dues and Memberships		2,418	
Maintenance Agreements		2,213	
Maintenance and Repair Services - Buildings		1,656	
Maintenance and Repair Services - Equipment		1,366	
Maintenance and Repair Services - Office Equipment		390	
Maintenance and Repair Services - Vehicles		38,921	
Medical and Dental Services		400	
Postal Charges		789	
Travel		4,312	
Other Contracted Services		3,153	
Custodial Supplies		1,199	
Gasoline		145,733	
Office Supplies		6,002	
Tires and Tubes		8,491	
Uniforms		13,781	
Utilities		18,666	
Other Supplies and Materials		978	
Other Charges		7,378	
Building Improvements		956	
Communication Equipment		15	
Law Enforcement Equipment		40,746	
Motor Vehicles		267,791	
Office Equipment		7,500	
Total Sheriff's Department			\$ 2,714,067

Traffic Control

Other Salaries and Wages	\$	18,850	
Social Security		1,169	
State Retirement		1,123	
Employer Medicare		273	
Dues and Memberships		597	
Other Charges		4,151	
Office Equipment		1,347	
Total Traffic Control			27,510

Jail

Captain(s)	\$	44,367	
Lieutenant(s)		74,542	
Sergeant(s)		123,118	
Data Processing Personnel		65,479	
Salary Supplements		235	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Guards	\$	461,781	
Maintenance Personnel		33,075	
Overtime Pay		45,041	
In-Service Training		2,524	
Social Security		52,519	
State Retirement		45,725	
Life Insurance		1,376	
Medical Insurance		122,401	
Unemployment Compensation		5,849	
Employer Medicare		12,283	
Communication		6,938	
Maintenance Agreements		19,300	
Maintenance and Repair Services - Buildings		13,583	
Maintenance and Repair Services - Equipment		4,688	
Maintenance and Repair Services - Vehicles		250	
Medical and Dental Services		358,986	
Postal Charges		1,194	
Travel		969	
Custodial Supplies		15,402	
Food Supplies		131,133	
Office Supplies		6,627	
Prisoners Clothing		3,656	
Uniforms		4,575	
Utilities		84,135	
Other Supplies and Materials		3,670	
Office Equipment		4,773	
Other Equipment		8,003	
Total Jail			\$ 1,758,197

Workhouse

Captain(s)	\$	37,918
Lieutenant(s)		33,137
Sergeant(s)		124,235
Data Processing Personnel		33,096
Guards		260,685
Maintenance Personnel		31,305
Overtime Pay		39,832
In-Service Training		886
Social Security		32,922
State Retirement		32,062
Life Insurance		857
Medical Insurance		75,019
Unemployment Compensation		3,134
Employer Medicare		7,700
Communication		6,766
Maintenance Agreements		759
Maintenance and Repair Services - Buildings		3,283
Maintenance and Repair Services - Equipment		1,966
Postal Charges		90
Travel		56

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Other Contracted Services	\$	2,108	
Custodial Supplies		15,844	
Food Supplies		92,799	
Office Supplies		4,103	
Prisoners Clothing		1,188	
Uniforms		3,108	
Utilities		43,896	
Other Supplies and Materials		1,411	
Building Improvements		170	
Office Equipment		1,142	
Other Equipment		1,014	
Total Workhouse			\$ 892,491

Juvenile Services

County Official/Administrative Officer	\$	38,165	
Sergeant(s)		120,933	
Guards		146,974	
Overtime Pay		17,130	
In-Service Training		5,267	
Social Security		19,257	
State Retirement		15,480	
Life Insurance		476	
Medical Insurance		48,015	
Unemployment Compensation		2,458	
Employer Medicare		4,504	
Communication		847	
Maintenance Agreements		1,014	
Maintenance and Repair Services - Buildings		942	
Maintenance and Repair Services - Equipment		61	
Postal Charges		410	
Custodial Supplies		4,871	
Food Supplies		8,466	
Instructional Supplies and Materials		172	
Office Supplies		1,490	
Prisoners Clothing		326	
Uniforms		1,127	
Utilities		6,344	
Other Supplies and Materials		989	
Office Equipment		884	
Other Equipment		859	
Total Juvenile Services			447,461

Other Emergency Management

Assistant(s)	\$	120,812	
Supervisor/Director		106,496	
Captain(s)		127,039	
Lieutenant(s)		113,452	
Secretary(ies)		5,345	
Longevity Pay		11,850	
Bonus Payments		4,500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Salaries and Wages	\$	291,783	
Social Security		45,075	
State Retirement		45,647	
Life Insurance		1,062	
Medical Insurance		99,617	
Unemployment Compensation		3,155	
Employer Medicare		10,542	
Communication		26,816	
Dues and Memberships		560	
Maintenance and Repair Services - Buildings		22,275	
Maintenance and Repair Services - Equipment		13,204	
Maintenance and Repair Services - Vehicles		849	
Travel		800	
Other Contracted Services		4,215	
Custodial Supplies		1,706	
Diesel Fuel		15,988	
Gasoline		16,486	
Office Supplies		8,276	
Uniforms		7,572	
Utilities		38,275	
Other Supplies and Materials		4,309	
Liability Insurance		7,049	
Vehicle and Equipment Insurance		15,801	
Workers' Compensation Insurance		46,302	
In Service/Staff Development		8,960	
Other Charges		3,243	
Other Equipment		167,396	
Total Other Emergency Management			\$ 1,396,457

County Coroner/Medical Examiner

Medical Personnel	\$	20,700	
Total County Coroner/Medical Examiner			20,700

Other Public Safety

Contributions	\$	379,593	
Total Other Public Safety			379,593

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	310,436	
Social Security		18,376	
State Retirement		15,842	
Life Insurance		513	
Medical Insurance		36,225	
Unemployment Compensation		2,284	
Employer Medicare		4,298	
Communication		6,650	
Janitorial Services		15,600	
Maintenance Agreements		1,664	
Maintenance and Repair Services - Buildings		24,052	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Equipment	\$	54	
Travel		6,800	
Custodial Supplies		16	
Utilities		18,808	
Other Supplies and Materials		919	
Other Charges		600	
Total Local Health Center			\$ 463,137

Rabies and Animal Control

Assistant(s)	\$	30,304	
Supervisor/Director		35,001	
Part-time Personnel		13,580	
Overtime Pay		846	
In-Service Training		2,851	
Social Security		4,834	
State Retirement		1,981	
Life Insurance		82	
Medical Insurance		7,623	
Unemployment Compensation		913	
Employer Medicare		1,130	
Communication		5,403	
Maintenance and Repair Services - Buildings		3,528	
Maintenance and Repair Services - Office Equipment		408	
Maintenance and Repair Services - Vehicles		397	
Permits		102	
Animal Food and Supplies		10,155	
Custodial Supplies		4,159	
Drugs and Medical Supplies		35,739	
Gasoline		3,355	
Office Supplies		2,000	
Tires and Tubes		679	
Utilities		10,602	
Other Charges		32,752	
Building Improvements		1,929	
Office Equipment		3,426	
Other Equipment		2,455	
Total Rabies and Animal Control			216,234

Ambulance/Emergency Medical Services

Supervisor/Director	\$	58,176	
Captain(s)		130,267	
Medical Personnel		553,235	
Salary Supplements		14,001	
Mechanic(s)		21,630	
Clerical Personnel		70,590	
Part-time Personnel		77,428	
Longevity Pay		23,300	
Overtime Pay		504,972	
In-Service Training		5,153	
Social Security		87,163	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

State Retirement	\$	72,655	
Life Insurance		1,360	
Medical Insurance		95,150	
Unemployment Compensation		7,138	
Employer Medicare		20,385	
Advertising		136	
Communication		18,005	
Consultants		196	
Dues and Memberships		1,249	
Evaluation and Testing		1,367	
Licenses		3,036	
Maintenance Agreements		10,574	
Maintenance and Repair Services - Buildings		5,598	
Maintenance and Repair Services - Equipment		4,700	
Maintenance and Repair Services - Office Equipment		397	
Maintenance and Repair Services - Vehicles		52,631	
Postal Charges		2,160	
Printing, Stationery, and Forms		1,894	
Travel		2,122	
Tuition		14,024	
Disposal Fees		6,913	
Custodial Supplies		2,482	
Data Processing Supplies		1,787	
Diesel Fuel		72,346	
Drugs and Medical Supplies		60,798	
Gasoline		13,095	
Natural Gas		4,851	
Office Supplies		3,288	
Periodicals		269	
Uniforms		13,942	
Utilities		21,758	
Other Charges		33,665	
Building Improvements		797	
Communication Equipment		3,060	
Data Processing Equipment		2,479	
Furniture and Fixtures		979	
Motor Vehicles		207,924	
Other Equipment		19,377	
Total Ambulance/Emergency Medical Services			\$ 2,330,502

Other Local Health Services

Contracts with Private Agencies	\$	51,381	
Contributions		14,440	
Total Other Local Health Services			65,821

Regional Mental Health Center

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contracts with Government Agencies	\$ 40,500	
Total Appropriation to State		\$ 40,500

General Welfare Assistance

Contracts with Government Agencies	\$ 99,875	
Pauper Burials	200	
Total General Welfare Assistance		100,075

Convenience Centers

County Official/Administrative Officer	\$ 14,700	
Assistant(s)	10,200	
Foremen	31,769	
Truck Drivers	96,600	
Secretary(ies)	20,060	
Attendants	163,036	
Overtime Pay	400	
Other Salaries and Wages	6,120	
Board and Committee Members Fees	4,400	
Social Security	20,575	
State Retirement	13,533	
Employee and Dependent Insurance	48,548	
Unemployment Compensation	1,297	
Employer Medicare	4,781	
Audit Services	1,625	
Communication	5,335	
Contracts with Private Agencies	293,731	
Data Processing Services	3,890	
Legal Services	4,422	
Postal Charges	626	
Printing, Stationery, and Forms	467	
Travel	847	
Diesel Fuel	117,789	
Equipment and Machinery Parts	29,383	
Gasoline	3,048	
Lubricants	1,942	
Office Supplies	673	
Tires and Tubes	15,294	
Utilities	13,451	
Other Supplies and Materials	4,558	
Vehicle and Equipment Insurance	34,209	
Workers' Compensation Insurance	11,867	
Other Charges	6,365	
Solid Waste Equipment	4,115	
Total Convenience Centers		989,656

Social, Cultural, and Recreational Services

Adult Activities

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance

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

Libraries

Contributions	\$ 142,390	
Total Libraries		142,390

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 77,619	
Longevity Pay	2,100	
Social Security	4,013	
State Retirement	11,614	
Employer Medicare	1,125	
Communication	5,773	
Maintenance Agreements	1,004	
Maintenance and Repair Services - Buildings	1,151	
Utilities	6,276	
Workers' Compensation Insurance	28	
Total Agriculture Extension Service		110,703

Soil Conservation

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

Other Agriculture and Natural Resources

Maintenance Personnel	\$ 22,615	
Longevity Pay	450	
Overtime Pay	62	
Social Security	1,419	
State Retirement	1,382	
Life Insurance	50	
Unemployment Compensation	162	
Employer Medicare	332	
Communication	1,088	
Diesel Fuel	729	
Gasoline	4,071	
Utilities	15,188	
Other Supplies and Materials	8,508	
Building Improvements	3,454	
Other Equipment	979	
Total Other Agriculture and Natural Resources		60,489

