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# ANNUAL FINANCIAL REPORT OF BRADLEY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



**ANNUAL FINANCIAL REPORT**  
**BRADLEY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2007**

*DEPARTMENT OF AUDIT*  
*JOHN G. MORGAN*  
*Comptroller of the Treasury*

*DIVISION OF COUNTY AUDIT*  
*RICHARD V. NORMENT*  
*Assistant to the Comptroller*

*JAMES R. ARNETTE*  
*Director*

*CARL LOWE, CGFM*  
*Audit Manager*

*MICHAEL FORD, CPA, CGFM*  
*Auditor 4*

*KATHY CLEMENTS, CGFM*  
*TIMOTHY SCOTTON, CGFM*  
*JENI PALADENI*  
*State Auditors*

*D. GARY DAVIS*  
*County Mayor*  
*Bradley County, Tennessee*

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

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## BRADLEY COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Bradley County, Tennessee  
For the Year Ended June 30, 2007

**Scope**

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2007.

**Results**

Our report on the aggregate discretely presented component units expresses an adverse opinion because the Bradley County Memorial Hospital, a component unit, was omitted. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

**Findings**

The following are summaries of the audit findings:

**OFFICE OF COUNTY MAYOR**

- ◆ Certain property of the Sheriff's Department was sold at public auction; however, this property had not been presented to and declared surplus by the County Commission.
- ◆ A signature stamp was used to sign some warrants.
- ◆ The Other Special Revenue Fund was not budgeted.

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**OFFICE OF TRUSTEE**

- ◆ Remodeling expenditures were not expended through the county's budgetary process.
-

## **OFFICE OF SHERIFF**

- ◆ Some Sheriff's Department purchases made with a credit card should have been made through the county's purchasing system.
- 

## **OTHER FINDINGS**

- ◆ Notes were not issued in compliance with state statutes.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately in the Offices of Road Superintendent, Director of Schools, Clerk and Master, Register, and Sheriff.

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## INTRODUCTORY SECTION

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**Office of the  
Bradley County Mayor  
D. Gary Davis**

**Phone 423-728-7141  
Facsimile 423-476-0696**

**P. O. Box 1167  
Cleveland, TN 37364**

January 4, 2008

To the Members of the County Commission and  
the Citizens of Bradley County, Tennessee

State law requires that all general-purpose local governments annually 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. Pursuant to that requirement, we hereby issue the annual financial report of Bradley County, Tennessee, for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of Bradley County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Bradley County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Bradley County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Bradley County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Bradley County's financial statements have been audited by the State of Tennessee, Comptroller of the Treasury, Department of Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bradley County for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Bradley County's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP for the governmental activities, each major fund, and the aggregate remaining fund information. However, an adverse opinion was issued on the financial statements of the aggregate discretely presented component units due to the omission of the Bradley County Memorial

Hospital. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Bradley County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Bradley County's Single Audit section of this report.

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

## **PROFILE OF THE GOVERNMENT**

Bradley County, incorporated in 1836, is located in the southeast portion of the State of Tennessee. The county lies in a valley between the Cumberland and Great Smoky Mountains and has an approximate land area of 216,230 acres or 338 square miles and serves a population of approximately 90,000. Bradley County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Bradley County's form of government is one with a popularly elected county mayor who is the administrative head of the county and a popularly elected board of county commissioners, which is the legislative branch of the county. Bradley County's legislative body is composed of 14 members with two members being elected from each of the county's seven districts. The county legislative body assembled in session is authorized to act for the county, including election of officials or confirmation of appointees, fixing salaries, and appropriating money and any other business coming before the body. All funds to be used in the operation of the county must be appropriated for that use by the county legislative body, which can appropriate money only for expenditures sanctioned by state law. It is the duty of the county legislative body to adopt a budget and to appropriate funds for the ensuing fiscal year for all county departments and agencies.

Bradley County provides a full range of services, including police and fire protection; schools; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for Bradley County's financial planning and control. All departments of the county are required to submit requests for appropriation to the Finance Committee on or before the third Wednesday in April each year. The Finance Committee uses these requests as the starting point for developing a proposed budget. The Finance Committee then presents the budget requests to the full County Commission for review prior to the fourth Monday in April. The Finance Committee is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the county's fiscal year. The

appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations require the special approval of the County Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Highway/Public Works Fund these comparisons are presented as required supplementary information. For other governmental funds with appropriated annual budgets, this comparison is present in the combining and individual fund financial statements and schedules section of this report.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local economy.** Bradley County currently enjoys a favorable economic environment, and local indicators point to continued stability. Bradley County is known for its productive agriculture and for its stable diversified industry. Approximately 80 percent of the county's land area is devoted to farming, with income derived primarily from dairy, cotton, poultry, tobacco, various fruits and vegetables. The county has three industrial parks. Northeast Industrial Park is fully developed, and Cleveland-Bradley County Industrial Park has approximately 80 of its total 228 acres remaining for development. The Hiwassee River Industrial Park has approximately 67 of its total 121 acres available for development. There are approximately 147 industrial concerns in the county. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include household cooking equipment, newspaper and pulp plant, distribution centers, alkaline batteries, hosiery, candy, cakes, cookies, dairy products, photo finishing, and clothing manufacturing.

A diverse manufacturing and industrial base adds to the relative stability of the employment rate. Bradley County has an employed labor force of approximately 47,000, which is anticipated to grow at a rate of two to three percent each year for the next several years. Meanwhile, there continues to be a discernable trend toward steady residential growth.

Several major tourist attractions are located in the county: Red Clay State Historical Area, primitive Indian settlements, Church of God of Prophecy World Headquarters, and the Church of God general offices, which house one of the largest mosaic murals in the southern United States. The Cherokee National Forest and Ocoee River whitewater rafting facilities are located within a few minutes drive.

**Long-term planning.** Bradley County has several long-term goals. Some of those include:

- Continuing to replace some of the older bridges in the county through the Road Department bridge program.
- Continuing better working relationship with city government.
- Reducing debt for the county.

- Increasing per-pupil expenditures and/or addressing school needs, both buildings and programs.
- Developing a five-year plan for schools, other agencies, and county funds.
- Continuing to improve efficiency in county departments.
- Recruiting businesses.
- Extending water lines in the rural areas of the county.

**Cash management policies and practices.** The county trustee is charged with maximizing returns on the county's funds and complying with state law regarding investments that help ensure the protection of these funds.

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 100 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 the 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.

**Risk management.** Bradley County's and the discretely presented Bradley County School Department's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The county is a member of the Local Government Property and Causality Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums.

The discretely presented Bradley County School Department's risk of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The School Department is a member of the Tennessee School Boards - Risk Management Trust (TSB-RMT) which is a public risk pool established by an association of member districts. The School Department pays annual

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

Bradley County and the discretely presented Bradley County School Department provide health insurance coverage to its employees through the Local Government Group Insurance Fund, 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.

**Pension and other post-employment benefits.** Employees of Bradley 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 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 Bradley 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, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at <http://www.treasury.state.tn.us>.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bradley County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the third consecutive year that Bradley County received this prestigious award.

The financial information is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. The person primarily responsible for preparing this document is Lynn Burns, Director of Accounts and Budgets for Bradley County. Especially important is to recognize the people of the Department of

Accounts and Budgets and Human Resources who helped make this report possible: Rena Samples, Sharon Sandidge, Renee Linton, and Robin Sipe. Each contributed to the many daily efforts required to operate our office. For questions concerning any of the information provided, please contact the Accounting and Budgeting Office at 155 Broad Street, Cleveland, Tennessee 37311.

Respectfully submitted,

A handwritten signature in black ink that reads "Lynn Burns". The signature is written in a cursive style with a large, prominent initial "L".

Lynn Burns  
Director of Accounts & Budgets

A handwritten signature in black ink that reads "D. Gary Davis". The signature is written in a cursive style with a large, prominent initial "D".

D. Gary Davis  
County Mayor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

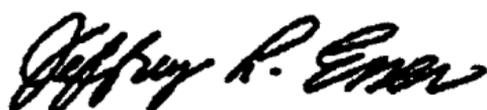
**Bradley County  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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

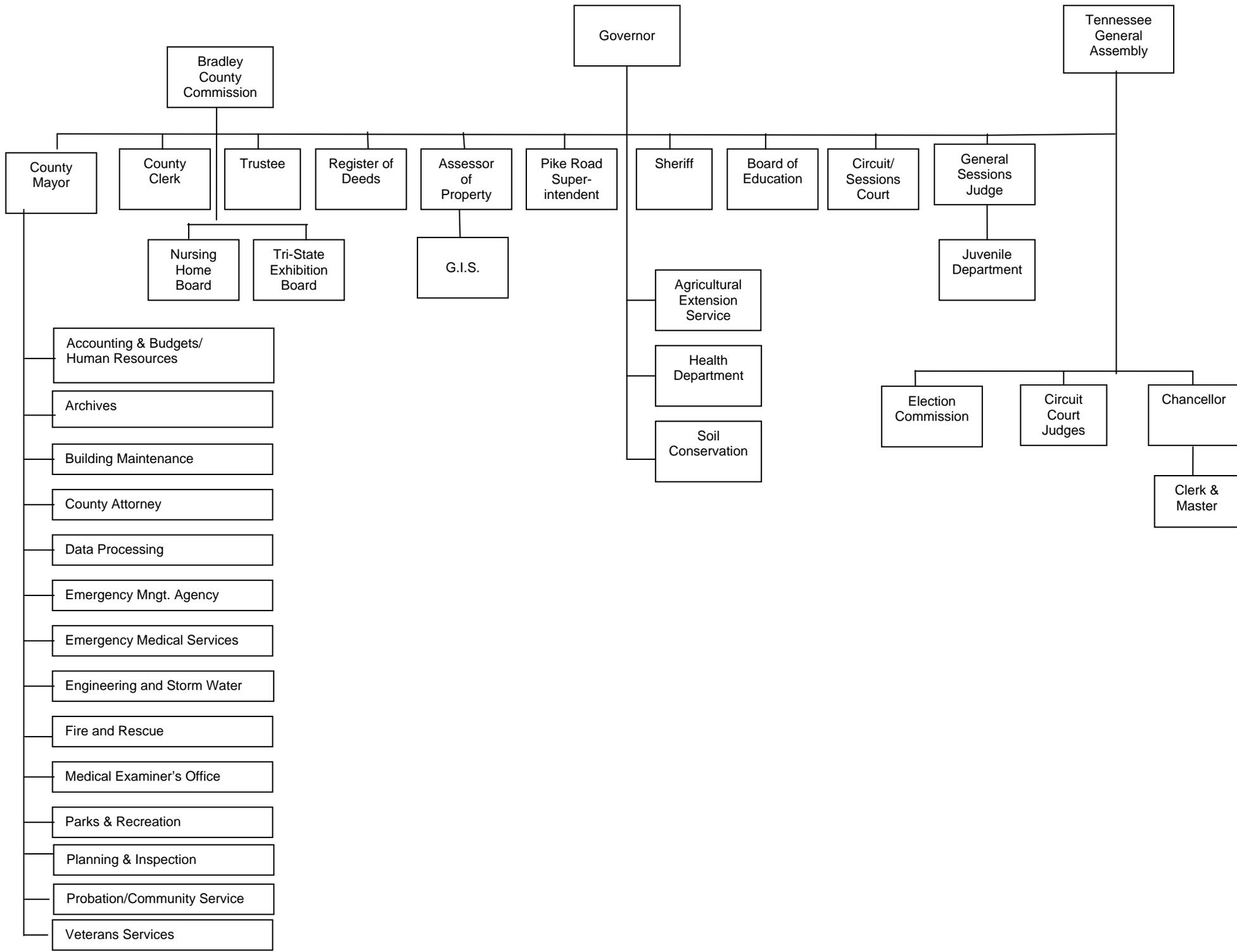


President



Executive Director





# Bradley County Officials

## June 30, 2007

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### Officials

County Mayor	D. Gary Davis
Road Superintendent	Tom Collins
Director of Schools	Robert Taylor
Trustee	Mike Smith
Assessor of Property	Stanley Thompson
County Clerk	Donna Alley Simpson
Circuit and General Sessions Courts Clerk	Gayla Miller
Clerk and Master	Carl Shrewsbury
Register	Raymond Swafford
Sheriff	Tim Gobble
Accounting and Budgeting Director	Lynn Burns
Agricultural Extension Director	Kim Frady
Ambulance Service Director	Danny Lawson
County Attorney	Robert Thompson
Emergency Management	Troy Spence
Engineering, Planning and Building Inspection	Sandra Knight
Fire Chief	Dewey Woody
GIS	Wayne Owenby
Health Department	Eloise Waters
Human Resources Administrator	Rena Samples
Information Systems	Michael Sullivan
Juvenile Services	Chip Bryant
Parks and Recreation Director	Paul Wyrick
Probation Services/Courts Community Service	Rich Kienlen
Veteran Affairs	Larry McDaris

### Board of County Commissioners

District 1	Ben Atchley
District 1	Ed Elkins
District 2	Louie Alford
District 2	Connie Wilson
District 3	Brian Smith
District 3	Lisa Stanbery
District 4	Jim Smith
District 4	Howard Thompson
District 5	Bill Ledford
District 5	Jeff Yarber

**Board of County Commissioners (Cont.)**

District 6  
District 6  
District 7  
District 7

Mel Griffith  
Roy Smith  
Mark Hall  
Michael Plumley

**Board of Education**

Troy Weathers, Chairman  
Richard Baker  
Tom Cassada  
Christy Critchfield

Mark Grissom  
David Kelley  
Terry McGuire

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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

January 4, 2008

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Bradley County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bradley County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Bradley Healthcare and Rehabilitation Center which represent six percent and 14 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2007, and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bradley Healthcare and Rehabilitation Center, is based 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 auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

As discussed in Note I, the financial statements of the aggregate discretely presented component units referred to above do not include financial statements of the Bradley County Memorial Hospital. Accounting principles generally accepted in the United States of America require that the financial activities of the Bradley County Memorial Hospital be presented in the basic financial statements of Bradley County as a discretely presented component unit. The amounts that would be reported in the government-wide financial statements for the aggregate discretely presented component units are not reasonably determinable.

