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



FOR THE YEAR ENDED JUNE 30, 2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

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Audit Manager

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Finance Director
Bedford County, Tennessee

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

BEDFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2014.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The billing software used by the School Age Childcare Program did not have adequate application controls.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Duties were not segregated adequately.

OFFICE OF SHERIFF

- ◆ Deficiencies were noted in accounting for sexual offender registry payments.

OTHER FINDINGS

- ◆ The county's Audit Committee is not a functioning committee.
- ◆ Several county commissioners failed to disclose conflicts of interest during county commission meetings.

INTRODUCTORY SECTION



BEDFORD COUNTY, TENNESSEE

Letter of Transmittal

September 17, 2014

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, 2014, 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, 2014. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor 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 45,901.

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

As of June 2014, Bedford County had an estimated labor force of 22,360 with 20,690 employed resulting in a 7.5 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 6.6 percent.

Median household incomes within Bedford County are lower than the state as a whole. According to the latest estimate from the U.S. Census Bureau, the state's median household income was \$44,140 and the county's was \$39,635 in 2012. Bedford County had a population of 45,901. This is an increase of 1.9 percent since the 2010 census. The median price of a single home in Bedford County was \$117,100.

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 September 2013, Calsonic Kansei North America (CKNA) announced a major expansion. 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. Shelbyville's Industrial Development Board issued a \$46 million bond and entered into a tax abatement agreement with Calsonic Kansei for the expansion and addition of new equipment. In January 2014, The U.S. Department of Agriculture announced it was expanding its "StrikeForce" initiative into Tennessee and Bedford County is one of 53 Tennessee counties that has been targeted. The "StrikeForce" strategy is to partner public resources with local expertise to grow rural economies and

create jobs in persistent poverty communities. Over 300 people were placed in jobs last year due to Goodwill Career Solutions. In May 2014, ground was broken for a new library to serve Bedford County. General Motors announced it was moving production of its next-generation SRX crossover SUV from Mexico to its plant in Spring Hill, Tennessee. This would “create or retain” about 1,800 jobs. In the past, the Spring Hill plant has had an effect on the economy of northwestern Bedford County.

Long-term Financial Planning and Major Initiatives

Unassigned fund balance in the General Fund at year end was 29.1 percent of total General Fund current-year expenditures and exceeds the amount set by policy (three percent of current-year expenditures). The excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

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

The Bedford County Commission and the Bedford County Financial Management Committee have adopted a county Debt Policy. In January 2014, a \$440,000 Community Development Block Grant was applied for on behalf of Bedford County Utility District to extend water lines along portions of four rural roads.

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. The Bedford County Board of Commissioners have also asked the State of Tennessee to consider finishing the Shelbyville bypass, extending it west and south to State Route 64.

Bedford County adopted the County Financial Management System of 1981 in November 2006. This local option law created a county financial management office. In April 2007, the county hired a certified public accountant as its first director of finance. Through great efforts by the director of finance and his staff, the county prepared financial statements in accordance with 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, 2013. This was the fifth 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 only one year. 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 is due to the county mayor and the commission for their unfailing support for maintaining the highest standards of professionalism in the management of Bedford County.

Sincerely,

A handwritten signature in black ink that reads "Robert Daniel". The signature is written in a cursive style with a large initial "R".

Robert Daniel, CPA, CGFM
Director of Finance



Government Finance Officers Association

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

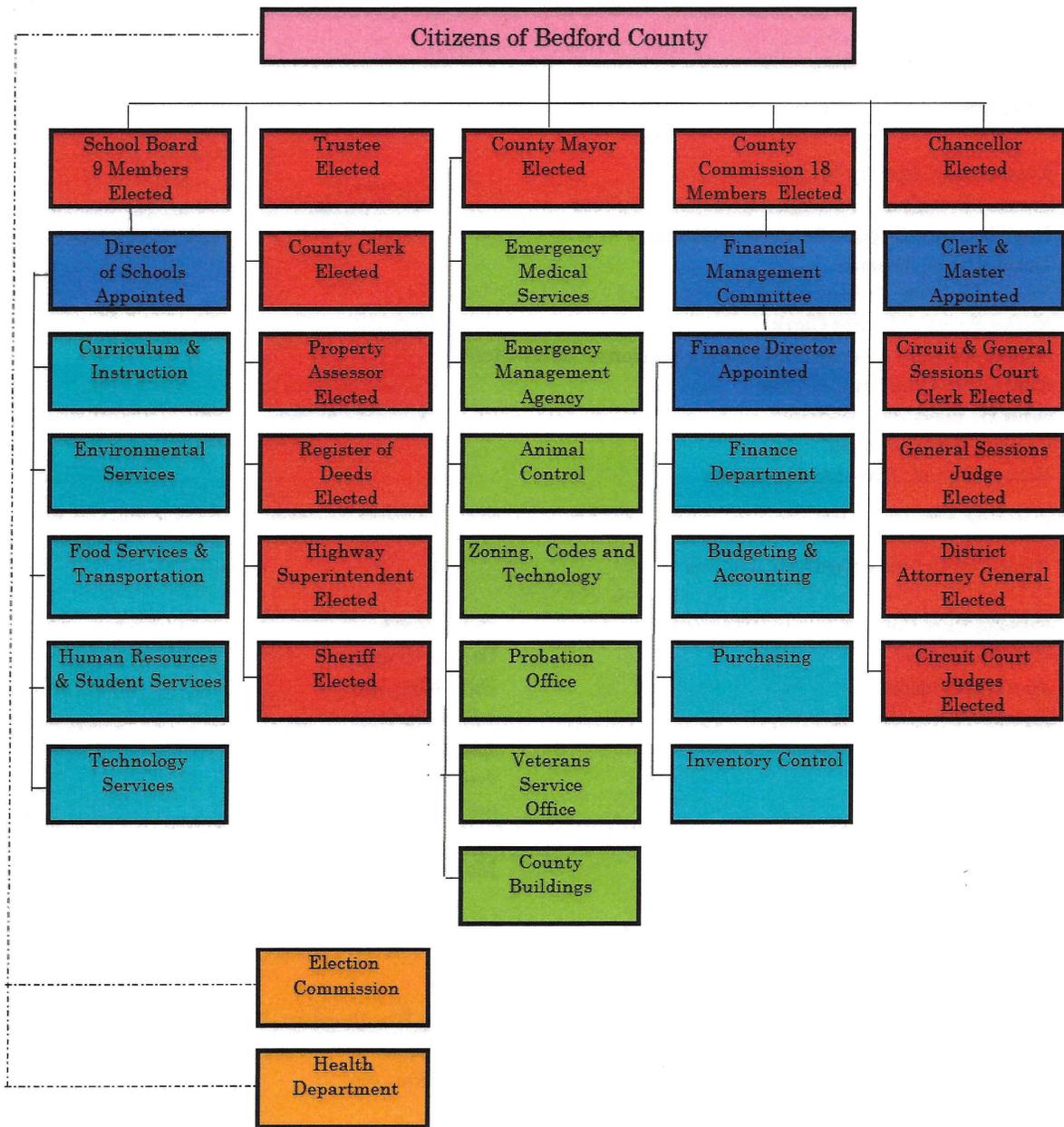
Presented to

**Bedford County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



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

Bedford County Officials
June 30, 2014

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

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2014, 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, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress – pension plan and other postemployment benefits plans on pages 91 - 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it

to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2014, 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,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 17, 2014

JPW/sb

**Bedford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

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, 2014. 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 \$9,027,258 (net position). Of this amount, a negative \$36,661,844 represents unrestricted net position.
- Bedford County's total net position increased by \$4,623,541.
- At the close of the current fiscal year, Bedford County's governmental funds reported combined fund balances of \$17,660,440, a decrease of \$436,800 in comparison with the prior year. The majority of this decrease can be attributed to the purchase of capital assets. Approximately 29.1 percent of this amount or \$5,135,801 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 \$12,557,521, or approximately 68.7 percent of total General Fund expenditures.
- Bedford County's total outstanding long-term debt decreased by \$4,475,600 or approximately 7.3 percent during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Bedford County, liabilities and deferred inflows exceeded assets by \$9,027,258 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, 2014, Bedford County had outstanding debt totaling \$52,247,000 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.

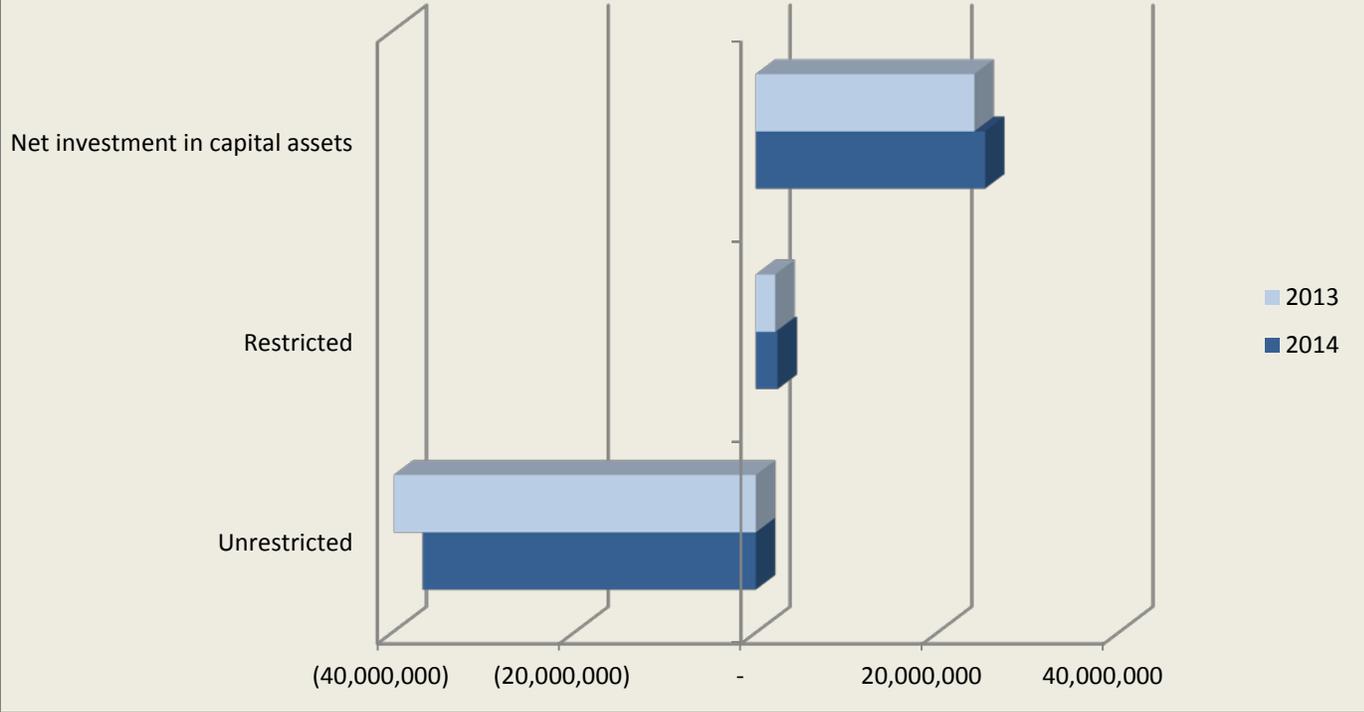
BEDFORD COUNTY'S Net Position

	Governmental Activities	
	2013-14	2012-13
Current and Other Assets	\$ 29,373,561	\$ 30,072,491
Capital Assets	29,991,263	29,552,891
Total Assets	<u>\$ 59,364,824</u>	<u>\$ 59,625,382</u>
Long-term Liabilities	\$ 58,087,475	\$ 62,580,688
Other Liabilities	288,348	819,392
Deferred Inflows of Resources	10,016,259	9,876,101
Total Liabilities and Deferred Inflows	<u>\$ 68,392,082</u>	<u>\$ 73,276,181</u>
Net Position:		
Net Investment in Capital Assets	\$ 25,246,263	\$ 24,061,291
Restricted	2,388,323	2,121,316
Unrestricted	<u>(36,661,844)</u>	<u>(39,833,406)</u>
Total Net Position	<u><u>\$ (9,027,258)</u></u>	<u><u>\$ (13,650,799)</u></u>

By far, the largest portion of Bedford County's net position totaling \$25,246,263 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 \$2,388,323 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, 2013 and 2014

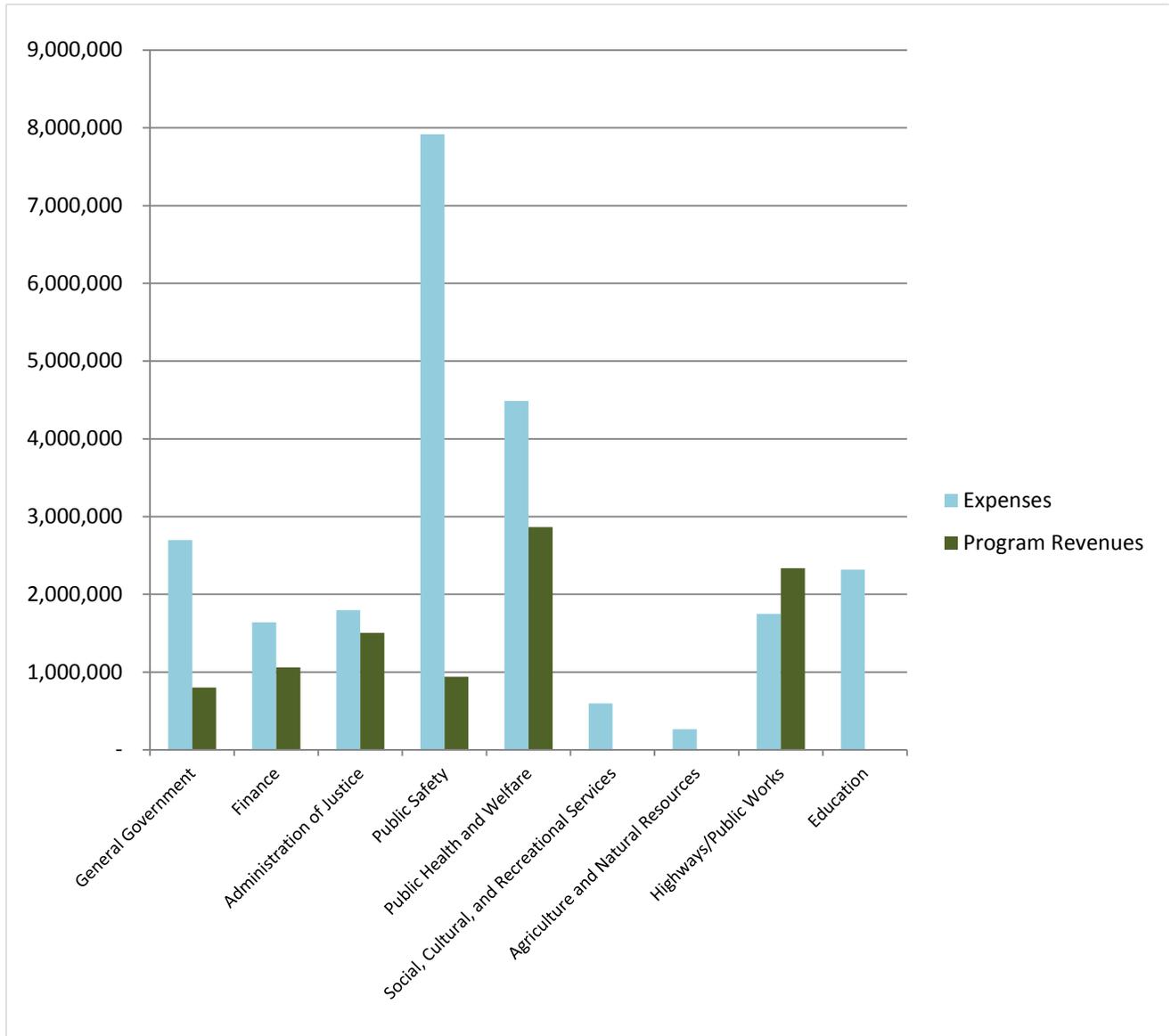


Governmental activities. During the current fiscal year, net position for governmental activities increased \$4,623,541 from the prior fiscal year for an ending balance of a negative \$9,027,258. While the current recession had an impact on Bedford County, and charges for services, local option sales tax, and unrestricted investment earnings decreased, net position was partially offset by an increase in property taxes.

BEDFORD COUNTY'S Changes in Net Position

	Governmental Activities	
	2013-14	2012-13
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,125,160	\$ 5,646,977
Operating Grants and Contributions	2,559,500	3,439,576
Capital Grants and Contributions	833,698	749,197
General Revenues:		
Property Taxes	10,385,599	10,600,355
Local Option Sales Taxes	5,473,609	5,222,426
Other Taxes	1,209,328	1,142,346
Grants and Contributions Not Restricted to Specific Programs	1,091,349	1,078,237
Unrestricted Investment Earnings	36,627	40,277
Miscellaneous	380,290	272,656
Total Revenues	<u>\$ 28,095,160</u>	<u>\$ 28,192,047</u>
Expenses:		
General Government	\$ 2,698,463	\$ 2,679,511
Finance	1,639,345	1,586,677
Administration of Justice	1,796,717	1,749,801
Public Safety	7,916,501	7,788,326
Public Health and Welfare	4,486,032	5,356,033
Social, Cultural, and Recreational Services	598,490	514,850
Agriculture and Natural Resources	266,214	294,011
Highway/Public Works	1,751,616	2,933,127
Education (Payment to CU)	2,318,241	2,495,792
Total Expenses	<u>\$ 23,471,619</u>	<u>\$ 25,398,128</u>
Increase (Decrease) in Net Position Before Transfers	\$ 4,623,541	\$ 2,793,919
Transfers	0	731,675
Increase (Decrease) in Net Position	4,623,541	3,525,594
Prior-period Adjustment	0	(735,172)
Net position, July 1	<u>(13,650,799)</u>	<u>(16,441,221)</u>
Net position, June 30	<u>\$ (9,027,258)</u>	<u>\$ (13,650,799)</u>

Expenses and Program Revenues – Governmental Activities

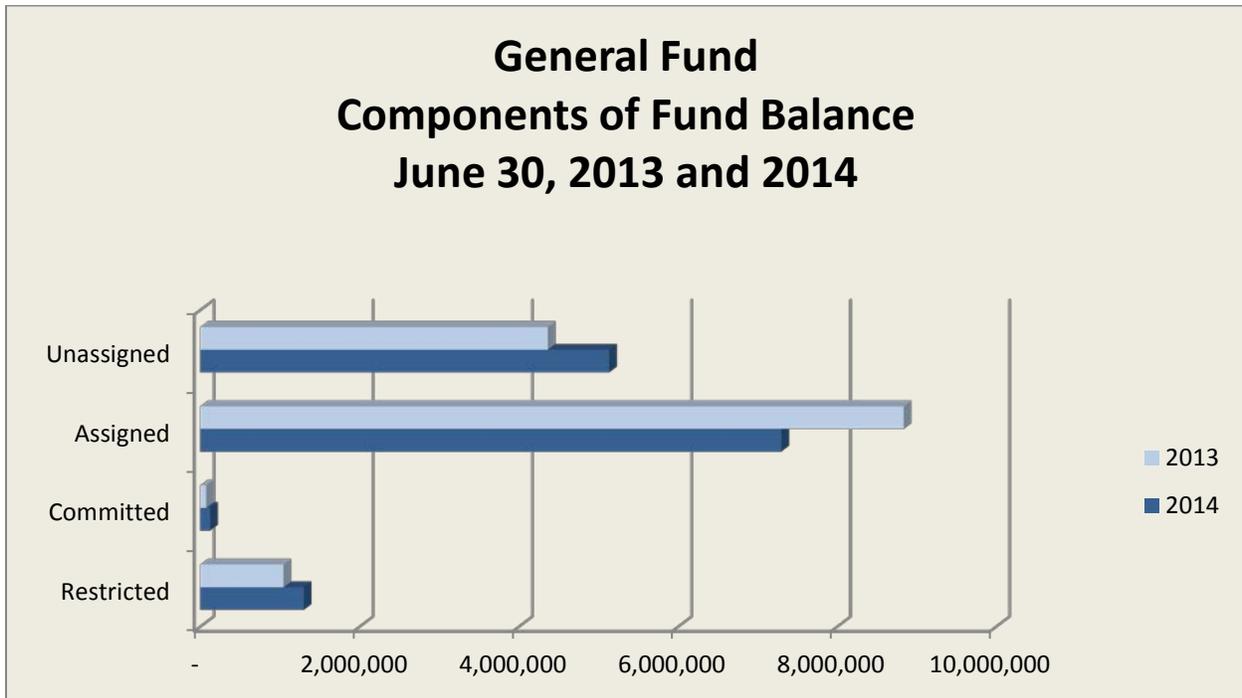


Financial Analysis of the Government’s Funds

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

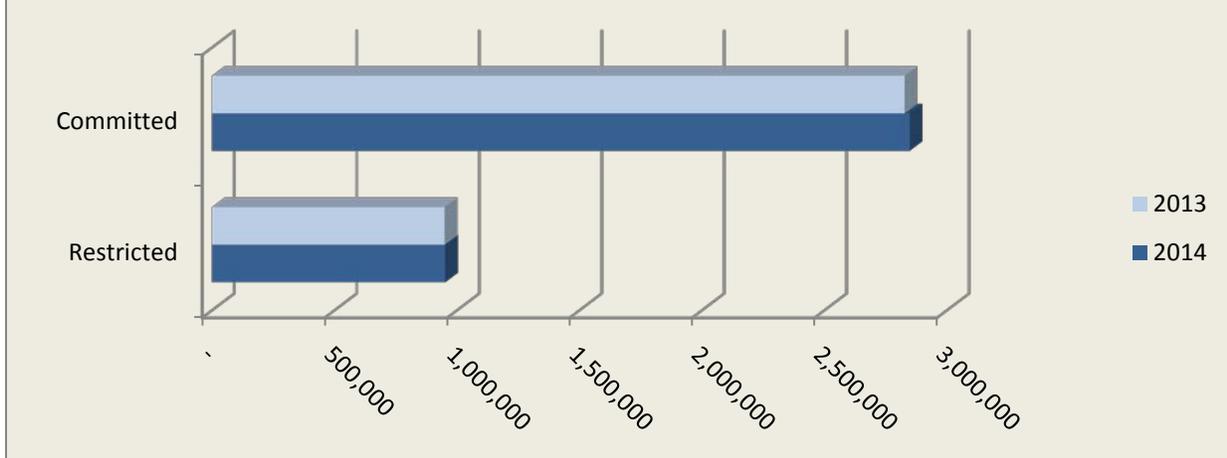
Governmental funds. The focus of Bedford County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County government’s financing requirements. In particular, unassigned fund balance may 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, 2014, Bedford County’s governmental funds reported combined ending fund balances of \$17,660,440, a decrease of \$436,800, in comparison with the prior year. Approximately 29.1 percent of this amount or \$5,135,801 *constitutes unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes (\$2,254,365); 2) committed for particular purposes (\$2,972,249); or 3) assigned for particular purposes (\$7,298,025).