Other Operations

Tourism

Contributions	\$ 3,948	
Total Tourism		3,948

Veterans' Services

Supervisor/Director	\$ 11,459	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Truck Drivers	\$	7,140	
Social Security		1,153	
Unemployment Compensation		286	
Employer Medicare		270	
Communication		1,300	
Maintenance and Repair Services - Vehicles		1,570	
Postal Charges		180	
Gasoline		3,997	
Total Veterans' Services			\$ 27,355

Other Charges

Building and Contents Insurance	\$	150,738	
Workers' Compensation Insurance		97,202	
Liability Claims		2,500	
Total Other Charges			250,440

Contributions to Other Agencies

Contributions	\$	112,000	
Dues and Memberships		3,528	
Total Contributions to Other Agencies			115,528

Miscellaneous

Audit Services	\$	13,517	
Contributions		40,535	
Rentals		27,348	
Other Contracted Services		36,288	
Trustee's Commission		222,107	
Liability Claims		582,974	
Other Charges		43,907	
Total Miscellaneous			966,676

Capital Projects

Other General Government Projects

Building Purchases	\$	310,817	
Other Construction		413,612	
Total Other General Government Projects			724,429

Total General Fund \$ 19,021,605

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	3,050	
Law Enforcement Equipment		38,314	
Total Drug Enforcement			\$ 41,364

Other Operations

Miscellaneous

Trustee's Commission	\$	75	
Total Miscellaneous			75

Total Drug Control Fund 41,439

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	132	
Total Sheriff's Department			\$ 132

Total Constitutional Officers - Fees Fund \$ 132

Highway/Public Works Fund

Other Operations

Contributions to Other Agencies

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

Highways

Administration

County Official/Administrative Officer	\$	78,623	
Assistant(s)		39,474	
Accountants/Bookkeepers		33,996	
Secretary(ies)		22,641	
Board and Committee Members Fees		4,850	
Social Security		10,474	
State Retirement		10,163	
Life Insurance		152	
Medical Insurance		14,628	
Unemployment Compensation		769	
Employer Medicare		2,905	
Data Processing Services		35	
Dues and Memberships		3,233	
Legal Notices, Recording, and Court Costs		207	
Postal Charges		628	
Printing, Stationery, and Forms		113	
Travel		554	
Other Contracted Services		2,346	
Office Supplies		1,109	
Total Administration			226,900

Highway and Bridge Maintenance

Foremen	\$	39,493	
Equipment Operators		218,311	
Truck Drivers		255,588	
Laborers		30,935	
Other Salaries and Wages		5,799	
Social Security		32,091	
State Retirement		32,601	
Life Insurance		2,232	
Medical Insurance		84,124	
Unemployment Compensation		5,006	
Employer Medicare		7,515	
Rentals		7,393	
Asphalt - Cold Mix		10,610	
Asphalt - Hot Mix		149,322	
Asphalt - Liquid		66,864	

(Continued)

## Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	218,817	
Other Road Supplies		2,304	
Pipe		14,014	
Road Signs		4,140	
Small Tools		145	
Wood Products		535	
Total Highway and Bridge Maintenance			\$ 1,187,839

Operation and Maintenance of Equipment

Mechanic(s)	\$	46,305	
Laborers		64,587	
Social Security		6,626	
State Retirement		6,373	
Life Insurance		500	
Medical Insurance		5,461	
Unemployment Compensation		937	
Employer Medicare		1,550	
Diesel Fuel		136,373	
Equipment and Machinery Parts		66,704	
Garage Supplies		6,513	
Gasoline		45,303	
Lubricants		4,007	
Tires and Tubes		15,906	
Other Supplies and Materials		8,582	
Total Operation and Maintenance of Equipment			415,727

Litter and Trash Collection

Other Salaries and Wages	\$	29,731	
Social Security		1,731	
State Retirement		1,560	
Life Insurance		26	
Medical Insurance		429	
Unemployment Compensation		495	
Employer Medicare		508	
Other Charges		20,734	
Total Litter and Trash Collection			55,214

Other Charges

Communication	\$	8,883	
Electricity		9,365	
Natural Gas		3,787	
Premiums on Corporate Surety Bonds		934	
Trustee's Commission		25,786	
Vehicle and Equipment Insurance		63,151	
Other Charges		9,642	
Total Other Charges			121,548

Employee Benefits

Employee and Dependent Insurance	\$	1,902	
Uniforms		1,225	
Workers' Compensation Insurance		47,469	
Total Employee Benefits			50,596

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	8,704	
Bridge Construction		118,426	
Highway Construction		424,952	
Highway Equipment		64,710	
Total Capital Outlay			\$ 616,792

Total Highway/Public Works Fund \$ 2,681,616

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	270,000	
Principal on Notes		368,600	
Total General Government			\$ 638,600

Education

Principal on Bonds	\$	3,080,000	
Principal on Notes		940,000	
Principal on Other Loans		508,000	
Total Education			4,528,000

Interest on Debt

General Government

Interest on Bonds	\$	198,375	
Interest on Notes		25,622	
Total General Government			223,997

Education

Interest on Bonds	\$	2,387,584	
Interest on Notes		30,418	
Interest on Other Loans		13,862	
Total Education			2,431,864

Other Debt Service

General Government

Trustee's Commission	\$	79,165	
Other Debt Service		13,500	
Total General Government			92,665

Education

Other Debt Service	\$	18,813	
Total Education			18,813

Total General Debt Service Fund 7,933,939

General Capital Projects Fund

Other Operations

Miscellaneous

Contributions	\$	68,174	
Total Miscellaneous			\$ 68,174

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Outlay</u>			
<u>Regular Capital Outlay</u>			
Building Improvements	\$	83,029	
Other Capital Outlay		<u>25,225</u>	
Total Regular Capital Outlay			\$ <u>108,254</u>
Total General Capital Projects Fund			\$ 176,428
<u>Community Development/Industrial Park Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Engineering Services	\$	15,800	
Other Contracted Services		<u>2,800</u>	
Total Public Health and Welfare Projects			\$ <u>18,600</u>
Total Community Development/Industrial Park Fund			18,600
<u>Nursing Home Projects Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	<u>100</u>	
Total Miscellaneous			\$ <u>100</u>
Total Nursing Home Projects Fund			<u>100</u>
Total Governmental Funds - Primary Government			<u>\$ 29,873,859</u>

Exhibit K-8

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 18,351,711	
Career Ladder Program	170,546	
Career Ladder Extended Contracts	41,281	
Homebound Teachers	64,533	
Salary Supplements	16,640	
Clerical Personnel	64,474	
Educational Assistants	987,924	
Other Salaries and Wages	69,816	
Certified Substitute Teachers	323,810	
Social Security	1,174,581	
State Retirement	1,677,706	
Life Insurance	18,404	
Medical Insurance	2,979,728	
Unemployment Compensation	33,861	
Employer Medicare	276,529	
Maintenance and Repair Services - Equipment	29,434	
Travel	16,038	
Other Contracted Services	218,898	
Instructional Supplies and Materials	299,036	
Textbooks	577,805	
Other Supplies and Materials	63,304	
In Service/Staff Development	38,272	
Other Charges	99,796	
Regular Instruction Equipment	701,108	
Other Capital Outlay	23,010	
Total Regular Instruction Program		\$ 28,318,245

Alternative Instruction Program

Teachers	\$ 247,119	
Career Ladder Program	2,000	
Social Workers	81,907	
Clerical Personnel	12,701	
Educational Assistants	25,238	
Other Salaries and Wages	2,751	
Social Security	22,334	
State Retirement	31,064	
Medical Insurance	35,110	
Employer Medicare	5,223	
Total Alternative Instruction Program		465,447

Special Education Program

Teachers	\$ 1,719,451	
Career Ladder Program	15,875	
Career Ladder Extended Contracts	2,000	
Educational Assistants	106,728	
Speech Pathologist	201,097	
Other Salaries and Wages	3,977	
Certified Substitute Teachers	24,345	
Social Security	121,939	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	178,384	
Medical Insurance		300,007	
Unemployment Compensation		10,943	
Employer Medicare		28,534	
Other Contracted Services		56,196	
Instructional Supplies and Materials		39,890	
Other Charges		1,193	
Special Education Equipment		8,922	
Total Special Education Program			\$ 2,819,481

Vocational Education Program

Teachers	\$	888,046	
Career Ladder Program		4,999	
Certified Substitute Teachers		8,570	
Social Security		52,038	
State Retirement		76,114	
Medical Insurance		101,705	
Employer Medicare		12,714	
Maintenance and Repair Services - Equipment		413	
Instructional Supplies and Materials		13,779	
Vocational Instruction Equipment		2,453	
Total Vocational Education Program			1,160,831

Adult Education Program

Teachers	\$	67,341	
Career Ladder Program		1,000	
Clerical Personnel		20,735	
Social Security		5,040	
State Retirement		4,690	
Medical Insurance		10,947	
Employer Medicare		1,223	
Instructional Supplies and Materials		7,793	
Other Equipment		2,500	
Total Adult Education Program			121,269

Support Services

Attendance

Supervisor/Director	\$	72,480	
Career Ladder Program		1,000	
Social Security		4,489	
State Retirement		6,525	
Medical Insurance		5,714	
Employer Medicare		1,050	
Travel		336	
Other Supplies and Materials		4,921	
Other Charges		349	
Attendance Equipment		497	
Total Attendance			97,361

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	241,438	
Other Salaries and Wages		38,005	
Social Security		16,873	
State Retirement		15,165	
Medical Insurance		16,714	
Employer Medicare		3,946	
Travel		7,142	
Other Contracted Services		1,125	
Drugs and Medical Supplies		7,418	
Other Supplies and Materials		53,024	
In Service/Staff Development		125	
Other Charges		66	
Health Equipment		2,185	
Total Health Services			\$ 403,226

Other Student Support

Career Ladder Program	\$	8,999	
Guidance Personnel		868,745	
Career Ladder Extended Contracts		6,000	
Clerical Personnel		14,000	
Other Salaries and Wages		71,136	
Social Security		57,630	
State Retirement		82,660	
Medical Insurance		119,960	
Employer Medicare		13,478	
Evaluation and Testing		33,510	
Travel		2,096	
Other Contracted Services		8,829	
Other Supplies and Materials		5,888	
Total Other Student Support			1,292,931

Regular Instruction Program

Supervisor/Director	\$	129,999	
Career Ladder Program		12,499	
Career Ladder Extended Contracts		4,000	
Librarians		670,457	
Secretary(ies)		43,733	
Other Salaries and Wages		368	
Social Security		45,061	
State Retirement		65,693	
Medical Insurance		86,637	
Employer Medicare		12,083	
Travel		2,773	
Library Books/Media		28,115	
Other Charges		2,200	
Total Regular Instruction Program			1,103,618

Alternative Instruction Program

Supervisor/Director	\$	69,882	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Career Ladder Program	\$	1,000	
Social Security		4,361	
State Retirement		6,294	
Medical Insurance		5,714	
Employer Medicare		1,020	
Total Alternative Instruction Program			\$ 88,271