In our opinion, based on our audit and the report of other auditors, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Bradley County, Tennessee, as of June 30, 2007, and the changes in financial position and cash flows, where applicable, for the year ended.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

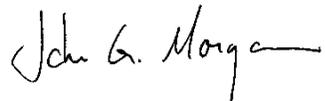
In accordance with Government Auditing Standards, we have also issued our report dated January 4, 2008, on our consideration of Bradley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 23 through 33 and the budgetary comparison and pension information on pages 99 through 105 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bradley 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 Bradley County School Department (a discretely presented component unit), and miscellaneous schedules 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 Bradley County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/rc

## Management's Discussion and Analysis

As management of Bradley County, we offer readers of the Bradley County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- The assets of Bradley County Primary Governmental Activities exceeded its liabilities at the close of the most recent fiscal year by \$27,628,334 (net assets).
- The government's total net assets increased by \$16,540,659 during the year ending June 30, 2007.
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$46,447,605. Approximately 29.4 percent of this amount (\$13,660,881 - unreserved fund balance) is available for spending at the government's discretion - subject to fund restrictions.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,481,745 or 22.7 percent of total General Fund expenditures.
- Bradley County's total long-term debt decreased by \$10,932,643 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bradley County's basic financial statements. The county's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The **statement of net assets** presents information on all of Bradley County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the county include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the county include a hospital and a nursing home.

The government-wide financial statements include not only Bradley County (known as the primary government), but also a legally separate school district, hospital, and nursing home for which Bradley County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

**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. Bradley 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 Bradley County can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is 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.

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

Bradley County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** Bradley County maintains an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Bradley County uses an enterprise fund to account for the Bradley Healthcare and Rehabilitation Center, a discretely presented component unit.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bradley County, assets exceeded liabilities by \$27,628,334 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 Bradley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by Bradley County Government.

As of June 30, 2007, Bradley County had outstanding debt totaling \$52,824,000 for capital purposes of education (\$35,965,050 for county schools and \$16,858,950 for city schools). The capital assets are reported in the financial statements of the Bradley County Board of Education and the Board of Education of the City of Cleveland, respectively. Bradley County has incurred the related liability, significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

A large portion of Bradley County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Bradley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bradley 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.

Table 1a

#### BRADLEY COUNTY'S NET ASSETS

	Bradley County Government		Bradley County School Department	
	2007	2006	2007	2006
<b>Assets:</b>				
Current and Other Assets	\$ 69,303,946	\$ 63,943,229	\$ 29,604,826	\$ 28,113,547
Capital Assets	48,537,688	46,161,511	54,255,402	50,590,530
<b>Total Assets</b>	<b>\$ 117,841,634</b>	<b>\$ 110,104,740</b>	<b>\$ 83,860,228</b>	<b>\$ 78,704,077</b>
<b>Liabilities:</b>				
Long-term Liabilities	\$ 70,494,942	\$ 81,523,866	\$ 949,860	\$ 0
Other Liabilities	19,718,358	17,493,199	16,277,874	16,829,372
<b>Total Liabilities</b>	<b>\$ 90,213,300</b>	<b>\$ 99,017,065</b>	<b>\$ 17,227,734</b>	<b>\$ 16,829,372</b>

Table 1a (Cont.)

**BRADLEY COUNTY'S NET ASSETS**

	Bradley County Government		Bradley County School Department	
	2007	2006	2007	2006
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 31,858,961	\$ 18,717,481	\$ 0	\$ 0
Invested in Capital Assets Restricted	0	0	54,255,402	50,590,530
Unrestricted	39,753,370	34,951,549	8,705,026	5,099,663
	(43,983,997)	(42,581,355)	3,672,066	6,184,512
Total Net Assets	<u>\$ 27,628,334</u>	<u>\$ 11,087,675</u>	<u>\$ 66,632,494</u>	<u>\$ 61,874,705</u>

Table 1b

**BRADLEY COUNTY'S NET ASSETS**

	Bradley Healthcare and Rehabilitation Center	
	2007	2006
Assets:		
Current and Other Assets	\$ 2,200,353	\$ 2,143,521
Capital Assets	2,981,165	3,082,204
Total Assets	<u>\$ 5,181,518</u>	<u>\$ 5,225,725</u>
Liabilities:		
Long-term Liabilities	\$ 119,836	\$ 114,678
Other Liabilities	891,797	817,267
Total Liabilities	<u>\$ 1,011,633</u>	<u>\$ 931,945</u>
Net Assets:		
Invested in Capital Assets	\$ 2,981,165	\$ 3,082,204
Restricted	142,751	134,574
Unrestricted	1,045,969	1,077,002
Total Net Assets	<u>\$ 4,169,885</u>	<u>\$ 4,293,780</u>

An additional portion of Bradley County's governmental activities assets (\$39,753,370) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, Bradley County is able to report positive balances in three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table 2a

**BRADLEY COUNTY'S CHANGES IN NET ASSETS**

	Bradley County Government		Bradley County School Department	
	2007	2006	2007	2006
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 14,047,232	\$ 10,699,470	\$ 2,190,518	\$ 9,337,575

Table 2a (Cont.)

## BRADLEY COUNTY'S CHANGES IN NET ASSETS

	Bradley County Government		Bradley County School Department	
	2007	2006	2007	2006
<b>Revenues (Cont.)</b>				
Program Revenues (Cont.):				
Operating Grants and Contributions	\$ 6,382,194	\$ 7,548,175	\$ 9,055,821	\$ 1,789,366
Capital Grants and Contributions	2,766,433	1,747,863	5,945,318	4,408,270
General Revenues:				
Property Taxes	18,520,550	17,999,945	10,995,203	10,690,877
Other Taxes	6,069,454	5,721,978	7,959,248	7,826,355
Grants and Contributions not Restricted to Specific Programs	868,050	894,447	33,631,203	31,042,436
Other	17,202,910	1,357,401	448,346	537,645
Total Revenues	<u>\$ 65,856,823</u>	<u>\$ 45,969,279</u>	<u>\$ 70,225,657</u>	<u>\$ 65,632,524</u>
<b>Expenses</b>				
General Government	\$ 3,109,772	\$ 2,643,474	\$ 0	\$ 0
Finance	2,438,416	2,105,013	0	0
Administration of Justice	2,544,591	2,484,104	0	0
Public Safety	17,148,071	16,179,741	0	0
Public Health and Welfare	5,670,024	5,071,634	0	0
Social, Cultural, and Rec. Services	1,725,312	1,428,944	0	0
Agriculture and Natural Resources	441,046	412,796	0	0
Other Operations	3,314,102	1,599,541	0	0
Highways/Public Works	3,853,649	3,761,715	0	0
Education	0	11,346,511	0	0
Interest on Long-term Debt	3,008,201	3,494,212	0	0
Other Enterprises	0	0	65,467,868	59,455,694
Other Debt Service	6,062,980	174,032	0	0
Total Expenses	<u>\$ 49,316,164</u>	<u>\$ 50,701,717</u>	<u>\$ 65,467,868</u>	<u>\$ 59,455,694</u>
Increase(Decrease) in Net Assets	\$ 16,540,659	\$ (4,732,438)	\$ 4,757,789	\$ 6,176,830
Net Assets, July 1	<u>11,087,675</u>	<u>15,820,113</u>	<u>61,874,705</u>	<u>55,697,876</u>
Net Assets, June 30	<u>\$ 27,628,334</u>	<u>\$ 11,087,675</u>	<u>\$ 66,632,494</u>	<u>\$ 61,874,706</u>

Table 2b

## BRADLEY COUNTY'S CHANGES IN NET ASSETS

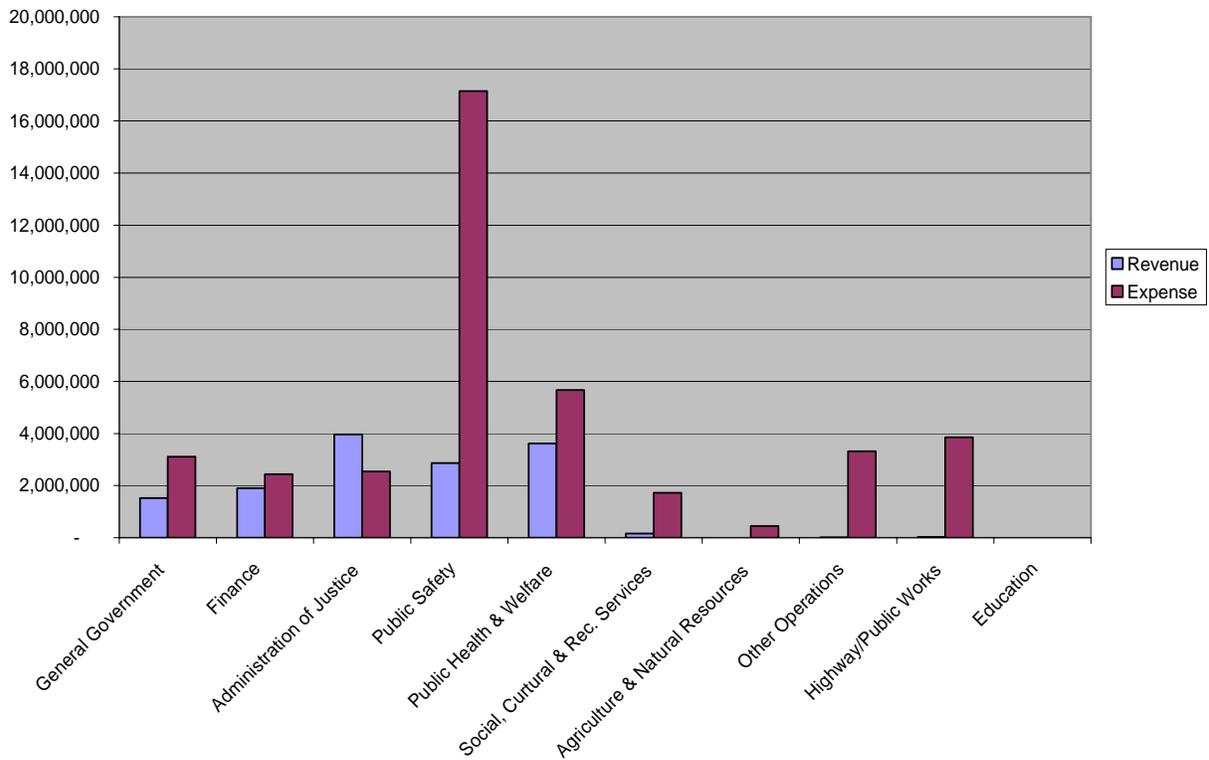
	Bradley Healthcare and Rehabilitation Center	
	2007	2006
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 11,146,481	\$ 11,020,792

Table 2b (Cont.)

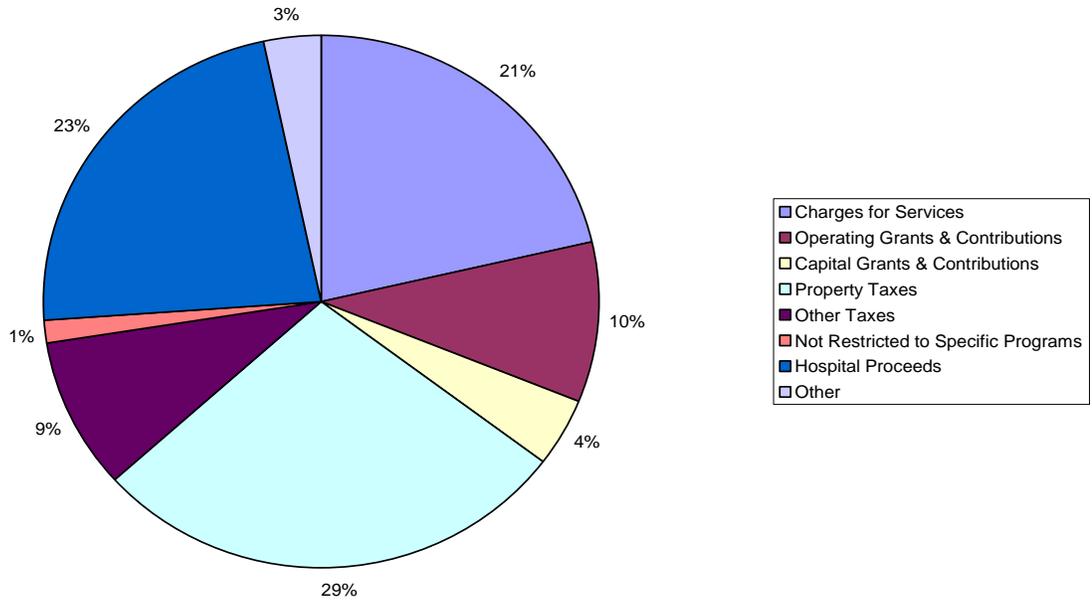
**BRADLEY COUNTY'S CHANGES IN NET ASSETS**

	Bradley Healthcare and Rehabilitation Center	
	2007	2006
<b>Revenues (Cont.)</b>		
General Revenues:		
Other	\$ 72,740	\$ 186,152
Total Revenues	<u>\$ 11,219,221</u>	<u>\$ 11,206,944</u>
<b>Expenses</b>		
Other Enterprises	\$ 11,343,116	\$ 10,864,478
Total Expenses	<u>\$ 11,343,116</u>	<u>\$ 10,864,478</u>
Increase(Decrease) in Net Assets	\$ (123,895)	\$ 342,466
Net Assets, July 1	<u>4,293,780</u>	<u>3,951,314</u>
Net Assets, June 30	<u><u>\$ 4,169,885</u></u>	<u><u>\$ 4,293,780</u></u>