The General Fund is the chief operating fund of Bedford County. At the end of the current fiscal year, unassigned fund balance was \$5,135,801, while total fund balance decreased to \$13,859,000. 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 28.1 percent of total General Fund expenditures, while total fund balance represents approximately 75.8 percent of that same amount.

Other Governmental Funds Components of Fund Balance June 30, 2013 and 2014



The fund balance of Bedford County's General Fund decreased by \$459,245 during the current fiscal year. As discussed earlier in connection with governmental activities, the decrease was primarily due to the purchase of capital assets.

The General Debt Service Fund had an increase in fund balance during the current year of \$98,180 to bring the year-end fund balance to \$2,457,620. This increase was primarily due to a reduction of outstanding debt balances.

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were increases to original estimated revenues and original budgeted appropriations. The increase in estimated revenues was not significant except for an increase in revenues from local taxes and from the federal government, which was increased by \$549,000 and \$244,717, respectively. Generally, the movement of the appropriations between the departments was not significant. The exceptions were the appropriation for the Sheriff's Department in the public safety function, which was increased by \$108,991 and the appropriation for the other general government projects in the capital projects function, which was increased by \$348,841.

The increase in the Sheriff's Department budget was primarily due to an increase in vehicle maintenance costs, overtime, and increased cost of service providers. The increase in capital projects was due to the construction of an office building, a sidewalk grant project, and the purchase and installation of three tornado sirens.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues in the final budget were in local taxes of \$552,602 and charges for current services with \$747,852 more than anticipated.

At the close of the fiscal year, General Fund revenues were \$1,576,598 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 with the appropriations in the final budget yields no significant variances. At the close of the fiscal year, actual expenditures and encumbrances were \$1,669,165 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, 2014, totals \$29,991,263, (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 1.5 percent.

Bedford County’s Capital Assets
(net of depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 867,300	\$ 867,300
Construction in Progress	20,588	0
Buildings and Improvements	7,330,542	7,394,671
Other Capital Assets	2,284,776	2,573,564
Infrastructure	19,488,057	18,717,356
Total	\$ 29,991,263	\$ 29,552,891

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

- Office building totaling \$205,810.
- Fire Department concrete ramps totaling \$72,897.
- Three (3) tornado sirens totaling \$39,940.
- Construction in Progress of a new water heating system for the jail totaling \$20,588.

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 \$56,992,000. All debt is backed by the full faith and credit of the government.

Bedford County’s Outstanding Debt

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$ 55,215,000	\$ 58,685,000
Notes Payable	0	471,600
Other Debt Payable	1,777,000	2,311,000
Total	\$ 56,992,000	\$ 61,467,600

Bedford County’s total debt decreased by \$4,475,600 (7.3 percent) during the current fiscal year.

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

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

Economic Factors and Next Year’s Budget and Rates

The following economic factors currently affect Bedford County and were considered in developing the 2014-15 fiscal year budget.

- The unemployment rate for Bedford County is currently 7.5 percent, which is a decrease from a rate of 9.3 percent a year ago. While the unemployment rate is likely to decrease, it is not expected to reach the pre-recession level for several years.
- Bedford County has experienced an upturn in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and an increase in local option sales tax collections.
- Interest rates are expected to remain at low levels throughout fiscal year 2014-15.
- Bedford County’s daytime population exceeds 32,000 persons a day, requiring 24-hour services for residents and non-residents alike.

During the current fiscal year, the unassigned fund balance in the General Fund was \$5,135,801. Bedford County has appropriated \$1,000,000 of this amount for spending in the 2014-15 fiscal year budget. This action was taken to assist in building a new public library during the 2014-15 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.

BASIC FINANCIAL STATEMENTS

Bedford County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Governmental Activities	Component Units		
		Bedford County	School Department	Emergency Communications District
	\$	\$	\$	\$
Cash	555	4,646	585,783	
Equity in Pooled Cash and Investments	16,121,355	12,233,620	0	0
Inventories	0	62,906	0	0
Accounts Receivable	1,808,850	45,786	20,280	
Allowance for Uncollectibles	(775,355)	0	0	0
Due from Other Governments	1,763,137	703,570	19,532	
Due from Primary Government	0	0	36,903	
Property Taxes Receivable	10,865,543	8,812,356	0	0
Allowance for Uncollectible Property Taxes	(410,524)	(317,554)	0	0
Prepaid Items	0	0	23,753	
Restricted Assets	0	0	100	
Capital Assets:				
Assets Not Depreciated:				
Land	867,300	2,785,691	0	0
Construction in Progress	20,588	0	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	7,330,542	84,593,246	0	0
Other Capital Assets	2,284,776	3,857,400	606,313	
Infrastructure	19,488,057	0	0	0
Total Assets	\$ 59,364,824	\$ 112,781,667	\$ 1,292,664	

(Continued)

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

	<u>Component Units</u>	
	<u>Primary Governmental Activities</u>	<u>Bedford County School Department Emergency Communications District</u>
Accounts Payable	\$ 88,860	\$ 2,907
Accrued Payroll	0	\$ 6,769
Accrued Interest Payable	151,952	10,458
Compensated Absences Payable	0	0
Payroll Deductions Payable	698	27,269
Due to Component Units	36,903	1,593,301
Due to State of Tennessee	9,935	0
Noncurrent Liabilities:		
Due Within One Year	3,525,353	0
Due in More Than One Year (net of unamortized premium on debt)	54,562,122	770,635
Total Liabilities	<u>\$ 58,375,823</u>	<u>\$ 2,366,843</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 10,016,259	\$ 8,173,267
Total Deferred Inflows of Resources	<u>\$ 10,016,259</u>	<u>\$ 8,173,267</u>

(Continued)

Exhibit A

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

	<u>Component Units</u>	
	<u>Bedford</u>	<u>Emergency</u>
<u>Primary</u>	<u>County</u>	<u>Communications</u>
<u>Governmental</u>	<u>School</u>	<u>District</u>
<u>Activities</u>	<u>Department</u>	<u>District</u>
\$ 25,246,263	\$ 91,236,337	\$ 606,313
7,410	0	0
1,135,259	0	0
32,026	0	0
136,946	0	0
1,076,682	0	0
0	1,595,737	0
0	167,553	0
<u>(36,661,844)</u>	<u>9,241,930</u>	<u>638,767</u>
\$ <u>(9,027,258)</u>	\$ <u>102,241,557</u>	\$ <u>1,245,080</u>

NET POSITION

Net Investment in Capital Assets	
Restricted for:	
Finance	
Administration of Justice	
Public Safety	
Public Health and Welfare	
Highway/Public Works	
Central Cafeteria	
Education	
Unrestricted	
Total Net Position	

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, 2014

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	Emergency Communications District
Primary Government:							
General Government Activities:							
Finance	\$ 2,698,463	\$ 729,270	\$ 73,410	\$ 0	\$ (1,895,783)	\$ 0	\$ 0
Administration of Justice	1,639,345	1,060,922	0	0	(578,423)	0	0
Public Safety	1,796,717	1,495,030	9,000	0	(292,687)	0	0
Public Health and Welfare	7,916,501	849,422	91,268	0	(6,975,811)	0	0
Social, Cultural, and Recreational Services	4,486,032	1,964,227	469,006	431,400	(1,621,399)	0	0
Agriculture and Natural Resources	598,490	0	0	0	(598,490)	0	0
Highways	266,214	6,450	2,200	0	(257,564)	0	0
Education	1,751,616	19,839	1,914,616	402,298	585,137	0	0
	2,318,241	0	0	0	(2,318,241)	0	0
Total Primary Government	\$ 23,471,619	\$ 6,125,160	\$ 2,559,500	\$ 833,698	\$ (13,953,261)	\$ 0	\$ 0
Component Units:							
Bedford County School Department	\$ 64,154,978	\$ 1,512,140	\$ 8,904,944	\$ 136,646	\$ 0	\$ (53,601,248)	\$ 0
Emergency Communications District	970,499	527,529	2,736	0	0	0	(440,234)
Total Component Units	\$ 65,125,477	\$ 2,039,669	\$ 8,907,680	\$ 136,646	\$ 0	\$ (53,601,248)	\$ (440,234)

(Continued)

Exhibit B

Bedford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Primary Governmental Activities	Bedford County School Department	Emergency Communica- tions District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 8,407,067	\$ 0	0
Property Taxes Levied for Debt Service				0	0	0
Local Option Sales Tax				2,026,045	0	0
Business Tax				0	0	0
Litigation Tax - General				173,627	0	0
Wholesale Beer Tax				194,814	0	0
Adequate Facilities/Development Tax				235,528	0	0
Litigation Tax - Courtroom Security				101,572	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				94,881	0	0
Mineral Severance Tax				63,473	0	0
Other Local Taxes				7,774	10,315	0
Grants and Contributions Not Restricted to Specific Programs				1,091,349	42,946,669	474,003
Unrestricted Investment Income				36,627	1,124	363
Gain on Sale of Capital Assets				0	20,109	0
Miscellaneous				380,290	101,341	0
Total General Revenues				\$ 18,576,802	\$ 53,512,670	\$ 474,366
Change in Net Position				\$ 4,623,541	\$ (88,578)	\$ 34,132
Net Position, July 1, 2013				(13,650,799)	102,330,135	1,330,474
Prior-period Adjustment - See Note VI.G.				0	0	(119,526)
Net Position, June 30, 2014				\$ (9,027,258)	\$ 102,241,557	\$ 1,245,080

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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
Cash	\$ 555	\$ 0	\$ 0	\$ 0	\$ 0	555
Equity in Pooled Cash and Investments	13,205,678	732,451	1,782,130	401,096		16,121,355
Accounts Receivable	1,444,803	4,476	359,571	0		1,808,850
Allowance for Uncollectibles	(773,939)	0	(1,416)	0		(775,355)
Due from Other Governments	491,497	376,246	895,394	0		1,763,137
Property Taxes Receivable	9,622,233	346,747	896,563	0		10,865,543
Allowance for Uncollectible Property Taxes	(356,020)	(12,830)	(41,674)	0		(410,524)
Total Assets	\$ 23,634,807	\$ 1,447,090	\$ 3,890,568	\$ 401,096	\$	29,373,561

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Allowance for Uncollectibles
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

LIABILITIES

Accounts Payable
Payroll Deductions Payable
Due to Component Units
Due to State of Tennessee
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

\$ 8,894,438	\$ 320,520	\$ 801,301	\$ 0	\$ 0	\$ 10,016,259
332,400	11,978	47,914	0	0	392,292
413,271	171,170	583,733	0	0	1,168,174
\$ 9,640,109	\$ 503,668	\$ 1,432,948	\$ 0	\$ 0	\$ 11,576,725

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
Restricted:						
Restricted for Finance	\$ 7,410	\$ 0	\$ 0	\$ 0	\$ 0	7,410
Restricted for Administration of Justice	1,135,259	0	0	0	0	1,135,259
Restricted for Public Safety	21,864	0	0	10,162	0	32,026
Restricted for Public Health and Welfare	136,946	0	0	0	0	136,946
Restricted for Highways/Public Works	0	942,724	0	0	0	942,724
Committed:						
Committed for General Government	8,385	0	0	0	0	8,385
Committed for Finance	810	0	0	0	0	810
Committed for Public Safety	2,075	0	0	0	0	2,075
Committed for Public Health and Welfare	89,072	0	0	0	0	89,072
Committed for Agriculture and Natural Resources	23,353	0	0	0	0	23,353
Committed for Debt Service	0	0	2,457,620	0	0	2,457,620
Committed for Capital Projects	0	0	0	390,934	0	390,934
Assigned:						
Assigned for Capital Projects	7,298,025	0	0	0	0	7,298,025
Unassigned	5,135,801	0	0	0	0	5,135,801
Total Fund Balances	\$ 13,859,000	\$ 942,724	\$ 2,457,620	\$ 401,096	\$ 0	\$ 17,660,440
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,634,807	\$ 1,447,090	\$ 3,890,568	\$ 401,096	\$ 0	\$ 29,373,561

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

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 17,660,440
(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: construction in progress	20,588	
Add: buildings and improvements net of accumulated depreciation	7,330,542	
Add: other capital assets net of accumulated depreciation	2,284,776	
Add: infrastructure net of accumulated depreciation	<u>19,488,057</u>	29,991,263
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (1,777,000)	
Less: bonds payable	(55,215,000)	
Less: compensated absences payable	(267,063)	
Less: other postemployment benefits liability	(490,149)	
Less: accrued interest on bonds	(151,952)	
Less: other deferred revenue - premium on debt	<u>(338,263)</u>	(58,239,427)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,560,466</u>
Net position of governmental activities (Exhibit A)		<u>\$ (9,027,258)</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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,031,602	\$ 413,815	\$ 6,306,020	\$ 0	\$ 0	\$ 17,751,437
Licenses and Permits	148,734	0	0	0	0	148,734
Fines, Forfeitures, and Penalties	472,637	0	0	4,490	0	477,127
Charges for Current Services	2,427,204	0	0	4,259	0	2,431,463
Other Local Revenues	876,967	37,560	36,627	1,403	0	952,557
Fees Received from County Officials	1,847,897	0	0	0	0	1,847,897
State of Tennessee	1,452,211	2,154,699	0	0	0	3,606,910
Federal Government	283,228	17,760	0	431,400	0	732,388
Other Governments and Citizens Groups	0	2,454	0	0	0	2,454
Total Revenues	\$ 18,540,480	\$ 2,626,288	\$ 6,342,647	\$ 441,552	\$ 0	\$ 27,950,967
<u>Expenditures</u>						
Current:						
General Government	\$ 1,556,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,556,066
Finance	1,636,393	0	0	0	0	1,636,393
Administration of Justice	1,792,622	0	0	4,259	0	1,796,881
Public Safety	7,465,438	0	0	0	0	7,465,438
Public Health and Welfare	4,208,827	0	0	0	0	4,208,827
Social, Cultural, and Recreational Services	167,090	0	0	0	0	167,090
Agriculture and Natural Resources	230,609	0	0	0	0	230,609
Other Operations	853,106	7,000	0	45	0	860,151
Highways	0	2,622,733	0	0	0	2,622,733
Capital Outlay	0	0	0	102,903	0	102,903
Debt Service:						
Principal on Debt	0	0	4,475,600	0	0	4,475,600
Interest on Debt	0	0	2,351,178	0	0	2,351,178

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 0	\$ 103,658	\$ 0	\$ 0	\$ 103,658
Capital Projects	378,840	0	0	431,400	0	810,240
Total Expenditures	\$ 18,288,991	\$ 2,629,733	\$ 6,930,436	\$ 538,607	\$ 0	\$ 28,387,767
Excess (Deficiency) of Revenues Over Expenditures	\$ 251,489	\$ (3,445)	\$ (587,789)	\$ (97,055)	\$ 0	\$ (436,800)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 685,969	\$ 24,765	\$ 0	\$ 710,734
Transfers Out	(710,734)	0	0	0	0	(710,734)
Total Other Financing Sources (Uses)	\$ (710,734)	\$ 0	\$ 685,969	\$ 24,765	\$ 0	\$ 0
Net Change in Fund Balances	\$ (459,245)	\$ (3,445)	\$ 98,180	\$ (72,290)	\$ 0	\$ (436,800)
Fund Balance, July 1, 2013	14,318,245	946,169	2,359,440	473,386	0	18,097,240
Fund Balance, June 30, 2014	\$ 13,859,000	\$ 942,724	\$ 2,457,620	\$ 401,096	\$ 0	\$ 17,660,440

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

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, 2014

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)		\$ (436,800)
(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	\$ 1,924,834	
Less: current-year depreciation expense	<u>(1,486,462)</u>	438,372
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 1,560,466	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(1,449,393)</u>	111,073
(3) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in premium on debt issuances	\$ 33,120	
Add: principal payments on bonds	3,470,000	
Add: principal payments on notes	471,600	
Add: principal payments on other loans	534,000	
Less: change in deferred amount on refunding debt	<u>(9,479)</u>	4,499,241
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 17,683	
Change in compensated absences payable	28,758	
Change in other postemployment benefits liability	<u>(34,786)</u>	11,655
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,623,541</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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,031,602	\$ 0	\$ 0	\$ 11,031,602	\$ 9,930,000	\$ 10,479,000	\$ 552,602
Licenses and Permits	148,734	0	0	148,734	117,000	117,000	31,734
Fines, Forfeitures, and Penalties	472,637	0	0	472,637	283,515	289,700	182,937
Charges for Current Services	2,427,204	0	0	2,427,204	1,667,850	1,679,352	747,852
Other Local Revenues	876,967	0	0	876,967	527,162	766,728	110,239
Fees Received from County Officials	1,847,897	0	0	1,847,897	1,820,200	1,821,040	26,857
State of Tennessee	1,452,211	0	0	1,452,211	1,677,080	1,502,751	(50,540)
Federal Government	283,228	0	0	283,228	63,594	308,311	(25,083)
Total Revenues	\$ 18,540,480	\$ 0	\$ 0	\$ 18,540,480	\$ 16,086,401	\$ 16,963,882	\$ 1,576,598
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 108,141	\$ 0	\$ 100	\$ 108,241	\$ 108,860	\$ 108,860	\$ 619
Board of Equalization	1,580	0	0	1,580	8,000	8,000	6,420
Beer Board	200	0	0	200	1,000	1,000	800
Budget and Finance Committee	2,076	0	0	2,076	3,067	3,067	991
County Mayor/Executive	184,891	0	0	184,891	258,127	258,127	73,236
County Attorney	64,088	0	0	64,088	65,000	65,000	912
Election Commission	216,713	(759)	0	215,954	175,302	233,780	17,826
Register of Deeds	271,670	0	550	272,220	277,705	280,435	8,215
Planning	191,560	0	0	191,560	231,416	231,467	39,907
Codes Compliance	57,735	0	0	57,735	67,277	67,795	10,060
County Buildings	457,412	(8,983)	7,735	456,164	640,428	642,296	186,132
<u>Finance</u>							
Accounting and Budgeting	468,033	(1,101)	810	467,742	600,814	526,113	58,371
Property Assessor's Office	363,218	0	0	363,218	369,818	370,009	6,791
Reappraisal Program	101,936	0	0	101,936	113,901	113,901	11,965
County Trustee's Office	270,966	0	0	270,966	324,847	324,850	53,884
County Clerk's Office	432,240	0	0	432,240	444,713	459,366	27,126

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
	\$	0 \$	0 \$	507,781 \$	556,763 \$	556,795 \$	49,014
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	226,379	0	0	226,379	229,929	229,929	3,550
General Sessions Court	292,765	0	0	292,765	294,635	301,710	8,945
Chancery Court	205,516	0	0	205,516	208,148	216,148	10,632
Juvenile Court	174,614	0	0	174,614	178,203	178,203	3,589
Judicial Commissioners	69,773	0	0	69,773	119,466	111,466	41,693
Other Administration of Justice	315,794	0	0	315,794	330,393	331,437	15,643
Probation Services							
<u>Public Safety</u>							
Sheriff's Department	2,481,626	(16,947)	1,050	2,465,729	2,619,848	2,728,839	263,110
Traffic Control	33,571	0	350	33,921	31,319	37,504	3,583
Jail	1,805,460	0	0	1,805,460	1,830,124	1,848,475	43,015
Workhouse	918,924	(699)	0	918,225	954,567	964,532	46,307
Juvenile Services	443,091	0	0	443,091	465,052	466,652	23,561
Other Emergency Management	1,362,816	(9,074)	675	1,354,417	1,324,173	1,406,301	51,884
County Coroner/Medical Examiner	19,950	0	0	19,950	20,000	20,000	50
Other Public Safety	400,000	0	0	400,000	450,214	450,214	50,214
<u>Public Health and Welfare</u>							
Local Health Center	512,320	0	0	512,320	580,800	651,059	138,739
Rabies and Animal Control	254,539	0	4,347	258,886	250,828	306,427	47,541
Ambulance/Emergency Medical Services	2,204,826	(4,100)	84,725	2,285,451	2,435,356	2,472,583	187,132
Other Local Health Services	65,821	0	0	65,821	65,821	65,821	0
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	27,000	0	0	27,000	54,000	40,500	13,500
General Welfare Assistance	100,175	0	0	100,175	100,475	100,475	300
Convenience Centers	1,031,246	0	0	1,031,246	1,084,432	1,096,081	64,835
<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 7/1/2013	Add: Encumbrances 6/30/2014	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	\$ 116,300	\$ 0	\$ 0	\$ 116,300	\$ 132,541	\$ 132,541	\$ 16,241
Soil Conservation	37,000	0	0	37,000	37,000	37,000	0
Other Agriculture and Natural Resources	77,309	0	0	77,309	71,761	84,346	7,037
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	21,012	0	0	21,012	30,161	30,161	9,149
Other Charges	269,240	0	0	269,240	204,482	294,240	25,000
Contributions to Other Agencies	120,449	0	0	120,449	122,000	122,000	1,551
Miscellaneous	438,457	0	0	438,457	410,823	478,551	40,094
<u>Capital Projects</u>							
Other General Government Projects	378,840	0	0	378,840	30,000	378,841	1
Total Expenditures	\$ 18,288,991	\$ (41,663)	\$ 100,342	\$ 18,347,670	\$ 19,097,527	\$ 20,016,835	\$ 1,669,165
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 251,489	\$ 41,663	\$ (100,342)	\$ 192,810	\$ (3,011,126)	\$ (3,052,953)	\$ 3,245,763
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,171	\$ 49,615	\$ (49,615)
Transfers In	0	0	0	0	78,121	0	0
Transfers Out	(710,734)	0	0	(710,734)	0	(710,735)	1
Total Other Financing Sources	\$ (710,734)	\$ 0	\$ 0	\$ (710,734)	\$ 87,292	\$ (661,120)	\$ (49,614)
Net Change in Fund Balance	\$ (459,245)	\$ 41,663	\$ (100,342)	\$ (517,924)	\$ (2,923,834)	\$ (3,714,073)	\$ 3,196,149
Fund Balance, July 1, 2013	14,318,245	(41,663)	0	14,276,582	13,684,091	13,588,002	688,580
Fund Balance, June 30, 2014	\$ 13,859,000	\$ 0	\$ (100,342)	\$ 13,758,658	\$ 10,760,257	\$ 9,873,929	\$ 3,884,729

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, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 413,815	\$ 0	\$ 413,815	\$ 398,600	\$ 398,600	\$ 15,215
Charges for Current Services	0	0	0	1,250	1,250	(1,250)
Other Local Revenues	37,560	0	37,560	29,000	29,000	8,560
State of Tennessee	2,154,699	0	2,154,699	2,350,000	2,350,000	(195,301)
Federal Government	17,760	0	17,760	0	0	17,760
Other Governments and Citizens Groups	2,454	0	2,454	14,000	14,000	(11,546)
Total Revenues	\$ 2,626,288	\$ 0	\$ 2,626,288	\$ 2,792,850	\$ 2,792,850	\$ (166,562)
<u>Expenditures</u>						
<u>Other Operations</u>						
Contributions to Other Agencies	\$ 7,000	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
<u>Highways</u>						
Administration	242,946	0	242,946	248,721	272,355	29,409
Highway and Bridge Maintenance	1,135,305	0	1,135,305	1,340,326	1,386,851	251,546
Operation and Maintenance of Equipment	471,433	125	471,558	539,262	577,837	106,279
Litter and Trash Collection	71,740	0	71,740	65,911	76,561	4,821
Other Charges	121,043	0	121,043	134,000	134,000	12,957
Employee Benefits	53,062	0	53,062	57,225	57,225	4,163
Capital Outlay	527,204	0	527,204	615,000	665,000	137,796
Total Expenditures	\$ 2,629,733	\$ 125	\$ 2,629,858	\$ 3,007,445	\$ 3,176,829	\$ 546,971
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,445)	(125)	(3,570)	(214,595)	(383,979)	\$ 380,409

(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)	Add: Encumbrances 6/30/2014	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 Fund Balance, July 1, 2013	\$ (3,445) \$ 946,169	(125) \$ 0	(3,570) \$ 946,169	(232,979) \$ 916,253	(382,979) \$ 766,253	379,409 179,916
Fund Balance, June 30, 2014	\$ 942,724 \$	(125) \$	942,599 \$	683,274 \$	383,274 \$	559,325

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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,352,587
Accounts Receivable	5,206
Due from Other Governments	611,382
Cash Shortage	<u>31,460</u>
Total Assets	<u>\$ 2,000,635</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 611,382
Due to Litigants, Heirs, and Others	<u>1,389,253</u>
Total Liabilities	<u>\$ 2,000,635</u>

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

BEDFORD COUNTY, TENNESSEE
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BEDFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Bedford County issues all debt for the discretely presented Bedford County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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

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

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

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

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

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

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

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

Bedford County reports the following major governmental funds:

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

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

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

Additionally, Bedford County reports the following fund types:

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bedford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Bedford County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

3. Inventories

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

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. The government has no items that qualify for reporting in this category.