Special Education Program

Supervisor/Director	\$	77,409	
Career Ladder Program		1,000	
Psychological Personnel		108,052	
Secretary(ies)		12,954	
Other Salaries and Wages		704	
Social Security		11,523	
State Retirement		17,330	
Medical Insurance		28,071	
Unemployment Compensation		3,959	
Employer Medicare		2,695	
Travel		4,635	
Other Contracted Services		14,510	
Other Supplies and Materials		3,469	
In Service/Staff Development		9,121	
Other Charges		2,563	
Other Equipment		7,528	
Total Special Education Program			305,523

Vocational Education Program

Secretary(ies)	\$	18,796	
Other Salaries and Wages		611	
Social Security		1,065	
State Retirement		1,120	
Medical Insurance		4,000	
Employer Medicare		249	
Travel		1,193	
Total Vocational Education Program			27,034

Adult Programs

Supervisor/Director	\$	74,790	
Social Security		4,637	
State Retirement		6,641	
Employer Medicare		1,085	
In Service/Staff Development		918	
Total Adult Programs			88,071

Other Programs

On-Behalf Payments to OPEB	\$	171,437	
Total Other Programs			171,437

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	32,288	
Other Salaries and Wages		1,413	
Board and Committee Members Fees		19,981	
Social Security		3,170	
State Retirement		762	
Medical Insurance		4,000	
Employer Medicare		741	
Audit Services		16,750	
Dues and Memberships		26,780	
Legal Services		11,126	
Travel		11,171	
Trustee's Commission		244,459	
Workers' Compensation Insurance		237,442	
In Service/Staff Development		6,419	
Criminal Investigation of Applicants - TBI		1,922	
Other Charges		754	
Total Board of Education			\$ 619,178

Director of Schools

County Official/Administrative Officer	\$	217,681	
Assistant(s)		90,000	
Clerical Personnel		26,221	
Other Salaries and Wages		1,155	
In-Service Training		30	
Social Security		15,702	
State Retirement		21,872	
Medical Insurance		13,880	
Employer Medicare		4,827	
Communication		34,169	
Contributions		970,418	
Postal Charges		4,076	
Travel		1,508	
Premiums on Corporate Surety Bonds		710	
Other Charges		212	
Total Director of Schools			1,402,461

Office of the Principal

Principals	\$	1,080,053	
Career Ladder Program		26,365	
Accountants/Bookkeepers		114,322	
Career Ladder Extended Contracts		15,995	
Assistant Principals		937,208	
Secretary(ies)		166,066	
Clerical Personnel		42,376	
Other Salaries and Wages		12,194	
Social Security		140,383	
State Retirement		200,568	
Medical Insurance		279,708	
Employer Medicare		32,953	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Communication	\$	18,973	
Other Supplies and Materials		14,900	
Other Charges		140	
Total Office of the Principal			\$ 3,082,204

Human Services/Personnel

Supervisor/Director	\$	52,903	
Clerical Personnel		67,004	
Other Salaries and Wages		746	
Social Security		7,344	
State Retirement		7,146	
Medical Insurance		7,247	
Employer Medicare		1,718	
Maintenance and Repair Services - Equipment		1,394	
Travel		2,434	
Office Supplies		1,928	
Other Charges		125	
Total Human Services/Personnel			149,989

Operation of Plant

Supervisor/Director	\$	49,838	
Salary Supplements		6,559	
Custodial Personnel		993,330	
Other Salaries and Wages		20,485	
Social Security		64,035	
State Retirement		51,858	
Medical Insurance		44,600	
Employer Medicare		14,976	
Maintenance and Repair Services - Equipment		501	
Other Contracted Services		352,329	
Custodial Supplies		143,050	
Electricity		2,181,464	
Natural Gas		308,642	
Water and Sewer		202,511	
Other Supplies and Materials		2,023	
Building and Contents Insurance		228,661	
Other Charges		9,912	
Plant Operation Equipment		7,538	
Total Operation of Plant			4,682,312

Maintenance of Plant

Secretary(ies)	\$	25,846	
Maintenance Personnel		623,663	
Other Salaries and Wages		16,422	
Social Security		39,473	
State Retirement		33,795	
Medical Insurance		39,733	
Employer Medicare		9,232	
Laundry Service		9,447	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Buildings	\$	90,160	
Maintenance and Repair Services - Equipment		156,747	
Maintenance and Repair Services - Vehicles		18,256	
Travel		105	
Other Contracted Services		131,620	
Gasoline		42,992	
Other Supplies and Materials		170,512	
Other Charges		17,026	
Maintenance Equipment		78,669	
Total Maintenance of Plant			\$ 1,503,698

Transportation

Supervisor/Director	\$	46,644	
Mechanic(s)		87,740	
Bus Drivers		839,143	
Clerical Personnel		27,235	
Other Salaries and Wages		22,629	
In-Service Training		541	
Social Security		59,408	
State Retirement		54,961	
Medical Insurance		23,991	
Unemployment Compensation		3,579	
Employer Medicare		14,479	
Laundry Service		2,769	
Maintenance and Repair Services - Vehicles		2,153	
Medical and Dental Services		6,014	
Travel		1,126	
Other Contracted Services		1,359	
Diesel Fuel		418,421	
Garage Supplies		3,135	
Gasoline		26,285	
Lubricants		8,496	
Tires and Tubes		22,395	
Vehicle Parts		62,903	
Other Supplies and Materials		3,821	
Vehicle and Equipment Insurance		149,038	
Other Charges		16,470	
Transportation Equipment		97,634	
Total Transportation			2,002,369

Central and Other

Supervisor/Director	\$	58,477	
Data Processing Personnel		116,160	
Other Salaries and Wages		3,067	
Social Security		10,943	
State Retirement		12,116	
Medical Insurance		5,714	
Employer Medicare		2,559	
Total Central and Other			209,036

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,694	
Social Security		2,339	
State Retirement		3,791	
Medical Insurance		7,644	
Employer Medicare		547	
Total Food Service			\$ 57,015

Community Services

Bonus Payments	\$	98,048	
Social Security		6,011	
State Retirement		5,223	
Employer Medicare		1,406	
Travel		164	
Food Supplies		8,685	
Other Supplies and Materials		16,869	
Other Charges		13,132	
Total Community Services			149,538

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	350,243	
Other Capital Outlay		155,219	
Total Regular Capital Outlay			505,462

Total General Purpose School Fund \$ 50,826,007

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,327,456	
Educational Assistants		70,491	
Other Salaries and Wages		28,213	
Certified Substitute Teachers		10,540	
Social Security		86,369	
State Retirement		124,189	
Medical Insurance		96,887	
Unemployment Compensation		377	
Employer Medicare		20,215	
Other Fringe Benefits		1,323	
Maintenance and Repair Services - Equipment		2,680	
Travel		2,500	
Other Contracted Services		1,482	
Instructional Supplies and Materials		312,821	
Other Supplies and Materials		4,194	
Regular Instruction Equipment		699,187	
Total Regular Instruction Program			\$ 2,788,924

Special Education Program

Teachers	\$	3,850	
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(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Homebound Teachers	\$	3,740	
Educational Assistants		505,233	
Speech Pathologist		173,550	
Other Salaries and Wages		25,049	
Social Security		42,052	
State Retirement		40,366	
Life Insurance		1,600	
Medical Insurance		64,151	
Unemployment Compensation		3,801	
Employer Medicare		9,835	
Contracts with Private Agencies		18,989	
Instructional Supplies and Materials		44,974	
Textbooks		1,978	
Other Supplies and Materials		15,545	
In Service/Staff Development		11,321	
Special Education Equipment		37,196	
Total Special Education Program			\$ 1,003,230

Vocational Education Program

Clerical Personnel	\$	12,461	
Employer Medicare		180	
Maintenance and Repair Services - Equipment		463	
Instructional Supplies and Materials		13,227	
Other Supplies and Materials		818	
Vocational Instruction Equipment		129,107	
Total Vocational Education Program			156,256

Support Services

Health Services

Medical Personnel	\$	137,306	
Other Salaries and Wages		2,349	
Social Security		8,245	
State Retirement		9,432	
Life Insurance		100	
Medical Insurance		12,147	
Employer Medicare		1,928	
Travel		3,411	
Total Health Services			174,918

Other Student Support

Guidance Personnel	\$	108,178	
Other Salaries and Wages		5,412	
Social Security		6,962	
State Retirement		9,929	
Medical Insurance		11,733	
Employer Medicare		1,628	
Evaluation and Testing		50,000	
Travel		24,792	
Other Contracted Services		4,467	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	1,291	
Other Charges		21,426	
Total Other Student Support			\$ 245,818

Regular Instruction Program

Supervisor/Director	\$	139,291	
Secretary(ies)		20,871	
Clerical Personnel		16,274	
Other Salaries and Wages		1,898	
Certified Substitute Teachers		4,215	
Social Security		10,847	
State Retirement		14,583	
Medical Insurance		20,747	
Employer Medicare		2,538	
Maintenance and Repair Services - Equipment		4,571	
Postal Charges		90	
Travel		13,473	
Other Contracted Services		1,194	
Other Supplies and Materials		22,225	
In Service/Staff Development		228,836	
Other Equipment		22,578	
Other Capital Outlay		1,229	
Total Regular Instruction Program			525,460

Special Education Program

Psychological Personnel	\$	54,444	
Assessment Personnel		85,342	
Secretary(ies)		11,528	
Clerical Personnel		16,186	
Other Salaries and Wages		1,298	
Social Security		9,733	
State Retirement		14,080	
Life Insurance		300	
Medical Insurance		24,277	
Employer Medicare		2,276	
Travel		17,928	
Other Contracted Services		20,329	
In Service/Staff Development		5,987	
Other Charges		2,920	
Total Special Education Program			266,628

Vocational Education Program

Travel	\$	1,037	
Other Supplies and Materials		3,500	
Other Equipment		1,738	
Total Vocational Education Program			6,275

Office of the Principal

Other Salaries and Wages	\$	3,500	
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(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Social Security	\$	217	
State Retirement		311	
Employer Medicare		51	
Total Office of the Principal			\$ 4,079

Transportation

Bus Drivers	\$	207,973	
Other Salaries and Wages		63,758	
Social Security		15,861	
State Retirement		12,163	
Life Insurance		425	
Employer Medicare		3,940	
Contracts with Parents		1,655	
Total Transportation			305,775

Central and Other

Data Processing Personnel	\$	3,888	
Social Security		241	
State Retirement		232	
Employer Medicare		56	
Total Central and Other			4,417

Total School Federal Projects Fund \$ 5,481,780

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	25,000	
Total Board of Education			\$ 25,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	20,000	
Clerical Personnel		63,149	
Cafeteria Personnel		1,185,386	
Maintenance Personnel		19,375	
Social Security		78,585	
State Retirement		60,711	
Medical Insurance		31,978	
Unemployment Compensation		2,996	
Employer Medicare		18,379	
Bank Charges		2,679	
Maintenance and Repair Services - Equipment		28,591	
Travel		7,844	
Other Contracted Services		9,178	
Food Preparation Supplies		198,641	
Food Supplies		2,370,113	
Office Supplies		7,099	
Uniforms		11,989	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

USDA - Commodities	\$	207,394	
Other Supplies and Materials		83,228	
In Service/Staff Development		11,321	
Other Charges		1,475	
Food Service Equipment		61,219	
Total Food Service			\$ 4,481,330