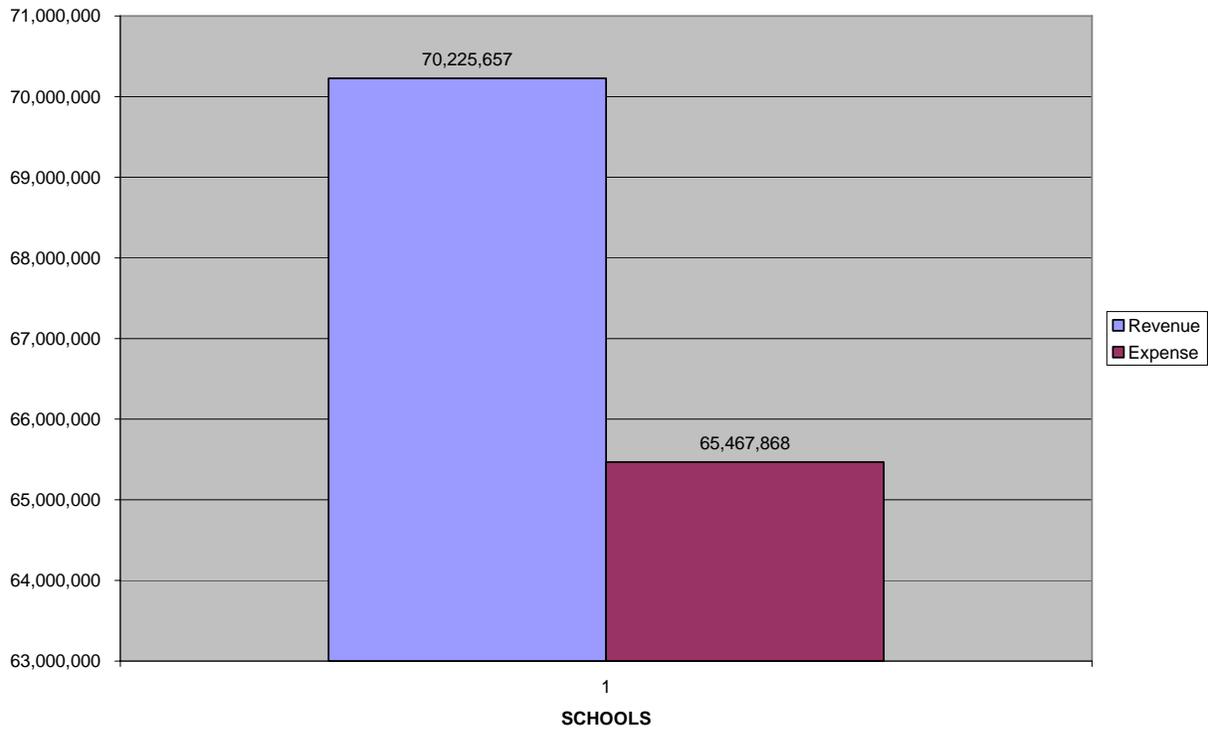
**Program Revenues & Expenses - Governmental Activities**



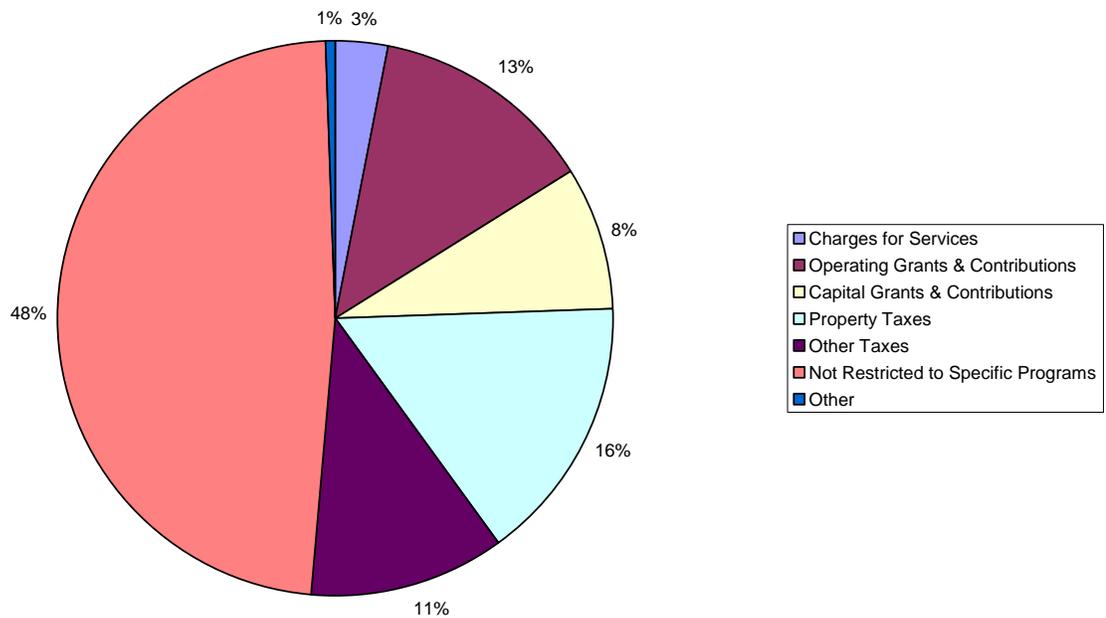
**Revenues by Source - Governmental Activities**



**Program Revenues & Expenses - Schools**



### Revenues by Source - Schools



### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of Bradley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bradley County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$46,447,605. Approximately 29.4 percent of this amount (\$13,660,881) constitutes unreserved fund balance, which is available for spending at the government's discretion (subject to each funds restrictions). The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders (\$387,732), 2) to pay debt service (\$15,863,135), 3) for a variety of other restricted purposes (\$1,341,097), or 4) for the Health, Wellness, and Quality of Life (Endowment) permanent fund (\$15,194,760).

The General Fund is the chief operating fund of Bradley County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,481,745 while total fund balance reached \$8,120,094. As a measure of the General Fund's liquidity, it may be useful

to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.7 percent of total General Fund expenditures, while total fund balance represents 28.5 percent of that same amount.

The fund balance of Bradley County's General Fund increased \$988,428 during the current fiscal year. Key factors in this growth were a 9.5 percent increase in charges for current services over the prior year and a 5.2 percent increase in local taxes collected.

The General Debt Service Fund has a total fund balance of \$15,863,135 all of which is reserved for the payment of debt service. The \$17,220,508 net decrease in fund balance during the current year in the General Debt Service Fund was largely due to short-term debt issued for renovations at the Ocoee Middle School.

### **General Fund Budgetary Highlights**

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$2,488,677 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Administration - \$551,981.
- Increases allocated to Finance - \$10,348.
- Increases allocated to Administration of Justice - \$308,839.
- Increases allocated to Public Safety - \$1,378,954.
- Increases allocated to Public Health and Welfare - \$133,855.
- Increases allocated to Social, Cultural and Recreational - \$19,500.
- Increases allocated to Other Operations - \$85,200.

Of this increase, \$820,457 was to be funded out of miscellaneous increases in various charges for services, grant proceeds, and insurance recovery. The remaining \$1,668,220 was to be budgeted from available fund balances and reserves. During the year, however, revenues exceeded budgetary estimates, and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

The schools had an increase in allocations totaling \$3,738,803 which consisted mostly of additional state and federal dollars received totaling \$1,498,803.

### **Capital Assets and Debt Administration**

**Capital assets.** The investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Bradley County's investment in capital assets for its governmental activities as of June 30, 2007, totals \$48,537,688 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totals \$54,255,402 (net of accumulated depreciation). Related debt for schools is carried in governmental activities.

Major capital assets events during the current fiscal year included the following:

- Ten new patrol vehicles – Sheriff’s Department at \$203,918.
- Elrod property including two houses – Recreation at \$923,000.
- Ambulance vehicles and remount - \$115,547.
- Two power pro hydraulic stretchers – Ambulance at \$18,710.
- Five Drug Fund vehicles at \$91,200.

For more detailed information on capital assets activity, please see the relevant disclosures in the notes to the financial statements, Note IV.C.

**LONG-TERM DEBT**

Table 3

**BRADLEY COUNTY**

Issued For	General County	County Schools	City Schools	Total Governmental Activity
Notes	\$ 168,340	\$ 746,660	\$ 0	\$ 915,000
Other Loans	15,581,000	35,550,050	16,858,950	67,990,000
Bonds	875,000	0	0	875,000
Capital Leases	138,162	547,182	0	685,344
Subtotal	\$ 16,762,502	\$ 36,843,892	\$ 16,858,950	\$ 70,465,344
Compensated Absences	908,440	71,018	0	979,458
Total Long-term Debt	\$ 17,670,942	\$ 36,914,910	\$ 16,858,950	71,444,802

At the end of the current fiscal year, Bradley County had total long-term debt outstanding of \$71,444,802. This amount comprises debt backed by the full-faith and credit of the government. In addition to the loan agreements, county long-term obligations include compensated absences and capital leases.

Bradley County’s total debt decreased by \$10,932,643 during the current fiscal year. During the period, \$9,705,000 of the proceeds from the sale of Bradley County Memorial Hospital was placed in an irrevocable trust to services all future debt service payments on the Hospital Refunding Bond Series 1999 and Hospital Refunding Bond Series 2002. As a result, the liability has been removed from the county’s long-term debt.

For more detailed information on long-term debt activity, please see the relevant disclosures in the notes to the financial statements. Note IV.E. of this report provides additional information regarding capital leases and Note IV.F. provides additional information regarding general obligation bonds, notes, and other loans.

Bradley County maintains an A1 rating from Moody’s for general obligation debt.

## **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the county is currently 4.7 percent, which is down from a year ago at 5.1 percent. The state's average unemployment rate is currently 4.1 percent and the national average is 4.6 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2007-08 fiscal year. At the end of the 2006-07 fiscal year, unreserved fund balance in the General Fund increased to \$6,481,745 (11.5 percent increase from last year). The county has budgeted \$2,500,649 of this fund balance for spending during the fiscal year 2007-08.

## **Request for Information**

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report, please contact the Accounting and Budgeting Office at 155 Broad Street, Cleveland, Tennessee 37311.

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Bradley County, Tennessee  
Statement of Net Assets  
June 30, 2007

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 377,784	\$ 1,574	\$ 852,092
Equity in Pooled Cash and Investments	44,469,954	16,202,743	0
Accounts Receivable	5,173,191	0	1,332,346
Allowance for Uncollectibles	(2,348,248)	0	(17,473)
Due from Other Governments	1,809,556	2,223,380	0
Due from Primary Government	0	584	0
Inventories	0	100,732	32,306
Property Taxes Receivable	20,405,012	11,486,094	0
Allowance for Uncollectible Property Taxes	(737,180)	(410,281)	0
Prepaid Items	0	0	1,082
Notes Receivable - Long-term	34,485	0	0
Deferred Charges - Debt Issuance Costs	119,392	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,716,381	1,294,715	1,250
Construction in Progress	0	1,239,752	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	22,321,772	51,367,129	2,370,348
Other Capital Assets	4,112,638	353,806	609,567
Infrastructure	16,386,897	0	0
Total Assets	<u>\$ 117,841,634</u>	<u>\$ 83,860,228</u>	<u>\$ 5,181,518</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 148,423	\$ 666,622	\$ 311,388
Accrued Payroll	0	4,900,710	477,420
Payroll Deductions Payable	318,557	2,639	0
Accrued Interest Payable	265,742	6,566	0
Cash Overdraft	881	0	0
Other Current Liabilities	0	0	102,989
Other Long-term Liabilities	0	0	119,836
Deferred Revenue - Current Property Taxes	18,984,755	10,701,337	0
Noncurrent Liabilities:			
Due Within One Year	2,747,740	186,012	0
Due in More Than One Year	67,747,202	763,848	0
Total Liabilities	<u>\$ 90,213,300</u>	<u>\$ 17,227,734</u>	<u>\$ 1,011,633</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 31,858,961	\$ 0	\$ 0
Invested in Capital Assets	0	54,255,402	2,981,165
Restricted for:			
General Purposes	1,306,612	0	0
Public Library	161,174	0	0
Solid Waste/Sanitation	819,150	0	0
Drug Control	1,351,729	0	0
Special Purpose Fire Tax	377,451	0	0
Highway/Public Works	2,050,495	0	0
Debt Service	16,089,767	0	0
Capital Projects	2,088,125	7,228,632	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>NET ASSETS (Cont.)</u>			
Restricted for (Cont.):			
Health, Wellness, and Quality of Life:			
Expendable	\$ 180,534	\$ 0	\$ 0
Nonexpendable	15,194,760	0	0
School Federal Projects	0	298,749	0
Central Cafeteria	0	1,125,502	0
Other Purposes	133,573	52,143	142,751
Unrestricted	(43,983,997)	3,672,066	1,045,969
Total Net Assets	<u>\$ 27,628,334</u>	<u>\$ 66,632,494</u>	<u>\$ 4,169,885</u>

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

Exhibit B

Bradley County, Tennessee  
 Statement of Activities  
 For the Year Ended June 30, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Program Revenues			Primary Government	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center	
Primary Government:								
Governmental Activities:								
General Government	\$ 3,109,772	\$ 1,519,838	\$ 609,458	\$ 0	\$ (980,476)	\$ 0	\$ 0	
Finance	2,438,416	1,898,211	28,046	0	(512,159)	0	0	
Administration of Justice	2,544,591	3,961,169	702,380	0	2,118,958	0	0	
Public Safety	17,148,071	2,868,159	539,760	375,902	(13,364,250)	0	0	
Public Health and Welfare	5,670,024	3,617,068	998,312	0	(1,054,644)	0	0	
Social, Cultural, and Recreational Services	1,725,312	154,874	1,298,398	1,000	(271,040)	0	0	
Agriculture and Natural Resources	441,046	0	0	0	(441,046)	0	0	
Other Operations	3,314,102	11,614	0	416,241	(2,886,247)	0	0	
Highways/Public Works	3,853,649	16,299	2,205,840	1,973,290	341,780	0	0	
Interest on Long-term Debt	3,008,201	0	0	0	(3,008,201)	0	0	
Other Debt Service	6,062,980	0	0	0	(6,062,980)	0	0	
Total Governmental Activities	\$ 49,316,164	\$ 14,047,232	\$ 6,382,194	\$ 2,766,433	\$ (26,120,305)	\$ 0	\$ 0	
Total Primary Government	\$ 49,316,164	\$ 14,047,232	\$ 6,382,194	\$ 2,766,433	\$ (26,120,305)	\$ 0	\$ 0	
Component Units:								
Bradley County School Department	\$ 65,467,868	\$ 2,190,518	\$ 9,055,821	\$ 5,945,318	\$ 0	\$ (48,276,211)	\$ 0	
Bradley Healthcare and Rehabilitation Center	11,343,116	11,203,920	0	0	0	0	(139,196)	
Total Component Units	\$ 76,810,984	\$ 13,394,438	\$ 9,055,821	\$ 5,945,318	\$ 0	\$ (48,276,211)	\$ (139,196)	

(Continued)

Exhibit B

Bradley County, Tennessee  
Statement of Activities (Cont.)