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 the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

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

Discretely Presented Bedford County School Department

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

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

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

As of June 30, 2014, Bedford County had \$52,247,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. This debt is a liability of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is

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

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

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

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

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

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

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund

balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balances:

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Bedford County School Department

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

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

Primary Government

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

Discretely Presented Bedford County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Cash Shortage

On December 18, 2013, the State Comptroller's Office issued a special investigative report on the Bedford County Sheriff's Department for the period January 1, 2006, through December 31, 2011. This report disclosed a number of deficiencies in accounting for sexual offender registry payments, including a cash shortage of at least \$31,460. The former officer responsible for this theft was indicted by the Bedford County Grand Jury on December 16, 2013, on charges of theft over \$10,000, forgery, and official misconduct. A trial date has been set for October 20, 2014.

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, 2014.

B. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government – Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 867,300	\$ 0	\$ 0	\$ 867,300
Construction in Progress	0	20,588	0	20,588
Total Capital Assets Not Depreciated	\$ 867,300	\$ 20,588	\$ 0	\$ 887,888
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,110,535	\$ 278,707	\$ 0	\$ 13,389,242
Other Capital Assets	7,985,638	199,240	(253,002)	7,931,876
Infrastructure	25,359,909	1,426,299	0	26,786,208
Total Capital Assets Depreciated	\$ 46,456,082	\$ 1,904,246	\$ (253,002)	\$ 48,107,326
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,715,864	\$ 342,836	\$ 0	\$ 6,058,700
Other Capital Assets	5,412,074	488,028	(253,002)	5,647,100
Infrastructure	6,642,553	655,598	0	7,298,151
Total Accumulated Depreciation	\$ 17,770,491	\$ 1,486,462	\$ (253,002)	\$ 19,003,951
Total Capital Assets Depreciated, Net	\$ 28,685,591	\$ 417,784	\$ 0	\$ 29,103,375
Governmental Activities Capital Assets, Net	\$ 29,552,891	\$ 438,372	\$ 0	\$ 29,991,263

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

Governmental Activities:

General Government	\$ 86,438
Public Safety	404,115
Public Health and Welfare	297,861
Agriculture and Natural Resources	10,645
Highway/Public Works	<u>687,403</u>

Total Depreciation Expense - Governmental Activities \$ 1,486,462

Discretely Presented Bedford County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
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	\$ 118,352,201	\$ 455,635	\$ 0	\$ 118,807,836
Other Capital Assets	8,830,171	1,391,080	(75,334)	10,145,917
Total Capital Assets Depreciated	<u>\$ 127,182,372</u>	<u>\$ 1,846,715</u>	<u>\$ (75,334)</u>	<u>\$ 128,953,753</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 31,344,408	\$ 2,870,182	\$ 0	\$ 34,214,590
Other Capital Assets	5,646,700	696,434	(54,617)	6,288,517
Total Accumulated Depreciation	<u>\$ 36,991,108</u>	<u>\$ 3,566,616</u>	<u>\$ (54,617)</u>	<u>\$ 40,503,107</u>
Total Capital Assets Depreciated, Net	<u>\$ 90,191,264</u>	<u>\$ (1,719,901)</u>	<u>\$ (20,717)</u>	<u>\$ 88,450,646</u>
Governmental Activities Capital Assets, Net	<u>\$ 92,976,955</u>	<u>\$ (1,719,901)</u>	<u>\$ (20,717)</u>	<u>\$ 91,236,337</u>

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

Governmental Activities:

Instruction	\$ 2,940,542
Support Services	596,449
Operation of Non-instructional Services	<u>29,625</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,566,616</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: Emergency Communications District	Primary Government: General	\$ 36,903

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 685,969	\$ 24,765

Discretely Presented Bedford County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 10,521

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 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.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 30 years for bonds 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 and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Amount of Issue	Balance 6-30-14
General Obligation Bonds	3.25 to 5%	4-1-37	\$ 54,790,000	\$ 46,115,000
General Obligation Bonds - Refunding	1.8 to 2.09	4-1-23	11,105,000	9,100,000
Other Loans	variable	5-25-17	8,000,000	1,777,000

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, 2014, the variable interest rate was .47 percent, and other fees totaled approximately .5 percent (letter of credit), .1 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2015	\$ 562,000	\$ 8,429	\$ 11,754	\$ 582,183
2016	592,000	5,763	8,359	606,122
2017	623,000	2,955	4,698	630,653
Total	<u>\$ 1,777,000</u>	<u>\$ 17,147</u>	<u>\$ 24,811</u>	<u>\$ 1,818,958</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020-2024	13,780,000	7,847,624	21,627,624
2025-2029	10,010,000	5,361,297	15,371,297
2030-2034	10,405,000	3,113,550	13,518,550
2035-2037	7,415,000	677,024	8,092,024
Total	<u>\$ 55,215,000</u>	<u>\$ 27,178,626</u>	<u>\$ 82,393,626</u>

There is \$2,457,620 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled \$1,265, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 58,685,000	\$ 471,600	\$ 2,311,000
Additions	0	0	0
Reductions	(3,470,000)	(471,600)	(534,000)
Balance, June 30, 2014	<u>\$ 55,215,000</u>	<u>\$ 0</u>	<u>\$ 1,777,000</u>
Balance Due Within One Year	<u>\$ 2,950,000</u>	<u>\$ 0</u>	<u>\$ 562,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 295,821	\$ 455,363
Additions	515,201	39,470
Reductions	(543,959)	(4,684)
Balance, June 30, 2014	<u>\$ 267,063</u>	<u>\$ 490,149</u>
Balance Due Within One Year	<u>\$ 13,353</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 57,749,212
Less: Balance Due Within One Year	(3,525,353)
Add: Unamortized Premium on Debt	<u>338,263</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 54,562,122</u>

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

Discretely Presented Bedford County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Bedford County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2013	\$ 842,483
Additions	329,868
Reductions	<u>(401,716)</u>
Balance, June 30, 2014	<u>\$ 770,635</u>
Balance Due Within One Year	<u>\$ 0</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$78,925 and \$38,726, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

Bedford County

Employee Health Insurance

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

Discretely Presented Bedford County School Department

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

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

D. Contingent Liabilities

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

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

three-year term. During 2014, construction of the new library was begun. Bedford County has agreed to pay the construction invoices as they are received up to the agreed upon contribution amount.

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.

E. Joint Ventures

Primary Government

The Argie Cooper Public Library is jointly owned by Bedford County and the City of Shelbyville and operates under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The library is governed by a voluntary 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$142,390 to the operations of the library during the year ended June 30, 2014. As discussed in Note V.D. above, the Bedford County Commission has authorized a contribution of \$1 million to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract of not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County did not contribute to the Joint Economic Development Board for the year ended June 30, 2014.

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, 2014.

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, 2014.

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

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

Administrative Offices:

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

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

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

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

Discretely Presented Bedford County School Department

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, 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

F. Jointly Governed Organization

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

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

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, 2014, 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, 2014, the county's annual pension cost of \$976,847 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
6-30-14	\$976,847	100%	\$0
6-30-13	953,404	100	0
6-30-12	999,419	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 95.07 percent funded. The actuarial accrued liability for benefits was \$47.42 million, and the actuarial value of assets was \$45.09 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.34 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.46 million, and the ratio of the UAAL to the covered payroll was 17.35 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, 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, 2014, 2013, and 2012, were \$2,545,755, \$2,482,860, and \$2,462,823, 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.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Bedford County and the School Department recognized expenditures of \$4,684 and \$401,716, respectively, for postemployment health care during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 329,000	\$ 39,000
Interest on the NOPEBO	33,699	18,215
Adjustment to the ARC	(32,831)	(17,745)
Annual OPEB cost	\$ 329,868	\$ 39,470
Amount of contribution	(401,716)	(4,684)
Increase/decrease in NOPEBO	\$ (71,848)	\$ 34,786
Net OPEB obligation, 7-1-13	842,483	455,363
Net OPEB obligation, 6-30-14	<u>\$ 770,635</u>	<u>\$ 490,149</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 583,086	60 %	\$ 604,355
6-30-13	"	588,514	60	842,483
6-30-14	"	329,868	122	770,635
6-30-12	Local Government Group	79,217	14	386,345
6-30-13	"	80,050	14	455,363
6-30-14	"	39,470	12	490,149

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Laws

Office of Director of Finance

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Bedford County. All purchase orders are issued by the Finance Department.

Purchases exceeding \$10,000 for the Office of County Mayor, the Office of Highway Superintendent, and the discretely presented School Department are required to be competitively bid.

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

A. Summary of Significant Accounting Policies

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

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

Pursuant to *Tennessee Code Annotated*, Section 7-86-114, before issuing negotiable bonds, the district must have approval of the legislative body of the county wherein the district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years’ duration. In addition, the Bedford County Commission has the ability to adjust the district’s service charges.

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

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district’s assets, liabilities, net position, revenues, and expenses. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net

position. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Budgetary Law and Practice – The treasurer of the district files an annual budget with the mayor of Bedford County in accordance with *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 cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipts are expected, and disbursements are budgeted in the year that the disbursements are expected to occur. Capital asset purchases and capital lease payments are budgeted in total.

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

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

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

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2014, the district did not hold any certificates of deposit.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district does not have any items that qualify for reporting in this category as of June 30, 2014.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The district does not have any items that qualify for reporting in this category as of June 30, 2014.

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, 2014, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2014, the carrying amount of cash deposits was \$585,783, and the bank balance was \$611,088. At June 30, 2014, 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, 2014</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
First Bank checking	.1%	\$ 510,243	\$ 535,549
First Bank money market	.1%	75,540	75,539
Total		<u>\$ 585,783</u>	<u>\$ 611,088</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, 2014:

AT&T	\$ 10,906
United Telephone Company	7,421
Others	<u>1,953</u>
Total	<u>\$ 20,280</u>

D. Accounts Payable

Accounts payable includes amounts due vendors totaling \$6,769 at June 30, 2014.

E. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets			
Depreciated:			
Building and			
Improvements	\$ 242,481	\$ 0	\$ 242,481
Furniture and Fixtures	90,188	0	90,188
Office Equipment	48,722	0	48,722
Communications Equipment	744,084	0	744,084
Vehicle	45,150	0	45,150
Intangibles	29,152	0	29,152
Other Capital Assets	109,564	0	109,564
Total Capital Assets			
Depreciated	\$ 1,309,341	\$ 0	\$ 1,309,341
Less Accumulated			
Depreciation For:			
Building and			
Improvements	\$ 29,463	\$ 2,200	\$ 31,663
Furniture and Fixtures	51,681	9,089	60,770
Office Equipment	33,035	4,513	37,548
Communications Equipment	357,731	88,854	446,585
Vehicle	37,965	6,227	44,192
Intangibles	1,944	2,915	4,859
Other Capital Assets	67,075	10,336	77,411
Total Accumulated			
Depreciation	\$ 578,894	\$ 124,134	\$ 703,028
Total Capital Assets			
Depreciated, Net	\$ 730,447	\$ (124,134)	\$ 606,313

There were no decreases in capital assets during the year ended June 30, 2014.

F. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district obtains insurance coverage covering the above risks of loss through a public risk entity pool, Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TN-RMT 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.

G. Prior-period Adjustment

A prior-period adjustment has been made to the unrestricted net position to remove \$119,526 in amounts receivable from the Tennessee Economic Communications Board. This adjustment reduces the beginning net position from \$1,330,474 to \$1,210,948. Had this error not occurred, the change in net position for the year ended June 30, 2013, would have been \$116,073 rather than \$235,599.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bedford County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Bedford County School Department
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability 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 and School Department	7-1-13	\$ 45,085	\$ 47,421	\$ 2,336	95.07 %	\$ 13,461	17.35 %
"	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

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, 2014

(Dollar amounts in thousands)

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

BEDFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

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

Exhibit F-1

Bedford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	General Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 10,162	\$ 390,934	\$ 401,096
Total Assets	<u>\$ 10,162</u>	<u>\$ 390,934</u>	<u>\$ 401,096</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 10,162	\$ 0	\$ 10,162
Committed:			
Committed for Capital Projects	0	390,934	390,934
Total Fund Balances	<u>\$ 10,162</u>	<u>\$ 390,934</u>	<u>\$ 401,096</u>

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 4,490 \$	0 \$	4,490 \$	0
Charges for Current Services	0	4,259	4,259	0
Other Local Revenues	1,403	0	1,403	0
Federal Government	0	0	0	0
Total Revenues	\$ 5,893 \$	4,259 \$	10,152 \$	0
<u>Expenditures</u>				
Current:				
Administration of Justice	0 \$	4,259 \$	4,259 \$	0
Other Operations	45	0	45	0
Capital Outlay	0	0	0	102,903
Capital Projects	0	0	0	0
Total Expenditures	\$ 45 \$	4,259 \$	4,304 \$	102,903
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,848 \$	0 \$	5,848 \$	(102,903)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0 \$	0 \$	0 \$	24,765
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	24,765
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ 5,848 \$	0 \$	5,848 \$	(78,138)
	4,314	0	4,314	469,072
Fund Balance, June 30, 2014	\$ 10,162 \$	0 \$	10,162 \$	390,934

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Total</u>
	<u>Community</u>	<u>Development/</u>	<u>Nonmajor</u>
	<u>Industrial</u>	<u>Park</u>	<u>Governmental</u>
			<u>Funds</u>
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	0 \$	0 \$	4,490
Charges for Current Services	0	0	4,259
Other Local Revenues	0	0	1,403
Federal Government	431,400	431,400	431,400
Total Revenues	<u>431,400 \$</u>	<u>431,400 \$</u>	<u>441,552</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	0 \$	0 \$	4,259
Other Operations	0	0	45
Capital Outlay	0	102,903	102,903
Capital Projects	431,400	431,400	431,400
Total Expenditures	<u>431,400 \$</u>	<u>534,303 \$</u>	<u>538,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0 \$</u>	<u>(102,903) \$</u>	<u>(97,055)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	0 \$	24,765 \$	24,765
Total Other Financing Sources (Uses)	<u>0 \$</u>	<u>24,765 \$</u>	<u>24,765</u>
Net Change in Fund Balances	0 \$	(78,138) \$	(72,290)
Fund Balance, July 1, 2013	0	469,072	473,386
Fund Balance, June 30, 2014	<u>0 \$</u>	<u>390,934 \$</u>	<u>401,096</u>

Exhibit F-3

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 4,490	\$ 6,700	\$ 6,700	\$ (2,210)
Other Local Revenues	1,403	0	0	1,403
Total Revenues	<u>\$ 5,893</u>	<u>\$ 6,700</u>	<u>\$ 6,700</u>	<u>\$ (807)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 45	\$ 2,000	\$ 2,000	\$ 1,955
Total Expenditures	<u>\$ 45</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 1,955</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,848</u>	<u>\$ 4,700</u>	<u>\$ 4,700</u>	<u>\$ 1,148</u>
Net Change in Fund Balance	\$ 5,848	\$ 4,700	\$ 4,700	\$ 1,148
Fund Balance, July 1, 2013	4,314	22,600	4,314	0
Fund Balance, June 30, 2014	<u>\$ 10,162</u>	<u>\$ 27,300</u>	<u>\$ 9,014</u>	<u>\$ 1,148</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,306,020	\$ 5,876,400	\$ 6,063,639	\$ 242,381
Other Local Revenues	36,627	358,734	481,324	(444,697)
Total Revenues	<u>\$ 6,342,647</u>	<u>\$ 6,235,134</u>	<u>\$ 6,544,963</u>	<u>\$ (202,316)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 746,600	\$ 497,356	\$ 746,600	\$ 0
Education	3,729,000	3,729,000	3,729,000	0
<u>Interest on Debt</u>				
General Government	191,412	204,109	204,109	12,697
Education	2,159,766	2,162,401	2,162,401	2,635
<u>Other Debt Service</u>				
General Government	86,269	89,000	91,865	5,596
Education	17,389	20,000	20,000	2,611
Total Expenditures	<u>\$ 6,930,436</u>	<u>\$ 6,701,866</u>	<u>\$ 6,953,975</u>	<u>\$ 23,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (587,789)</u>	<u>\$ (466,732)</u>	<u>\$ (409,012)</u>	<u>\$ (178,777)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 685,969	0	\$ 685,970	(1)
Total Other Financing Sources	<u>\$ 685,969</u>	<u>0</u>	<u>\$ 685,970</u>	<u>(1)</u>
Net Change in Fund Balance	\$ 98,180	\$ (466,732)	\$ 276,958	\$ (178,778)
Fund Balance, July 1, 2013	2,359,440	2,272,360	2,359,440	0
Fund Balance, June 30, 2014	<u>\$ 2,457,620</u>	<u>\$ 1,805,628</u>	<u>\$ 2,636,398</u>	<u>\$ (178,778)</u>

Fiduciary Funds

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

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

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

Exhibit H-1

Bedford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,352,587	\$ 1,352,587
Accounts Receivable	0	5,206	5,206
Due from Other Governments	611,382	0	611,382
Cash Shortage	0	31,460	31,460
Total Assets	\$ 611,382	\$ 1,389,253	\$ 2,000,635
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 611,382	\$ 0	\$ 611,382
Due to Litigants, Heirs, and Others	0	1,389,253	1,389,253
Total Liabilities	\$ 611,382	\$ 1,389,253	\$ 2,000,635

Exhibit H-2

Bedford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,617,096	\$ 3,617,096	\$ 0
Due from Other Governments	578,828	611,382	578,828	611,382
Total Assets	\$ 578,828	\$ 4,228,478	\$ 4,195,924	\$ 611,382
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 578,828	\$ 4,228,478	\$ 4,195,924	\$ 611,382
Total Liabilities	\$ 578,828	\$ 4,228,478	\$ 4,195,924	\$ 611,382
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,353,365	\$ 9,800,053	\$ 9,800,831	\$ 1,352,587
Accounts Receivable	5,551	5,206	5,551	5,206
Cash Shortage	0	31,460	0	31,460
Total Assets	\$ 1,358,916	\$ 9,836,719	\$ 9,806,382	\$ 1,389,253
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,358,916	\$ 9,836,719	\$ 9,806,382	\$ 1,389,253
Total Liabilities	\$ 1,358,916	\$ 9,836,719	\$ 9,806,382	\$ 1,389,253
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,353,365	\$ 9,800,053	\$ 9,800,831	\$ 1,352,587
Equity in Pooled Cash and Investments	0	3,617,096	3,617,096	0
Accounts Receivable	5,551	5,206	5,551	5,206
Due from Other Governments	578,828	611,382	578,828	611,382
Cash Shortage	0	31,460	0	31,460
Total Assets	\$ 1,937,744	\$ 14,065,197	\$ 14,002,306	\$ 2,000,635
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 578,828	\$ 4,228,478	\$ 4,195,924	\$ 611,382
Due to Litigants, Heirs, and Others	1,358,916	9,836,719	9,806,382	1,389,253
Total Liabilities	\$ 1,937,744	\$ 14,065,197	\$ 14,002,306	\$ 2,000,635

Bedford County School Department

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

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

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

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

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

Exhibit I-1

Bedford County, Tennessee
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 40,054,395	\$ 334,324	\$ 5,034,883	\$ 136,646	\$ (34,548,542)
Support Services	18,787,692	127,359	268,861	0	(18,391,472)
Operation of Non-instructional Services	5,312,891	1,050,457	3,601,200	0	(661,234)
Total Governmental Activities	\$ 64,154,978	\$ 1,512,140	\$ 8,904,944	\$ 136,646	\$ (53,601,248)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,407,067
Local Option Sales Taxes					2,026,045
Other Local Taxes					10,315
Grants and Contributions Not Restricted to Specific Programs					42,946,669
Unrestricted Investment Income					1,124
Gain on Sale of Capital Assets					20,109
Miscellaneous					101,341
Total General Revenues					\$ 53,512,670
Change in Net Position					\$ (88,578)
Net Position, July 1, 2013					102,330,135
Net Position, June 30, 2014					\$ 102,241,557

Exhibit I-2

Bedford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 4,346	\$ 4,646
Equity in Pooled Cash and Investments	10,457,106	1,776,514	12,233,620
Inventories	0	62,906	62,906
Accounts Receivable	27,469	18,317	45,786
Due from Other Governments	656,937	46,633	703,570
Property Taxes Receivable	8,812,356	0	8,812,356
Allowance for Uncollectible Property Taxes	(317,554)	0	(317,554)
Total Assets	<u>\$ 19,636,614</u>	<u>\$ 1,908,716</u>	<u>\$ 21,545,330</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,064	\$ 843	\$ 2,907
Payroll Deductions Payable	1,487,655	105,646	1,593,301
Total Liabilities	<u>\$ 1,489,719</u>	<u>\$ 106,489</u>	<u>\$ 1,596,208</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,173,267	\$ 0	\$ 8,173,267
Deferred Delinquent Property Taxes	287,481	0	287,481
Other Deferred/Unavailable Revenue	171,151	0	171,151
Total Deferred Inflows of Resources	<u>\$ 8,631,899</u>	<u>\$ 0</u>	<u>\$ 8,631,899</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 62,906	\$ 62,906
Restricted:			
Restricted for Education	166,251	1,302	167,553
Restricted for Operation of Non-instructional Services	0	1,532,831	1,532,831
Committed:			
Committed for Education	51,240	205,188	256,428
Unassigned	9,297,505	0	9,297,505
Total Fund Balances	<u>\$ 9,514,996</u>	<u>\$ 1,802,227</u>	<u>\$ 11,317,223</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,636,614</u>	<u>\$ 1,908,716</u>	<u>\$ 21,545,330</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, 2014