Total Central Cafeteria Fund \$ 4,506,330

Extended School Program Fund

Support Services

Board of Education

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

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	53,340	
Clerical Personnel		41,213	
Part-time Personnel		171,812	
Other Salaries and Wages		3,960	
Social Security		16,839	
State Retirement		8,443	
Unemployment Compensation		441	
Employer Medicare		3,920	
Communication		621	
Maintenance and Repair Services - Equipment		803	
Travel		2,272	
Food Supplies		12,633	
Instructional Supplies and Materials		4,994	
Other Supplies and Materials		4,571	
In Service/Staff Development		2,698	
Other Charges		1,590	
Other Equipment		420	
Total Community Services			330,570

Total Extended School Program Fund 333,370

Total Governmental Funds - Bedford County School Department \$ 61,147,487

Exhibit K-9

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2013

<u>Solid Waste/Sanitation Fund</u>		
<u>Public Health and Welfare</u>		
<u>Convenience Centers</u>		
Contributions	\$ 27,178	
Total Convenience Centers	<u>27,178</u>	\$ <u>27,178</u>
Total Solid Waste/Sanitation Fund		\$ <u>27,178</u>
Total Governmental Funds - Bedford County Solid Waste Authority		\$ <u>27,178</u>

Exhibit K-10

Bedford County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,497,259
Total Cash Receipts	<u>\$ 3,497,259</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,462,286
Trustee's Commission	34,973
Total Cash Disbursements	<u>\$ 3,497,259</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2012	<u>0</u>
 Cash Balance, June 30, 2013	 <u><u>\$ 0</u></u>

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## STATISTICAL SECTION

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

	Tables	Pages
<b>Financial Trends:</b>		
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	173-180
<b>Revenue Capacity:</b>		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	181-185
<b>Debt Capacity:</b>		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	12-16	186-190
<b>Demographic and Economic Information:</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	17-18	191-192
<b>Operating Information:</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	19-21	193-196

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

Table 1

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

	2009	2010	2011	2012	2013
<u>Net Position by Component</u> <u>Last Five Fiscal Years</u> <u>(accrual basis of accounting)</u>					
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157	\$ 0
Net Investment in Capital Assets	0	0	0	0	24,061,291
Restricted	7,127,016	7,604,590	6,192,578	1,928,797	2,121,316
Unrestricted	(62,020,993)	(57,145,130)	(53,097,005)	(41,803,175)	(39,833,406)
Total Primary Government's Governmental Activities Net Position	\$ (33,025,003)	\$ (27,663,272)	\$ (22,985,879)	\$ (16,441,221)	\$ (13,650,799)
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	1,170,287	1,047,850	0	0	0
Net Investment in Capital Assets	0	0	0	0	0
Restricted	0	0	0	0	0
Unrestricted	644,297	162,257	0	0	0
Total Primary Government's Business-type Activities Net Position	\$ 1,814,584	\$ 1,210,107	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157	\$ 0
Invested in Capital Assets, Net of Related Debt	1,170,287	1,047,850	0	0	0
Net Investment in Capital Assets	0	0	0	0	24,061,291
Restricted	7,127,016	7,604,590	6,192,578	1,928,797	2,121,316
Unrestricted	(61,376,696)	(56,982,873)	(53,097,005)	(41,803,175)	(39,833,406)
Total Primary Government Net Position	\$ (31,210,419)	\$ (26,553,165)	\$ (22,985,879)	\$ (16,441,221)	\$ (13,650,799)
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 101,835,769	\$ 101,815,293	\$ 99,123,821	\$ 96,201,332	\$ 0
Net Investment in Capital Assets	0	0	0	0	92,976,955
Restricted	6,346,445	1,765,912	3,405,462	2,185,372	1,972,801
Unrestricted	8,536,254	10,690,484	9,302,865	9,469,221	7,380,379
Total Discretely Presented Bedford County School Department's Governmental Activities Net Position	\$ 116,718,468	\$ 114,271,689	\$ 111,832,148	\$ 107,855,925	\$ 102,330,135

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

Table 2

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

	2009		2010		2011		2012		2013	
	Primary Government	Component Unit								
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 1,744,838	\$ 0	\$ 2,267,967	\$ 0	\$ 2,458,580	\$ 0	\$ 2,622,551	\$ 0	\$ 2,679,511	\$ 0
Finance	1,587,046	0	1,557,134	0	1,522,871	0	1,551,852	0	1,586,677	0
Administration of Justice	1,614,768	0	1,615,942	0	1,700,803	0	1,774,488	0	1,749,801	0
Public Safety	7,305,080	0	7,739,326	0	7,954,991	0	8,011,004	0	7,788,326	0
Public Health and Welfare	5,276,550	0	4,233,405	0	4,380,157	0	4,126,630	0	5,356,033	0
Social, Cultural, and Recreational Services	156,662	0	163,391	0	156,662	0	156,662	0	514,850	0
Agriculture and Natural Resources	212,999	0	251,793	0	216,955	0	260,546	0	294,011	0
Other Operations	92,789	0	0	0	0	0	0	0	0	0
Highways	1,195,559	0	2,331,309	0	2,736,615	0	2,583,006	0	2,933,127	0
Education	4,700,000	0	3,037,040	0	2,868,706	0	2,693,913	0	2,495,792	0
Capital Projects										
Debt Service:										
Interest on Long-term Debt	3,400,659	0	0	0	0	0	0	0	0	0
Other Debt Service	156,002	0	0	0	0	0	0	0	0	0
Business-type Activities										
Nursing Home	7,025,043	0	1,122,149	0	0	0	0	0	0	0
Component Unit - Bedford County School Department	0	54,009,406	0	58,395,797	0	61,487,565	0	63,705,713	0	64,609,492
<b>Total Expenses</b>	<b>\$ 34,467,995</b>	<b>\$ 54,009,406</b>	<b>\$ 24,319,456</b>	<b>\$ 58,395,797</b>	<b>\$ 23,996,340</b>	<b>\$ 61,487,565</b>	<b>\$ 23,780,652</b>	<b>\$ 63,705,713</b>	<b>\$ 25,398,128</b>	<b>\$ 64,609,492</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 708,695	\$ 0	\$ 667,081	\$ 0	\$ 569,304	\$ 0	\$ 481,210	\$ 0	\$ 539,912	\$ 0
Finance	970,181	0	974,475	0	981,784	0	1,006,052	0	997,037	0
Administration of Justice	1,482,066	0	1,424,996	0	1,403,878	0	1,683,922	0	1,619,539	0
Public Safety	1,122,738	0	1,964,264	0	1,280,113	0	1,326,428	0	939,714	0
Public Health and Welfare	1,616,900	0	1,749,721	0	1,377,502	0	1,608,862	0	1,523,074	0
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	0	0	8,550	0	7,800	0	5,550	0	8,310	0
Highways	97,222	0	12,172	0	19,436	0	22,263	0	19,391	0
Operating Grants and Contributions	3,598,823	0	3,838,749	0	3,805,231	0	3,365,287	0	3,439,576	0
Capital Grants and Contributions	670,265	0	191,388	0	698,513	0	837,862	0	749,197	0
Business-type Activities:										
Nursing Home:										
Charges for Services	7,112,743	0	517,163	0	0	0	0	0	0	0
Operating Grants and Contributions	0	0	0	0	0	0	0	0	0	0
Component Unit - Bedford County School Department:										
Charges for Services	0	1,851,467	0	1,636,002	0	1,733,479	0	1,630,033	0	1,607,907
Operating Grants and Contributions	0	6,095,074	0	6,511,375	0	8,502,993	0	8,864,455	0	8,240,600
Capital Grants and Contributions	0	4,693,000	0	890,377	0	71,571	0	0	0	0
<b>Total Revenues</b>	<b>\$ 17,379,633</b>	<b>\$ 12,639,541</b>	<b>\$ 11,348,559</b>	<b>\$ 9,037,754</b>	<b>\$ 10,143,561</b>	<b>\$ 10,308,043</b>	<b>\$ 10,337,436</b>	<b>\$ 10,494,488</b>	<b>\$ 9,835,750</b>	<b>\$ 9,848,507</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (17,088,362)</b>	<b>\$ (41,369,865)</b>	<b>\$ (12,970,897)</b>	<b>\$ (49,358,043)</b>	<b>\$ (13,852,779)</b>	<b>\$ (51,179,522)</b>	<b>\$ (13,443,216)</b>	<b>\$ (53,211,225)</b>	<b>\$ (15,562,378)</b>	<b>\$ (54,760,985)</b>
<b>Total</b>										

(Continued)

Table 2

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

	2009			2010			2011			2012			2013		
	Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit	
<b>General Revenues and Other Changes in Net Position</b>															
Governmental Activities:															
Taxes															
Property Taxes	\$ 9,799,026	\$ 7,964,843	\$	\$ 9,790,424	\$ 7,988,153	\$	\$ 9,731,369	\$ 7,941,311	\$	\$ 10,155,790	\$ 8,286,550	\$	\$ 10,600,355	\$ 7,731,057	
Sales Taxes	4,814,308	1,773,676		4,809,429	1,771,641		5,142,959	1,888,559		5,365,336	1,976,524		5,222,426	1,922,541	
Other Taxes	1,126,519	5,029		1,372,638	3,134		1,161,823	2,435		1,244,429	2,776		1,142,346	3,842	
Unrestricted Grants and Contributions	698,500	34,893,374		830,886	36,891,817		698,542	38,654,298		909,020	38,709,171		1,078,237	39,375,514	
Investment Earnings	713,713	14,496		375,462	3,440		336,696	1,870		223,752	88,905		40,277	43,626	
Special Item (see Note IV.D)	0	0		0	0		0	0		1,821,783	0		0	0	
Transfers in/out	0	0		0	0		0	0		0	0		731,675	0	
Miscellaneous	190,650	158,916		534,805	120,554		401,887	251,508		267,764	171,076		272,656	158,615	
<b>Total Governmental Activities</b>	<b>\$ 17,342,716</b>	<b>\$ 44,810,334</b>		<b>\$ 17,713,644</b>	<b>\$ 46,778,739</b>		<b>\$ 17,473,276</b>	<b>\$ 48,739,981</b>		<b>\$ 19,987,874</b>	<b>\$ 49,235,002</b>		<b>\$ 19,087,972</b>	<b>\$ 49,235,195</b>	
Business-type Activities:															
Investment Earnings	\$ 59	0		\$ 509	0		0	0		0	0		0	0	
<b>Total Business-type Activities</b>	<b>\$ 59</b>	<b>0</b>		<b>\$ 509</b>	<b>0</b>		<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>	<b>\$ 0</b>	
<b>Total</b>	<b>\$ 17,342,775</b>	<b>\$ 44,810,334</b>		<b>\$ 17,714,153</b>	<b>\$ 46,778,739</b>		<b>\$ 17,473,276</b>	<b>\$ 48,739,981</b>		<b>\$ 19,987,874</b>	<b>\$ 49,235,002</b>		<b>\$ 19,087,972</b>	<b>\$ 49,235,195</b>	
Prior-period Adjustment	\$ 0	0		\$ (86,002)	\$ 132,525		\$ (53,211)	\$ 0		\$ 0	\$ 0		\$ (735,172)	\$ 0	
<b>Change in Net Position</b>	<b>\$ 254,413</b>	<b>\$ 3,410,469</b>		<b>\$ 4,657,254</b>	<b>\$ (2,446,779)</b>		<b>\$ 3,567,286</b>	<b>\$ (2,439,941)</b>		<b>\$ 6,544,658</b>	<b>\$ (3,976,223)</b>		<b>\$ 2,700,422</b>	<b>\$ (5,225,790)</b>	