		<u>Net (Expense) Revenue and Changes in Net Assets</u>					
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary</u>	<u>Component Units</u>	
		<u>Charges</u>	<u>Operating</u>	<u>Capital</u>	<u>Government</u>	<u>Bradley</u>	<u>Bradley</u>
		<u>for</u>	<u>Grants</u>	<u>Grants</u>	<u>Total</u>	<u>County</u>	<u>Healthcare and</u>
		<u>Services</u>	<u>and</u>	<u>and</u>	<u>Governmental</u>	<u>School</u>	<u>Rehabilitation</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>	<u>Department</u>	<u>Center</u>
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 13,820,122	\$ 10,995,203	\$ 0
Property Taxes Levied for Debt Service					4,700,428	0	0
Local Option Sales Taxes					3,671,047	7,948,465	0
Other Local Taxes					2,398,407	10,783	0
Grants and Contributions Not Restricted to Specific Programs					868,050	33,631,203	135
Unrestricted Investment Income					2,082,608	438,669	15,166
Sale of Land/Equipment					15,542	0	0
Miscellaneous					104,760	9,677	0
Total General Revenues					<u>\$ 27,660,964</u>	<u>\$ 53,034,000</u>	<u>\$ 15,301</u>
Special Item - Proceeds from Sale of Bradley County Memorial Hospital					\$ 15,000,000	\$ 0	\$ 0
Change in Net Assets					\$ 16,540,659	\$ 4,757,789	\$ (123,895)
Net Assets, July 1, 2006					<u>11,087,675</u>	<u>61,874,705</u>	<u>4,293,780</u>
Net Assets, June 30, 2007					<u>\$ 27,628,334</u>	<u>\$ 66,632,494</u>	<u>\$ 4,169,885</u>

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

Exhibit C-1

Bradley County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2007

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,784	\$ 377,784
Equity in Pooled Cash and Investments	7,017,824	1,694,083	15,786,501	15,375,294	4,596,252	44,469,954
Accounts Receivable	4,723,100	0	343,304	0	106,787	5,173,191
Allowance for Uncollectibles	(2,348,248)	0	0	0	0	(2,348,248)
Due from Other Governments	1,324,873	369,249	55,032	0	60,402	1,809,556
Due from Other Funds	1,146	0	10,375	0	0	11,521
Property Taxes Receivable	9,101,302	2,523,327	4,926,409	0	3,853,974	20,405,012
Allowance for Uncollectible Property Taxes	(324,824)	(90,058)	(175,823)	0	(146,475)	(737,180)
Notes Receivable - Long-term	0	0	0	0	34,485	34,485
Total Assets	<u>\$ 19,495,173</u>	<u>\$ 4,496,601</u>	<u>\$ 20,945,798</u>	<u>\$ 15,375,294</u>	<u>\$ 8,883,209</u>	<u>\$ 69,196,075</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 148,423	\$ 0	\$ 0	\$ 0	\$ 0	\$ 148,423
Payroll Deductions Payable	318,557	0	0	0	0	318,557
Cash Overdraft	0	0	0	0	881	881
Due to Other Funds	0	0	0	0	11,521	11,521
Deferred Revenue - Current Property Taxes	8,480,336	2,351,163	4,590,289	0	3,562,967	18,984,755
Deferred Revenue - Delinquent Property Taxes	174,336	48,335	94,365	0	106,816	423,852
Other Deferred Revenues	2,253,427	185,065	398,009	0	23,980	2,860,481
Total Liabilities	<u>\$ 11,375,079</u>	<u>\$ 2,584,563</u>	<u>\$ 5,082,663</u>	<u>\$ 0</u>	<u>\$ 3,706,165</u>	<u>\$ 22,748,470</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 331,737	\$ 0	\$ 0	\$ 0	\$ 55,995	\$ 387,732
Reserved for Alcohol and Drug Treatment	85,122	0	0	0	0	85,122
Reserved for Litter Enforcement Awards	2,061	0	0	0	0	2,061
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	809,223	0	0	0	0	809,223
Reserved for Drug Court	118,091	0	0	0	0	118,091
Reserved for Sexual Offender Registration	7,767	0	0	0	0	7,767
Reserved for Courtroom Security	4,472	0	0	0	0	4,472

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>						
<u>Fund Balances (Cont.)</u>						
Reserved for Computer System - Register	\$ 50,742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,742
Reserved for Automation Purposes - Circuit Court	65,593	0	0	0	0	65,593
Reserved for Automation Purposes - Criminal Court	825	0	0	0	0	825
Reserved for Automation Purposes - General Sessions Court	51,681	0	0	0	0	51,681
Reserved for Automation Purposes - Chancery Court	953	0	0	0	0	953
Reserved for Automation Purposes - Other Courts	541	0	0	0	0	541
Reserved for Automation Purposes - Sheriff	7,966	0	0	0	0	7,966
Reserved for Endowments	0	0	0	15,194,760	0	15,194,760
Reserved for Long-term Notes Receivable	0	0	0	0	34,485	34,485
Reserved for Other General Purposes	101,575	0	0	0	0	101,575
Unreserved, Reported In:						
General Fund	6,481,745	0	0	0	0	6,481,745
Special Revenue Funds	0	1,912,038	0	0	3,066,794	4,978,832
Debt Service Funds	0	0	15,863,135	0	0	15,863,135
Capital Projects Funds	0	0	0	0	2,019,770	2,019,770
Permanent Funds	0	0	0	180,534	0	180,534
Total Fund Balances	\$ 8,120,094	\$ 1,912,038	\$ 15,863,135	\$ 15,375,294	\$ 5,177,044	\$ 46,447,605
Total Liabilities and Fund Balances	\$ 19,495,173	\$ 4,496,601	\$ 20,945,798	\$ 15,375,294	\$ 8,883,209	\$ 69,196,075

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

Exhibit C-2

Bradley County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 46,447,605
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 5,716,381	
Add: buildings and improvements net of accumulated depreciation	22,321,772	
Add: other capital assets net of accumulated depreciation	4,112,638	
Add: infrastructure net of accumulated depreciation	16,386,897	48,537,688
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (875,000)	
Less: other loans payable	(67,990,000)	
Less: notes payable	(583,340)	
Less: capital leases payable	(138,162)	
Less: interest accrued on bonds, other loans, notes, and capital leases	(265,742)	
Add: deferred charges - debt issuance costs	119,392	
Less: compensated absences payable	(908,440)	(70,641,292)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		3,284,333
Net assets of governmental activities (Exhibit A)		\$ 27,628,334

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

Exhibit C-3

Bradley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2007

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 14,750,759	\$ 2,443,033	\$ 4,824,923	\$ 0	\$ 2,826,711	\$ 24,845,426
Licenses and Permits	414,640	0	0	0	0	414,640
Fines, Forfeitures, and Penalties	540,714	0	0	0	1,167,646	1,708,360
Charges for Current Services	3,842,229	0	0	0	1,885,862	5,728,091
Other Local Revenues	742,011	134,938	1,192,507	1,298,398	563,397	3,931,251
Fees Received from County Officials	2,802,077	0	0	0	0	2,802,077
State of Tennessee	3,561,598	2,853,570	97,959	0	135,173	6,648,300
Federal Government	847,080	35,227	0	0	213,294	1,095,601
Other Governments and Citizens Groups	1,828,516	0	0	0	11,000	1,839,516
Total Revenues	\$ 29,329,624	\$ 5,466,768	\$ 6,115,389	\$ 1,298,398	\$ 6,803,083	\$ 49,013,262
<u>Expenditures</u>						
Current:						
General Government	\$ 2,672,688	\$ 0	\$ 0	\$ 0	\$ 268,637	\$ 2,941,325
Finance	1,244,702	0	0	0	1,126,458	2,371,160
Administration of Justice	2,436,540	0	0	0	187,781	2,624,321
Public Safety	14,432,014	0	0	0	1,636,012	16,068,026
Public Health and Welfare	5,405,862	0	0	0	91,920	5,497,782
Social, Cultural, and Recreational Services	971,630	0	0	912,134	652,686	2,536,450
Agriculture and Natural Resources	438,400	0	0	0	0	438,400
Other Operations	904,690	0	2,440,673	0	252,926	3,598,289
Highways	0	4,272,383	0	0	0	4,272,383
Debt Service:						
Principal on Debt	0	0	2,455,000	0	0	2,455,000
Interest on Debt	0	0	3,111,707	10,970	0	3,122,677
Other Debt Service	0	0	6,056,688	0	0	6,056,688
Capital Projects	0	219,526	0	0	763,307	982,833
Total Expenditures	\$ 28,506,526	\$ 4,491,909	\$ 14,064,068	\$ 923,104	\$ 4,979,727	\$ 52,965,334
Excess (Deficiency) of Revenues Over Expenditures	\$ 823,098	\$ 974,859	\$ (7,948,679)	\$ 375,294	\$ 1,823,356	\$ (3,952,072)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 168,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 168,340
Capital Leases Issued	203,740	0	0	0	0	203,740

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Proceeds from Sale of Bradley County Memorial Hospital	\$ 0	\$ 0	\$ 0	\$ 15,000,000	\$ 0	\$ 15,000,000
Transfers In	0	0	433,171	0	25,000	458,171
Transfers Out	(206,750)	0	0	0	(251,421)	(458,171)
Payments to Refunded Debt Escrow Agent	0	0	(9,705,000)	0	0	(9,705,000)
Total Other Financing Sources (Uses)	\$ 165,330	\$ 0	\$ (9,271,829)	\$ 15,000,000	\$ (226,421)	\$ 5,667,080
Net Change in Fund Balances	\$ 988,428	\$ 974,859	\$ (17,220,508)	\$ 15,375,294	\$ 1,596,935	\$ 1,715,008
Fund Balance, July 1, 2006	7,131,666	937,179	33,083,643	0	3,580,109	44,732,597
Fund Balance, June 30, 2007	\$ 8,120,094	\$ 1,912,038	\$ 15,863,135	\$ 15,375,294	\$ 5,177,044	\$ 46,447,605

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

Exhibit C-4

Bradley 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, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,715,008
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,846,417	
Less: current year depreciation expense	<u>(2,750,984)</u>	1,095,433
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 1,336,080	
Less: loss on disposal of capital assets	(33,566)	
Less: proceeds received on disposal of capital assets	<u>(21,770)</u>	1,280,744
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (2,755,082)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>3,284,333</u>	529,251
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (168,340)	
Less: capital lease proceeds	(203,740)	
Less: change in deferred debt issuance costs	(6,292)	
Add: principal payments on notes	400,000	
Add: principal payments on other loans	1,645,000	
Add: principal payments on capital leases	149,444	
Add: principal payments on bonds	410,000	
Add: payment to refunding escrow agent	<u>9,705,000</u>	11,931,072
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absences	\$ (125,325)	
Change in accrued interest on bonds	143,441	
Change in accrued interest on notes	1,663	
Change in accrued interest on capital leases	(4,895)	
Change in accrued interest on other loans	<u>(25,733)</u>	(10,849)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 16,540,659</u>

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

Exhibit D

Bradley County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 5,035,526
Equity in Pooled Cash and Investments	52,425
Due from Other Governments	2,023,007
Due from Other Funds	271
Property Taxes Receivable	7,460,387
Allowance for Uncollectible Taxes	<u>(357,570)</u>
Total Assets	<u>\$ 14,214,046</u>
<u>LIABILITIES</u>	
Due to Other Funds	\$ 271
Due to Component Unit	584
Due to Other Taxing Units	8,928,520
Due to Litigants, Heirs, and Others	<u>5,284,671</u>
Total Liabilities	<u>\$ 14,214,046</u>

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

**BRADLEY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2007**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Bradley 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 Bradley County:

**A. Reporting Entity**

Bradley County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Bradley County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Blended Component Units** – There are no legally separate component units of Bradley County that meet the criteria for being reported as part of the primary government by the blending method.

**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 Bradley County School Department operates the public school system in the county, and the voters of Bradley County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Bradley County Memorial Hospital provided health care to the citizens of Bradley County until its sale in August 2005. The County Commission appoints four of the seven-member governing body of the Bradley County Memorial Hospital and approves all long-term debt issues. Bradley County was responsible for this debt in case of default by Bradley County Memorial Hospital. In August 2005, the sale of the Bradley County Memorial Hospital was finalized, and the sale became effective October 1, 2005. The hospital board of trustees and three administrators were left in place to oversee the distribution of the \$76.5 million in sale proceeds. By agreement, the board of trustees was dissolved in April 2007. The hospital was considered a

component unit of the county for the period July 1, 2006, to April 16, 2007; however, the financial statements of the Bradley County Memorial Hospital were not audited and therefore are not included in this report.