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)		\$	11,317,223
(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		84,593,246	
Add: other capital assets net of accumulated depreciation		<u>3,857,400</u>	91,236,337
(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			(770,635)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>458,632</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>102,241,557</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, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,921,251	\$ 0	\$ 10,921,251
Licenses and Permits	2,574	0	2,574
Charges for Current Services	130,119	1,371,146	1,501,265
Other Local Revenues	114,558	6,623	121,181
State of Tennessee	42,084,781	0	42,084,781
Federal Government	1,109,728	8,136,263	9,245,991
Total Revenues	<u>\$ 54,363,011</u>	<u>\$ 9,514,032</u>	<u>\$ 63,877,043</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 34,590,863	\$ 2,693,754	\$ 37,284,617
Support Services	17,299,764	1,961,147	19,260,911
Operation of Non-instructional Services	255,875	5,051,927	5,307,802
Capital Outlay	516,949	0	516,949
Total Expenditures	<u>\$ 52,663,451</u>	<u>\$ 9,706,828</u>	<u>\$ 62,370,279</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,699,560</u>	<u>\$ (192,796)</u>	<u>\$ 1,506,764</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 40,826	\$ 0	\$ 40,826
Transfers In	10,521	0	10,521
Transfers Out	0	(10,521)	(10,521)
Total Other Financing Sources (Uses)	<u>\$ 51,347</u>	<u>\$ (10,521)</u>	<u>\$ 40,826</u>
Net Change in Fund Balances	\$ 1,750,907	\$ (203,317)	\$ 1,547,590
Fund Balance, July 1, 2013	7,764,089	2,005,544	9,769,633
Fund Balance, June 30, 2014	<u>\$ 9,514,996</u>	<u>\$ 1,802,227</u>	<u>\$ 11,317,223</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, 2014

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)		\$ 1,547,590
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,710,069	
Less: current-year depreciation expense	<u>(3,566,616)</u>	(1,856,547)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized	\$ 136,646	
Less: book value of capital assets disposed	<u>(20,717)</u>	115,929
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 458,632	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(426,030)</u>	32,602
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in other postemployment benefits liability		<u>71,848</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (88,578)</u>

Exhibit I-6

Bedford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2014

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Extended</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Program</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,746	\$ 600	\$ 4,346
Equity in Pooled Cash and Investments	145,460	1,539,564	91,490	1,776,514
Inventories	0	62,906	0	62,906
Accounts Receivable	0	7,265	11,052	18,317
Due from Other Governments	42,741	0	3,892	46,633
Total Assets	<u>\$ 188,201</u>	<u>\$ 1,613,481</u>	<u>\$ 107,034</u>	<u>\$ 1,908,716</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 115	\$ 0	\$ 728	\$ 843
Payroll Deductions Payable	86,784	17,744	1,118	105,646
Total Liabilities	<u>\$ 86,899</u>	<u>\$ 17,744</u>	<u>\$ 1,846</u>	<u>\$ 106,489</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 62,906	\$ 0	\$ 62,906
Restricted:				
Restricted for Education	1,302	0	0	1,302
Restricted for Operation of Non-instructional Services	0	1,532,831	0	1,532,831
Committed:				
Committed for Education	100,000	0	105,188	205,188
Total Fund Balances	<u>\$ 101,302</u>	<u>\$ 1,595,737</u>	<u>\$ 105,188</u>	<u>\$ 1,802,227</u>
Total Liabilities and Fund Balances	<u>\$ 188,201</u>	<u>\$ 1,613,481</u>	<u>\$ 107,034</u>	<u>\$ 1,908,716</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, 2014

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Extended School Program</u>	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 1,039,582	\$ 331,564	\$ 1,371,146
Other Local Revenues	0	6,623	0	6,623
Federal Government	4,636,326	3,499,937	0	8,136,263
Total Revenues	\$ 4,636,326	\$ 4,546,142	\$ 331,564	\$ 9,514,032
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,693,754	\$ 0	\$ 0	\$ 2,693,754
Support Services	1,933,347	25,000	2,800	1,961,147
Operation of Non-instructional Services	0	4,730,530	321,397	5,051,927
Total Expenditures	\$ 4,627,101	\$ 4,755,530	\$ 324,197	\$ 9,706,828
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,225	\$ (209,388)	\$ 7,367	\$ (192,796)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (10,521)	\$ 0	\$ 0	\$ (10,521)
Total Other Financing Sources (Uses)	\$ (10,521)	\$ 0	\$ 0	\$ (10,521)
Net Change in Fund Balances	\$ (1,296)	\$ (209,388)	\$ 7,367	\$ (203,317)
Fund Balance, July 1, 2013	102,598	1,805,125	97,821	2,005,544
Fund Balance, June 30, 2014	\$ 101,302	\$ 1,595,737	\$ 105,188	\$ 1,802,227

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,921,251	\$ 0	\$ 0	\$ 10,921,251	\$ 9,922,700	\$ 9,922,700	\$ 998,551
Licenses and Permits	2,574	0	0	2,574	3,000	3,000	(426)
Charges for Current Services	130,119	0	0	130,119	87,000	152,185	(22,066)
Other Local Revenues	114,558	0	0	114,558	130,500	157,520	(42,962)
State of Tennessee	42,084,781	0	0	42,084,781	41,077,648	42,475,108	(390,327)
Federal Government	1,109,728	0	0	1,109,728	1,232,372	1,264,844	(155,116)
Total Revenues	\$ 54,363,011	\$ 0	\$ 0	\$ 54,363,011	\$ 52,453,220	\$ 53,975,357	\$ 387,654
Expenditures							
Instruction							
Regular Instruction Program	\$ 29,904,021	\$ (3,965)	\$ 47,148	\$ 29,947,204	\$ 30,828,589	\$ 31,386,875	\$ 1,439,671
Alternative Instruction Program	491,036	0	0	491,036	464,257	498,907	7,871
Special Education Program	2,852,511	0	0	2,852,511	3,102,336	3,102,436	249,925
Vocational Education Program	1,195,634	0	0	1,195,634	1,251,622	1,254,945	59,311
Adult Education Program	147,661	0	0	147,661	191,529	222,444	74,783
Support Services							
Attendance	102,640	0	0	102,640	95,775	106,400	3,760
Health Services	907,662	(3,110)	0	904,552	917,403	1,005,103	100,551
Other Student Support	1,473,787	0	0	1,473,787	1,631,614	1,635,644	161,857
Regular Instruction Program	1,116,787	0	292	1,117,079	1,145,522	1,176,122	59,043
Special Education Program	252,405	0	0	252,405	294,516	294,516	42,111
Vocational Education Program	21,548	0	0	21,548	29,008	29,008	7,460
Adult Programs	91,652	0	0	91,652	94,272	105,331	13,679
Other Programs	117,651	0	0	117,651	0	117,651	0
Board of Education	704,067	(1,080)	0	702,987	638,742	734,191	31,204
Director of Schools	297,995	0	0	297,995	332,851	333,851	35,856
Office of the Principal	3,160,897	(2,296)	0	3,158,601	3,137,204	3,199,355	40,754
Human Services/Personnel	172,357	(46)	0	172,311	136,295	180,061	7,750
Operation of Plant	4,970,643	(159)	0	4,970,484	5,464,624	5,478,134	507,650
Maintenance of Plant	1,416,806	(200)	0	1,416,606	1,411,350	1,479,246	62,640

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 2,276,384	\$ (1,000)	\$ 3,800	\$ 2,279,184	\$ 2,569,130	\$ 2,689,371	\$ 410,187
Central and Other	216,483	0	0	216,483	149,839	227,269	10,786
<u>Operation of Non-instructional Services</u>							
Food Service	61,169	0	0	61,169	63,975	63,975	2,806
Community Services	194,706	0	0	194,706	164,825	207,324	12,618
<u>Capital Outlay</u>							
Regular Capital Outlay	516,949	(78,700)	0	438,249	766,000	771,762	333,513
Total Expenditures	\$ 52,663,451	\$ (90,556)	\$ 51,240	\$ 52,624,135	\$ 54,881,278	\$ 56,299,921	\$ 3,675,786
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,699,560	\$ 90,556	\$ (51,240)	\$ 1,738,876	\$ (2,428,058)	\$ (2,324,564)	\$ 4,063,440
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,826	\$ 0	\$ 0	\$ 40,826	\$ 0	\$ 79,527	\$ (38,701)
Transfers In	10,521	0	0	10,521	8,000	8,000	2,521
Transfers Out	0	0	0	0	(36,725)	0	0
Total Other Financing Sources	\$ 51,347	\$ 0	\$ 0	\$ 51,347	\$ (28,725)	\$ 87,527	\$ (36,180)
Net Change in Fund Balance	\$ 1,750,907	\$ 90,556	\$ (51,240)	\$ 1,790,223	\$ (2,456,783)	\$ (2,237,037)	\$ 4,027,260
Fund Balance, July 1, 2013	7,764,089	(90,556)	0	7,673,533	9,584,070	7,718,492	(44,959)
Fund Balance, June 30, 2014	\$ 9,514,996	\$ 0	\$ (51,240)	\$ 9,463,756	\$ 7,127,287	\$ 5,481,455	\$ 3,982,301

Exhibit I-9

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,636,326	\$ 4,444,863	\$ 5,712,823	\$ (1,076,497)
Total Revenues	\$ 4,636,326	\$ 4,444,863	\$ 5,712,823	\$ (1,076,497)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,666,431	\$ 1,526,339	\$ 1,926,795	\$ 260,364
Special Education Program	940,969	822,703	1,058,447	117,478
Vocational Education Program	86,354	92,683	86,670	316
<u>Support Services</u>				
Health Services	174,283	195,614	199,614	25,331
Other Student Support	248,863	118,364	318,399	69,536
Regular Instruction Program	882,960	1,058,410	1,349,346	466,386
Special Education Program	300,494	289,748	334,548	34,054
Vocational Education Program	2,098	2,200	2,101	3
Transportation	324,649	328,282	428,282	103,633
Total Expenditures	\$ 4,627,101	\$ 4,434,343	\$ 5,704,202	\$ 1,077,101
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,225	\$ 10,520	\$ 8,621	\$ 604
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (10,521)	\$ (10,521)	\$ (10,521)	\$ 0
Total Other Financing Sources	\$ (10,521)	\$ (10,521)	\$ (10,521)	\$ 0
Net Change in Fund Balance	\$ (1,296)	\$ (1)	\$ (1,900)	\$ 604
Fund Balance, July 1, 2013	102,598	1	1,900	100,698
Fund Balance, June 30, 2014	\$ 101,302	\$ 0	\$ 0	\$ 101,302

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,039,582	\$ 0	\$ 1,039,582	\$ 1,250,000	\$ 1,250,000	\$ (210,418)
Other Local Revenues	6,623	0	6,623	40,000	41,468	(34,845)
Federal Government	3,499,937	0	3,499,937	3,210,000	3,575,796	(75,859)
Total Revenues	\$ 4,546,142	\$ 0	\$ 4,546,142	\$ 4,500,000	\$ 4,867,264	\$ (321,122)
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 25,000	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
<u>Operation of Non-instructional Services</u>						
Food Service	4,730,530	(12,900)	4,717,630	4,830,481	5,219,757	502,127
Total Expenditures	\$ 4,755,530	\$ (12,900)	\$ 4,742,630	\$ 4,855,481	\$ 5,244,757	\$ 502,127
Excess (Deficiency) of Revenues Over Expenditures	\$ (209,388)	\$ 12,900	\$ (196,488)	\$ (355,481)	\$ (377,493)	\$ 181,005
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (22,012)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ (22,012)	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (209,388)	\$ 12,900	\$ (196,488)	\$ (377,493)	\$ (377,493)	\$ 181,005
	1,805,125	(12,900)	1,792,225	1,057,157	1,735,338	56,887
Fund Balance, June 30, 2014	\$ 1,595,737	\$ 0	\$ 1,595,737	\$ 679,664	\$ 1,357,845	\$ 237,892

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 331,564	\$ 380,496	\$ 416,014	\$ (84,450)
Total Revenues	\$ 331,564	\$ 380,496	\$ 416,014	\$ (84,450)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 2,800	\$ 2,800	\$ 3,000	\$ 200
<u>Operation of Non-instructional Services</u>				
Community Services	321,397	377,105	412,531	91,134
Total Expenditures	\$ 324,197	\$ 379,905	\$ 415,531	\$ 91,334
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,367	\$ 591	\$ 483	\$ 6,884
Net Change in Fund Balance	\$ 7,367	\$ 591	\$ 483	\$ 6,884
Fund Balance, July 1, 2013	97,821	104,242	105,103	(7,282)
Fund Balance, June 30, 2014	\$ 105,188	\$ 104,833	\$ 105,586	\$ (398)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bedford County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
NOTES PAYABLE							
<u>Payable through General Debt Service Fund</u>							
EMA Project	\$ 193,000	3.94%	8-21-08	8-1-13	\$ 38,600	\$ 38,600	\$ 0
Tennessee Vocational Rehabilitation Center	1,100,000	3.75	2-3-05	8-1-13	253,000	253,000	0
County Projects/Garbage Truck	300,000	2.7	5-23-11	8-1-13	180,000	180,000	0
Total Notes Payable					\$ 471,600	\$ 471,600	\$ 0
OTHER LOANS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
School	8,000,000	variable	5-23-1997	5-25-17	\$ 2,311,000	\$ 534,000	\$ 1,777,000
Total Other Loans Payable					\$ 2,311,000	\$ 534,000	\$ 1,777,000
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
General Obligation School Refunding	2,700,000	1.8	4-12-12	4-1-16	\$ 2,065,000	\$ 660,000	\$ 1,405,000
General Obligation School Refunding	8,405,000	2.09	3-25-13	4-1-23	8,405,000	710,000	7,695,000
School	4,290,000	3.25 to 4.3	4-15-05	4-25-25	3,025,000	205,000	2,820,000
General Obligation	6,500,000	3.75	12-14-06	6-30-27	5,020,000	275,000	4,745,000
School	44,000,000	4 to 5	6-14-07	4-1-37	39,540,000	990,000	38,550,000
General Obligation School Refunding	3,435,000	3 to 4.5	5-7-08	3-24-14	630,000	630,000	0
Total Bonds Payable					\$ 58,685,000	\$ 3,470,000	\$ 55,215,000

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2015	\$ 562,000	\$ 8,429	\$ 11,754	\$ 582,183
2016	592,000	5,763	8,359	606,122
2017	623,000	2,955	4,698	630,653
Total	\$ 1,777,000	\$ 17,147	\$ 24,811	\$ 1,818,958

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 55,215,000	\$ 27,178,626	\$ 82,393,626

Exhibit J-3

Bedford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Retire debt	\$ 685,969
"	General Capital Projects	Capital projects	24,765
Total Transfers Primary Government			<u>\$ 710,734</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	\$ 10,521
Total Transfers Discretely Presented Bedford County School Department			<u>\$ 10,521</u>

Exhibit J-4

Bedford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 86,359	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, TCA, and County Commission	97,247 (1)	100,000	"
Superintendent of Schools	State Board of Education and County Commission	98,840	100,000	"
Trustee	Section 8-24-102, TCA	68,973 (3)	1,400,000	Auto-Owners (Mutual) Insurance Company
Assessor of Property	Section 8-24-102, TCA	69,723 (4)	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	67,973	50,000	"
Circuit and General Sessions				
Courts Clerk	Section 8-24-102, TCA, and County Commission	75,770 (2) (5)	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	75,770 (2)	50,000	"
Register of Deeds	Section 8-24-102, TCA	68,973 (3)	25,000	"
Sheriff	Section 8-24-102, TCA	82,247	25,000	"
Finance Director	County Commission	92,212	50,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

- (1) Includes \$15,000 for serving as a solid waste administrative officer.
- (2) Includes an additional ten percent of clerk's salary for overseeing more than one court and a level-three training incentive pay of \$1,000.
- (3) Includes a level-three training incentive pay of \$1,000.
- (4) Includes a level-three training incentive pay of \$1,000 and a Tennessee certified assessor's pay of \$750.
- (5) Does not include special commissioner fees of \$3,930.

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	Special Revenue Funds					Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,520,099	\$ 0	\$ 0	\$ 307,033	\$ 769,699	
Trustee's Collections - Prior Year	307,215	0	0	11,071	45,074	
Trustee's Collections - Bankruptcy	2,716	0	0	98	286	
Circuit/Clerk & Master Collections - Prior Years	271,376	0	0	9,779	38,118	
Interest and Penalty	65,033	0	0	2,345	8,599	
Payments in-Lieu-of Taxes - T.V.A.	381,494	0	0	13,748	34,369	
Payments in-Lieu-of Taxes - Local Utilities	70,542	0	0	2,542	6,355	
Payments in-Lieu-of Taxes - Other	103,428	0	0	3,726	9,318	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	198,098	0	0	0	5,231,276	
Litigation Tax - General	173,627	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	94,881	0	0	0	0	
Litigation Tax - Courthouse Security	101,572	0	0	0	0	
Business Tax	337,659	0	0	0	0	
Mixed Drink Tax	5,386	0	0	0	0	
Mineral Severance Tax	0	0	0	63,473	0	
Adequate Facilities/Development Tax	0	0	0	0	162,926	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	201,274	0	0	0	0	
Wholesale Beer Tax	194,814	0	0	0	0	
Interstate Telecommunications Tax	2,388	0	0	0	0	
Total Local Taxes	\$ 11,031,602	\$ 0	\$ 0	\$ 413,815	\$ 6,306,020	

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	37,604 \$	0 \$	0 \$	0 \$	0
<u>Permits</u>					
Beer Permits	2,142	0	0	0	0
Building Permits	91,373	0	0	0	0
Other Permits	17,615	0	0	0	0
Total Licenses and Permits	148,734 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Officers Costs	10,148 \$	0 \$	0 \$	0 \$	0
DUI Treatment Fines	142	0	0	0	0
Data Entry Fee - Circuit Court	1,112	0	0	0	0
<u>Criminal Court</u>					
Interpreter Fees	76	0	0	0	0
<u>General Sessions Court</u>					
Fines	332	0	0	0	0
Officers Costs	101,685	0	0	0	0
Game and Fish Fines	1,670	0	0	0	0
Drug Control Fines	0	4,490	0	0	0
Jail Fees	236	0	0	0	0
DUI Treatment Fines	17,402	0	0	0	0
Data Entry Fee - General Sessions Court	15,438	0	0	0	0
<u>Juvenile Court</u>					
Fines	43,897	0	0	0	0
Jail Fees	258,716	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	3,272 \$	0 \$	0 \$	0 \$	0
Data Entry Fee - Chancery Court	8,014	0	0	0	0
Courtroom Security Fee	89	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	9,746	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	662	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>472,637 \$</u>	<u>4,490 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	1,867,820 \$	0 \$	0 \$	0 \$	0
Work Release Charges for Board	315	0	0	0	0
Service Charges	400	0	0	0	0
<u>Fees</u>					
Copy Fees	345	0	0	0	0
Archives and Records Management Fee - County Clerk	5,346	0	0	0	0
Telephone Commissions	40,079	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	329	0	0
Special Commissioner Fees/Special Master Fees	0	0	3,930	0	0
Data Processing Fee - Register	13,969	0	0	0	0
Probation Fees	398,692	0	0	0	0
Data Processing Fee - Sheriff	4,775	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,885	0	0	0	0
Data Processing Fee - County Clerk	5,518	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Charges for Current Services (Cont.)</u>					
<u>Other Charges for Services</u>					
Other Charges for Services	\$ 86,060	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 2,427,204	\$ 0	\$ 4,259	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,627
Lease/Rentals	426,181	0	0	0	0
Commissary Sales	12,144	0	0	0	0
Sale of Gasoline	0	0	0	17,395	0
Sale of Maps	4,000	0	0	0	0
Sale of Recycled Materials	84,194	0	0	1,016	0
Sale of Animals/Livestock	9,285	0	0	0	0
Miscellaneous Refunds	208,002	0	0	2,500	0
<u>Nonrecurring Items</u>					
Sale of Equipment	26,046	903	0	16,649	0
Sale of Property	74,900	0	0	0	0
Contributions and Gifts	14,045	500	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	18,170	0	0	0	0
Total Other Local Revenues	\$ 876,967	\$ 1,403	\$ 0	\$ 37,560	\$ 36,627
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 423,891	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	80,576	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fees Received from County Officials (Cont.)</u>					
<u>Fees in-Lieu-of Salary (Cont.)</u>					
General Sessions Court Clerk	\$ 303,459	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	230,917	0	0	0	0
Register	164,451	0	0	0	0
Sheriff	23,181	0	0	0	0
Trustee	621,422	0	0	0	0
Total Fees Received from County Officials	\$ 1,847,897	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	20,914	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	432,891	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	247,893	0
Litter Program	0	0	0	32,794	0
<u>Other State Revenues</u>					
Income Tax	131,864	0	0	0	0
Beer Tax	17,806	0	0	0	0
Alcoholic Beverage Tax	74,753	0	0	0	0
Mixed Drink Tax	338	0	0	0	0
Emergency Hospital - Prisoners	19	0	0	0	0
Contracted Prisoner Boarding	697,783	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,841,501	0
Petroleum Special Tax	0	0	0	32,511	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0
State Shared Sales Tax - Cities	7,100	0	0	0	0
Other State Grants	5,768	0	0	0	0
Other State Revenues	38,811	0	0	0	0
Total State of Tennessee	\$ 1,452,211	\$ 0	\$ 0	2,154,699	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	43,350	0	0	0	0
Homeland Security Grants	25,469	0	0	0	0
Other Federal through State	214,409	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	17,760	0
Total Federal Government	\$ 283,228	\$ 0	\$ 0	17,760	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	2,444	\$ 0
Contracted Services	0	0	0	10	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	2,454	\$ 0
Total	\$ 18,540,480	\$ 5,893	\$ 4,259	2,626,288	\$ 6,342,647

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 9,596,831
Trustee's Collections - Prior Year	0	363,360
Trustee's Collections - Bankruptcy	0	3,100
Circuit/Clerk & Master Collections - Prior Years	0	319,273
Interest and Penalty	0	75,977
Payments in-Lieu-of Taxes - T.V.A.	0	429,611
Payments in-Lieu-of Taxes - Local Utilities	0	79,439
Payments in-Lieu-of Taxes - Other	0	116,472
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	5,429,374
Litigation Tax - General	0	173,627
Litigation Tax - Jail, Workhouse, or Courthouse	0	94,881
Litigation Tax - Courthouse Security	0	101,572
Business Tax	0	337,659
Mixed Drink Tax	0	5,386
Mineral Severance Tax	0	63,473
Adequate Facilities/Development Tax	0	162,926
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	201,274
Wholesale Beer Tax	0	194,814
Interstate Telecommunications Tax	0	2,388
Total Local Taxes	<u>\$ 0</u>	<u>\$ 17,751,437</u>