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

Table 3

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

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Franchise Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
<b>Primary Government</b>									
2009	\$ 9,799,026	\$ 4,814,308	\$ 0	\$ 276,344	\$ 311,258	\$ 86,380	\$ 181,799	\$ 270,738	\$ 15,739,853
2010	9,790,424	4,809,429	0	415,615	313,324	94,807	193,502	355,390	15,972,491
2011	9,731,369	5,142,959	0	278,579	317,681	109,964	197,564	367,999	16,146,115
2012	10,155,790	5,365,336	0	458,927	365,163	74,220	198,779	254,419	16,872,634
2013	10,600,355	5,222,426	0	393,011	378,816	60,113	189,353	121,053	16,965,127
<b>Component Unit</b>									
2009	7,964,843	1,773,676	0	0	0	0	0	5,029	9,743,548
2010	7,988,153	1,771,641	0	0	0	0	0	3,134	9,762,928
2011	7,941,311	1,888,559	0	0	0	0	0	2,435	9,832,305
2012	8,286,550	1,976,524	0	0	0	0	0	2,776	10,265,850
2013	7,731,057	1,922,541	0	0	0	0	0	3,842	9,657,440

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

Table 4

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Primary Government:</b>										
General Fund	\$ 128,315	\$ 42,412	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0	\$ 0	\$ 0
Reserved	485,993	789,596	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313	0	0	0
Unreserved	0	0	0	0	0	0	0	638,427	810,591	1,045,339
Restricted	0	0	0	0	0	0	0	131,105	166,862	73,110
Committed	0	0	0	0	0	0	0	6,190,717	6,190,717	8,837,240
Assigned	0	0	0	0	0	0	0	4,678,463	5,359,126	4,362,556
Unassigned	0	0	0	0	0	0	0	0	0	0
<b>Total General Fund</b>	<b>\$ 614,308</b>	<b>\$ 832,008</b>	<b>\$ 2,730,190</b>	<b>\$ 4,120,043</b>	<b>\$ 3,619,360</b>	<b>\$ 4,273,129</b>	<b>\$ 11,688,258</b>	<b>\$ 11,638,712</b>	<b>\$ 12,527,296</b>	<b>\$ 14,318,245</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 4,040,063	\$ 4,991,760	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	2,599,134	1,079,715	7,740,284	9,343,189	8,226,868	7,440,991	914,960	0	0	0
Debt Service Funds	441,216	269,254	429,110	1,689,527	3,686,389	4,332,615	4,745,230	0	0	0
Capital Projects Funds	91,053	99,929	104,941	3,259,358	231,780	64,539	610,931	0	0	0
Restricted	0	0	0	0	0	0	0	814,266	985,573	950,483
Committed	0	0	0	0	0	0	0	4,238,144	3,222,188	2,828,512
<b>Total All Other Governmental Funds</b>	<b>\$ 7,171,466</b>	<b>\$ 6,440,658</b>	<b>\$ 14,423,709</b>	<b>\$ 18,477,142</b>	<b>\$ 14,726,844</b>	<b>\$ 12,504,846</b>	<b>\$ 6,286,650</b>	<b>\$ 5,052,410</b>	<b>\$ 4,207,761</b>	<b>\$ 3,778,995</b>
<b>Component Unit:</b>										
General Fund (General Purpose School)	\$ 2,119,347	\$ 2,182,018	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0	\$ 0	\$ 0
Reserved	3,416,543	3,467,797	3,596,076	5,126,482	8,247,874	7,270,619	10,183,468	0	0	0
Unreserved	0	0	0	0	0	0	0	213,477	199,843	165,078
Restricted	0	0	0	0	0	0	0	941,892	483,315	90,556
Committed	0	0	0	0	0	0	0	0	0	0
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	9,124,213	8,900,911	7,508,455
<b>Total General Fund</b>	<b>\$ 5,535,890</b>	<b>\$ 5,649,815</b>	<b>\$ 6,615,238</b>	<b>\$ 7,765,638</b>	<b>\$ 10,677,852</b>	<b>\$ 10,729,095</b>	<b>\$ 10,574,469</b>	<b>\$ 10,279,582</b>	<b>\$ 9,584,069</b>	<b>\$ 7,764,089</b>
<b>All Other School Funds</b>										
Reserved	\$ 14,871,633	\$ 2,115,265	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	786,453	1,100,201	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112	0	0	0
Capital Projects Funds	(2,083,146)	655,038	669,710	25,690,557	(4,945,341)	1,080,491	0	0	0	0
Nonspendable	0	0	0	0	0	0	0	154,382	78,958	69,787
Restricted	0	0	0	0	0	0	0	1,839,985	1,906,571	1,737,936
Committed	0	0	0	0	0	0	0	236,096	204,995	197,821
<b>Total All Other Governmental Funds</b>	<b>\$ 13,574,940</b>	<b>\$ 3,870,504</b>	<b>\$ 2,563,562</b>	<b>\$ 43,946,859</b>	<b>\$ 22,528,102</b>	<b>\$ 4,007,539</b>	<b>\$ 1,765,912</b>	<b>\$ 2,230,463</b>	<b>\$ 2,190,524</b>	<b>\$ 2,005,544</b>

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

Table 5

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 11,805,571	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,697,679	\$ 17,653,465	\$ 17,797,946
Licenses and Permits	45,720	73,933	153,269	298,936	206,756	162,490	108,911	110,558	124,385	118,632
Fines and Forfeitures	485,765	569,239	505,218	532,322	483,882	408,577	376,180	333,633	503,321	478,464
Charges for Service	2,673,154	2,560,178	2,310,872	2,157,381	1,683,451	1,687,630	2,194,627	1,821,470	2,113,738	1,844,557
Other Local Revenue	284,420	387,188	7,921,576	3,064,019	3,081,408	1,410,494	1,252,468	1,253,095	1,018,210	726,632
Fees from Co. Officials	463,315	551,925	859,798	1,388,662	1,886,861	1,878,701	1,824,044	1,812,097	1,876,402	1,854,492
State Revenues	3,169,082	3,704,388	3,664,481	3,885,086	3,787,242	4,265,779	3,985,551	4,117,662	4,192,890	3,902,012
Federal Revenues	281,016	551,148	453,488	698,997	559,095	619,997	318,997	665,073	419,540	512,931
Other Govt/Citizens	95,330	93,363	208,441	94,686	166,476	1,193,499	2,154,927	1,044,387	1,007,321	1,000,376
Total Revenues	\$ 19,303,373	\$ 21,128,691	\$ 30,943,683	\$ 27,610,033	\$ 27,909,340	\$ 27,601,971	\$ 28,313,625	\$ 27,805,654	\$ 28,909,272	\$ 28,236,042
<b>Expenditures</b>										
General Government	\$ 840,642	\$ 958,335	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518	\$ 1,460,288	\$ 1,361,659
Finance	822,160	920,844	936,555	910,450	1,273,122	1,575,772	1,541,838	1,550,567	1,547,127	1,581,299
Admin. of Justice	1,131,813	1,119,850	1,090,968	1,193,135	1,371,633	1,614,493	1,620,883	1,696,031	1,771,828	1,759,688
Public Safety	3,865,931	3,994,685	4,626,765	4,551,316	4,920,472	6,020,806	7,393,993	7,379,267	7,640,525	7,677,972
Public Health/Welfare	2,580,906	2,907,821	3,232,189	3,913,195	3,509,757	4,109,429	4,016,552	3,921,733	3,841,254	4,218,825
Social, Cultural/Rec.	130,941	147,152	147,197	150,906	150,906	156,662	163,391	156,662	156,662	167,090
Agriculture and										
Natural Resources	170,098	188,622	188,875	209,328	208,244	198,356	239,482	206,310	205,537	208,192
Other Operations	2,570,415	3,182,729	3,590,070	3,955,168	3,703,196	1,603,031	782,032	789,966	741,446	1,439,296
Highway and Bridge	4,031,114	3,124,085	2,989,907	3,264,191	3,974,033	2,872,158	2,188,517	2,986,847	2,753,252	2,674,616
Debt Service:										
Principal	1,906,380	2,744,982	2,851,932	3,400,324	4,056,691	5,548,386	5,242,242	5,512,665	5,450,298	5,166,600
Interest	1,136,449	1,249,546	1,424,667	1,501,629	3,177,328	3,413,122	3,295,358	3,104,068	2,923,613	2,655,861
Other Charges	100,614	87,956	99,222	109,193	196,355	103,312	94,615	95,474	113,665	111,478
Capital Projects	1,328,278	5,393,586	1,048,976	50,699,865	4,729,371	5,714,988	38,018	821,589	251,469	851,283
Total Expenditures	\$ 20,615,741	\$ 26,020,193	\$ 23,070,021	\$ 74,990,672	\$ 32,228,236	\$ 34,063,200	\$ 27,702,090	\$ 29,551,697	\$ 28,856,964	\$ 29,873,859
Excess of Revenues Over (Under) Expenditures	\$ (1,312,368)	\$ (4,891,502)	\$ 7,873,662	\$ (47,380,639)	\$ (4,318,896)	\$ (6,461,229)	\$ 611,535	\$ (1,746,043)	\$ 52,308	\$ (1,637,817)

(Continued)

Table 5

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 300,412	\$ 10,875	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257	\$ 327,570	\$ 347,929
Transfers Out	(300,412)	(10,875)	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)	0	(327,570)	(347,929)
Bond Proceeds	0	4,290,000	0	50,500,000	3,435,000	0	0	0	0	0
Note Proceeds	1,075,000	1,100,000	834,000	2,000,000	0	4,893,000	450,000	300,000	0	0
Insurance Recovery	0	0	0	0	0	0	135,398	0	0	0
Proceeds on Refunded Bonds	0	0	0	0	0	0	0	0	2,700,000	8,405,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	(3,501,939)	0	0	0	(2,708,373)	(8,405,000)
Premiums on Bonds Sold	0	3,445	0	443,599	134,854	0	0	0	0	0
Sale of Nursing Home Capital Assets	0	0	0	0	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,075,000</b>	<b>\$ 5,393,445</b>	<b>\$ 834,000</b>	<b>\$ 52,869,599</b>	<b>\$ 67,915</b>	<b>\$ 4,893,000</b>	<b>\$ 585,398</b>	<b>\$ 462,257</b>	<b>\$ (8,373)</b>	<b>\$ 3,000,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (237,368)</b>	<b>\$ 501,943</b>	<b>\$ 8,707,662</b>	<b>\$ 5,488,960</b>	<b>\$ (4,250,981)</b>	<b>\$ (1,568,229)</b>	<b>\$ 1,196,933</b>	<b>\$ (1,283,786)</b>	<b>\$ 43,935</b>	<b>\$ 1,362,183</b>

Debt Service as a Percentage of Noncapital Expenditures	15.6%	16.0%	19.4%	7.1%	26.0%	28.4%	31.7%	30.8%	30.1%	27.3%
Capital Expenditures	\$ 1,052,178	\$ 1,100,141	\$ 1,048,976	\$ 5,549,795	\$ 4,456,562	\$ 2,488,541	\$ 782,381	\$ 1,602,588	\$ 1,073,924	\$ 1,231,563