The Bradley Healthcare and Rehabilitation Center provides resident health care to the citizens of Bradley County, and the County Commission appoints its governing body. The County Commission must approve all long-term debt issues of the Bradley Healthcare and Rehabilitation Center. Bradley County is responsible for this debt in case of default by the Bradley Healthcare and Rehabilitation Center.

The Bradley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Bradley County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Bradley County Memorial Hospital were not audited and are not included in this report as previously mentioned. Complete financial statements of the Bradley Healthcare and Rehabilitation Center can be obtained from their administrative office at the following addresses:

Administrative Office:

Bradley Healthcare and Rehabilitation Center  
2910 Peerless Road North West  
Cleveland, TN 37312

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

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

Bradley County issues all debt for the discretely presented Bradley County School Department. During the year ended June 30, 2007, no net debt issues were contributed by the county to the School Department. However, Bradley County contributed \$5,900,000 to the Bradley County School Department for school construction/renovation and debt repayment, and \$2,319,680 to the City of Cleveland School System.

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

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. Bradley County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Bradley 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 fund accounts for transactions of the county’s Highway Department.

**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.

**Endowment Fund** – This fund accounts for proceeds from the sale of the Bradley County Memorial Hospital. The county received \$15,000,000 from the sale of the hospital and invested these proceeds. The county can spend 85 percent of investment income for the Health, Wellness, and Quality of Life for its citizens. The other 15 percent of

investment income as well as the original principal (\$15,000,000) cannot be spent.

Additionally, Bradley County reports the following fund types:

**Capital Projects Funds** – These funds are used to account for the receipt of debt and other specific revenue sources that are legally restricted to expenditures for construction and/or renovation.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Bradley County, the fire tax district, and the city school system's share of educational revenues. 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 Bradley County School Department reports the following major governmental funds:

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

**Education Capital Projects Funds** – This fund is used to account for the receipt of debt and other specific revenue sources that are legally restricted to expenditures for construction and/or renovation.

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

**Special Revenue Funds** – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bradley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. From July 2006 until December 2006, most income from these pooled investments was assigned to various funds based on the proration for property tax. Beginning in January 2007, most income from these pooled investments was assigned 50 percent to the General Debt Service Fund and 50 percent to the General Capital Projects Fund. In addition, investments are held separately by the Endowment Fund. Bradley County and the Bradley County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

**2. Receivables and Payables**

Activity between funds for unremitted current collections at the end of the fiscal year is referred to as either due to/from other funds.

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.05 percent of total taxes levied.

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

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

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

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

### **3. Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. **Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (buildings and infrastructure \$50,000) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, 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>
Building and Improvements	25-40
Other Capital Assets	5-30
Infrastructure:	
Roads	20-40
Bridges	40

5. **Compensated Absences**

It is the policy of Bradley County's General Fund and Highway/Public Works Fund to permit its employees to accumulate up to 30 days of earned but unused vacation leave that will be paid upon retirement, resignation, or termination. (Any accumulated unused vacation leave exceeding 30 days is transferred to the employee's sick leave balance). All vacation leave is accrued when incurred in the government-wide statements for the General Fund and Highway/Public Works Fund. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the policy of the discretely presented Bradley County School Department to permit its 12-month employees to accumulate up to ten days earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. The policy of Bradley County School Department does not allow for 12-month employees to accumulate vacation days beyond December 31. All vacation leave for 12-month employees is accrued when incurred in the government-wide statements for the School Department. The policy of the discretely presented Bradley County School Department does not allow their ten-month employees to accumulate vacation days beyond June 30. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **6. Long-term Obligations**

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

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

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

## **7. Net Assets and Fund Equity**

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

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

As of June 30, 2007, Bradley County had \$52,824,000 in outstanding debt for capital purposes for the discretely presented Bradley County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Cleveland School System) based on an average daily attendance proration. This debt is a liability of Bradley County, but the capital assets acquired are reported in the financial statements of the Bradley County School Department and the City of Cleveland School System. Therefore, Bradley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

#### **Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

### **Discretely Presented Bradley County School Department**

Exhibit I-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

#### **B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

##### **Primary Government**

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

### **Discretely Presented Bradley County School Department**

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

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

### **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) and the Other Special Revenue Fund (special revenue fund) which are 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 State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer

appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Other Student Support (\$5,482) and Regular Instruction Program (\$3,839) major appropriation categories (the legal level of control) of the School Federal Projects Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded with funds made available by expenditures in other major categories being less than appropriations.

**C. Cash Overdraft**

The Local Purpose Tax Fund (a nonmajor special revenue fund) had a cash overdraft of \$881 at June 30, 2007. This cash overdraft resulted from issuing warrants that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2007.

**D. Other Special Revenue Fund Was Not Budgeted**

The Other Special Revenue Fund (special revenue fund), which is used for the Bradley County wellness program, was not budgeted. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

## Deposits

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

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

## Investments

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2007, Bradley County had the following investments carried at fair value or cost. The following are nonpooled investments for the Endowment Fund.

Investment	Maturities	Fair Value or Cost
Federal Home Loan Mortgage Corp.	7-13-07	\$ 3,742,527
Federal Home Loan Mortgage Corp.	10-12-07	3,694,315
Federal Home Loan Bank	1-24-08	\$ 2,296,412
Freddie Mac	4-18-08	1,872,075
Freddie Mac	1-16-09	1,869,731
Fannie Mae	4-15-09	<u>1,864,463</u>
Total		<u>\$ 15,339,523</u>

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Bradley County has no investment policy that would further limit its investment choices. Bradley County's investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, Freddie Mac, and Fannie Mae were rated Aaa by Moody's Investor's Service and AAA by Standard & Poor's and Fitch Ratings.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Bradley County places no limit on the amount the county may invest in one issuer. The nonpooled investments (\$15,339,523) represent the entire investments of the primary government's Endowment Fund. These investments are as follows: Federal Home Loan Mortgage Corporation (49%), Federal Home Loan Bank (15%), Freddie Mac (24%), and Fannie Mae (12%).

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Bradley County does not have a formal policy that limits custodial credit risk for investments.

## **B. Notes Receivable**

Notes receivable in the HUD Capital Projects Fund resulted from idle federal funds being used to finance various low-interest loans for housing assistance to low-income individuals. The amount of the notes that is not expected to be collected within one year is \$34,485.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2007, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 4,927,642	\$ 788,739	\$ 0	\$ 5,716,381
Total Capital Assets Not Depreciated	\$ 4,927,642	\$ 788,739	\$ 0	\$ 5,716,381
Capital Assets Depreciated:				
Buildings and Improvements	\$ 31,038,285	\$ 134,261	\$ 0	\$ 31,172,546
Infrastructure	20,359,566	3,028,447	0	23,388,013
Other Capital Assets	10,179,580	1,231,050	(577,985)	10,832,645
Total Capital Assets Depreciated	\$ 61,577,431	\$ 4,393,758	\$ (577,985)	\$ 65,393,204
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,009,805	\$ 840,969	\$ 0	\$ 8,850,774
Infrastructure	6,401,520	599,596	0	7,001,116
Other Capital Assets	5,932,237	1,310,419	(522,649)	6,720,007
Total Accumulated Depreciation	\$ 20,343,562	\$ 2,750,984	\$ (522,649)	\$ 22,571,897
Total Capital Assets Depreciated, Net	\$ 41,233,869	\$ 1,642,774	\$ (55,336)	\$ 42,821,307
Governmental Activities Capital Assets, Net	\$ 46,161,511	\$ 2,431,513	\$ (55,336)	\$ 48,537,688

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

Governmental Activities:

General Government	\$	86,590
Finance		23,300
Administration of Justice		10,355
Public Safety		1,464,879
Public Health and Welfare		159,921
Social, Cultural, and Recreational Services		112,670
Agriculture and Natural Resources		2,079
Highways/Public Works		<u>891,190</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,750,984</u>

**Discretely Presented Bradley County School Department**

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 1,294,715	\$ 0	\$ 0	\$ 1,294,715
Construction in Progress	<u>3,117,701</u>	<u>1,239,752</u>	<u>(3,117,701)</u>	<u>1,239,752</u>
Total Capital Assets Not Depreciated	<u>\$ 4,412,416</u>	<u>\$ 1,239,752</u>	<u>\$ (3,117,701)</u>	<u>\$ 2,534,467</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 68,204,666	\$ 7,515,906	\$ 0	\$ 75,720,572
Other Capital Assets	<u>970,887</u>	<u>54,000</u>	<u>(87,000)</u>	<u>937,887</u>
Total Capital Assets Depreciated	<u>\$ 69,175,553</u>	<u>\$ 7,569,906</u>	<u>\$ (87,000)</u>	<u>\$ 76,658,459</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 22,428,543	\$ 1,924,900	\$ 0	\$ 24,353,443
Other Capital Assets	<u>568,896</u>	<u>88,185</u>	<u>(73,000)</u>	<u>584,081</u>
Total Accumulated Depreciation	<u>\$ 22,997,439</u>	<u>\$ 2,013,085</u>	<u>\$ (73,000)</u>	<u>\$ 24,937,524</u>

**Governmental Activities (Cont.):**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Total Capital Assets				
Depreciated, Net	\$ 46,178,114	\$ 5,556,821	\$ (14,000)	\$ 51,720,935
Governmental Activities				
Capital Assets, Net	\$ 50,590,530	\$ 6,796,573	\$ (3,131,701)	\$ 54,255,402

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

Governmental Activities:

Instruction	\$ 1,928,797
Support Services	<u>84,288</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,013,085</u></u>

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

The composition of interfund balances as of June 30, 2007, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,146
General Debt Service	Nonmajor governmental	10,375
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	20,446

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 181,750	\$ 25,000
Nonmajor governmental funds	251,421	0
Total	<u>\$ 433,171</u>	<u>\$ 25,000</u>

**Discretely Presented Bradley County School Department**

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	<u>\$ 52,245</u>
Total	<u>\$ 52,245</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**E. Capital Leases**

**Primary Government**

On November 12, 2004, Bradley County entered into a two-year lease-purchase agreement to purchase ten patrol cars. The terms of the agreement require total lease payments of \$215,659 plus interest of 2.69 percent. During the year, the General Fund made the final payment on this lease, and the title was transferred to Bradley County.

On February 13, 2006, Bradley County entered into a two-year lease-purchase agreement to purchase a van for use as a police vehicle. The terms of the agreement require total lease payments of \$18,219 plus interest of five percent. Title to the vehicle transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

On August 28, 2006, Bradley County entered into a two-year lease-purchase agreement to purchase ten patrol cars. The terms of the agreement require total lease payments of \$203,740 plus interest of 5.6 percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Activities
2008	\$ 78,029
2009	<u>71,645</u>
Total Minimum Lease Payments	\$ 149,674
Less: Amount Representing Interest	<u>(11,512)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 138,162</u></u>

**Discretely Presented Bradley County School Department**

On May 18, 2007, the Bradley County School Department entered into a seven-year lease-purchase agreement to purchase an energy saving lighting system. The terms of the agreement require total lease payments of \$547,182 plus interest of 4.8 percent. Title to the lighting system transfers to the Bradley County School Department at the end of the lease period. The lease payments are made by the General Purpose School Fund.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Activities
2008	\$ 93,880
2009	93,880
2010	93,880
2011	93,880
2012	93,880

Year Ending June 30 (Cont.)	Governmental Activities
2013-2014	\$ 187,760
Total Minimum Lease Payments	\$ 657,160
Less: Amount Representing Interest	(109,978)
Present Value of Minimum Lease Payments	<u>\$ 547,182</u>

**F. Long-term Debt**

**Primary Government**

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

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 14 years for bonds, up to ten years for notes, and up to 25 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, 2007, will be retired from the General Debt Service Fund. Notes will be retired from the General Fund and General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds - Refunding	4.5 to 5.125 %	\$ 3,065,000	\$ 875,000
Other Loans - Variable Rate	Variable	45,350,000	35,990,000
Other Loans - Synthetic Fixed by Swap	Variable	32,000,000	32,000,000
Capital Outlay Notes	0 to 3.7	668,340	583,340
Capital Leases	5 to 5.6	221,959	138,162

Bradley County has entered into various loan agreements with the Sevier County Public Building Authority (PBA) to finance various capital projects for the county and the discretely presented Bradley County School Department. Under the loan agreements, the PBA issued revenue bonds and made the proceeds available for loan to Bradley County. In addition to repaying the loans, the county pays various other fees (trustee, debt remarketing, etc.). The following table summarizes loan agreements outstanding at June 30, 2007:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-07	Interest Type	Interest Rates as of 6-30-07	Fee Rates as of 6-30-07
School:					
Series II-G-1	\$ 10,000,000	\$ 6,975,000	Variable	3.76 %	0.42 %
Series III-A-2	10,000,000	6,970,000	Variable	3.76	0.42
Series III-D-1	10,000,000	7,445,000	Variable	3.76	0.42
Series IV-C-2	10,000,000	10,000,000	Synthetic Fixed by		
			Swap	4.438	0.47
Series IV-D-2	12,000,000	12,000,000	Synthetic Fixed by		
			Swap	5.25	0
School and Justice Center:					
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by		
			Swap	4.508	0.47
Justice Center and Juvenile Center:					
Series B-1-D	8,050,000	7,725,000	Variable	3.5	0.45
School:					
Series B-4-B	7,300,000	6,875,000	Variable	3.65	0.4
		<u>\$ 67,990,000</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other fees, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 425,000	\$ 42,031	\$ 69,049	\$ 13,567
2009	450,000	20,250	69,049	12,352
2010	0	0	74,049	11,070
2011	0	0	74,049	9,570

Year Ending June 30 (Cont.)	Bonds		Notes	
	Principal	Interest	Principal	Interest
2012	\$ 0	\$ 0	\$ 74,049	\$ 7,995
2013-2015	0	0	213,095	12,600
Total	\$ 875,000	\$ 62,281	\$ 573,340	\$ 67,154

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2008	\$ 1,715,000	\$ 2,850,177	\$ 246,100	\$ 4,811,277
2009	1,790,000	2,786,200	238,913	4,815,113
2010	2,315,000	2,719,403	231,410	5,265,813
2011	2,420,000	2,630,013	221,494	5,271,507
2012	2,585,000	2,536,471	211,122	5,332,593
2013-2017	15,040,000	11,081,025	877,989	26,999,014
2018-2022	20,835,000	7,690,419	514,632	29,040,051
2023-2026	21,290,000	2,476,142	178,835	23,944,977
Total	\$ 67,990,000	\$ 34,769,850	\$ 2,720,495	\$ 105,480,345

There is \$15,863,135 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$10, based on the 2000 federal census. Debt per capita, including bonds, notes, capital leases, and other loans, totaled \$791, based on the 2000 federal census.