(Continued)

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

	Capital Projects Fund	Community Development/ Industrial Park	Total
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$	0 \$	37,604
<u>Permits</u>			
Beer Permits		0	2,142
Building Permits		0	91,373
Other Permits		0	17,615
Total Licenses and Permits	\$	0 \$	148,734
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Officers Costs	\$	0 \$	10,148
DUI Treatment Fines		0	142
Data Entry Fee - Circuit Court		0	1,112
<u>Criminal Court</u>			
Interpreter Fees		0	76
<u>General Sessions Court</u>			
Fines		0	332
Officers Costs		0	101,685
Game and Fish Fines		0	1,670
Drug Control Fines		0	4,490
Jail Fees		0	236
DUI Treatment Fines		0	17,402
Data Entry Fee - General Sessions Court		0	15,438
<u>Juvenile Court</u>			
Fines		0	43,897
Jail Fees		0	258,716

(Continued)

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

	Capital Projects Fund	Community Development/ Industrial Park	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Chancery Court</u>			
Officers Costs	0 \$		3,272
Data Entry Fee - Chancery Court	0		8,014
Courtroom Security Fee	0		89
<u>Other Courts - In-county</u>			
Fines	0		9,746
<u>Other Fines, Forfeitures, and Penalties</u>			
Other Fines, Forfeitures, and Penalties	0		662
Total Fines, Forfeitures, and Penalties	0 \$		477,127
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	0 \$		1,867,820
Work Release Charges for Board	0		315
Service Charges	0		400
<u>Fees</u>			
Copy Fees	0		345
Archives and Records Management Fee - County Clerk	0		5,346
Telephone Commissions	0		40,079
Constitutional Officers' Fees and Commissions	0		329
Special Commissioner Fees/Special Master Fees	0		3,930
Data Processing Fee - Register	0		13,969
Probation Fees	0		398,692
Data Processing Fee - Sheriff	0		4,775
Sexual Offender Registration Fees - Sheriff	0		3,885
Data Processing Fee - County Clerk	0		5,518

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Other Charges for Services</u>		
Other Charges for Services	0 \$	86,060
Total Charges for Current Services	0 \$	2,431,463
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	0 \$	36,627
Lease/Rentals	0	426,181
Commissary Sales	0	12,144
Sale of Gasoline	0	17,395
Sale of Maps	0	4,000
Sale of Recycled Materials	0	85,210
Sale of Animals/Livestock	0	9,285
Miscellaneous Refunds	0	210,502
<u>Nonrecurring Items</u>		
Sale of Equipment	0	43,598
Sale of Property	0	74,900
Contributions and Gifts	0	14,545
<u>Other Local Revenues</u>		
Other Local Revenues	0	18,170
Total Other Local Revenues	0 \$	952,557
<u>Fees Received from County Officials</u>		
<u>Fees in-Lieu-of Salary</u>		
County Clerk	0 \$	423,891
Circuit Court Clerk	0	80,576

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Fees Received from County Officials (Cont.)</u>		
<u>Fees in-Lieu-of Salary (Cont.)</u>		
General Sessions Court Clerk	0 \$	303,459
Clerk and Master	0	230,917
Register	0	164,451
Sheriff	0	23,181
Trustee	0	621,422
Total Fees Received from County Officials	0 \$	1,847,897
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	0 \$	9,000
Solid Waste Grants	0	20,914
<u>Health and Welfare Grants</u>	0	432,891
Health Department Programs		
<u>Public Works Grants</u>	0	247,893
State Aid Program	0	32,794
Litter Program		
<u>Other State Revenues</u>		
Income Tax	0	131,864
Beer Tax	0	17,806
Alcoholic Beverage Tax	0	74,753
Mixed Drink Tax	0	338
Emergency Hospital - Prisoners	0	19
Contracted Prisoner Boarding	0	697,783
Gasoline and Motor Fuel Tax	0	1,841,501
Petroleum Special Tax	0	32,511

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Registrar's Salary Supplement	0 \$	15,164
State Shared Sales Tax - Cities	0	7,100
Other State Grants	0	5,768
Other State Revenues	0	38,811
Total State of Tennessee	<u>0 \$</u>	<u>3,606,910</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	431,400 \$	431,400
Civil Defense Reimbursement	0	43,350
Homeland Security Grants	0	25,469
Other Federal through State	0	214,409
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	17,760
Total Federal Government	<u>431,400 \$</u>	<u>732,388</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	0 \$	2,444
Contracted Services	0	10
Total Other Governments and Citizens Groups	<u>0 \$</u>	<u>2,454</u>
Total	<u>431,400 \$</u>	<u>27,950,967</u>

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2014

	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	\$ 7,827,153	\$ 0	\$ 0	\$ 0	\$ 7,827,153	
Trustee's Collections - Prior Year	264,908	0	0	0	264,908	
Trustee's Collections - Bankruptcy	2,455	0	0	0	2,455	
Circuit/Clerk & Master Collections - Prior Years	235,703	0	0	0	235,703	
Interest and Penalty	57,020	0	0	0	57,020	
Payments in-Lieu-of Taxes - T.V.A.	350,562	0	0	0	350,562	
Payments in-Lieu-of Taxes - Local Utilities	64,822	0	0	0	64,822	
Payments in-Lieu-of Taxes - Other	95,042	0	0	0	95,042	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,013,271	0	0	0	2,013,271	
Mixed Drink Tax	5,724	0	0	0	5,724	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	4,591	0	0	0	4,591	
Total Local Taxes	\$ 10,921,251	\$ 0	\$ 0	\$ 0	\$ 10,921,251	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	2,574	0	0	0	2,574	
Total Licenses and Permits	\$ 2,574	\$ 0	\$ 0	\$ 0	\$ 2,574	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	850	0	0	0	850	
Tuition - Other	0	0	0	331,564	331,564	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	Extended School Program		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Children	\$ 0 \$	0 \$	906,553 \$	0 \$	906,553	
Lunch Payments - Adults	0	0	132,614	0	132,614	
A la carte Sales	0	0	415	0	415	
Receipts from Individual Schools	127,359	0	0	0	127,359	
<u>Other Charges for Services</u>	1,910	0	0	0	1,910	
Total Charges for Current Services	\$ 130,119 \$	0 \$	1,039,582 \$	331,564 \$	1,501,265	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0 \$	0 \$	1,124 \$	0 \$	1,124	
Lease/Rentals	10,875	0	0	0	10,875	
Miscellaneous Refunds	92,635	0	5,499	0	98,134	
<u>Nonrecurring Items</u>						
Sale of Equipment	3,207	0	0	0	3,207	
Contributions and Gifts	7,841	0	0	0	7,841	
Total Other Local Revenues	\$ 114,558 \$	0 \$	6,623 \$	0 \$	121,181	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 117,651 \$	0 \$	0 \$	0 \$	117,651	
<u>State Education Funds</u>						
Basic Education Program	40,245,340	0	0	0	40,245,340	
Early Childhood Education	369,137	0	0	0	369,137	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	Extended School Program		
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
School Food Service	\$ 46,227	\$ 0	\$ 0	\$ 0	\$ 46,227	
Energy Efficient School Initiative	55,036	0	0	0	55,036	
Driver Education	39,725	0	0	0	39,725	
Other State Education Funds	875,385	0	0	0	875,385	
Career Ladder Program	272,127	0	0	0	272,127	
Career Ladder - Extended Contract	60,745	0	0	0	60,745	
<u>Other State Revenues</u>						
Other State Grants	3,408	0	0	0	3,408	
Total State of Tennessee	\$ 42,084,781	\$ 0	\$ 0	\$ 0	\$ 42,084,781	

<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,314,588	\$ 0	\$ 2,314,588
USDA - Commodities	0	0	290,645	0	290,645
Breakfast	0	0	825,228	0	825,228
USDA - Other	0	0	69,476	0	69,476
Adult Education State Grant Program	143,933	0	0	0	143,933
Vocational Education - Basic Grants to States	0	117,274	0	0	117,274
Title I Grants to Local Education Agencies	0	2,062,837	0	0	2,062,837
Special Education - Grants to States	0	1,698,841	0	0	1,698,841
Special Education Preschool Grants	0	26,460	0	0	26,460
English Language Acquisition Grants	0	92,615	0	0	92,615
Rural Education	0	159,747	0	0	159,747
Education for Homeless Children and Youth	0	19,385	0	0	19,385

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	Extended School Program		
Federal Government (Cont.)						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0 \$	190,306 \$	0 \$	0 \$	0 \$	190,306
Race-to-the-Top - ARRA	0	268,861	0	0	0	268,861
Other Federal through State	122,846	0	0	0	0	122,846
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	842,949	0	0	0	0	842,949
Total Federal Government	\$ 1,109,728 \$	4,636,326 \$	3,499,937 \$	0 \$	0 \$	9,245,991
Total	\$ 54,363,011 \$	4,636,326 \$	4,546,142 \$	331,564 \$	63,877,043	

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	94,244	
Social Security		5,510	
State Retirement		2,471	
Employer Medicare		1,364	
Advertising		4,552	
Total County Commission			\$ 108,141

Board of Equalization

Board and Committee Members Fees	\$	1,580	
Total Board of Equalization			1,580

Beer Board

Board and Committee Members Fees	\$	200	
Total Beer Board			200

Budget and Finance Committee

Board and Committee Members Fees	\$	1,875	
Social Security		116	
State Retirement		58	
Employer Medicare		27	
Total Budget and Finance Committee			2,076

County Mayor/Executive

County Official/Administrative Officer	\$	86,359	
Supervisor/Director		24,175	
Secretary(ies)		31,084	
Part-time Personnel		9,788	
Longevity Pay		150	
Social Security		9,282	
State Retirement		7,035	
Life Insurance		108	
Medical Insurance		5,453	
Unemployment Compensation		443	
Employer Medicare		2,171	
Communication		2,384	
Maintenance Agreements		1,344	
Postal Charges		738	
Gasoline		117	
Office Supplies		1,168	
Other Charges		718	
Data Processing Equipment		2,000	
Furniture and Fixtures		180	
Office Equipment		194	
Total County Mayor/Executive			184,891

County Attorney

County Official/Administrative Officer	\$	64,088	
Total County Attorney			64,088

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	61,175	
Assistant(s)		29,300	
Custodial Personnel		4,800	
Part-time Personnel		2,056	
Longevity Pay		450	
Overtime Pay		539	
Election Commission		2,625	
Election Workers		6,081	
Social Security		6,074	
State Retirement		5,451	
Life Insurance		108	
Medical Insurance		5,076	
Unemployment Compensation		406	
Employer Medicare		1,421	
Communication		978	
Data Processing Services		2,900	
Dues and Memberships		175	
Maintenance Agreements		9,500	
Postal Charges		3,682	
Printing, Stationery, and Forms		7,040	
Travel		3,222	
Office Supplies		2,568	
Other Supplies and Materials		772	
Data Processing Equipment		700	
Office Equipment		59,614	
Total Election Commission			\$ 216,713

Register of Deeds

County Official/Administrative Officer	\$	67,973	
Assistant(s)		114,394	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		3,900	
Social Security		10,915	
State Retirement		11,161	
Life Insurance		265	
Medical Insurance		19,084	
Unemployment Compensation		573	
Employer Medicare		2,553	
Communication		2,914	
Dues and Memberships		647	
Maintenance Agreements		1,184	
Postal Charges		700	
Travel		1,228	
Other Contracted Services		8,000	
Office Supplies		4,648	
Other Charges		253	
Data Processing Equipment		18,012	
Office Equipment		2,266	
Total Register of Deeds			271,670

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Part-time Personnel	\$	18,703	
Longevity Pay		900	
Other Salaries and Wages		111,159	
Board and Committee Members Fees		1,850	
In-Service Training		125	
Social Security		7,650	
State Retirement		5,796	
Life Insurance		184	
Medical Insurance		19,846	
Unemployment Compensation		643	
Employer Medicare		1,789	
Communication		901	
Contracts with Government Agencies		11,250	
Legal Notices, Recording, and Court Costs		239	
Maintenance and Repair Services - Vehicles		355	
Postal Charges		184	
Other Contracted Services		2,070	
Office Supplies		646	
Small Tools		457	
Other Charges		1,739	
Data Processing Equipment		965	
Other Equipment		4,109	
Total Planning			\$ 191,560

Codes Compliance

Longevity Pay	\$	750	
Other Salaries and Wages		39,963	
In-Service Training		155	
Social Security		2,317	
State Retirement		2,427	
Life Insurance		54	
Medical Insurance		5,452	
Unemployment Compensation		144	
Employer Medicare		542	
Communication		1,558	
Dues and Memberships		125	
Legal Notices, Recording, and Court Costs		171	
Maintenance and Repair Services - Vehicles		538	
Postal Charges		11	
Gasoline		1,817	
Office Supplies		1,147	
Other Charges		535	
Office Equipment		29	
Total Codes Compliance			57,735

County Buildings

Custodial Personnel	\$	25,763	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance Personnel	\$	39,161	
Longevity Pay		600	
Social Security		2,331	
State Retirement		2,559	
Life Insurance		135	
Medical Insurance		10,905	
Unemployment Compensation		453	
Employer Medicare		545	
Communication		12,026	
Janitorial Services		11,400	
Maintenance and Repair Services - Buildings		146,241	
Maintenance and Repair Services - Equipment		120	
Pest Control		880	
Other Contracted Services		14,400	
Custodial Supplies		6,536	
Utilities		145,835	
Other Supplies and Materials		6,513	
Other Charges		8,215	
Building Improvements		872	
Office Equipment		21,604	
Other Equipment		318	
Total County Buildings			\$ 457,412

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	92,212	
Accountants/Bookkeepers		178,466	
Clerical Personnel		35,515	
Longevity Pay		11,550	
In-Service Training		1,962	
Social Security		18,333	
State Retirement		16,559	
Life Insurance		392	
Medical Insurance		40,374	
Unemployment Compensation		1,295	
Employer Medicare		4,288	
Communication		23,581	
Data Processing Services		14,202	
Dues and Memberships		1,970	
Maintenance and Repair Services - Equipment		29	
Postal Charges		4,788	
Travel		661	
Other Contracted Services		1,530	
Data Processing Supplies		3,744	
Office Supplies		8,034	
Other Charges		4,166	
Data Processing Equipment		240	
Office Equipment		4,142	
Total Accounting and Budgeting			468,033

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	67,973	
Assistant(s)		30,776	
Deputy(ies)		28,641	
Data Processing Personnel		28,919	
Secretary(ies)		30,471	
Clerical Personnel		28,451	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		8,700	
Other Salaries and Wages		750	
In-Service Training		340	
Social Security		13,167	
State Retirement		12,970	
Life Insurance		301	
Medical Insurance		31,125	
Unemployment Compensation		806	
Employer Medicare		3,079	
Communication		1,769	
Data Processing Services		12,433	
Dues and Memberships		1,060	
Maintenance Agreements		145	
Maintenance and Repair Services - Equipment		5,147	
Postal Charges		1,567	
Rentals		15,780	
Travel		5,800	
Other Contracted Services		23,258	
Gasoline		5,375	
Office Supplies		753	
Other Charges		1,378	
Data Processing Equipment		1,284	
Total Property Assessor's Office			\$ 363,218

Reappraisal Program

Clerical Personnel	\$	27,928
Longevity Pay		2,300
Other Salaries and Wages		41,651
In-Service Training		165
Social Security		4,267
State Retirement		3,634
Life Insurance		92
Medical Insurance		8,560
Unemployment Compensation		438
Employer Medicare		998
Data Processing Services		4,093
Postal Charges		533
Printing, Stationery, and Forms		565
Travel		2,495
Office Supplies		1,394

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Charges	\$	1,482	
Office Equipment		1,341	
Total Reappraisal Program			\$ 101,936

County Trustee's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		116,141	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		4,100	
Overtime Pay		1,178	
Social Security		11,503	
State Retirement		10,645	
Life Insurance		269	
Medical Insurance		20,201	
Unemployment Compensation		599	
Employer Medicare		2,690	
Communication		3,009	
Data Processing Services		5,250	
Dues and Memberships		932	
Legal Notices, Recording, and Court Costs		270	
Maintenance Agreements		11,321	
Postal Charges		7,400	
Travel		1,787	
Office Supplies		2,643	
Other Charges		99	
Office Equipment		1,956	
Total County Trustee's Office			270,966

County Clerk's Office

County Official/Administrative Officer	\$	67,973
Deputy(ies)		221,902
Part-time Personnel		5,880
Longevity Pay		10,250
Social Security		17,826
State Retirement		17,581
Life Insurance		429
Medical Insurance		32,059
Unemployment Compensation		1,268
Employer Medicare		4,169
Communication		2,186
Dues and Memberships		672
Maintenance Agreements		10,989
Postal Charges		9,050
Travel		915
Office Supplies		14,678
Other Charges		387
Data Processing Equipment		2,495

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Furniture and Fixtures	\$	743	
Office Equipment		10,788	
Total County Clerk's Office			\$ 432,240

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	74,770	
Deputy(ies)		244,567	
Part-time Personnel		3,543	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		11,150	
Other Salaries and Wages		36,894	
Jury and Witness Expense		18,953	
Social Security		21,984	
State Retirement		21,956	
Life Insurance		528	
Medical Insurance		32,715	
Unemployment Compensation		1,354	
Employer Medicare		5,141	
Communication		4,760	
Dues and Memberships		522	
Maintenance Agreements		16,972	
Postal Charges		3,282	
Travel		113	
Office Supplies		6,966	
Other Charges		478	
Office Equipment		133	
Total Circuit Court			507,781

General Sessions Court

Judge(s)	\$	148,601	
Secretary(ies)		36,838	
Longevity Pay		2,000	
Social Security		9,416	
State Retirement		11,171	
Life Insurance		108	
Medical Insurance		10,905	
Unemployment Compensation		120	
Employer Medicare		2,663	
Communication		557	
Rentals		4,000	
Total General Sessions Court			226,379

Chancery Court

County Official/Administrative Officer	\$	74,770	
Assistant(s)		123,419	
Part-time Personnel		15,022	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Educational Incentive - Official/Admin Officer	\$	1,000	
Longevity Pay		3,300	
Social Security		12,450	
State Retirement		12,068	
Life Insurance		269	
Medical Insurance		15,604	
Unemployment Compensation		883	
Employer Medicare		2,912	
Communication		1,612	
Data Processing Services		7,961	
Dues and Memberships		892	
Maintenance Agreements		2,452	
Postal Charges		2,000	
Travel		40	
Office Supplies		5,781	
In Service/Staff Development		5,272	
Office Equipment		5,058	
Total Chancery Court			\$ 292,765

Juvenile Court

Youth Service Officer(s)	\$	42,639	
Social Workers		74,146	
Salary Supplements		9,273	
Longevity Pay		2,600	
In-Service Training		175	
Social Security		7,382	
State Retirement		7,668	
Life Insurance		162	
Medical Insurance		8,179	
Unemployment Compensation		413	
Employer Medicare		1,726	
Communication		910	
Contracts with Government Agencies		4,105	
Postal Charges		400	
Rentals		8,000	
Travel		46	
Office Supplies		181	
Other Charges		37,511	
Total Juvenile Court			205,516

Judicial Commissioners

Deputy(ies)	\$	126,547	
Part-time Personnel		9,687	
Longevity Pay		2,500	
Social Security		8,206	
State Retirement		7,692	
Life Insurance		203	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Medical Insurance	\$	16,195	
Unemployment Compensation		737	
Employer Medicare		1,919	
Maintenance Agreements		786	
Office Supplies		142	
Total Judicial Commissioners			\$ 174,614

Other Administration of Justice

Probation Officer(s)	\$	3,208	
Guidance Personnel		43,066	
Longevity Pay		1,400	
Social Security		2,775	
State Retirement		2,730	
Life Insurance		58	
Medical Insurance		5,907	
Unemployment Compensation		192	
Employer Medicare		649	
Communication		910	
Contracts with Government Agencies		4,130	
Postal Charges		350	
Rentals		4,000	
Office Supplies		398	
Total Other Administration of Justice			69,773

Probation Services

County Official/Administrative Officer	\$	41,386	
Clerical Personnel		163,214	
Longevity Pay		5,400	
Social Security		12,179	
State Retirement		12,516	
Life Insurance		377	
Medical Insurance		33,559	
Unemployment Compensation		1,003	
Employer Medicare		2,848	
Communication		1,242	
Data Processing Services		375	
Maintenance Agreements		1,593	
Postal Charges		572	
Printing, Stationery, and Forms		2,648	
Rentals		16,800	
Travel		210	
Drugs and Medical Supplies		5,340	
Office Supplies		5,753	
Other Charges		786	
Data Processing Equipment		4,861	
Furniture and Fixtures		1,901	
Office Equipment		1,231	
Total Probation Services			315,794

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,247	
Assistant(s)		51,399	
Deputy(ies)		539,464	
Detective(s)		193,027	
Captain(s)		90,355	
Lieutenant(s)		39,137	
Sergeant(s)		92,844	
Data Processing Personnel		42,224	
Salary Supplements		19,817	
Dispatchers/Radio Operators		135,157	
Secretary(ies)		61,246	
School Resource Officer		264,841	
Overtime Pay		49,057	
Other Salaries and Wages		54,332	
In-Service Training		10,663	
Social Security		102,281	
State Retirement		97,237	
Life Insurance		2,311	
Medical Insurance		179,213	
Unemployment Compensation		6,870	
Employer Medicare		23,921	
Communication		27,858	
Dues and Memberships		2,300	
Maintenance Agreements		1,877	
Maintenance and Repair Services - Buildings		910	
Maintenance and Repair Services - Equipment		1,011	
Maintenance and Repair Services - Vehicles		62,323	
Medical and Dental Services		410	
Postal Charges		509	
Travel		3,607	
Other Contracted Services		3,871	
Custodial Supplies		1,602	
Gasoline		129,870	
Office Supplies		6,051	
Tires and Tubes		9,715	
Uniforms		10,577	
Utilities		17,268	
Other Supplies and Materials		7,177	
Other Charges		21,946	
Building Improvements		1,000	
Communication Equipment		821	
Law Enforcement Equipment		21,414	
Motor Vehicles		7,088	
Office Equipment		4,778	
Total Sheriff's Department			\$ 2,481,626

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Traffic Control

Other Salaries and Wages	\$	24,850	
Social Security		1,541	
State Retirement		1,481	
Employer Medicare		360	
Other Charges		5,339	
Total Traffic Control			\$ 33,571