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Tax	\$ 6,666,053	\$ 7,053,712	\$ 8,804,521	\$ 9,316,418	\$ 9,756,204	\$ 9,635,803	\$ 9,803,618	\$ 9,544,367	\$ 10,159,124	\$ 10,541,068
Sales Tax	4,270,941	4,698,803	5,069,703	5,084,727	5,026,899	4,874,050	4,815,931	5,119,682	5,383,207	5,243,541
Litigation Tax	192,426	204,993	211,220	243,802	207,680	276,344	416,066	371,284	458,927	393,011
Business Tax	273,437	285,712	311,223	297,586	320,908	311,258	313,324	317,681	365,163	378,816
Mineral Severance	219,031	161,986	198,688	154,085	154,595	81,093	81,218	109,964	107,079	60,113
Development Tax	0	0	0	90,154	364,074	283,189	216,164	342,536	145,352	133,624
Wholesale Beer Tax	136,016	141,249	175,744	165,798	180,448	181,799	193,502	197,564	198,779	189,353
Bank Excise Tax	44,227	87,470	91,920	133,593	40,565	73,489	35,160	21,032	157,420	127,964
Other Statutory Tax	3,440	3,404	3,521	3,781	2,796	257,779	2,011	1,507	1,399	1,998
	<b>\$ 11,805,571</b>	<b>\$ 12,637,329</b>	<b>\$ 14,866,540</b>	<b>\$ 15,489,944</b>	<b>\$ 16,054,169</b>	<b>\$ 15,974,804</b>	<b>\$ 15,876,994</b>	<b>\$ 16,025,617</b>	<b>\$ 16,926,450</b>	<b>\$ 17,069,488</b>

Table 6

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Local Taxes	\$ 8,681,424	\$ 9,261,220	\$ 9,539,539	\$ 10,006,667	\$ 9,835,545	\$ 9,816,402	\$ 9,955,712	\$ 10,181,119	\$ 10,842,595	\$ 10,198,143
Licenses and Permits	2,427	2,241	2,361	2,241	2,268	2,693	5,994	2,274	2,813	2,248
Charges for Current Services	1,528,310	1,649,311	1,756,323	1,795,873	1,773,948	1,850,006	1,648,859	1,558,792	1,597,663	1,558,003
Investment Earnings	145,552	248,046	95,890	131,081	48,986	14,496	0	0	0	0
Other Local Revenues	33,761	115,049	149,703	90,317	80,885	176,867	134,793	436,815	316,421	266,941
State of Tennessee	22,063,771	24,616,347	26,591,961	28,619,676	33,868,492	34,631,558	35,170,368	36,409,178	37,718,020	37,636,177
Federal Government	3,918,009	5,054,056	5,163,971	5,456,658	5,349,681	6,071,191	8,762,111	10,324,685	9,352,411	9,412,841
Other Governments and Citizens Groups	0	4,204,232	720,000	47,886,090	0	4,693,000	0	0	0	68,174
Total Revenues	\$ 36,373,254	\$ 45,150,502	\$ 44,019,748	\$ 93,988,603	\$ 50,959,805	\$ 57,256,213	\$ 55,677,837	\$ 58,912,863	\$ 59,829,923	\$ 59,142,527
<b>Expenditures</b>										
Current:										
Instruction	\$ 22,257,817	\$ 25,232,069	\$ 25,760,059	\$ 27,648,288	\$ 30,247,351	\$ 31,633,770	\$ 34,373,220	\$ 36,400,761	\$ 36,425,159	\$ 36,833,683
Support Services	10,932,933	11,788,375	12,832,127	13,145,079	13,713,665	15,884,647	16,919,180	17,769,273	19,036,517	18,789,889
Operation of Non-Instructional Services	2,402,154	2,551,481	2,905,851	3,349,192	4,005,947	3,895,651	3,817,509	4,227,544	4,739,742	5,018,453
Capital Outlay	301,784	479,132	505,346	490,529	542,722	721,148	889,597	345,621	363,957	505,462
Capital Projects	1,691,114	14,686,248	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584	0	0	0
Debt Service	3,708	3,708	3,708	3,708	2,163	0	0	0	0	0
Total Expenditures	\$ 37,589,510	\$ 54,741,013	\$ 44,361,267	\$ 51,454,906	\$ 69,466,348	\$ 75,725,533	\$ 58,074,090	\$ 58,743,199	\$ 60,565,375	\$ 61,147,487
Excess of Revenues Over (Under) Expenditures	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 14,496	\$ 11,274	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192	\$ 0	\$ 121,037
Transfers Out	(14,496)	(11,274)	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)	0	(121,037)
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)

Table 7

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

Fiscal Year Ended	Property Tax <sup>1</sup>	Local Option Sales Tax <sup>2</sup>	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecommunications Tax	Other Statutory Local Taxes	Total
<b>Primary Government:</b>										
2004	\$ 6,523,694	\$ 4,270,941	\$ 192,426	\$ 273,437	\$ 219,031	\$ 136,016	\$ 44,227	\$ 3,440	\$ 142,359	\$ 11,805,571
2005	6,848,988	4,698,803	204,993	285,712	161,986	141,249	87,470	3,404	202,124	12,634,729
2006	8,608,406	5,069,703	211,220	311,223	198,688	175,744	91,920	3,521	196,115	14,866,540
2007	9,099,054	5,084,727	230,095	297,586	154,085	165,798	133,593	3,781	321,225	15,489,944
2008	9,560,429	5,026,899	207,680	320,908	154,595	180,448	40,565	2,796	559,849	16,054,169
2009	9,635,803	4,874,050	276,344	311,258	81,093	181,799	73,489	2,324	538,644	15,974,804
2010	9,803,618	4,815,931	416,066	313,324	81,218	193,502	35,160	2,011	437,090	16,097,920
2011	9,544,367	5,119,682	371,284	317,681	109,964	197,564	21,032	1,471	974,634	16,657,679
2012	10,159,124	5,333,207	458,927	365,163	74,220	198,779	157,420	1,399	905,226	17,653,465
2013	10,541,068	5,243,541	393,011	378,816	60,113	189,353	127,964	1,998	862,082	17,797,946
<b>Component Unit:</b>										
2004	\$ 7,132,538	\$ 1,400,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,342	\$ 142,069	\$ 8,681,424
2005	7,365,544	1,713,618	0	0	0	0	0	6,276	175,782	9,261,220
2006	7,504,474	1,841,770	0	0	0	0	0	5,958	187,337	9,539,539
2007	7,936,370	1,889,046	0	0	0	0	0	6,330	174,921	10,006,667
2008	7,838,804	1,838,767	0	0	0	0	0	4,187	153,787	9,835,545
2009	7,832,689	1,795,056	0	0	0	0	0	5,029	183,628	9,816,402
2010	7,998,936	1,773,381	0	0	0	0	0	3,134	180,261	9,955,712
2011	7,788,150	1,874,206	0	0	0	0	0	2,435	516,328	10,181,119
2012	8,290,385	1,956,756	0	0	0	0	0	2,776	592,678	10,842,595
2013	7,718,464	1,942,675	0	0	0	0	0	3,842	533,162	10,198,143

Note(s):

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

Table 8

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

Fiscal Year Ended June 30	Real Property Assessed			Public Utility Property	Total Taxable Value (Inside City of Shelbyville)	Total Taxable Value (Outside City of Shelbyville)	Assessed Value as a Percentage of Actual Value	Estimated Actual Taxable Value	Total Direct Tax Rate
	Residential	Farm Agricultural and Forest Property	Commercial Industrial and Mineral Property						
2004	\$ 332,545,225	\$ 111,382,840	\$ 66,468,040	\$ 32,860,629	\$ 193,594,730	\$ 250,333,335	27.88%	\$ 1,948,337,973	2.49
2005	344,552,900	116,806,640	82,975,225	34,354,871	201,984,425	259,375,115	28.32%	2,043,086,490	2.49
2006	361,120,075	121,064,920	60,943,665	33,420,235	211,113,160	271,071,835	28.39%	2,030,505,565	2.77
2007	473,364,250	152,388,840	79,812,896	40,293,721	267,529,215	358,223,875	27.95%	2,668,811,186	2.27
2008	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	28.40%	2,694,715,806	2.27
2009	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	28.42%	2,715,534,416	2.27
2010	503,591,300	167,263,520	74,874,856	42,775,968	358,027,739	387,701,937	28.57%	2,759,881,341	2.27
2011	507,751,000	161,079,120	64,842,431	44,817,232	343,269,678	390,395,873	28.50%	2,731,324,772	2.27
2012	518,228,375	170,176,360	60,074,596	46,706,116	346,455,651	402,023,680	28.57%	2,783,539,733	2.27
2013	520,099,875	170,523,880	68,010,388	47,632,813	354,545,784	404,088,359	28.59%	2,820,036,348	2.27

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

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

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

Table 9

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

Fiscal Year Ended <sup>1</sup>	Tax Year	General Fund	Highway Fund	General Purpose School Fund	General Debt Service Fund	Total <sup>2</sup> Direct Rate	City of Shelbyville Tennessee <sup>2,3</sup>		City of Bell Buckle Tennessee <sup>2,3</sup>		City of Wartrace Tennessee <sup>2,3</sup>		Total Direct and Overlapping
							\$		\$		\$		
2004	2003	1.13	0.05	1.29	0.02	2.49	1.47	0.21	1.00	3.96			
2005	2004	1.41	0.05	1.29	0.02	2.77	1.47	0.21	1.00	4.24			
2006	2005 <sup>4</sup>	1.05	0.04	1.06	0.12	2.27	1.41	0.15	1.00	3.68			
2007	2006	1.09	0.04	1.02	0.12	2.27	1.41	0.15	1.00	3.68			
2008	2007	1.11	0.04	1.02	0.10	2.27	1.41	0.15	1.00	3.68			
2009	2008	1.11	0.04	1.02	0.10	2.27	1.41	0.15	1.00	3.68			
2010	2009	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68			
2011	2010 <sup>4</sup>	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68			
2012	2011	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68			
2013	2012	1.11	0.04	0.96	0.16	2.27	1.41	0.16	1.00	3.68			

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

Note(s):

<sup>1</sup> Taxes assessed in one fiscal year are for the benefit of the following fiscal year.

<sup>2</sup> Rates are applied per \$100 of assessed valuation.

<sup>3</sup> The cities of Shelbyville, Bell Buckle, and Wartrace are considered overlapping governments.

<sup>4</sup> A reappraisal was performed during the 2005 and 2010 tax years.

Table 10

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

<u>Taxpayer</u>	<u>Fiscal Year Ended</u> 2013			<u>Fiscal Year Ended</u> 2004		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Calsonic Manufacturing	\$ 20,561,921	1	2.6%	\$ 30,144,638	1	5.5%
Duck River Electric Membership	18,756,191	2	2.3%	11,299,980	2	2.1%
Walmart Stores East	12,957,075	3	1.6%	4,476,682	7	0.8%
Sanford Corporation	10,143,472	4	1.3%	6,167,323	6	1.1%
Bemis	8,603,734	5	1.1%	4,575,867	8	0.8%
Twist Beauty Packaging	8,160,082	6	1.0%	10,053,017	3	1.9%
Tyson Foods	8,147,178	7	1.0%	7,865,349	4	1.4%
CSX Transportation	5,480,761	8	0.7%	-	-	0.0%
Bellsouth Telecommunications	4,697,033	9	0.6%	6,643,472	5	1.2%
United Telephone	3,269,444	10	0.4%	3,802,775	10	0.7%
Eaton Corp.	-	-	-	3,537,057	9	0.7%
<b>Totals</b>	<b>\$ 100,776,891</b>		<b>12.5%</b>	<b>\$ 88,566,160</b>		<b>16.3%</b>

Source: Trustee's Tax Rolls.