### **Swap Agreements**

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-C-2.

**Objective of the interest rate swap.** To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10 million Series IV-C-2 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

**Terms.** Under the swap, the authority pays the counterparty a fixed payment of 4.38 percent and receives a variable payment computed as 70 percent of the three-month London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10 million and the associated variable-rate bond has a \$10 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series IV-C-2 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The

bonds and the related swap agreement mature on June 1, 2020. As of June 30, 2007, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed Payment to Counterparty	Fixed	4.380 %
Variable Payment from Counterparty	70% of LIBOR	<u>(3.752)</u>
Net Interest Rate Swap Payments		0.628 %
Variable-Rate Bond Coupon Payments		<u>3.810</u>
Synthetic Interest Rate on Bonds		<u><u>4.438 %</u></u>

**Fair value.** As of June 30, 2007, the swap had a negative fair value of (\$512,038). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

**Credit risk.** As of June 30, 2007, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, that was rated AAA by Standard and Poor’s and Fitch and Aaa by Moody’s Investor Service as of June 30, 2007. If Ambac’s credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

**Basis risk.** As noted above, the swap exposes the county to basis risk should BMA increase to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease. The effect of this difference in basis points is indicated by the difference between the rate paid to the counterparty of 4.38 percent and the synthetic rate of 4.438 percent as of June 30, 2007. Also, as of June 30, 2007, the BMA rate was 3.81 percent whereas 70 percent of LIBOR was 3.752 percent

**Termination risk.** The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform

under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

**Swap payments and associated debt.** As of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2008	\$ 0	\$ 381,000	\$ 62,800	\$ 443,800
2009	0	381,000	62,800	443,800
2010	425,000	381,000	62,800	868,800
2011	455,000	364,808	60,131	879,939
2012	485,000	347,472	57,274	889,746
2013-2017	2,885,000	1,438,274	237,070	4,560,344
2018-2020	5,750,000	511,493	84,309	6,345,802
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 3,805,047</b>	<b>\$ 627,184</b>	<b>\$ 14,432,231</b>

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-G-1.

**Objective of the interest rate swap.** To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10 million Series IV-G-1 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

**Terms.** Under the swap, the authority pays the counterparty a fixed payment of 4.45 percent and receives a variable payment computed as 70 percent of the three-month London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10 million and the associated variable-rate bond has a \$10 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series IV-G-1 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The

bonds and the related swap agreement mature on June 1, 2026. As of June 30, 2007, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed Payment to Counterparty	Fixed	4.450 %
Variable Payment from Counterparty	70% of LIBOR	<u>(3.752)</u>
Net Interest Rate Swap Payments		0.698 %
Variable-Rate Bond Coupon Payments		<u>3.810</u>
Synthetic Interest Rate on Bonds		<u><u>4.508 %</u></u>

**Fair value.** As of June 30, 2007, the swap had a negative fair value of (\$767,818). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

**Credit risk.** As of June 30, 2007, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, that was rated AAA by Standard and Poor's and Fitch and Aaa by Moody's Investor Service as of June 30, 2007. If Ambac's credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

**Basis risk.** As noted above, the swap exposes the county to basis risk should BMA increase to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease. The effect of this difference in basis points is indicated by the difference between the rate paid to the counterparty of 4.45 percent and the synthetic rate of 4.508 percent as of June 30, 2007. Also, as of June 30, 2007, the BMA rate was 3.81 percent whereas 70 percent of LIBOR was 3.752 percent

**Termination risk.** The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform

under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

**Swap payments and associated debt.** As of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2008	\$ 0	\$ 381,000	\$ 69,800	\$ 450,800
2009	0	381,000	69,800	450,800
2010	0	381,000	69,800	450,800
2011	0	381,000	69,800	450,800
2012	0	381,000	69,800	450,800
2013-2017	0	1,905,000	349,000	2,254,000
2018-2022	0	1,905,000	349,000	2,254,000
2023-2026	10,000,000	1,079,754	197,813	11,277,567
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 6,794,754</b>	<b>\$ 1,244,813</b>	<b>\$ 18,039,567</b>

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-D-2.

**Objective of the interest rate swap.** To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$12 million Series IV-D-2 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

**Terms.** Under the swap, the authority pays the counterparty a fixed payment of 5.25 percent and receives a variable rate on the bonds. The swap has a notional amount of \$12 million and the associated variable-rate bond has a \$12 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series IV-D-2 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The

bonds and the related swap agreement mature on June 1, 2026. As of June 30, 2007, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed Payment to Counterparty	Fixed	5.25 %
Variable Payment from Counterparty	Bond Rate	<u>(3.81)</u>
Net Interest Rate Swap Payments		1.44 %
Variable-Rate Bond Coupon Payments		<u>3.81</u>
Synthetic Interest Rate on Bonds		<u><u>5.25 %</u></u>

**Fair value.** As of June 30, 2007, the swap had a negative fair value of (\$1,536,349). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

**Credit risk.** As of June 30, 2007, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, that was rated AAA by Standard and Poor's and Fitch and Aaa by Moody's Investor Service as of June 30, 2007. If Ambac's credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

**Basis risk.** As noted above, the swap does not expose the county to basis risk because the counterparty has agreed to pay the underlying rate on the outstanding bonds.

**Termination risk.** The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate

bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

**Swap payments and associated debt.** As of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	<u>Variable Rate Bonds</u>		Net Interest	
	Principal	Interest	Rate Swap Payment	Total
2008	\$ 0	\$ 457,200	\$ 172,800	\$ 630,000
2009	0	457,200	172,800	630,000
2010	0	457,200	172,800	630,000
2011	0	457,200	172,800	630,000
2012	0	457,200	172,800	630,000
2013-2017	0	2,286,000	864,000	3,150,000
2018-2022	4,385,000	2,204,847	833,328	7,423,175
2023-2025	7,615,000	591,693	223,632	8,430,325
Total	<u>\$ 12,000,000</u>	<u>\$ 7,368,540</u>	<u>\$ 2,784,960</u>	<u>\$ 22,153,500</u>

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

##### Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2006	\$ 10,990,000	\$ 815,000	\$ 69,635,000
Additions	0	168,340	0
Deductions	(410,000)	(400,000)	(1,645,000)
Payment to Paying Agent Escrow Account	(9,705,000)	0	0
Balance, June 30, 2007	<u>\$ 875,000</u>	<u>\$ 583,340</u>	<u>\$ 67,990,000</u>
Balance Due Within One Year	<u>\$ 425,000</u>	<u>\$ 69,049</u>	<u>\$ 1,715,000</u>

	<u>Capital Leases</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 83,866	\$ 783,115
Additions	203,740	851,376
Deductions	(149,444)	(726,051)
Balance, June 30, 2007	<u>\$ 138,162</u>	<u>\$ 908,440</u>
Balance Due Within One Year	<u>\$ 70,316</u>	<u>\$ 468,375</u>

During the period, the Hospital Board of Trustees, placed proceeds from the sale of Bradley County Memorial Hospital in an irrevocable trust to service all future debt service payments on the Hospital Refunding Bond Series 1999 and Hospital Refunding Bond Series 2002. As a result, these bonds are no longer considered a liability of Bradley County and have been removed from the county's long-term debt.

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 70,494,942
Less: Balances Due Within One Year	<u>(2,747,740)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 67,747,202</u>

**Discretely Presented Bradley County School Department**

Capital Outlay Note

Capital outlay notes are issued to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. The capital outlay note was issued for an original term of seven years. Repayment terms are a fixed amount of principal and no interest over the term of the debt. The capital outlay note included in long-term debt as of June 30, 2007, will be retired from the General Purpose School Fund.

The capital outlay note and capital lease outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
Capital Outlay Note	0 %	\$ 331,660	\$ 331,660
Capital Lease	4.8	547,182	547,182

The annual requirements to amortize the note outstanding as of June 30, 2007, are presented in the following table:

Year Ending June 30	Note Principal
2008	\$ 47,380
2009	47,380
2010	47,380
2011	47,380
2012	47,380
2013-2014	94,760
Total	<u>\$ 331,660</u>

Debt per capita, including the note and the capital lease, totaled \$10, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bradley County School Department for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Note	Capital Lease	Compensated Absences
Balance, July 1, 2006	\$ 0	\$ 0	\$ 70,464
Additions	331,660	547,182	169,436
Deductions	0	0	(168,882)
Balance, June 30, 2007	<u>\$ 331,660</u>	<u>\$ 547,182</u>	<u>\$ 71,018</u>
Balance Due Within One Year	<u>\$ 47,380</u>	<u>\$ 67,614</u>	<u>\$ 71,018</u>

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 949,860
Less: Balances Due Within One Year	<u>(186,012)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 763,848</u>

**G. Short-term Debt**

Bradley County issued tax anticipation notes of \$250,000 from the General Fund in advance of property tax collections and deposited the proceeds in the Inside Urban Fringe Area Fire Tax Fund (agency fund). This note was necessary because funds were not available to meet payments coming due before tax collections.

Bradley County issued revenue anticipation notes of \$910,000 from the General Fund in advance of revenue collections and deposited the proceeds in the Endowment Fund (permanent fund). This note was necessary because funds were not available to meet payments coming due before revenue collections.

These notes were not approved by the state director of Local Finance as required by state statutes.

	Balance 7-1-06	Issued	Redeemed	Balance 6-30-07
Tax Anticipation Note	\$ 0	\$ 250,000	\$ (250,000)	\$ 0
Revenue Anticipation Note	0	910,000	(910,000)	0

**V. OTHER INFORMATION**

**A. Risk Management**

Bradley County's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The county is a member of the Local Government Property and Causality Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF

reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The discretely presented Bradley County School Department's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The county and the School Department are members of the Tennessee School Boards Risk Management Trust (TSB-RMT) which is a public entity risk pool established by an association of member districts. The School Department pays annual premiums to the TSB-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TSB-RMT provides for it to be self-sustaining through member premiums.

Bradley County and the discretely presented Bradley County School Department provide health insurance coverage to its employees through 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, 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 the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

**B. Subsequent Events**

On July 31, 2007, the Bradley County Sheriff sued the county for additional funding in excess of budgeted appropriations to operate the Sheriff's Department for the 2007-2008 fiscal year. On November 26, 2007, the circuit court judge denied the sheriff's request for the additional funding.

On October 15, 2007, the Bradley County School Department increased its current capital lease for a lighting project by \$68,340.

**C. Contingent Liabilities**

The county is involved in several pending lawsuits. Attorneys for the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

**D. Changes in Administration**

On August 31, 2006, Pam Mull left the Office of Circuit Court Clerk and was succeeded by Gayla Miller, Anderson Miller left the Office of Trustee and was succeeded by Mike Smith, and Dan Gilley left the Office of Sheriff and was succeeded by Tim Gobble.

**E. Landfill Closure and Postclosure Care Cost**

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure costs generally are paid near the date that the landfill stops accepting waste and postclosure care costs are paid during the 30-year period following closure. Bradley County has contracted with Santek Environmental, Inc., of Bradley County, a private company, to operate the county's landfill. This contract was amended on December 1, 1999, and again on September 23, 2005, and requires Santek to be responsible for all closure and postclosure care costs of both the old and new landfills during the term of the contract. The term of the 2005 amendment to the contract is the estimated life of the new landfill – approximately 1.5 years based on current usage – and the life of additional cells that might be opened in the future. The estimated closure costs of the new landfill and the postclosure care costs for both landfills, \$4,766,115 at June 30, 2007, were not included in the county's long-term debt due to the uncertainty of what amount, if any, will be paid by the county. Of this amount, \$1,250,120 represents expenditures relating to the old landfill, which was closed in October 1996, and \$3,515,995 relating to the use of 89 percent of the capacity of the new landfill. These amounts are based on estimates of what it would cost to perform all closure and postclosure care in 2007. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission and the Cleveland City Council, and eight ex-officio members who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and Cleveland City Council. The center is funded through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2007, the county appropriated an operating subsidy of \$450,000 to the district.

The Hiwassee Utilities Commission is a joint venture that is operated by Bradley and McMinn counties. The commission is governed by a six-member board that is appointed by the participating governments. Bradley County is contingently liable for certain revenue bonds of the Hiwassee Utilities Commission. Bradley County would become liable for these bonds, and the interest thereon, in the event of default by the Hiwassee Utilities Commission. The principal of these bonds is

reflected on the financial statements of the Hiwassee Utilities Commission. As of June 30, 2007, future principal and interest requirements were \$552,000 and \$99,830, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2007. On October 18, 2007, the Hiwassee Utilities Commission issued an additional \$12,000,000 in public improvement bonds. Bradley County would become liable for one-half of these bonds (\$6,000,000), and the interest thereon, in the event of default by the Hiwassee Utilities Commission.