Jail

Captain(s)	\$	45,718	
Lieutenant(s)		76,336	
Sergeant(s)		130,852	
Data Processing Personnel		67,642	
Salary Supplements		600	
Guards		444,072	
Maintenance Personnel		33,932	
Overtime Pay		41,990	
In-Service Training		3,432	
Social Security		49,984	
State Retirement		44,125	
Life Insurance		1,363	
Medical Insurance		120,831	
Unemployment Compensation		4,677	
Employer Medicare		11,690	
Communication		20,177	
Maintenance Agreements		16,290	
Maintenance and Repair Services - Buildings		13,631	
Maintenance and Repair Services - Equipment		2,489	
Medical and Dental Services		419,496	
Postal Charges		1,180	
Travel		615	
Other Contracted Services		495	
Custodial Supplies		15,984	
Food Supplies		124,055	
Office Supplies		6,160	
Prisoners Clothing		5,871	
Uniforms		6,109	
Utilities		80,699	
Other Supplies and Materials		5,704	
Building Improvements		256	
Office Equipment		635	
Other Equipment		8,370	
Total Jail			1,805,460

Workhouse

Captain(s)	\$	39,083
Lieutenant(s)		33,987
Sergeant(s)		127,563

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Data Processing Personnel	\$	33,987	
Guards		285,007	
Maintenance Personnel		32,115	
Overtime Pay		31,868	
In-Service Training		768	
Social Security		33,954	
State Retirement		33,086	
Life Insurance		936	
Medical Insurance		83,587	
Unemployment Compensation		2,887	
Employer Medicare		7,941	
Communication		6,673	
Maintenance Agreements		1,500	
Maintenance and Repair Services - Buildings		3,358	
Maintenance and Repair Services - Equipment		2,225	
Maintenance and Repair Services - Vehicles		495	
Postal Charges		154	
Travel		212	
Other Contracted Services		2,181	
Custodial Supplies		13,893	
Food Supplies		81,232	
Office Supplies		3,910	
Prisoners Clothing		2,695	
Uniforms		2,751	
Utilities		42,315	
Other Supplies and Materials		5,101	
Building Improvements		82	
Office Equipment		1,480	
Other Equipment		1,898	
Total Workhouse			\$ 918,924

Juvenile Services

County Official/Administrative Officer	\$	35,876
Sergeant(s)		118,790
Guards		153,754
Overtime Pay		9,444
In-Service Training		103
Social Security		18,936
State Retirement		16,916
Life Insurance		569
Medical Insurance		50,878
Unemployment Compensation		1,764
Employer Medicare		4,429
Communication		643
Maintenance Agreements		1,286
Maintenance and Repair Services - Buildings		221
Maintenance and Repair Services - Equipment		218

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Maintenance and Repair Services - Office Equipment	\$	13	
Medical and Dental Services		22	
Postal Charges		383	
Custodial Supplies		3,377	
Food Supplies		9,979	
Office Supplies		1,358	
Prisoners Clothing		558	
Uniforms		2,046	
Utilities		8,490	
Other Supplies and Materials		595	
Office Equipment		1,845	
Other Equipment		598	
Total Juvenile Services			\$ 443,091

Other Emergency Management

Assistant(s)	\$	124,460
Supervisor/Director		109,712
Captain(s)		130,875
Lieutenant(s)		119,971
Secretary(ies)		5,790
Longevity Pay		13,950
Overtime Pay		796
Bonus Payments		15,000
Other Salaries and Wages		297,136
Social Security		47,535
State Retirement		46,090
Life Insurance		1,073
Medical Insurance		98,437
Unemployment Compensation		2,980
Employer Medicare		11,117
Communication		27,567
Dues and Memberships		195
Maintenance and Repair Services - Buildings		10,076
Maintenance and Repair Services - Equipment		24,928
Maintenance and Repair Services - Vehicles		5,219
Travel		226
Other Contracted Services		2,706
Custodial Supplies		2,304
Diesel Fuel		21,414
Gasoline		14,622
Office Supplies		8,506
Uniforms		8,712
Utilities		39,891
Other Supplies and Materials		4,578
Liability Insurance		7,049
Vehicle and Equipment Insurance		17,411
Workers' Compensation Insurance		49,494

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

In Service/Staff Development	\$	12,541	
Other Charges		2,483	
Other Equipment		77,972	
Total Other Emergency Management			\$ 1,362,816

County Coroner/Medical Examiner

Medical Personnel	\$	19,950	
Total County Coroner/Medical Examiner			19,950

Other Public Safety

Contributions	\$	400,000	
Total Other Public Safety			400,000

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	333,355	
Social Security		19,795	
State Retirement		16,296	
Life Insurance		550	
Medical Insurance		44,041	
Unemployment Compensation		2,239	
Employer Medicare		4,630	
Communication		6,806	
Janitorial Services		13,800	
Maintenance Agreements		1,609	
Maintenance and Repair Services - Buildings		27,345	
Maintenance and Repair Services - Equipment		40	
Travel		5,455	
Custodial Supplies		99	
Drugs and Medical Supplies		152	
Office Supplies		385	
Utilities		19,485	
Other Supplies and Materials		13,026	
Other Charges		3,212	
Total Local Health Center			512,320

Rabies and Animal Control

Assistant(s)	\$	42,304	
Supervisor/Director		36,167	
Part-time Personnel		13,134	
Overtime Pay		1,284	
In-Service Training		595	
Social Security		5,528	
State Retirement		4,742	
Life Insurance		135	
Medical Insurance		12,943	
Unemployment Compensation		635	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Employer Medicare	\$	1,293	
Communication		4,146	
Maintenance and Repair Services - Buildings		2,806	
Maintenance and Repair Services - Office Equipment		73	
Maintenance and Repair Services - Vehicles		969	
Travel		5,138	
Permits		368	
Animal Food and Supplies		11,465	
Custodial Supplies		3,662	
Drugs and Medical Supplies		44,951	
Gasoline		3,955	
Office Supplies		2,058	
Uniforms		528	
Utilities		11,561	
Other Charges		35,872	
Building Improvements		3,751	
Office Equipment		3,281	
Other Equipment		1,195	
Total Rabies and Animal Control			\$ 254,539

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,706
Captain(s)		139,424
Medical Personnel		579,006
Salary Supplements		15,010
Mechanic(s)		22,938
Clerical Personnel		72,494
Part-time Personnel		88,667
Longevity Pay		26,300
Overtime Pay		488,040
In-Service Training		6,215
Social Security		89,264
State Retirement		74,112
Life Insurance		1,547
Medical Insurance		101,774
Unemployment Compensation		6,295
Employer Medicare		20,876
Advertising		66
Communication		18,440
Consultants		738
Dues and Memberships		1,290
Evaluation and Testing		1,858
Licenses		2,268
Maintenance Agreements		10,541
Maintenance and Repair Services - Buildings		7,515
Maintenance and Repair Services - Equipment		4,100
Maintenance and Repair Services - Office Equipment		392

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Maintenance and Repair Services - Vehicles	\$	49,005	
Postal Charges		2,085	
Printing, Stationery, and Forms		1,612	
Travel		1,873	
Tuition		5,640	
Disposal Fees		7,727	
Custodial Supplies		2,084	
Data Processing Supplies		1,450	
Diesel Fuel		76,089	
Drugs and Medical Supplies		62,110	
Gasoline		11,846	
Natural Gas		6,744	
Office Supplies		2,230	
Periodicals		134	
Uniforms		14,972	
Utilities		21,930	
Other Charges		59,980	
Building Improvements		890	
Communication Equipment		1,003	
Data Processing Equipment		2,127	
Furniture and Fixtures		1,640	
Motor Vehicles		19,000	
Other Equipment		17,779	
Total Ambulance/Emergency Medical Services			\$ 2,204,826

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

Appropriation to State

Contracts with Government Agencies	\$	27,000	
Total Appropriation to State			27,000

General Welfare Assistance

Contracts with Government Agencies	\$	99,875	
Pauper Burials		300	
Total General Welfare Assistance			100,175

Convenience Centers

County Official/Administrative Officer	\$	15,000	
Accountants/Bookkeepers		6,000	
Foremen		34,489	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Truck Drivers	\$	105,010	
Secretary(ies)		20,592	
Attendants		173,754	
Overtime Pay		405	
Other Salaries and Wages		5,254	
Board and Committee Members Fees		350	
Social Security		21,172	
State Retirement		18,107	
Life Insurance		447	
Medical Insurance		53,268	
Unemployment Compensation		637	
Employer Medicare		4,952	
Communication		5,455	
Contracts with Private Agencies		306,355	
Data Processing Services		94	
Legal Services		11,828	
Postal Charges		640	
Printing, Stationery, and Forms		495	
Travel		1,026	
Diesel Fuel		105,429	
Equipment and Machinery Parts		34,429	
Gasoline		3,712	
Lubricants		1,997	
Office Supplies		860	
Tires and Tubes		17,870	
Utilities		9,024	
Other Supplies and Materials		6,119	
Vehicle and Equipment Insurance		37,695	
Workers' Compensation Insurance		12,685	
Other Charges		12,012	
Solid Waste Equipment		2,067	
Other Capital Outlay		2,017	
Total Convenience Centers			\$ 1,031,246

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

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

Libraries

Contributions	\$	142,390	
Total Libraries			142,390

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	80,812	
Longevity Pay		2,200	
Social Security		3,800	
State Retirement		12,100	
Unemployment Compensation		51	
Employer Medicare		1,544	
Communication		5,798	
Maintenance Agreements		1,059	
Maintenance and Repair Services - Buildings		2,193	
Utilities		6,712	
Workers' Compensation Insurance		31	
Total Agriculture Extension Service			\$ 116,300

Soil Conservation

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

Other Agriculture and Natural Resources

Maintenance Personnel	\$	23,306	
Longevity Pay		1,200	
Overtime Pay		202	
Social Security		1,514	
State Retirement		1,473	
Life Insurance		54	
Medical Insurance		2,350	
Unemployment Compensation		142	
Employer Medicare		354	
Communication		1,256	
Diesel Fuel		761	
Gasoline		3,526	
Utilities		15,950	
Other Supplies and Materials		8,478	
Building Improvements		10,159	
Other Equipment		6,584	
Total Other Agriculture and Natural Resources			77,309

Other Operations

Tourism

Contributions	\$	3,948	
Total Tourism			3,948

Veterans' Services

Supervisor/Director	\$	7,200	
Truck Drivers		7,200	
Social Security		893	
Unemployment Compensation		206	
Employer Medicare		209	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Communication	\$	1,293	
Maintenance and Repair Services - Vehicles		97	
Postal Charges		46	
Travel		68	
Gasoline		3,744	
Office Supplies		56	
Total Veterans' Services			\$ 21,012

Other Charges

Building and Contents Insurance	\$	165,628	
Workers' Compensation Insurance		103,612	
Total Other Charges			269,240

Contributions to Other Agencies

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

Miscellaneous

Audit Services	\$	50,643	
Contributions		33,664	
Rentals		27,348	
Other Contracted Services		31,708	
Refunds		1,328	
Trustee's Commission		232,039	
Liability Claims		42,736	
Other Charges		18,991	
Total Miscellaneous			438,457

Capital Projects

Other General Government Projects

Building Construction	\$	189,610	
Other Construction		189,230	
Total Other General Government Projects			378,840

Total General Fund \$ 18,288,991

Drug Control Fund

Other Operations

Miscellaneous

Trustee's Commission	\$	45	
Total Miscellaneous			\$ 45

Total Drug Control Fund 45

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	3,930	
Constitutional Officers' Operating Expenses		329	
Total Chancery Court			\$ 4,259

Total Constitutional Officers - Fees Fund \$ 4,259

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	\$	82,247	
Assistant(s)		46,670	
Accountants/Bookkeepers		37,446	
Secretary(ies)		23,839	
Board and Committee Members Fees		4,990	
Social Security		11,930	
State Retirement		11,879	
Life Insurance		152	
Medical Insurance		14,856	
Unemployment Compensation		775	
Employer Medicare		2,787	
Data Processing Services		32	
Dues and Memberships		3,219	
Legal Notices, Recording, and Court Costs		187	
Postal Charges		490	
Printing, Stationery, and Forms		446	
Travel		72	
Office Supplies		929	
Total Administration			242,946

Highway and Bridge Maintenance

Foremen	\$	40,238	
Equipment Operators		180,977	
Truck Drivers		261,218	
Laborers		11,923	
Social Security		28,712	
State Retirement		28,768	
Life Insurance		800	
Medical Insurance		73,363	
Dental Insurance		1,379	
Unemployment Compensation		3,855	
Employer Medicare		6,715	
Rentals		9,007	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Asphalt - Cold Mix	\$	7,288	
Asphalt - Hot Mix		950	
Asphalt - Liquid		218,844	
Crushed Stone		238,418	
Other Road Supplies		1,197	
Pipe		14,560	
Road Signs		6,319	
Small Tools		774	
Total Highway and Bridge Maintenance			\$ 1,135,305

Operation and Maintenance of Equipment

Mechanic(s)	\$	60,426	
Laborers		65,431	
Social Security		7,539	
State Retirement		6,515	
Life Insurance		167	
Medical Insurance		9,764	
Dental Insurance		322	
Unemployment Compensation		1,047	
Employer Medicare		1,763	
Diesel Fuel		133,303	
Equipment and Machinery Parts		97,465	
Garage Supplies		2,781	
Gasoline		46,915	
Lubricants		13,164	
Tires and Tubes		17,383	
Other Supplies and Materials		7,448	
Total Operation and Maintenance of Equipment			471,433

Litter and Trash Collection

Other Salaries and Wages	\$	42,507	
Social Security		2,559	
State Retirement		1,567	
Life Insurance		70	
Medical Insurance		4,597	
Dental Insurance		33	
Unemployment Compensation		1,089	
Employer Medicare		598	
Other Charges		18,720	
Total Litter and Trash Collection			71,740

Other Charges

Communication	\$	8,999	
Electricity		9,498	
Natural Gas		4,309	
Trustee's Commission		26,023	
Vehicle and Equipment Insurance		69,586	
Other Charges		2,628	
Total Other Charges			121,043

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Uniforms	\$	2,321	
Workers' Compensation Insurance		50,741	
Total Employee Benefits			\$ 53,062

Capital Outlay

Engineering Services	\$	1,420	
Bridge Construction		16,082	
Highway Construction		369,402	
Highway Equipment		140,300	
Total Capital Outlay			<u>527,204</u>

Total Highway/Public Works Fund \$ 2,629,733

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	275,000	
Principal on Notes		471,600	
Total General Government			\$ 746,600

Education

Principal on Bonds	\$	3,195,000	
Principal on Other Loans		534,000	
Total Education			3,729,000

Interest on Debt

General Government

Interest on Bonds	\$	188,250	
Interest on Notes		3,162	
Total General Government			191,412

Education

Interest on Bonds	\$	2,151,625	
Interest on Other Loans		8,141	
Total Education			2,159,766

Other Debt Service

General Government

Trustee's Commission	\$	72,269	
Other Debt Service		14,000	
Total General Government			86,269

Education

Other Debt Service	\$	17,389	
Total Education			<u>17,389</u>

Total General Debt Service Fund 6,930,436

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund</u>			
<u>Capital Outlay</u>			
<u>Regular Capital Outlay</u>			
Other Capital Outlay	\$	102,903	
Total Regular Capital Outlay			\$ 102,903
Total General Capital Projects Fund			\$ 102,903
<u>Community Development/Industrial Park Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Engineering Services	\$	50,800	
Other Contracted Services		17,700	
Other Capital Outlay		362,900	
Total Public Health and Welfare Projects			\$ 431,400
Total Community Development/Industrial Park Fund			431,400
Total Governmental Funds - Primary Government			\$ 28,387,767

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 19,414,661	
Career Ladder Program	160,617	
Career Ladder Extended Contracts	38,485	
Homebound Teachers	18,983	
Salary Supplements	30,274	
Clerical Personnel	66,999	
Educational Assistants	977,020	
Other Salaries and Wages	83,924	
Certified Substitute Teachers	280,863	
Social Security	1,230,517	
State Retirement	1,780,812	
Life Insurance	15,884	
Medical Insurance	3,094,113	
Unemployment Compensation	49,330	
Employer Medicare	289,862	
Maintenance and Repair Services - Equipment	27,611	
Travel	16,215	
Other Contracted Services	50,724	
Instructional Supplies and Materials	302,632	
Textbooks	601,090	
Other Supplies and Materials	28,658	
In Service/Staff Development	8,850	
Other Charges	122,419	
Regular Instruction Equipment	1,213,478	
Total Regular Instruction Program		\$ 29,904,021

Alternative Instruction Program

Teachers	\$ 262,576	
Career Ladder Program	2,000	
Social Workers	84,987	
Clerical Personnel	15,029	
Educational Assistants	26,674	
Other Salaries and Wages	3,262	
Social Security	23,795	
State Retirement	32,697	
Medical Insurance	34,451	
Employer Medicare	5,565	
Total Alternative Instruction Program		491,036

Special Education Program

Teachers	\$ 1,749,809
Career Ladder Program	14,998
Career Ladder Extended Contracts	2,000
Educational Assistants	78,858
Speech Pathologist	199,170
Other Salaries and Wages	3,079

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Certified Substitute Teachers	\$	26,580	
Social Security		121,836	
State Retirement		177,243	
Medical Insurance		316,633	
Unemployment Compensation		10,960	
Employer Medicare		28,538	
Other Contracted Services		69,936	
Instructional Supplies and Materials		42,808	
Special Education Equipment		10,063	
Total Special Education Program			\$ 2,852,511

Vocational Education Program

Teachers	\$	913,411	
Career Ladder Program		4,425	
Certified Substitute Teachers		13,815	
Social Security		53,907	
State Retirement		77,756	
Medical Insurance		101,475	
Employer Medicare		13,114	
Maintenance and Repair Services - Equipment		1,992	
Instructional Supplies and Materials		12,745	
Vocational Instruction Equipment		2,994	
Total Vocational Education Program			1,195,634

Adult Education Program

Teachers	\$	112,339	
Career Ladder Program		1,000	
Clerical Personnel		18,623	
Social Security		7,957	
State Retirement		1,199	
Medical Insurance		409	
Employer Medicare		1,913	
Instructional Supplies and Materials		4,221	
Total Adult Education Program			147,661

Support Services

Attendance

Supervisor/Director	\$	73,423	
Career Ladder Program		1,000	
Social Security		4,320	
State Retirement		6,609	
Medical Insurance		8,739	
Employer Medicare		1,010	
Travel		136	
Other Supplies and Materials		7,128	
Other Charges		275	
Total Attendance			102,640

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	247,718	
Other Salaries and Wages		34,729	
Certified Substitute Teachers		1,888	
Social Security		17,328	
State Retirement		16,767	
Medical Insurance		14,310	
Employer Medicare		4,052	
Travel		9,745	
Drugs and Medical Supplies		7,500	
Other Supplies and Materials		54,145	
Health Equipment		499,480	
Total Health Services			\$ 907,662

Other Student Support

Career Ladder Program	\$	12,199	
Guidance Personnel		1,001,105	
Career Ladder Extended Contracts		2,000	
Other Salaries and Wages		74,169	
Social Security		55,797	
State Retirement		83,096	
Medical Insurance		115,685	
Employer Medicare		15,241	
Evaluation and Testing		30,483	
Travel		4,576	
Other Contracted Services		78,027	
Other Supplies and Materials		86	
Other Charges		1,323	
Total Other Student Support			1,473,787

Regular Instruction Program

Supervisor/Director	\$	152,300	
Career Ladder Program		10,499	
Librarians		663,367	
Secretary(ies)		39,813	
Other Salaries and Wages		951	
Social Security		48,650	
State Retirement		70,881	
Medical Insurance		81,020	
Unemployment Compensation		7,870	
Employer Medicare		12,171	
Travel		3,271	
Library Books/Media		25,945	
In Service/Staff Development		49	
Total Regular Instruction Program			1,116,787

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	78,448	
Career Ladder Program		1,000	
Psychological Personnel		80,675	
Secretary(ies)		14,204	
Other Salaries and Wages		296	
Social Security		10,003	
State Retirement		15,065	
Medical Insurance		24,928	
Employer Medicare		2,339	
Travel		4,044	
Other Contracted Services		13,960	
Other Supplies and Materials		2,947	
In Service/Staff Development		3,649	
Other Equipment		847	
Total Special Education Program			\$ 252,405

Vocational Education Program

Secretary(ies)	\$	14,042	
Other Salaries and Wages		281	
Social Security		702	
State Retirement		418	
Medical Insurance		4,000	
Employer Medicare		164	
Travel		1,941	
Total Vocational Education Program			21,548

Adult Programs

Supervisor/Director	\$	74,790	
Social Security		4,637	
State Retirement		6,641	
Employer Medicare		1,085	
Travel		1,369	
In Service/Staff Development		3,130	
Total Adult Programs			91,652

Other Programs

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

Board of Education

Secretary to Board	\$	35,117	
Other Salaries and Wages		1,480	
Board and Committee Members Fees		22,919	
Social Security		3,494	
State Retirement		2,093	
Medical Insurance		4,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Employer Medicare	\$	817	
Audit Services		17,250	
Dues and Memberships		26,421	
Legal Services		7,199	
Travel		15,263	
Trustee's Commission		254,875	
Workers' Compensation Insurance		297,903	
In Service/Staff Development		8,395	
Criminal Investigation of Applicants - TBI		2,238	
Other Charges		4,603	
Total Board of Education			\$ 704,067

Director of Schools

County Official/Administrative Officer	\$	98,840	
Assistant(s)		82,371	
Salary Supplements		1,000	
Clerical Personnel		27,013	
Other Salaries and Wages		1,138	
Social Security		12,711	
State Retirement		17,701	
Medical Insurance		9,056	
Employer Medicare		2,987	
Communication		37,831	
Dues and Memberships		436	
Postal Charges		5,257	
Travel		1,654	
Total Director of Schools			297,995

Office of the Principal

Principals	\$	1,057,961	
Career Ladder Program		13,957	
Accountants/Bookkeepers		119,593	
Career Ladder Extended Contracts		5,350	
Assistant Principals		1,029,498	
Secretary(ies)		140,012	
Clerical Personnel		45,342	
Other Salaries and Wages		13,820	
Social Security		143,141	
State Retirement		204,045	
Medical Insurance		289,559	
Unemployment Compensation		3,445	
Employer Medicare		33,477	
Communication		39,006	
Other Supplies and Materials		22,691	
Total Office of the Principal			3,160,897

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel

Supervisor/Director	\$	54,711	
Clerical Personnel		80,751	
Other Salaries and Wages		1,612	
Social Security		8,131	
State Retirement		8,073	
Medical Insurance		10,510	
Employer Medicare		1,902	
Maintenance and Repair Services - Equipment		1,666	
Travel		2,117	
Office Supplies		1,982	
Other Charges		902	
Total Human Services/Personnel			\$ 172,357

Operation of Plant

Supervisor/Director	\$	51,343	
Salary Supplements		7,176	
Secretary(ies)		12,353	
Custodial Personnel		1,051,436	
Other Salaries and Wages		22,948	
Social Security		68,951	
State Retirement		55,965	
Medical Insurance		106,538	
Employer Medicare		16,125	
Maintenance and Repair Services - Equipment		500	
Other Contracted Services		292,537	
Custodial Supplies		155,894	
Electricity		2,233,537	
Natural Gas		417,891	
Water and Sewer		228,084	
Other Supplies and Materials		2,517	
Building and Contents Insurance		229,524	
Other Charges		9,896	
Plant Operation Equipment		7,428	
Total Operation of Plant			4,970,643