Table 11

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

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2003	\$ 13,600,913	\$ 12,704,251	93.41%	\$	\$ 13,479,838	99.11%
2005	2004	14,435,938	13,380,786	92.69%	979,077	14,359,863	99.47%
2006	2005	16,312,435	15,102,863	92.58%	985,453	16,302,918	99.94%
2007	2006	17,057,638	15,934,087	93.41%	931,074	16,865,161	98.87%
2008	2007	17,447,935	16,317,276	93.52%	644,651	16,961,927	97.21%
2009	2008	17,572,956	16,406,187	93.36%	547,679	16,953,865	96.48%
2010	2009	17,821,783	16,616,967	93.24%	457,646	17,087,288	95.88%
2011	2010	17,637,729	16,199,443	91.85%	537,832	16,737,275	94.89%
2012	2011	18,044,364	16,637,710	92.20%	431,626	17,069,336	94.60%
2013	2012	18,237,900	17,040,915	93.44%	476,632	17,517,547	96.05%

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

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

Table 12

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

Fiscal Year Ended June 30	Governmental Activities				Capital Outlay Notes	Other Loans Payable	Total Primary Government <sup>1</sup>	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds	Rural School Bonds	Capital Outlay	Other Loans Payable					
2004	\$ 5,265,000	\$ 21,085,000	\$ 2,937,720	\$ 8,060,000	\$	37,347,720	3.51%	\$ 914	
2005	4,835,000	24,180,000	3,440,738	7,362,000		39,817,738	3.51%	943	
2006	4,390,000	23,125,000	3,563,806	6,628,000		37,706,806	3.15%	875	
2007	10,425,000	65,880,000	4,645,482	5,856,000		86,806,482	6.83%	1,970	
2008	6,275,000	68,035,000	3,388,791	5,046,000		82,744,791	6.27%	1,838	
2009	6,040,000	65,350,000	6,505,405	4,194,000		82,089,405	6.18%	1,805	
2010	5,800,000	62,585,000	5,153,163	3,759,000		77,297,163	5.92%	1,698	
2011	5,550,000	59,715,000	3,518,498	3,301,000		72,084,498	8.86%	1,600	
2012	5,290,000	56,745,000	1,780,200	2,819,000		66,634,200	7.93%	1,464	
2013	5,020,000	53,665,000	471,600	2,311,000		61,467,600	7.17%	1,349	

Note(s):

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

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

Table 13

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

Fiscal Year Ended June 30	General Obligation Bonds	Rural School Bonds	Total Bonded Debt <sup>1</sup>	Less: Amounts Available in General Debt Service Fund <sup>2</sup>	Total	Percentage of Estimated Actual	
						Value of Property <sup>3</sup>	Per Capita <sup>4</sup>
2004	\$ 5,265,000	\$ 21,085,000	\$ 26,350,000	\$ 4,274,548	\$ 22,075,452	1.13%	\$ 540
2005	4,835,000	24,180,000	29,015,000	5,189,955	23,825,045	1.17%	565
2006	4,390,000	23,125,000	27,515,000	6,548,740	20,966,260	1.03%	486
2007	10,425,000	65,880,000	76,305,000	4,485,627	71,819,373	2.69%	1,630
2008	6,275,000	68,035,000	74,310,000	6,076,445	68,233,555	2.53%	1,515
2009	6,040,000	65,350,000	71,390,000	4,963,594	66,426,406	2.45%	1,461
2010	5,800,000	62,585,000	68,385,000	4,745,230	63,639,770	2.31%	1,399
2011	5,550,000	59,715,000	65,265,000	3,595,256	61,669,744	2.26%	1,369
2012	5,290,000	56,745,000	62,035,000	2,586,588	59,448,412	2.14%	1,306
2013	5,020,000	53,665,000	58,685,000	2,359,440	56,325,560	2.00%	1,236

Source(s): Debt amortization schedules

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

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

<sup>2</sup> This is the amount restricted for debt service principal payments.

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

<sup>4</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on Table 17.

Table 14  
**Bedford County, Tennessee**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds and Notes**  
**As of June 30, 2013**

		% of Estimated Property Value	% of Assessed Property Value
<b><u>Direct Debt</u></b>			
General Bonded Debt	\$ 58,685,000	2.08%	7.28%
Capital Outlay Notes	471,600		
Other Loans Payable	2,311,000		
Less: General Debt Service Funds	(2,359,440)		
Total Direct Debt	\$ 59,108,160	2.10%	7.33%
<b><u>Overlapping Debt</u></b>			
City of Shelbyville	\$ 412,897	0.01%	0.05%
City of Bell Buckle	1,763,378	0.06%	0.22%
City of Wartrace	1,800,228	0.06%	0.22%
City of Normandy	-	0.00%	0.00%
Total Overlapping Debt	3,976,503		
<b>Total Direct and Overlapping Debt</b>	<b>\$ 63,084,663</b>	2.24%	7.82%

Source: City Recorders, Tables 8, 12

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

Assessed Value	\$	806,266,956
Estimated Value		2,820,036,348

Table 15

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

**Not Applicable to Bedford County, Tennessee**

Table 16

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

**Not Applicable to Bedford County, Tennessee**

Table 17

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

<b>Fiscal Year Ended June 30</b>	<b>Population<sup>1,5</sup></b>	<b>Personal Income (amounts expressed in thousands)<sup>1,5</sup></b>	<b>Per Capita Personal Income<sup>1,5</sup></b>	<b>Median Age<sup>2,5</sup></b>	<b>Bedford County School Enrollment<sup>3</sup></b>	<b>Annual Unemployment Rate<sup>4,5</sup></b>
2004	40,875	\$ 1,064,118	\$ 26,033	35.0	6,902	5.4 %
2005	42,204	1,135,971	26,916	34.9	7,217	5.4
2006	43,102	1,197,493	27,783	35.0	7,501	5.2
2007	44,062	1,271,738	28,862	34.9	7,612	4.9
2008	45,031	1,319,630	29,305	34.9	7,721	6
2009	45,480	1,328,881	29,219	35.0	7,746	6.6
2010	45,526	1,306,750	28,703	35.2	7,866	12.3
2011	45,058	813,793	18,061	35.0	7,817	11.9
2012	45,509	840,597	18,471	35.1	7,966	10.4
2013	45,573	857,365	18,813	37.0	8,103	9.3

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

<sup>1)</sup> Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Per capita personal income was provided by 2010 U.S. Census data. Personal income amounts for 2011-13 were calculated by multiplying population by per capita income.

<sup>2)</sup> Fiscal years 2001-06 and 2012 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2007-11 and 2013 are U.S. Census Bureau estimates.

<sup>3)</sup> Enrollment amounts represent the weighted full-time equivalent of average daily attendance.

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

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

Table 18

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

	2013			2004		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>1</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>2</sup></u>
<u>Employer<sup>3</sup></u>						
Tyson Foods	1,300	1	7.57%	1,000	1	6.12%
Calsonic Manufacturing	712	2	4.15%	1,000	1	6.12%
Sanford Distribution	600	3	3.50%	900	2	5.51%
National Pen Corp.	485	4	2.83%	400	6	2.45%
Wal-Mart Distribution Center	400	5	2.33%	458	4	2.80%
Jostens, Inc.	375	6	2.18%	450	5	2.75%
Bemis	240	7	1.40%	140	8	0.86%
Albea (Pechiney, Alcan, American Can)	194	8	1.13%	500	3	3.06%
Corsicana Bedding, Inc.	131	9	0.76%	-	-	-
Century Mold Co., Inc.	122	10	0.71%	-	-	-
Aramark Uniform Services, Inc.	-	-	-	123	9	0.75%
Cooper Steel	-	-	-	115	10	0.70%
Economy Pencil Company	-	-	-	115	10	0.70%
Nationwide Express	-	-	-	200	7	1.22%
<b>Total</b>	<b>4,559</b>		<b>26.56%</b>	<b>5,401</b>		<b>33.06%</b>

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

Note(s):

<sup>1</sup> Percentage is based on March 2013 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>2</sup> Percentage is based on June 2004 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>3</sup> Employer information does not include local governments' employees.

Table 19

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Function:</b>										
General Government	144	150	152	194	194	205	173	76	72	75
Finance	0	0	0	8	8	10	10	10	9	9
Justice	19	19	17	19	24	34	29	34	33	33
Public Safety	87	93	122	110	110	108	134	129	130	134
Health and Welfare	13	13	18	20	18	10	12	15	14	13
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	0	0	1	1	1
Road and Bridge	45	42	40	40	38	27	26	26	26	26
<b>Total</b>	<b>310</b>	<b>318</b>	<b>350</b>	<b>392</b>	<b>393</b>	<b>395</b>	<b>385</b>	<b>292</b>	<b>286</b>	<b>292</b>
<b>Component Unit:</b>										
Education	890	905	925	945	961	972	1,060	1,096	1,199	1,169

Source: Bedford County Finance Department

Table 20

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b><u>General Government</u></b>										
Registered voters	18,390	19,596	20,586	21,069	23,238	23,124	23,824	23,461	24,264	23,704
Building permits issued										
Single family homes	n/a	n/a	294	169	135	78	74	42	58	56
All other permits	n/a	n/a	195	158	137	201	172	343	383	68
<b><u>Public Safety</u></b>										
Physical arrests	n/a	1,598	1,628	1,641	1,776	569	3,151	3,298	9,726	6,465
Traffic citations	n/a	1,847	1,894	2,008	2,092	2,003	412	1,016	2,122	n/a
Warrants served	n/a	10,281	10,305	10,418	10,716	13,458	13,732	10,542	11,827	10,879
Summary of inmate days:										
Felons-convicted	n/a	20,151	21,254	20,452	23,660	28,467	22,848	22,898	45,740	34,931
Misdemeanant-convicted	n/a	52,864	55,757	53,653	62,069	26,317	24,681	9,447	35,834	32,270
Pretrial	n/a	239	252	242	280	22,866	23,552	23,472	1,315	5,173
Other	n/a	111	117	113	130	422	319	129	4,920	5,545
Total inmate days		73,365	77,380	74,460	86,139	78,072	71,400	55,946	87,809	77,919
Other daily inmate information										
Average daily population	n/a	201	212	204	236	243	195	250	231	211
Daily inmate capacity of facility	n/a	215	204	217	217	217	216	206	206	206
<b><u>Public Health</u></b>										
Ambulance - call volume	4,764	4,618	4,769	4,810	5,418	5,135	4,818	5,206	5,465	6,050
Response time - average minutes	11	11	11	11	11	10	10	11	11	11
Animal control										
Requests for service	n/a	1,291	912	796	1,494	922	998	733	283	864
Animals impounded	n/a	1,720	1,475	1,701	1,977	1,615	1,515	1,192	929	1,246
Animals adopted	n/a	77	103	171	266	211	696	692	465	908

(Continued)