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District and the municipalities within the district. The district is composed of Bradley, McMinn, Monroe, and Polk 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 that includes the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Bradley County made no contributions to the DTF for the year ended June 30, 2007.

Bradley County does not have equity interests in any of the above-noted joint ventures. Complete financial statements for the Bradley County Emergency Communications District, the Hiwassee Utilities Commission, and the Tenth Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Bradley County Emergency Communications District  
1555 Guthrie Drive North West  
Cleveland, TN 37312

Hiwassee Utilities Commission  
3973 Chatata Valley Road  
Charleston, TN 37310

District Attorney General  
Tenth Judicial District  
130 Washington Avenue North East, Suite 1  
Athens, TN 37371

**G. Jointly Governed Organization**

Bradley County, in conjunction with McMinn, Monroe, and Polk counties, participates in the Southeast Tennessee Community Corrections Program. The program's 20-member board comprises the county mayor and the sheriff of each of the four counties, the district attorney general, one member from a nonprofit organization, and ten members from the private sector who are

appointed by the board. The program provides alternative sentencing for selected nonviolent offenders and is funded by the Tennessee Department of Correction. The counties that participate in the program do not have any ongoing financial interest or responsibility for the program.

#### **H. Sale of Bradley County Memorial Hospital**

In August 2005, the sale of the Bradley County Memorial Hospital was finalized, and the sale became effective October 1, 2005. The hospital board of trustees and three hospital administrators were left in place to oversee the distribution of the \$76.5 million in sale proceeds. By agreement, the board of trustees was dissolved on April 16, 2007. The last distribution was made on March 27, 2007.

Of the original sale proceeds, \$20 million is estimated to be left after all distributions have been made. This amount was placed in an escrow account bearing the names of Bradley County and the Bradley County Memorial Hospital. Additionally, an amount was placed in escrow to retire the refunding bonds issued in 1999 and 2002 that were the obligation of the hospital.

The county and the hospital board agreed to a division of funds after all liabilities of the hospital were liquidated. The funds were divided between the county (\$15,000,000) and the local chapter of the United Way (\$19,792,656). The agreement requires the funds to be used for improving healthcare, wellness, and the quality of life for the citizens of Bradley County.

The county accounts for its share of these funds in its Endowment Fund. The agreement required that the original amount of the county's proceeds (\$15,000,000) and 15 percent of all investment income earned on those proceeds cannot be spent and must be invested. Eighty-five percent of the investment income can be spent for improving healthcare, wellness, and the quality of life for the citizens of Bradley County.

During the year, the Bradley County Memorial Hospital was still an entity with a board of trustees, employees, and assets. The hospital board employed independent public accountants to perform a review of the hospital for the period July 1, 2006, through January 31, 2007. However, as stated in Note 1.A., the hospital was still considered a component unit of the county for the period July 1, 2006, to April 16, 2007, and audited financial statements should have been included in this report.

#### **I. Retirement Commitments**

##### Employees

##### **Plan Description**

Employees of Bradley 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 Bradley 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.treasury.state.tn.us/tcrs/PS/>.

### **Funding Policy**

Bradley County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 13.31 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Bradley County is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2007, Bradley County's annual pension cost of \$2,693,308 to TCRS was equal to Bradley County's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three 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 five-year period. Bradley 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, 2005, was 11 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$2,689,308	100%	\$0
6-30-06	2,324,876	100	0
6-30-05	2,175,368	100	0

**School Teachers**

**Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department,

Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us>.

### **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 Bradley County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Bradley County 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, 2007, 2006, and 2005, were \$1,877,518, \$1,543,707, and \$1,483,796, respectively, equal to the required contributions for each year.

### **J. Other Post-employment Benefits**

In addition to the retirement commitments described above, Bradley County provides post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the county with 30 years of consecutive full-time employment, are less than 65 years of age and are employed as of July 1, 2006, the county will continue to pay 100 percent of the insurance premium until age 65. If the employee has 25 years of consecutive full-time employment, is less than 65 years of age, and is employed as of July 1, 2006, the county will continue to pay 50 percent of the insurance premium until age 65. Currently, one retiree meets those eligibility requirements. Expenditures for post-retirement health care benefits begin at the date the employee retires. During the year, expenditures totaling \$4,784 were recognized for post-employment health care.

In addition to the retirement commitments described above, the discretely presented Bradley County School Department provides post-retirement health care benefits to eligible retirees. In accordance with contract provisions, all employees who retire from the School Department with at least 15 years of service are eligible to receive health insurance paid by the School Department until they become eligible for Medicare. Currently, 118 school retirees meet those eligibility requirements. The School Department pays the individual premium amount at a rate determined by the fiscal year in which the employee retires. Expenditures for post-retirement health care benefits begin at the date the employee retires. During the year, expenditures totaling \$260,955 were recognized for post-employment health care.

### **K. Termination Benefits**

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the post-employment health

insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are only made when the employees choose to accept the incentive. During the year ended June 30, 2007, six School Department employees chose to accept the retirement incentive, and the total cost of the cash payments reported in the government-wide statement of net assets by function was \$46,000.

**L. Purchasing Laws**

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by provisions of Chapter 313, Private Acts of 1951, as amended. This statute provides for the county mayor to serve as purchasing agent and for all purchases exceeding \$2,500 (\$5,000 effective May 7, 2007) to be made only after competitive bids have been received from two or more suppliers.

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by provisions of Chapter 354, Private Acts of 1947, and the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated (TCA), which provide for the Road Superintendent to make all purchases and for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Bradley County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provide for the county Board of Education, through its executive committee (director of schools and the chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTES - DISCRETELY PRESENTED BRADLEY HEALTHCARE AND REHABILITATION CENTER**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

Bradley Healthcare and Rehabilitation Center is a component unit of Bradley County, Tennessee. The nursing center's Board of Trustees is appointed by the Bradley County Commission. Capital projects are funded primarily from general obligation bonds of the county.

**2. Nature of Operations**

The nursing center is principally engaged in providing long-term medical and therapeutic care to elderly residents of Bradley County and the surrounding areas.

**3. Basis of Accounting**

The nursing center is accounted for as an enterprise fund. Revenues are recorded when earned, and expenses are recognized when incurred using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended, the nursing center has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

**4. Use of Estimates**

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

**5. Income Taxes**

The Internal Revenue Service has ruled that the nursing center, as a component unit of Bradley County, is an exempt organization as described in Section 501(a) of the Internal Revenue Code; therefore, no provision for income taxes is provided in the financial statements.

**6. Patient Service Revenue**

Patient service revenue is reported at the nursing center's estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

7. **Cash Equivalents**

For purposes of the Statements of Cash Flows, the nursing center considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Limited use assets include cash held for patients and are not considered cash equivalents for purposes of the Statements of Cash Flows as they are not the property of the nursing center and can only be used at the direction of the patient. The nursing center also holds limited use assets that are restricted by donors for specific purposes that are not considered cash equivalents until the specifications are met. These items are not considered cash equivalents until they are transferred to unrestricted net assets.

8. **Inventories**

Inventories are stated at the lower of cost (first-in, first-out) or market.

9. **Property and Equipment**

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the depreciable assets, ranging from five to 40 years, using the straight-line method.

10. **Compensated Absences**

Accumulated paid time off is accrued when earned.

11. **Net Assets**

Net assets of the nursing center are classified in three components. Net assets invested in capital assets consist of property and equipment, net of accumulated depreciation, and reduced by any outstanding borrowings used to finance the purchase or construction of those assets. There was no outstanding debt for property and equipment. Restricted net assets are funds that are established on behalf of the nursing center and patients, but are unavailable for use by the nursing center. Unrestricted net assets are the remaining net assets that do not meet the definition of net assets invested in capital assets or restricted net assets.

**B. Cash**

Various restrictions on deposits are imposed by state statutes. All deposits with financial institutions other than savings and loan associations must be collateralized in an amount equal to 105 percent of the face amount of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the nursing center. Deposits with savings and loan associations must be collateralized by one of the following methods: (1) an amount equal to 105 percent of the face amount of uninsured deposits if the collateral is of the same character as that required for other financial institutions; (2) an irrevocable letter of credit issued by the Federal Home Loan Bank; or (3) notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150 percent of the amount of uninsured deposits. The nursing center had no deposits with savings and loan associations at year-end.

In 1997, the local bank that serves the nursing center entered the Tennessee Bank Collateral Pool, a multi-entity risk pool that assumes the burden of collateralizing public funds on deposit with local banks. The Treasury Department of the State of Tennessee administers the pool. The Treasury Department, using uniform procedures, centralizes the collateralization of public funds. The funds in the pool are collateralized at 105 percent of the face amount of the uninsured deposits.

Cash on the balance sheet for 2007 includes cash on hand and deposits (including demand deposits) with financial institutions as follows:

Demand deposits insured by the FDIC	\$ 55,000
Demand deposits collateralized by the Tennessee Bank Collateral Pool	925,752
Cash on hand	<u>250</u>
Cash deposits per bank and cash on hand	<u>\$ 981,002</u>
Carrying value of deposits	\$ 851,842
Cash on hand	<u>250</u>
Total carrying value	\$ 852,092
Less limited use assets	<u>(262,587)</u>
Cash per the balance sheet	<u>\$ 589,505</u>

**C. Inventories**

Inventories consist of the following:

General stores	\$	22,422
Foods and dietary		8,647
Enteral feeding supplies		<u>1,237</u>
Total	\$	<u>32,306</u>

**D. Property and Equipment**

Property and equipment consist of the following:

	Balance 7-1-06	Increases/ Decreases	Balance 6-30-07
Land	\$ 1,250	\$ 0	\$ 1,250
Land improvements	250,139	8,248	258,387
Buildings	5,002,778	145,901	5,148,679
Fixed equipment	780,705	2,500	783,205
Major movable	1,493,131	45,657	1,538,788
Computer software	40,144	463	40,607
Computer hardware	85,562	7,023	92,585
Vehicles	95,914	0	95,914
Total	\$ 7,749,623	\$ 209,792	\$ 7,959,415
Less: Accumulated depreciation	<u>(4,667,419)</u>	<u>(310,831)</u>	<u>(4,978,250)</u>
Property and equipment, net	<u>\$ 3,082,204</u>	<u>\$ (101,039)</u>	<u>\$ 2,981,165</u>

**E. Assets Whose Use is Limited**

Assets whose use is limited are as follows:

Patient trust funds	\$	119,836
Scholarship fund		14,574
Activities fund		133
Chapel fund		4,808
Bus fund		267
Country store fund		4,319
Endowment fund		<u>118,650</u>
Total	\$	<u>262,587</u>

These assets represent cash and certificates of deposit with a local financial institution. The patient trust funds are patients' personal assets and are reflected in the financial statements as both an asset and a liability. The Scholarship, Activities, Chapel, Bus, Country Store, and Endowment funds represent restricted cash and are shown on the balance sheet as both limited use assets and restricted net assets.

**F. Permanently Restricted Net Assets**

Assets whose use is permanently restricted are as follows:

Scholarship	\$ 12,000
Citizens' Endowment Fund	<u>110,000</u>
 Total	 <u><u>\$ 122,000</u></u>

Scholarship Fund

The Scholarship Fund was established by a former medical director of the nursing center as a memorial to his sister. The corpus of the fund is to be held in a certificate of deposit with the earnings to be used to fund scholarships for nursing center employees who desire to pursue a career in nursing. The fund is administered by the trustees through the nursing center's management.

Citizens' Endowment Fund

On December 27, 2005, the trustees of the nursing center took over control of the Bradley Memorial Hospital Citizens' Endowment Fund. The fund was originally established at the bequest of a private citizen to provide a source of income for the Bradley Memorial Hospital. On October 14, 2005, the hospital was sold to a private entity and in accordance with the terms of the hospital's Declaration of Trust, the assets of the fund were required to be transferred to another county-owned entity. The trustees of the nursing center took over management of the fund by executing a separate Declaration of Trust dated December 27, 2005. Should the nursing center be sold to a private entity, these funds are to be transferred to the Cleveland Public Library.

Donations may be made to the fund and may be designated either restricted or unrestricted. No part of the original principal of the fund shall be expended; it should be invested and reinvested by the nursing center's trustees at a financial institution in Bradley County, Tennessee, and be fully insured by a federal agency. All income of the fund must be used for exempt purposes under federal tax laws and regulations applicable to the fund.

**G. Patient Service Revenue**

Medicare

The nursing center is paid for by Medicare patients under a prospective payment system that bases payment on categories that are indicative of the amount of resources used to treat the specific patient. The category is determined based on periodic clinical assessments of the patient's functional ability.

Medicaid

Services rendered to Medicaid recipients are reimbursed at per day rates determined by the Tennessee Comptroller's Office. The rates are subject to ceilings for both skilled and intermediate care. The per day rate is established prospectively, based on the prior year's cost report.

A summary of gross and net patient revenues for the year ended June 30, 2007, follows:

Medicare	\$ 2,191,330
Medicaid	7,778,875
Other	<u>1,160,487</u>
Gross patient service revenues	\$ 11,130,692
Contractual adjustments and uncollectible accounts	<u>15,789</u>
Net patient service revenue	<u><u>\$ 11,146,481</u></u>

**H. Accrued Leave**

The nursing center has an all-purpose paid time off (PTO) policy. Employees who work 30 hours or more per week are eligible to earn and use PTO. Vacation is accrued using a formula based on length of employment at the nursing center. Accrued but unpaid vacation benefits at June 30, 2007, were \$217.79 and are included in accrued payroll as a current liability.

**I. Pension Plan**

The nursing center sponsors a 403(b) salary deferral plan for the benefit of its employees. Under the plan, employees are allowed to defer a portion of their earnings up to certain maximum amounts. The nursing center matches the employee contributions at the amount deferred up to four percent. The employer match totaled \$70,372 at June 30, 2007. There was no unpaid liability at June 30, 2007.