Maintenance of Plant

Salary Supplements	\$	400	
Secretary(ies)		26,626	
Maintenance Personnel		599,525	
Other Salaries and Wages		14,686	
Social Security		37,881	
State Retirement		34,446	
Medical Insurance		48,286	
Employer Medicare		8,860	
Laundry Service		9,415	
Maintenance and Repair Services - Buildings		102,808	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Equipment	\$	135,518	
Maintenance and Repair Services - Vehicles		20,228	
Travel		125	
Other Contracted Services		104,182	
Gasoline		50,170	
Other Supplies and Materials		148,071	
Other Charges		26,360	
Maintenance Equipment		49,219	
Total Maintenance of Plant			\$ 1,416,806

Transportation

Supervisor/Director	\$	48,362	
Salary Supplements		123	
Mechanic(s)		94,799	
Bus Drivers		856,400	
Clerical Personnel		28,196	
Other Salaries and Wages		22,250	
In-Service Training		853	
Social Security		61,547	
State Retirement		54,837	
Medical Insurance		22,688	
Employer Medicare		14,880	
Laundry Service		1,465	
Maintenance and Repair Services - Vehicles		17,585	
Medical and Dental Services		6,514	
Travel		892	
Diesel Fuel		405,363	
Garage Supplies		4,864	
Gasoline		25,945	
Lubricants		10,757	
Tires and Tubes		31,989	
Vehicle Parts		73,012	
Other Supplies and Materials		3,785	
Vehicle and Equipment Insurance		164,171	
Other Charges		20,854	
Transportation Equipment		304,253	
Total Transportation			2,276,384

Central and Other

Supervisor/Director	\$	59,530	
Data Processing Personnel		114,767	
Other Salaries and Wages		4,266	
Social Security		10,768	
State Retirement		10,282	
Medical Insurance		13,482	
Unemployment Compensation		870	
Employer Medicare		2,518	
Total Central and Other			216,483

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	44,560	
Social Security		2,432	
State Retirement		3,957	
Medical Insurance		9,651	
Employer Medicare		569	
Total Food Service			\$ 61,169

Community Services

Part-time Personnel	\$	130,141	
Social Security		8,021	
State Retirement		7,086	
Employer Medicare		1,876	
Travel		1,692	
Food Supplies		8,526	
Other Supplies and Materials		20,417	
Other Charges		16,947	
Total Community Services			194,706

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	516,949	
Total Regular Capital Outlay			516,949

Total General Purpose School Fund \$ 52,663,451

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	648,170	
Educational Assistants		70,071	
Other Salaries and Wages		30,496	
Certified Substitute Teachers		11,430	
Social Security		44,601	
State Retirement		63,416	
Medical Insurance		84,404	
Unemployment Compensation		233	
Employer Medicare		10,434	
Instructional Supplies and Materials		337,279	
Other Supplies and Materials		6,424	
Regular Instruction Equipment		359,473	
Total Regular Instruction Program			\$ 1,666,431

Special Education Program

Homebound Teachers	\$	7,770	
Educational Assistants		502,500	
Speech Pathologist		177,064	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	24,485	
Social Security		42,098	
State Retirement		41,830	
Life Insurance		1,600	
Medical Insurance		58,684	
Unemployment Compensation		2,086	
Employer Medicare		9,989	
Contracts with Private Agencies		25,465	
Instructional Supplies and Materials		19,558	
Textbooks		3,554	
Other Supplies and Materials		15,564	
Special Education Equipment		8,722	
Total Special Education Program			\$ 940,969

Vocational Education Program

Clerical Personnel	\$	11,981	
Social Security		56	
State Retirement		80	
Employer Medicare		187	
Maintenance and Repair Services - Equipment		1,078	
Other Contracted Services		1,440	
Instructional Supplies and Materials		4,816	
Other Supplies and Materials		975	
Vocational Instruction Equipment		65,741	
Total Vocational Education Program			86,354

Support Services

Health Services

Medical Personnel	\$	139,430	
Other Salaries and Wages		975	
Social Security		8,350	
State Retirement		9,081	
Life Insurance		100	
Medical Insurance		11,653	
Employer Medicare		1,953	
Travel		2,741	
Total Health Services			174,283

Other Student Support

Guidance Personnel	\$	109,854	
Other Salaries and Wages		3,725	
Social Security		6,908	
State Retirement		9,923	
Medical Insurance		12,449	
Employer Medicare		1,616	
Evaluation and Testing		25,706	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Travel	\$	27,714	
Other Contracted Services		5,170	
Other Supplies and Materials		12,475	
In Service/Staff Development		317	
Other Charges		33,006	
Total Other Student Support			\$ 248,863

Regular Instruction Program

Supervisor/Director	\$	72,267	
Secretary(ies)		25,037	
Clerical Personnel		15,449	
Other Salaries and Wages		330,354	
Certified Substitute Teachers		9,055	
Social Security		26,954	
State Retirement		38,272	
Medical Insurance		43,146	
Employer Medicare		6,304	
Other Fringe Benefits		1,779	
Maintenance and Repair Services - Equipment		4,594	
Postal Charges		607	
Travel		18,383	
Other Contracted Services		40,000	
Other Supplies and Materials		20,789	
In Service/Staff Development		215,117	
Other Charges		108	
Other Equipment		5,124	
Other Capital Outlay		9,621	
Total Regular Instruction Program			882,960

Special Education Program

Psychological Personnel	\$	55,194	
Assessment Personnel		90,925	
Secretary(ies)		11,528	
Clerical Personnel		14,360	
Other Salaries and Wages		1,343	
Social Security		9,962	
State Retirement		14,553	
Life Insurance		300	
Medical Insurance		25,366	
Employer Medicare		2,330	
Travel		23,313	
Other Contracted Services		20,768	
In Service/Staff Development		20,358	
Other Charges		10,194	
Total Special Education Program			300,494

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$	1,201	
Other Supplies and Materials		897	
Total Vocational Education Program			\$ 2,098

Transportation

Bus Drivers	\$	217,188	
Other Salaries and Wages		70,368	
Social Security		16,126	
State Retirement		11,744	
Life Insurance		206	
Medical Insurance		2,000	
Employer Medicare		4,087	
Contracts with Parents		2,930	
Total Transportation			<u>324,649</u>

Total School Federal Projects Fund \$ 4,627,101

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		66,507	
Cafeteria Personnel		1,142,035	
Maintenance Personnel		16,335	
Other Salaries and Wages		35,187	
Social Security		77,449	
State Retirement		60,220	
Life Insurance		2,250	
Medical Insurance		46,059	
Unemployment Compensation		7,039	
Employer Medicare		18,112	
Maintenance and Repair Services - Equipment		23,923	
Travel		9,137	
Other Contracted Services		12,857	
Food Preparation Supplies		215,225	
Food Supplies		2,565,215	
Office Supplies		7,743	
Uniforms		12,077	
USDA - Commodities		290,645	
In Service/Staff Development		12,503	
Other Charges		91	
Food Service Equipment		89,921	
Total Food Service			<u>4,730,530</u>

Total Central Cafeteria Fund 4,755,530

(Continued)

Exhibit J-8

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

<u>Extended School Program Fund</u>		
<u>Support Services</u>		
<u>Board of Education</u>		
Workers' Compensation Insurance	\$ 2,800	
Total Board of Education		\$ 2,800
 <u>Operation of Non-instructional Services</u>		
<u>Community Services</u>		
Supervisor/Director	\$ 54,491	
Clerical Personnel	42,710	
Part-time Personnel	164,584	
Other Salaries and Wages	3,175	
Social Security	16,405	
State Retirement	8,483	
Medical Insurance	3,000	
Employer Medicare	3,837	
Communication	1,145	
Maintenance and Repair Services - Equipment	997	
Travel	2,658	
Food Supplies	10,967	
Instructional Supplies and Materials	3,035	
Other Supplies and Materials	2,766	
In Service/Staff Development	1,591	
Other Charges	86	
Other Equipment	1,467	
Total Community Services		<u>321,397</u>
Total Extended School Program Fund		<u>\$ 324,197</u>
Total Governmental Funds - Bedford County School Department		<u><u>\$ 62,370,279</u></u>

Exhibit J-9

Bedford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,617,096
Total Cash Receipts	<u>\$ 3,617,096</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,580,925
Trustee's Commission	36,171
Total Cash Disbursements	<u>\$ 3,617,096</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	 <u><u>\$ 0</u></u>

STATISTICAL SECTION

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

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1-6	176-183
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	184-188
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	12-16	189-193
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	17-18	194-195
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	19-21	196-199

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

Table 1

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

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

	2010	2011	2012	2013	2014
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157	\$ 0	\$ 0
Net Investment in Capital Assets	0	0	0	24,061,291	25,246,263
Restricted	7,604,590	6,192,578	1,928,797	2,121,316	2,388,323
Unrestricted	(57,145,130)	(53,097,005)	(41,803,175)	(39,833,406)	(36,661,844)
Total Primary Government's Governmental Activities Net Position	\$ (27,763,272)	\$ (22,985,879)	\$ (16,441,221)	\$ (13,650,799)	\$ (9,027,258)
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	1,047,850	0	0	0	0
Net Investment in Capital Assets	0	0	0	0	0
Restricted	0	0	0	0	0
Unrestricted	162,257	0	0	0	0
Total Primary Government's Business-type Activities Net Position	\$ 1,210,107	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157	\$ 0	\$ 0
Invested in Capital Assets, Net of Related Debt	1,047,850	0	0	0	0
Net Investment in Capital Assets	0	0	0	24,061,291	25,246,263
Restricted	7,604,590	6,192,578	1,928,797	2,121,316	2,388,323
Unrestricted	(56,982,873)	(53,097,005)	(41,803,175)	(39,833,406)	(36,661,844)
Total Primary Government Net Position	\$ (26,553,165)	\$ (22,985,879)	\$ (16,441,221)	\$ (13,650,799)	\$ (9,027,258)
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 101,815,293	\$ 99,123,821	\$ 96,201,332	\$ 0	\$ 0
Net Investment in Capital Assets	0	0	0	92,976,955	91,236,337
Restricted	1,765,912	3,405,462	2,185,372	1,972,801	1,763,290
Unrestricted	10,690,484	9,302,865	9,469,221	7,380,379	9,241,930
Total Discretely Presented Bedford County School Department's Governmental Activities Net Position	\$ 114,271,689	\$ 111,832,148	\$ 107,855,925	\$ 102,330,135	\$ 102,241,557

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)

	2010			2011			2012			2013			2014		
	Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit		Primary Government	Component Unit	
Expenses															
Governmental Activities:															
General Government	\$ 2,267,967	\$ 0	\$ 2,458,580	\$ 0	\$ 2,622,551	\$ 0	\$ 2,679,511	\$ 0	\$ 2,698,463	\$ 0	\$ 2,698,463	\$ 0	\$ 2,698,463	\$ 0	\$ 2,698,463
Finance	1,557,134	0	1,522,871	0	1,551,852	0	1,586,677	0	1,586,677	0	1,586,677	0	1,586,677	0	1,586,677
Administration of Justice	1,615,942	0	1,700,803	0	1,774,488	0	1,749,801	0	1,796,717	0	1,796,717	0	1,796,717	0	1,796,717
Public Safety	7,739,326	0	7,954,991	0	8,011,004	0	7,788,326	0	7,916,501	0	7,916,501	0	7,916,501	0	7,916,501
Public Health and Welfare	4,233,405	0	4,380,157	0	4,126,630	0	5,356,033	0	4,486,032	0	4,486,032	0	4,486,032	0	4,486,032
Social, Cultural, and Recreational Services	163,391	0	156,662	0	156,662	0	514,850	0	598,490	0	598,490	0	598,490	0	598,490
Agriculture and Natural Resources	251,793	0	216,955	0	260,546	0	294,011	0	266,214	0	266,214	0	266,214	0	266,214
Highways	2,331,309	0	2,736,615	0	2,583,006	0	2,933,127	0	1,751,616	0	1,751,616	0	1,751,616	0	1,751,616
Education	3,037,040	0	2,868,706	0	2,693,913	0	2,495,792	0	2,318,241	0	2,318,241	0	2,318,241	0	2,318,241
Business-type Activities															
Nursing Home	1,122,149	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Component Unit - Bedford County School Department	0	58,395,797	0	61,487,565	0	63,705,713	0	64,609,492	0	64,609,492	0	64,609,492	0	64,609,492	0
Total Expenses	\$ 24,319,456	\$ 58,395,797	\$ 23,996,340	\$ 61,487,565	\$ 23,780,652	\$ 63,705,713	\$ 25,398,128	\$ 64,609,492	\$ 23,471,619	\$ 64,154,978	\$ 23,471,619	\$ 64,154,978	\$ 23,471,619	\$ 64,154,978	\$ 64,154,978
Program Revenues															
Governmental Activities:															
Charges for Services:															
General Government	\$ 667,081	\$ 0	\$ 569,304	\$ 0	\$ 481,210	\$ 0	\$ 539,912	\$ 0	\$ 729,270	\$ 0	\$ 729,270	\$ 0	\$ 729,270	\$ 0	\$ 729,270
Finance	974,475	0	981,784	0	1,006,052	0	997,037	0	1,060,922	0	1,060,922	0	1,060,922	0	1,060,922
Administration of Justice	1,424,996	0	1,408,878	0	1,683,922	0	1,619,539	0	1,495,030	0	1,495,030	0	1,495,030	0	1,495,030
Public Safety	1,964,264	0	1,280,113	0	1,326,428	0	939,714	0	849,422	0	849,422	0	849,422	0	849,422
Public Health and Welfare	1,749,721	0	1,377,502	0	1,608,862	0	1,523,074	0	1,864,227	0	1,864,227	0	1,864,227	0	1,864,227
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	8,550	0	7,800	0	5,550	0	8,310	0	6,450	0	6,450	0	6,450	0	6,450
Highways	12,172	0	19,436	0	22,263	0	19,391	0	19,839	0	19,839	0	19,839	0	19,839
Operating Grants and Contributions	3,838,749	0	3,805,231	0	3,365,287	0	3,439,576	0	2,559,500	0	2,559,500	0	2,559,500	0	2,559,500
Capital Grants and Contributions	191,388	0	698,513	0	897,862	0	749,197	0	893,698	0	893,698	0	893,698	0	893,698
Business-type Activities:															
Nursing Home:															
Charges for Services	517,163	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Component Unit - Bedford County School Department:															
Charges for Services	0	1,636,002	0	1,733,479	0	1,630,033	0	1,607,907	0	1,607,907	0	1,607,907	0	1,607,907	0
Operating Grants and Contributions	0	6,511,375	0	8,502,993	0	8,864,455	0	8,240,600	0	8,240,600	0	8,240,600	0	8,240,600	0
Capital Grants and Contributions	0	890,377	0	71,571	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	\$ 11,348,559	\$ 9,037,754	\$ 10,143,561	\$ 10,308,043	\$ 10,337,436	\$ 10,494,488	\$ 9,835,750	\$ 9,848,507	\$ 9,518,358	\$ 10,553,730	\$ 9,518,358	\$ 10,553,730	\$ 9,518,358	\$ 10,553,730	\$ 10,553,730
Net (Expense)/Revenue	\$ (12,970,897)	\$ (49,358,043)	\$ (13,852,779)	\$ (51,179,522)	\$ (13,443,216)	\$ (53,211,225)	\$ (15,562,378)	\$ (54,760,985)	\$ (13,953,261)	\$ (53,601,248)	\$ (13,953,261)	\$ (53,601,248)	\$ (13,953,261)	\$ (53,601,248)	\$ (53,601,248)
Total															

(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.)

	2010		2011		2012		2013		2014	
	Primary Government	Component Unit								
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 9,790,424	\$ 7,988,153	\$ 9,731,369	\$ 7,941,311	\$ 10,155,790	\$ 8,286,550	\$ 10,600,355	\$ 7,731,057	\$ 10,385,559	\$ 8,407,067
Sales Taxes	4,809,429	1,771,641	5,142,959	1,888,559	5,365,336	1,976,524	5,222,426	1,922,541	5,473,609	2,026,045
Other Taxes	1,372,638	3,134	1,161,823	2,435	1,244,429	2,776	1,142,346	3,842	1,209,328	10,315
Unrestricted Grants and Contributions	830,886	36,891,817	698,542	38,654,298	909,020	38,709,171	1,078,237	39,375,514	1,091,349	42,946,669
Investment Earnings	375,462	3,440	336,696	1,870	223,752	88,905	40,277	43,626	36,627	1,124
Gain (loss) on Sale of Capital Assets	0	0	0	0	0	0	0	0	0	20,109
Special Item (see Note IV.D)	0	0	0	0	1,821,783	0	0	0	0	0
Transfers in/out	0	0	0	0	0	0	0	731,675	0	0
Miscellaneous	534,805	120,554	401,887	251,508	267,764	171,076	273,656	158,615	380,290	101,341
Total Governmental Activities	\$ 17,713,644	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981	\$ 19,987,874	\$ 49,235,002	\$ 19,087,972	\$ 49,235,195	\$ 18,576,802	\$ 53,512,670
Business-type Activities:										
Investment Earnings	\$ 509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 17,714,153	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981	\$ 19,987,874	\$ 49,235,002	\$ 19,087,972	\$ 49,235,195	\$ 18,576,802	\$ 53,512,670
Prior-period Adjustment	\$ (86,002)	\$ 132,525	\$ (53,211)	\$ 0	\$ 0	\$ 0	\$ (735,172)	\$ 0	\$ 0	\$ 0
Change in Net Position	\$ 4,657,254	\$ (2,446,779)	\$ 3,567,286	\$ (2,439,541)	\$ 6,544,658	\$ (3,976,223)	\$ 2,790,422	\$ (5,525,790)	\$ 4,623,541	\$ (88,578)

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

Table 3

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

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Franchise Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
Primary Government									
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
2014	10,385,599	5,473,609	0	370,080	337,659	63,473	194,814	243,302	17,068,536
Component Unit									
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
2014	8,407,067	2,026,045	0	0	0	0	0	10,315	10,443,427

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Government:										
General Fund										
Reserved	\$ 42,412	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	789,596	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313	0	0	0	0
Restricted	0	0	0	0	0	0	638,427	810,591	1,045,339	1,301,479
Committed	0	0	0	0	0	0	131,105	166,862	73,110	123,695
Assigned	0	0	0	0	0	0	6,190,717	6,190,717	8,837,240	7,298,025
Unassigned	0	0	0	0	0	0	4,678,463	5,359,126	4,362,556	5,135,801
Total General Fund	\$ 832,008	\$ 2,730,190	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258	\$ 11,638,712	\$ 12,527,296	\$ 14,318,245	\$ 13,859,000
All Other Governmental Funds										
Reserved	\$ 4,991,760	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	1,079,715	7,740,284	9,343,189	8,226,868	7,440,991	914,960	0	0	0	0
Debt Service Funds	269,254	429,110	1,689,527	3,686,389	4,332,615	4,745,230	0	0	0	0
Capital Projects Funds	99,929	104,941	3,259,358	231,780	64,539	610,931	0	0	0	0
Restricted	0	0	0	0	0	0	814,266	985,573	950,483	952,886
Committed	0	0	0	0	0	0	4,238,144	3,222,188	2,828,512	2,848,554
Total All Other Governmental Funds	\$ 6,440,658	\$ 14,423,709	\$ 18,477,142	\$ 14,726,844	\$ 12,504,846	\$ 6,286,650	\$ 5,052,410	\$ 4,207,761	\$ 3,778,995	\$ 3,801,440
Component Unit:										
General Fund (General Purpose School)										
Reserved	\$ 2,182,018	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	3,467,797	3,596,076	5,126,482	8,247,874	7,270,619	10,183,468	0	0	0	0
Restricted	0	0	0	0	0	0	213,477	199,843	165,078	166,251
Committed	0	0	0	0	0	0	941,892	483,315	90,556	51,240
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	9,124,213	8,900,911	7,508,455	9,297,505
Total General Fund	\$ 5,649,815	\$ 6,615,238	\$ 7,765,638	\$ 10,677,852	\$ 10,729,095	\$ 10,574,469	\$ 10,279,582	\$ 9,584,069	\$ 7,764,089	\$ 9,514,996
All Other School Funds										
Reserved	\$ 2,115,265	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	1,100,201	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112	0	0	0	0
Capital Projects Funds	655,038	669,710	25,690,557	(4,945,341)	1,080,491	0	0	0	0	0
Nonspendable	0	0	0	0	0	0	154,382	78,958	69,787	62,906
Restricted	0	0	0	0	0	0	1,839,985	1,906,571	1,737,936	1,534,133
Committed	0	0	0	0	0	0	236,096	204,995	197,821	205,188
Total All Other Governmental Funds	\$ 3,870,504	\$ 2,563,562	\$ 43,946,859	\$ 22,528,102	\$ 4,007,539	\$ 1,765,912	\$ 2,230,463	\$ 2,190,524	\$ 2,005,544	\$ 1,802,227

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,657,679	\$ 17,653,465	\$ 17,797,946	\$ 17,751,437
Licenses and Permits	73,933	153,269	298,936	206,756	162,490	108,911	110,558	124,385	118,632	148,734
Fines and Forfeitures	569,239	505,218	532,322	483,882	408,577	376,180	323,633	503,321	478,464	477,127
Charges for Service	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	2,431,463
Other Local Revenue	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	952,557
Fees from County Officials	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	1,847,897
State Revenues	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	3,606,910
Federal Revenues	551,148	453,488	698,997	559,095	619,997	318,997	665,073	419,540	512,931	732,388
Other Govt/Citizens	93,363	208,441	94,686	166,476	1,193,499	2,154,927	1,044,387	1,007,321	1,000,376	2,454
Total Revenues	\$ 21,128,691	\$ 30,943,683	\$ 27,610,033	\$ 27,909,340	\$ 27,601,971	\$ 28,313,625	\$ 27,805,651	\$ 28,909,272	\$ 28,236,042	\$ 27,950,967
Expenditures										
General Government	\$ 958,335	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518	\$ 1,460,288	\$ 1,361,659	\$ 1,556,066
Finance	920,844	936,555	910,450	1,273,122	1,575,772	1,541,838	1,550,567	1,547,127	1,581,299	1,636,393
Admin. of Justice	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	1,796,381
Public Safety	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	7,465,438
Public Health/Welfare	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	4,208,827
Social, Cultural/Rec.	147,152	147,197	150,906	150,906	156,662	163,391	156,662	156,662	167,090	167,090
Agriculture and										
Natural Resources	188,622	188,875	209,328	208,244	198,356	239,482	206,310	205,537	208,192	230,609
Other Operations	3,182,729	3,590,070	3,955,168	3,703,196	1,603,031	782,032	789,966	741,446	1,439,296	860,151
Highway and Bridge	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	2,622,733
Debt Service:										
Principal	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	4,475,600
Interest	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	2,351,178
Other Charges	87,956	99,222	109,193	196,355	103,312	94,615	95,474	113,665	111,478	103,658
Capital Projects	5,393,586	1,048,976	50,699,865	4,729,371	5,714,988	38,018	821,589	251,469	851,283	913,143
Total Expenditures	\$ 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	\$ 28,387,767
Excess of Revenues Over (Under) Expenditures	\$ (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)	\$ (436,800)