Table 20

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

<b>Function (Cont.)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Road and Bridge</b>										
Street resurfaced (miles)	20	22	25	35	20	11	9	12	10	13
<b>Sanitation</b>										
Solid Waste Department	n/a	n/a	n/a	11,400	11,448	11,115	10,932	10,579	10,179	10,045
Refuse collected (in tons)	n/a	n/a	n/a	121	126	116	92	235	249	302
Recyclables collected (in tons)	n/a	n/a	n/a	7	6	5	4	1	1	1
Paper	n/a	n/a	n/a	0	0	0	0	0	0	0
Batteries	n/a	n/a	n/a	365	397	498	412	301	190	250
Plastics	n/a	n/a	n/a	680	675	679	701	676	413	394
Metals	n/a	n/a	n/a	85	80	4,604	5,472	8,100	9,705	4,855
Tires										
Used oil (gallons)										
<b>Component Unit:</b>										
Bedford County School Department										
Weighted Full-time Equivalent Average	8,110	8,227	8,352	8,352	8,517	8,628	7,521	7,400	7,599	7,730
Daily Attendance	426	408	426	458	478	505	532	455	522	505
Number Graduated										

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

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

Table 21

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

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Highways and Streets</b>										
Number of Miles	663	668	673	678	679	683	683	683	683	683
Number of Bridges	189	189	191	191	191	191	191	188	188	188
<b>Public Safety</b>										
Number of Correctional Facilities	1	2	2	2	2	2	2	2	2	2
<b>Health and Welfare</b>										
Nursing Home	1	1	1	1	1	1	1	0	0	0
Number of Beds	90	90	90	90	90	90	90	0	0	0
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	3	3	3	4	4	4	4	5	5	5
Number of Ambulance Units	7	7	7	8	8	8	8	6	8	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<b>Facilities and Services Not Included in the Primary Government</b>										
<b>Education:</b>										
Form of Administration										
Number of Schools										
Elementary Schools	7	7	7	7	7	7	7	8	8	8
Middle Schools	1	1	1	1	1	1	1	2	3	3
High Schools	3	3	3	3	3	3	3	3	3	3
Alternative School	1	1	1	1	1	1	1	1	1	1

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

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## **SINGLE AUDIT SECTION**

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements, and have issued our report thereon dated October 8, 2013. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Emergency Communications District of Bedford County, as described in our report on Bedford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-003, 2013-004, 2013-005, 2013-006, and 2013-008.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bedford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-001, 2013-002, and 2013-007.

### **Bedford County's Responses to Findings**

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

## **Purpose of this Report**

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2013

JPW/sb



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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PHONE (615) 401-7841

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Bedford County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Bedford County's major federal programs for the year ended June 30, 2013. Bedford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Bedford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bedford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Bedford County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Bedford County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

Management of Bedford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bedford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bedford County's internal control over compliance.

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

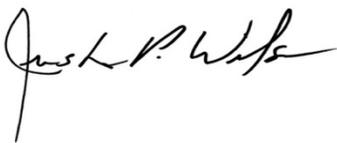
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements. We issued our report thereon dated October 8, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2013

JPW/sb

Bedford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year-Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	\$ 848,412
National School Lunch Program	10.555	(2)	2,297,027 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	(2)	21,772
Fresh Fruit and Vegetable Program	10.582	(2)	52,726
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	207,394 (6)
Total U.S. Department of Agriculture			\$ 3,427,331
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	33004-01213	\$ 18,600
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM09-04-01	347,760
Total U.S. Department of Housing and Urban Development			\$ 366,360
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 25,526
Total U.S. Department of Transportation			\$ 25,526
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 358,280
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	94,375
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,270,863
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,743,780
Special Education - Preschool Grants	84.173	N/A	85,098
Safe and Drug-free Schools and Communities - National Program	84.184	(2)	193,877
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	6,320
Assistive Technology	84.224	(2)	33,857
Twenty-first Century Community Learning Centers	84.287	(2)	146,429
Education Technology State Grants	84.318	(2)	21,951
Rural Education	84.358	N/A	146,022
English Language Acquisition State Grants	84.365	N/A	64,779
Improving Teacher Quality State Grants	84.367	N/A	255,173
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top			
Incentive Grants, Recovery Act	84.395	(2)	339,594
Education Jobs Fund	84.410	(2)	476,294
Total U.S. Department of Education			\$ 6,236,692

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-0000007575	\$ 43,350
Homeland Security Grant Program	97.067	(4)	77,695
Total U.S. Department of Homeland Security			<u>\$ 121,045</u>
Total Expenditures of Federal Awards			<u>\$ 10,176,954</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29451-00	\$ 9,000
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	26,884
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	31,458
ConnectTN - State Department of Education	N/A	(2)	26,442
Litter Program - State Department of Transportation	N/A	Z-13-LIT002	61,720
Rural Local Health Services - State Department of Health	N/A	Z-12-43696-00	396,853
Waste Tire Grant - State Department of Environment and Conservation	N/A	DG-12-35171-00	23,802
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	362,569
Safe Schools Act 2003 - State Department of Education	N/A	(2)	7,215
Student Ticket Subsidy Grant - State Arts Commission	N/A	(2)	3,390
Coordinated School Health Initiative - State Department of Education	N/A	(2)	73,750
Total State Grants			<u>\$ 1,023,083</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) DG-12-34580-00: \$219; DG-12-34579-00: \$4,722; DG-13-38264-00: \$73,952; DG-13-38267-00: \$15,482.
- (4) 34101-0000009381: \$22,851; 34101-0000005938: \$54,844.
- (5) DG-12-34580-00: \$73; DG-12-34579-00: \$1,574; DG-13-38264-00: \$24,651; DG-13-38267-00: \$5,160.
- (6) Total for CFDA No. 10.555 is \$2,504,421.

Bedford County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2013

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.02	221	The Office of Probation Services accounting software did not identify the user who processed transactions

**OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND  
SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	223	Duties were not segregated adequately

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**BEDFORD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2013**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Bedford County is unmodified.
2. The audit of the financial statements of Bedford County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Home Investment Partnerships Program (CFDA No. 14.239), and the State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$305,309 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford County qualified as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF FINANCE DIRECTOR**

#### **FINDING 2013-001                      **COMPETITIVE BIDS WERE NOT SOLICITED FOR GASOLINE AND DIESEL FUEL** (Noncompliance Under *Government Auditing Standards*)**

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 97 disbursements from all vendor checks issued by the county. Our sample revealed that four of five applicable purchases were competitively bid. However, competitive bids were not solicited for the purchase of gasoline and diesel fuel, which was used by the School Department (\$482,096), Highway Department (\$183,411), and Solid Waste Department (\$18,081). Therefore, we were unable to determine if the county received the most competitive price for gasoline and diesel. Section 5-21-120 et seq., *Tennessee Code Annotated*, requires competitive bids to be solicited through public advertisement for purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

#### **RECOMMENDATION**

Purchases exceeding \$10,000 should be competitively bid as required by state statute.

#### **MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

We concur with this finding. County financial management constantly strives to obtain competitive bids for all purchases, including fuel. In the past, we have always competitively bid fuel. However, in an attempt to save money through bulk fuel purchases, and to enhance internal control over county fuel supplies, county management decided to purchase bulk fuel tanks for official county government use. We believe that by having our own fuel storage tanks, and through making larger bulk purchases, that fuel can be obtained at a more competitive price, as we can obtain more fuel bids as compared to just bidding out fuel cards. During the last fiscal year, we bid a fuel management system with plans of having it installed shortly thereafter.

However, there was a delay in implementing the bulk fuel system and an architect and engineer were hired to assist with the plans, site locations, and tank specifications to insure we met all federal and state laws and guidelines. When we realized these issues were delaying the implementation of the bulk fuel system longer than management originally anticipated, we went ahead and bid fuel in May 2013 and, once again, received only one bid. However, this was an attempt to comply with state purchasing statutes, albeit after the fact. The fuel management (bulk fuel) system was rebid and awarded in September 2013.

Once installed, this new system will prevent this audit finding from recurring, while saving the county money as well.

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FINDING 2013-002

**DRUG CONTROL FUND APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING**

(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$15,143. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

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OFFICE OF COUNTY MAYOR

FINDING 2013-003

**THE AMBULANCE SERVICE HAD DEFICIENCIES IN CONTROLS OVER ITS INFORMATION SYSTEM ENVIRONMENT**

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. This finding was corrected when it was brought to management's attention in February 2013.

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FINDING 2013-004

**THE OFFICE OF PROBATION SERVICES' ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**

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

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

occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction. The office changed software applications in July 2013. The application currently used adequately records user activity; therefore, this deficiency has been corrected.

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## **OFFICE OF DIRECTOR OF SCHOOLS**

### **FINDING 2013-005**

#### **THE OFFICE HAD DEFICIENCIES IN CONTROLS OVER ITS INFORMATION SYSTEM ENVIRONMENT**

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. This deficiency was corrected when it was brought to management's attention in February 2013.

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### **FINDING 2013-006**

#### **THE BILLING SOFTWARE USED BY THE SCHOOL AGE CHILDCARE PROGRAM DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

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

The following application control deficiencies relating to the office's software were identified.

1. Users had the ability to alter charges and payments without leaving an audit trail.
2. Users had the ability to backdate receipts. Backdated receipts would not appear on the end-of-day collection reports.
3. Users had the ability to delete payments. While the application recorded the deletions, a report displaying only deletions that could be reviewed by management did not exist.

Sound business practices dictate that proper application controls be implemented. Since the software did not have the proper controls, inappropriate system activity could occur.

## RECOMMENDATION

Management should contact their software vendor and have the ability to alter charges and payments removed from the application. Backdated receipts should be adequately accounted for in the application. Also, a report of deleted payments should be available.

## MANAGEMENT'S RESPONSE – SUPERINTENDENT OF SCHOOLS

We concur with this finding. Steps have been taken to correct the finding. In deficiency (1), the software vendor has been contacted about updating their software to capture this data. In deficiency (2), the software has been corrected to prevent backdating. In deficiency (3), the software vendor has been contacted to request this report be added. In addition, should our current software vendor be unable to comply with our requests, we are prepared to replace this software with one that provides the necessary internal controls.

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## OFFICE OF SHERIFF

### FINDING 2013-007

### **ARRESTEE FILES DID NOT INCLUDE AN ACKNOWLEDGMENT FROM THE TENNESSEE BUREAU OF INVESTIGATION THAT FINGERPRINTS HAD BEEN RECEIVED AND ACCEPTED**

(Noncompliance Under *Government Auditing Standards*)

The Sheriff's Department uses an electronic imaging fingerprint machine to fingerprint arrestees at the time of their arrest. This machine is designed to electronically store the fingerprint images, generate records of the images taken, and transmit the images to the Tennessee Bureau of Investigation (TBI). Section 8-4-115, *Tennessee Code Annotated*, provides that if fingerprints are transmitted to the TBI electronically, the booking agency shall maintain one hard copy of the fingerprints along with an acknowledgment from the TBI that a copy of the fingerprints has been received and accepted. During our examination of arrestee files, we noted that in eight of 20 files examined, the department did not maintain the acknowledgment from the TBI that the fingerprints had been received and accepted. This calculates to a 40 percent rate of noncompliance. This deficiency can be attributed to a lack of management oversight.

## RECOMMENDATION

The sheriff should ensure that the fingerprints of all persons arrested are properly submitted to and accepted by the TBI as required by state statute.

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**OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF**

**FINDING 2013-008**

**DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

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

**RECOMMENDATION**

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

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**BEDFORD COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2013**

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