(Continued)

Table 5

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers In	\$ 10,875	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257	\$ 327,570	\$ 347,929	\$ 710,734
Transfers Out	(10,875)	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)	0	(327,570)	(347,929)	(710,734)
Bond Proceeds	4,290,000	0	50,500,000	3,435,000	0	0	0	0	0	0
Note Proceeds	1,100,000	834,000	2,000,000	0	4,893,000	450,000	300,000	0	0	0
Insurance Recovery	0	0	0	0	0	135,398	0	0	0	0
Proceeds on Refunded Bonds	0	0	0	0	0	0	0	2,700,000	8,405,000	0
Payments to Refunded Bond Escrow Agent	0	0	0	(3,501,939)	0	0	0	(2,708,373)	(8,405,000)	0
Premiums on Bonds Sold	3,445	0	443,599	134,854	0	0	0	0	0	0
Sale of Nursing Home Capital Assets	0	0	0	0	0	0	0	0	3,000,000	0
Total Other Financing Sources (Uses)	\$ 5,393,445	\$ 834,000	\$ 52,869,599	\$ 67,915	\$ 4,893,000	\$ 585,398	\$ 462,257	\$ (8,373)	\$ 3,000,000	\$ 0
Net Change in Fund Balances	\$ 501,943	\$ 8,707,662	\$ 5,488,960	\$ (4,250,981)	\$ (1,568,229)	\$ 1,196,933	\$ (1,283,786)	\$ 43,935	\$ 1,362,183	\$ (436,800)
Debt Service as a Percentage of Noncapital Expenditures	16.0%	19.4%	7.1%	26.0%	28.4%	31.7%	30.8%	30.1%	27.3%	25.8%
Capital Expenditures	\$ 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	\$ 1,924,834

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Tax	\$ 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	\$ 10,282,564
Sales Tax	4,698,803	5,069,703	5,084,727	5,026,899	4,874,050	4,815,931	5,119,682	5,333,207	5,243,541	5,429,374
Litigation Tax	204,993	211,220	243,802	207,680	276,344	416,066	371,284	458,927	393,011	370,080
Business Tax	285,712	311,223	297,586	320,908	311,258	313,324	317,681	365,163	378,816	337,659
Mineral Severance	161,986	198,688	154,085	154,595	81,093	81,218	109,964	107,079	60,113	63,473
Development Tax	0	0	90,154	364,074	283,189	216,164	342,536	145,352	133,624	162,926
Wholesale Beer Tax	141,249	175,744	165,798	180,448	181,799	193,502	197,564	198,779	189,353	194,814
Bank Excise Tax	87,470	91,920	133,593	40,565	73,489	35,160	21,032	157,420	127,964	201,274
Other Statutory Tax	3,404	3,521	3,781	2,796	257,779	2,011	1,507	1,399	1,998	2,388
	\$ 14,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 15,876,994	\$ 16,025,617	\$ 16,926,450	\$ 17,069,488	\$ 17,044,552

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Local Taxes	\$ 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	\$ 10,921,251
Licenses and Permits	2,241	2,361	2,241	2,268	2,693	5,994	2,274	2,813	2,248	2,574
Charges for Current Services	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	1,501,265
Investment Earnings	248,046	95,890	131,081	48,986	14,496	0	0	0	0	0
Other Local Revenues	115,049	149,703	90,317	80,885	176,867	134,793	436,815	316,421	266,941	121,181
State of Tennessee	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	42,084,781
Federal Government	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	9,245,991
Other Governments and Citizens Groups	4,204,232	720,000	47,886,090	0	4,693,000	0	0	0	68,174	0
Total Revenues	\$ 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	\$ 63,877,043
Expenditures										
Current:										
Instruction	\$ 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	\$ 37,284,617
Support Services	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	19,260,911
Operation of Non-instructional Services	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	5,307,802
Capital Outlay	479,132	505,346	490,529	542,722	721,148	889,597	345,621	363,957	505,462	516,949
Capital Projects	14,686,248	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584	0	0	0	0
Debt Service	3,708	3,708	3,708	2,163	0	0	0	0	0	0
Total Expenditures	\$ 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	\$ 62,370,279
Excess of Revenues Over (Under) Expenditures	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,506,764
Other Financing Sources (Uses)										
Transfers In	\$ 11,274	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192	\$ 0	\$ 121,037	\$ 10,521
Transfers Out	(11,274)	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)	0	(121,037)	(10,521)
Insurance Recovery	0	0	0	0	0	0	0	0	0	40,826
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,826
Net Change in Fund Balances	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,547,590

Table 7

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

Fiscal Year Ended	Property Tax ¹	Local Option Sales Tax ²	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecommunications Tax	Other Statutory Local Taxes	Total
Primary Government:										
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
2014	10,282,564	5,429,374	370,080	337,659	63,473	194,814	201,274	2,388	869,811	17,751,437
Component Unit:										
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
2014	8,330,219	2,013,271	0	0	0	0	0	4,591	573,170	10,921,251

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 Assessed Value		Assessed Value as a Percentage of Actual Value	Estimated Actual Taxable Value	Total Direct Tax Rate
	Residential	Commercial and Industrial	Agricultural and Forest Property		City of Shelbyville	Outside City of Shelbyville			
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	161,072,120	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
2014	522,256,850	173,607,320	69,384,428	49,177,015	358,387,190	406,861,408	28.64%	2,843,785,871	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 ¹	Tax Year	General Purpose School Fund			Total ² Direct Rate	City of Shelbyville Tennessee ^{2,3}		City of Bell Buckle Tennessee ^{2,3}		City of Wartrace Tennessee ^{2,3}		Total Direct and Overlapping
		General Fund	Highway Fund	Debt Service Fund		General Fund	Shelbyville Tennessee ^{2,3}	Bell Buckle Tennessee ^{2,3}	Wartrace Tennessee ^{2,3}			
2005	2004	\$ 1.41	\$ 0.05	\$ 0.02	2.77	\$	1.47	\$	0.21	\$	1.00	\$ 4.24
2006	2005 ⁴	1.05	0.04	0.12	2.27		1.41		0.15		1.00	3.68
2007	2006	1.09	0.04	0.12	2.27		1.41		0.15		1.00	3.68
2008	2007	1.11	0.04	0.10	2.27		1.41		0.15		1.00	3.68
2009	2008	1.11	0.04	0.10	2.27		1.41		0.15		1.00	3.68
2010	2009 ⁴	1.11	0.04	0.10	2.27		1.41		0.16		1.00	3.68
2011	2010	1.11	0.04	0.10	2.27		1.41		0.16		1.00	3.68
2012	2011	1.11	0.04	0.10	2.27		1.41		0.16		1.00	3.68
2013	2012	1.11	0.04	0.16	2.27		1.41		0.16		1.00	3.68
2014	2013	1.11	0.04	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):

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

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

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

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

Table 10

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

<u>Taxpayer</u>	Fiscal Year Ended 2014			Fiscal Year Ended 2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Calsonic Manufacturing	\$ 24,112,679	1	0.029606975	\$ 33,579,204	1	5.8%
Duck River Electric Membership	19,570,577	2	2.4%	11,816,353	3	2.0%
Walmart Stores East	11,517,783	3	1.4%	16,299,768	2	2.8%
Sanford Corporation	8,942,066	4	1.1%	8,095,279	6	1.4%
Twist Beauty Packaging	8,391,438	5	1.0%	9,043,308	5	1.6%
Tyson Foods	8,002,768	6	1.0%	9,826,441	4	1.7%
Bemis	7,006,458	7	0.9%	4,239,464	8	0.7%
BMW Automotive	6,335,403	8	0.8%	-	-	0.0%
CSX Transportation	4,763,822	9	0.6%	-	-	0.0%
Bellsouth Telecommunications	4,196,361	10	0.5%	6,310,384	7	1.1%
United Telephone	-	-	-	3,775,096	9	0.7%
Shelbyville Partners	-	-	-	2,408,160	10	0.4%
Totals	\$ 102,839,355		12.6%	\$ 105,393,457		18.2%

Source: Trustee's Tax Rolls.

Table 11

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

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2014	2013	18,467,741	17,344,682	93.92%	358,666	17,703,348	95.86%

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 ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Rural School Bonds	Capital Outlay Notes	Other Loans Payable					
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		
2014	4,745,000	50,470,000	0	1,777,000	56,992,000	6.65%	1,251		

Note(s):

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

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

Table 13

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

Fiscal Year Ended June 30	General Obligation Bonds		Rural School Bonds		Total Bonded Debt ¹		Less: Amounts Available in General Debt Service Fund ²		Total	Percentage of Estimated Actual Taxable Value of Property ³		Per Capita ⁴
	\$	\$	\$	\$	\$	\$	\$	\$		1.17%	1.03%	
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					
2014	4,745,000	50,470,000	55,215,000	2,457,620	52,757,380	1.86%	1,158					

Source(s): Debt amortization schedules.

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

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

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

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

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

Table 14
Bedford County, Tennessee
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds and Notes
As of June 30, 2014

		% of Estimated Property Value	% of Assessed Property Value
<u>Direct Debt</u>			
General Bonded Debt	\$ 55,215,000	1.94%	6.78%
Capital Outlay Notes	0		
Other Loans Payable	1,777,000		
Total Direct Debt	\$ 56,992,000	2.00%	7.00%
<u>Overlapping Debt</u>			
City of Shelbyville	\$ 2,207,783	0.08%	0.27%
City of Bell Buckle	1,778,178	0.06%	0.22%
City of Wartrace	1,787,042	0.06%	0.22%
City of Normandy	-	0.00%	0.00%
Total Overlapping Debt	5,773,002		
Total Direct and Overlapping Debt	\$ 62,765,002	2.21%	7.71%

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	\$	814,425,613
Estimated Value		2,843,785,871

Table 15

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

Not Applicable to Bedford County, Tennessee

Table 16

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

Not Applicable to Bedford County, Tennessee

Table 17

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

Fiscal Year Ended June 30	Population ^{1,5}	Personal Income (amounts expressed in thousands) ^{1,5}	Per Capita Personal Income ^{1,5}	Median Age ^{2,5}	Bedford County School Enrollment ³	Annual Unemployment Rate ^{4,5}
2005	42,204	\$ 1,135,971	\$ 26,916	34.9	7,217	5.4%
2006	43,102	1,197,493	27,783	35.0	7,501	5.2
2007	44,062	1,271,738	28,862	34.9	7,612	4.9
2008	45,031	1,319,630	29,305	34.9	7,721	6.0
2009	45,480	1,328,881	29,219	35.0	7,746	6.6
2010	45,526	1,306,750	28,703	35.2	7,866	12.3
2011	45,058	813,793	18,061	35.0	7,817	11.9
2012	45,509	840,597	18,471	35.1	7,966	10.4
2013	45,573	857,365	18,813	37.0	8,103	9.3
2014	45,901	883,365	19,245	37.2	8,212	7.5

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

¹⁾ Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Per capita personal income was provided by 2010 U.S. Census data. Personal income amounts for 2011-14 were calculated by multiplying population by per capita income.

²⁾ Fiscal years 2001-06 and 2012 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2007-11 and 2013-14 are U.S. Census Bureau estimates.

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

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

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

Table 18

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

	2014			2005		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment²</u>
Tyson Foods	1,337	1	7.34%	1,200	1	7.01%
Calsonic Manufacturing	1,272	2	6.99%	1,200	1	7.01%
Sanford Distribution	802	3	4.41%	1,000	2	5.84%
National Pen Corp.	434	4	2.38%	500	4	2.92%
Wal-Mart Distribution Center	380	5	2.09%	-	-	-
Jostens, Inc.	375	6	2.06%	650	3	3.80%
Albea (Pechiney, Alcan, American Can)	277	7	1.52%	325	5	1.90%
Century Mold Co., Inc.	143	8	0.79%	100	8	0.58%
Corsicana Bedding, Inc.	135	9	0.74%	105	7	0.61%
Bemis	128	10	0.70%	140	6	0.82%
Musgrave Pencil Co	-	-	-	100	8	0.58%
Economy Pencil Company	-	-	-	100	8	0.58%
Total	5,283		29.02%	5,420		31.65%

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

Note(s):

¹ Percentage is based on December 2013 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

² Percentage is based on June 2005 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Employer information does not include local governments' employees.

Table 19

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

Function:	<u>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>	<u>2014</u>
General Government	150	152	194	194	205	173	76	72	75	76
Finance	0	0	8	8	10	10	10	9	9	9
Justice	19	17	19	24	34	29	34	33	33	33
Public Safety	93	122	110	110	108	134	129	130	134	134
Health and Welfare	13	18	20	18	10	12	15	14	13	13
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	0	1	1	1	1
Road and Bridge	42	40	40	38	27	26	26	26	26	26
Total	318	350	392	393	395	385	292	286	292	293
Component Unit:										
Education	905	925	945	961	972	1,060	1,096	1,199	1,169	1,134

Source: Bedford County Finance Department

Table 20

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

Function	<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>	<u>2014</u>
<u>General Government</u>										
Registered voters	19,596	20,586	21,069	23,238	23,124	23,824	23,461	24,264	23,704	24,090
Building permits issued	n/a	294	169	135	78	74	42	58	56	85
Single family homes	n/a	195	158	137	201	172	343	383	68	68
All other permits										
<u>Public Safety</u>										
Physical arrests	1,598	1,628	1,641	1,776	569	3,151	3,298	9,726	6,465	2,165
Traffic citations	1,847	1,894	2,008	2,092	2,003	412	1,016	2,122	n/a	n/a
Warrants served	10,281	10,305	10,418	10,716	13,458	13,732	10,542	11,827	10,879	9,737
Summary of inmate days:										
Felons-convicted	20,151	21,254	20,452	23,660	28,467	22,848	22,898	45,740	34,931	13,682
Misdemeanant-convicted	52,864	55,757	53,653	62,069	26,317	24,681	9,447	35,834	32,270	8,316
Pretrial	239	252	242	280	22,866	23,552	23,472	1,315	5,173	20,432
Other	111	117	113	130	422	319	129	4,920	5,545	1,057
Total inmate days	73,365	77,380	74,460	86,139	78,072	71,400	55,946	87,809	77,919	43,487
Other daily inmate information										
Average daily population	201	212	204	236	243	195	250	231	211	175
Daily inmate capacity of facility	215	204	217	217	217	216	206	206	206	206
<u>Public Health</u>										
Ambulance - call volume	4,618	4,769	4,810	5,418	5,135	4,818	5,206	5,465	6,050	6,687
Response time - average minutes	11	11	11	11	10	10	11	11	11	11
Animal control										
Requests for service	1,291	912	796	1,494	922	998	733	283	864	927
Animals impounded	1,720	1,475	1,701	1,977	1,615	1,515	1,192	929	1,246	1,250
Animals adopted	77	103	171	266	211	696	692	465	908	1,012

(Continued)

Table 20

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

Function (Cont.)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Road and Bridge										
Street resurfaced (miles)	22	25	35	20	11	9	12	10	13	15
Sanitation										
Solid Waste Department	n/a	n/a	11,400	11,448	11,115	10,932	10,579	10,179	10,045	9,899
Refuse collected (in tons)	n/a	n/a	121	126	116	92	235	249	302	280
Recyclables collected (in tons)	n/a	n/a	7	6	5	4	1	1	1	1
Paper	n/a	n/a	0	0	0	0	0	0	0	0
Batteries	n/a	n/a	365	397	498	412	301	190	250	288
Plastics	n/a	n/a	680	675	679	701	676	413	394	499
Metals	n/a	n/a	85	80	4,604	5,472	8,100	9,705	4,855	10,590
Tires										
Used oil (gallons)										
Component Unit:										
Bedford County School Department										
Weighted Full-time Equivalent Average	8,227	8,352	8,352	8,517	8,628	7,521	7,400	7,599	7,730	7,837
Daily Attendance	408	426	458	478	505	532	455	522	505	500
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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Highways and Streets										
Number of Miles	668	673	678	679	683	683	683	683	683	683
Number of Bridges	189	191	191	191	191	191	188	188	188	188
Public Safety										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Health and Welfare										
Nursing Home	1	1	1	1	1	1	0	0	0	0
Number of Beds	90	90	90	90	90	90	0	0	0	0
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	3	3	4	4	4	4	5	5	5	5
Number of Ambulance Units	7	7	8	8	8	8	6	8	8	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1

Facilities and Services Not Included in the Primary Government

Education:
Form of Administration

Number of Schools	7	7	7	7	7	7	8	8	8	8
Elementary Schools	1	1	1	1	1	1	2	3	3	3
Middle Schools	3	3	3	3	3	3	3	3	3	3
High Schools	1	1	1	1	1	1	1	1	1	1
Alternative School										

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

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements, and have issued our report thereon dated September 17, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Emergency Communications District of Bedford County, as described in our report on Bedford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-001 and 2014-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bedford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-003, 2014-004, and 2014-005.

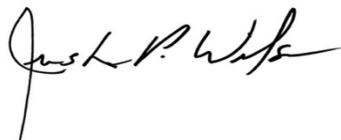
Bedford County's Response to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 17, 2014

JPW/sb



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Bedford County's compliance with the types of compliance requirements described in the *OMB 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, 2014. 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, 2014.

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.

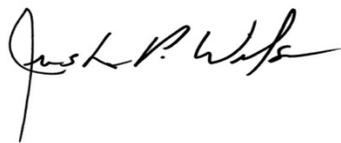
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2014, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements. We issued our report thereon dated September 17, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 17, 2014

JPW/sb

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year-Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	(2)	\$ 17,760
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	825,228
National School Lunch Program	10.555	(2)	2,314,588 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	69,476
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	290,645 (3)
Total U.S. Department of Agriculture			<u>\$ 3,517,697</u>
U.S. Election Assistance Commission:			
Passed-through State Department of Elections:			
Help America Vote Act Requirements Payments	90.401	(4)	\$ 55,334
Total U.S. Election Assistance Commission			<u>\$ 55,334</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	33004-01213	\$ 431,400
Total U.S. Department of Housing and Urban Development			<u>\$ 431,400</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 136,645
Alcohol Open Container Requirements	20.607	Z-13-GHSO-20	15,930
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-18814	6,500
Total U.S. Department of Transportation			<u>\$ 159,075</u>
U.S. Department of Education:			
Direct Programs:			
Fund for the Improvement of Education	84.215	N/A	\$ 345,598
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	93.501	C12CS25568	497,351
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	143,933
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,069,690
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,698,238
Special Education - Preschool Grants	84.173	N/A	26,465
Career and Technical Education - Basic Grants to States	84.048	N/A	117,274
Education for Homeless Children and Youth	84.196	N/A	19,385
Twenty-first Century Community Learning Centers	84.287	N/A	122,846
Rural Education	84.358	N/A	157,156
English Language Acquisition State Grants	84.365	N/A	92,642
Improving Teacher Quality State Grants	84.367	N/A	187,911
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	268,861
Total U.S. Department of Education			<u>\$ 5,747,350</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. 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	34101-16312	25,469
Total U.S. Department of Homeland Security			<u>\$ 68,819</u>
Total Expenditures of Federal Awards			<u>\$ 9,979,675</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Litter Program - State Department of Transportation	N/A	1435835	\$ 32,794
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29451-00	9,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	35937	20,914
Help America Vote - State Department of Elections	N/A	30510-00213-30	2,912
Public Health - Partnering to Promote Primary Prevention with Minority Communities Initiative - State Department of Health	N/A	(2)	2,856
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	117,224
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	47,977
ConnecTN - State Department of Education	N/A	(2)	23,711
Technology - State Department of Education	N/A	(2)	561,093
Rural Local Health Services - State Department of Health	N/A	(2)	432,891
Act/Explorer/Plan - State Department of Education	N/A	(2)	7,567
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	369,137
Safe Schools Act 2003 - State Department of Education	N/A	(2)	82,285
Student Ticket Subsidy Grant - State Arts Commission	N/A	(2)	3,408
Coordinated School Health Initiative - State Department of Education	N/A	(2)	<u>35,528</u>
Total State Grants			<u>\$ 1,749,297</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$2,605,233.
- (4) 30510-00213-30: \$53,871; 30510-00113-02: \$1,463.

Bedford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	210	The billing software used by the School Age Childcare Program did not have adequate application controls

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-008	212	Duties were not segregated adequately

BEDFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

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), Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228), the State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), and the Affordable Care Act Grants for School-Based Health Center Capital Expenditures (CFDA No. 93.501) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-001

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 control deficiencies relating to the office's software were identified:

1. The application allowed users to alter charges and payments without leaving an audit trail.
2. The application allowed users 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. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact their software vendor and have the ability to alter charges and payments removed from the application. Also, a report of deleted payments should be available.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Steps are being taken to correct the deficiency.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2014-002

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Circuit and General Sessions Courts Clerk. 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.

OFFICE OF SHERIFF

FINDING 2014-003

DEFICIENCIES WERE NOTED IN ACCOUNTING FOR SEXUAL OFFENDER REGISTRY PAYMENTS

(Noncompliance Under *Government Auditing Standards*)

On December 18, 2013, our office issued a special investigative report on the Bedford County Sheriff's Department for the period January 1, 2006, through December 31, 2011. This report disclosed a number of deficiencies in accounting for sexual offender registry payments, including a cash shortage of at least \$31,460. The former officer responsible for this theft was indicted by the Bedford County Grand Jury on December 16, 2013. This report is available at www.tn.gov/comptroller.

OTHER FINDINGS

FINDING 2014-004

THE COUNTY'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

(Noncompliance Under *Government Auditing Standards*)

Bedford County participates in the ThreeStar Program through the Tennessee Department of Economic and Community Development to assist the county's community development efforts in competing for jobs and attracting industry. One of the requirements of the ThreeStar Program is that the county must create and maintain an Audit Committee.

Bedford County created an Audit Committee on September 11, 2007, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are no minutes to document that this Audit Committee has ever met or conducted any business. Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

RECOMMENDATION

The county's Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Steps are being taken to correct the finding.

FINDING 2014-005

SEVERAL COUNTY COMMISSIONERS FAILED TO DISCLOSE CONFLICTS OF INTEREST DURING COUNTY COMMISSION MEETINGS

(Noncompliance Under *Government Auditing Standards*)

Several Bedford County Commissioners who were also Bedford County employees prior to being elected to the County Commission failed to make public their employment with the county when voting on budget amendments for the departments where they were employed. Section 5-5-102(c)(3)(A), *Tennessee Code Annotated*, provides that any member of a local governing body who is also an employee may vote on matters in which the member has a conflict of interest if the member informs the governing body immediately prior to the vote. The official minutes of the County Commission should reflect this disclosure when the affected commissioners vote on budget amendments.

RECOMMENDATION

On matters in which the county commissioner (elected after employment) has a potential conflict of interest, the member should inform the governing body immediately prior to the vote as follows: "Because I am an employee of Bedford County, I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents." The clerk should record this disclosure in the official minutes of the County Commission.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Steps are being taken to correct the finding.

**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, 2014**

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