**J. Commitments and Contingencies**

The nursing center is insured for professional liability under a claims-made policy with an independent insurance carrier. The policy covers all claims reported to the carrier for incidents that occur during the coverage period. The coverage period coincides with the nursing center's fiscal year. Coverages were renewed at July 2007, rendering the need for tail coverage unnecessary. Premiums are determined by a variety of factors related to the nursing center.

The administrator of the nursing center has been named as a defendant in certain litigation involving a former patient. The nursing center has insurance coverage to indemnify the administrator for this type of claim. Management believes that should the outcome be unfavorable, the amount of the settlement will not exceed the amount of the coverage. However, at this time, the litigation has not progressed to a stage where an outcome is determinable.

Leases that do not meet the criteria for capitalization are classified as operating leases with the related rentals charged to operations as incurred.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2007, that have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2008	\$ 20,184
2009	<u>15,585</u>
Total Minimum Lease Payments	<u><u>\$ 35,769</u></u>

Total rental expense for all operating leases was \$27,578 for 2007, and is included in the general services expense classification.

**K. Risk Financing and Related Insurance Issues**

The nursing center is subject to the risks of torts by its employees; theft, destruction or damage to its capital assets; business interruptions; errors or omissions; injury or illness of employees while in the course of their employment and acts of God, such as fires, floods, and earthquakes. The nursing center insures itself against losses due to this exposure through the purchase of commercial liability and workers' compensation insurance from

reputable insurers. There have been no substantial losses incurred in prior years, and the amount of coverage purchased has not been reduced. Management is unaware of any potential claims that would result in reductions to or cancellation of coverage by the insurer.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,750,759	\$ 0	\$ 0	\$ 14,750,759	\$ 13,689,486	\$ 14,115,200	\$ 635,559
Licenses and Permits	414,640	0	0	414,640	362,000	385,000	29,640
Fines, Forfeitures, and Penalties	540,714	0	0	540,714	280,100	445,491	95,223
Charges for Current Services	3,842,229	0	0	3,842,229	3,435,413	3,687,758	154,471
Other Local Revenues	742,011	0	0	742,011	377,603	707,068	34,943
Fees Received from County Officials	2,802,077	0	0	2,802,077	2,160,000	2,610,250	191,827
State of Tennessee	3,561,598	0	0	3,561,598	3,030,511	3,549,648	11,950
Federal Government	847,080	0	0	847,080	285,548	1,021,756	(174,676)
Other Governments and Citizens Groups	1,828,516	0	0	1,828,516	1,681,217	1,700,334	128,182
<b>Total Revenues</b>	<b>\$ 29,329,624</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 29,329,624</b>	<b>\$ 25,301,878</b>	<b>\$ 28,222,505</b>	<b>\$ 1,107,119</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 331,927	\$ 0	\$ 11,510	\$ 343,437	\$ 378,300	\$ 373,013	\$ 29,576
Board of Equalization	1,350	0	0	1,350	2,000	2,000	650
Beer Board	1,775	0	0	1,775	2,500	2,500	725
Other Boards and Committees	31,863	0	0	31,863	32,577	32,577	714
County Mayor/Executive	231,365	(375)	3,989	234,979	235,479	235,479	500
Personnel Office	411,102	(12,571)	2,719	401,250	367,204	415,585	14,335
Election Commission	460,521	0	0	460,521	310,372	463,650	3,129
Register of Deeds	222,992	0	815	223,807	64,898	233,167	9,360
Development	141,228	(3,800)	16,030	153,458	163,194	163,194	9,736
Engineering	340,604	(150)	0	340,454	350,410	359,410	18,956
County Buildings	497,961	(2,912)	131,932	626,981	461,594	639,934	12,953
<u>Finance</u>							
Accounting and Budgeting	98,892	(1,478)	1,245	98,659	93,429	98,716	57
Property Assessor's Office	684,905	(21,200)	1,113	664,818	723,600	723,600	58,782

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 37,834	\$ 0	\$ 2,149	\$ 39,983	\$ 47,184	\$ 47,184	\$ 7,201
County Trustee's Office	72,787	0	318	73,105	70,091	73,396	291
County Clerk's Office	184,003	(11,098)	1,929	174,834	184,303	186,059	11,225
Data Processing	166,281	0	5,057	171,338	172,226	172,226	888
<u>Administration of Justice</u>							
Circuit Court	66,798	0	0	66,798	0	66,798	0
Criminal Court	337,990	(2,284)	0	335,706	335,784	375,784	40,078
General Sessions Court	616,140	(840)	0	615,300	709,079	653,471	38,171
General Sessions Judge	360,700	(847)	60	359,913	374,419	374,419	14,506
Drug Court	138,213	0	0	138,213	70,945	250,510	112,297
Chancery Court	46,576	0	175	46,751	50,085	53,169	6,418
Juvenile Court	487,308	(6,535)	4,257	485,030	493,178	504,178	19,148
Judicial Commissioners	32,300	0	0	32,300	37,200	37,200	4,900
Other Administration of Justice	96,601	0	0	96,601	98,548	98,548	1,947
Probation Services	253,914	0	14	253,928	225,608	289,608	35,680
<u>Public Safety</u>							
Sheriff's Department	5,864,095	(10,831)	22,499	5,875,763	5,559,622	6,011,324	135,561
Special Patrols	193,408	0	0	193,408	219,364	234,364	40,956
Traffic Control	38,278	(25,159)	15,000	28,119	45,200	45,200	17,081
Wheel Tax Officer	619,436	0	5,020	624,456	372,552	703,026	78,570
Administration of the Sexual Offender Registry	1,929	0	0	1,929	0	5,356	3,427
Jail	4,663,299	(48,606)	16,905	4,631,598	5,004,409	4,928,409	296,811
Correctional Incentive Program Improvements	870,205	(1,586)	9,713	878,332	998,976	1,008,976	130,644
Juvenile Services	617,542	0	0	617,542	463,027	772,596	155,054
Work Release Program	315,659	0	60	315,719	325,222	335,654	19,935
Civil Defense	392,797	(1,527)	7,372	398,642	406,559	419,809	21,167

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Rescue Squad	\$ 26,914	\$ 0	\$ 0	\$ 26,914	\$ 0	\$ 33,778	\$ 6,864
Disaster Relief	1,000	0	0	1,000	1,029	1,029	29
Other Emergency Management	100,539	(1,312)	12,179	111,406	0	285,202	173,796
Inspection and Regulation	173,309	(109)	0	173,200	206,637	173,218	18
County Coroner/Medical Examiner	103,604	0	0	103,604	80,000	103,610	6
Public Safety Grant Programs	0	0	0	0	12,683	12,683	12,683
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	386,112	(5,571)	1,580	382,121	391,817	391,817	9,696
Rabies and Animal Control	268,060	0	0	268,060	268,060	268,060	0
Ambulance/Emergency Medical Services	3,700,885	(6,313)	55,426	3,749,998	3,754,985	3,821,685	71,687
Alcohol and Drug Programs	33,807	0	0	33,807	0	67,155	33,348
Other Local Health Services	899,621	(478)	1,200	900,343	912,570	912,570	12,227
General Welfare Assistance	1,000	0	0	1,000	1,000	1,000	0
Aid to Dependent Children	0	0	0	0	1,000	1,000	1,000
Other Local Welfare Services	72,915	0	0	72,915	72,915	72,915	0
Recycling Center	25,641	0	0	25,641	25,901	25,901	260
Other Public Health and Welfare	17,821	(790)	0	17,031	19,625	19,625	2,594
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	5,000	0	0	5,000	10,000	10,000	5,000
Senior Citizens Assistance	88,804	0	0	88,804	88,804	88,804	0
Other Social, Cultural, and Recreational	877,826	(1,131)	196	876,891	906,400	906,400	29,509
<u>Agriculture &amp; Natural Resources</u>							
Agriculture Extension Service	258,128	0	75	258,203	267,603	269,103	10,900
Soil Conservation	47,635	0	0	47,635	52,864	52,864	5,229
Storm Water Management	132,637	(451)	1,100	133,286	119,691	137,691	4,405

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 189,169	\$ 0	\$ 0	\$ 189,169	\$ 147,400	\$ 190,000	\$ 831
Industrial Development	189,169	0	0	189,169	147,400	190,000	831
Public Transportation	31,197	0	0	31,197	31,197	31,197	0
Veterans' Services	73,316	0	100	73,416	80,651	80,651	7,235
Other Charges	312,687	0	0	312,687	325,000	325,000	12,313
Contributions to Other Agencies	109,152	0	0	109,152	117,760	117,760	8,608
Total Expenditures	\$ 28,506,526	\$ (167,954)	\$ 331,737	\$ 28,670,309	\$ 27,942,130	\$ 30,430,807	\$ 1,760,498
Excess (Deficiency) of Revenues Over Expenditures	\$ 823,098	\$ 167,954	\$ (331,737)	\$ 659,315	\$ (2,640,252)	\$ (2,208,302)	\$ 2,867,617
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 168,340	\$ 0	\$ 0	\$ 168,340	\$ 0	\$ 168,340	\$ 0
Capital Leases Issued	203,740	0	0	203,740	0	203,740	0
Transfers In	0	0	0	0	0	300,000	(300,000)
Transfers Out	(206,750)	0	0	(206,750)	(25,000)	(206,750)	0
Total Other Financing Sources (Uses)	\$ 165,330	\$ 0	\$ 0	\$ 165,330	\$ (25,000)	\$ 465,330	\$ (300,000)
Net Change in Fund Balance	\$ 988,428	\$ 167,954	\$ (331,737)	\$ 824,645	\$ (2,665,252)	\$ (1,742,972)	\$ 2,567,617
Fund Balance, July 1, 2006	7,131,666	(167,954)	0	6,963,712	5,771,359	5,138,420	1,825,292
Fund Balance, June 30, 2007	\$ 8,120,094	\$ 0	\$ (331,737)	\$ 7,788,357	\$ 3,106,107	\$ 3,395,448	\$ 4,392,909

Exhibit E-2

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,443,033	\$ 2,354,245	\$ 2,348,845	\$ 94,188
Charges for Current Services	0	10	0	0
Other Local Revenues	134,938	57,110	131,452	3,486
State of Tennessee	2,853,570	2,579,950	2,810,681	42,889
Federal Government	35,227	0	35,227	0
<b>Total Revenues</b>	<b>\$ 5,466,768</b>	<b>\$ 4,991,315</b>	<b>\$ 5,326,205</b>	<b>\$ 140,563</b>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 406,662	\$ 449,659	\$ 427,002	\$ 20,340
Highway and Bridge Maintenance	2,369,834	2,753,271	2,659,171	289,337
Operation and Maintenance of Equipment	419,222	482,998	494,798	75,576
Quarry Operations	0	5,000	0	0
Litter and Trash Collection	76,910	83,282	83,282	6,372
Other Charges	145,436	148,920	151,900	6,464
Employee Benefits	566,994	636,522	595,927	28,933
Capital Outlay	287,325	412,750	311,740	24,415
<u>Capital Projects</u>				
Highway & Street Capital Projects	219,526	243,942	241,042	21,516
<b>Total Expenditures</b>	<b>\$ 4,491,909</b>	<b>\$ 5,216,344</b>	<b>\$ 4,964,862</b>	<b>\$ 472,953</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 974,859	\$ (225,029)	\$ 361,343	\$ 613,516
Net Change in Fund Balance	\$ 974,859	\$ (225,029)	\$ 361,343	\$ 613,516
Fund Balance, July 1, 2006	937,179	805,100	805,100	132,079
<b>Fund Balance, June 30, 2007</b>	<b>\$ 1,912,038</b>	<b>\$ 580,071</b>	<b>\$ 1,166,443</b>	<b>\$ 745,595</b>

Exhibit E-3

Bradley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 35,385	\$ 37,728	2,343	93.79 %	\$ 19,269	12.16 %
6-30-03	29,649	32,253	2,604	91.93	14,887	17.49
6-30-01	25,488	28,348	2,860	89.91	13,379	21.38

**BRADLEY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2007**

**BUDGETARY INFORMATION**

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Bradley 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 State 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, Budget and Finance Committee, County Mayor, etc.). Management may make revisions within major categories, but only the Bradley County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Public Library Fund – The Public Library Fund is used to account for transactions for the Bradley County/Cleveland Public Library, which is jointly funded by Bradley County and the City of Cleveland.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to Bradley County trash collection and waste disposal.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for revenues restricted to investigative operations of the Sheriff's Department.

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

Agri-Business Fund – The Agri-Business Fund is used to account for revenues and expenditures associated with the Agri-business Center's operations.

Special Purpose Fire Tax Fund – The Special Purpose Fire Tax Fund is used to account for transactions of the county's Fire Department. A property tax rate is assessed on citizens living in Bradley County but outside of the cities of Cleveland and Charleston. Proceeds of the tax must be expended on fire protection for those citizens.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions of the county's health and fitness program.

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

Vocational Building Fund – The Vocational Building Fund is used to account for transactions of a vocational building owned by the county and leased to the State of Tennessee.

## Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for industrial park projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for Housing and Urban Development projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the County/City of Cleveland Greenway project.

Exhibit F-1

Bradley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2007

	Special Revenue Funds							
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Agri- Business	Special Purpose Fire Tax	Other Special Revenue
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	7,430	153,753	742,139	0	1,328,761	43,089	308,406	2,198
Accounts Receivable	0	0	77,011	890	22,968	0	0	0
Due from Other Governments	0	6,137	0	0	0	17,880	0	0
Property Taxes Receivable	0	551,699	0	0	0	0	1,534,001	0
Allowance for Uncollectible Property Taxes	0	(19,689)	0	0	0	0	(63,676)	0
Notes Receivable - Long-Term	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 7,430</b>	<b>\$ 691,900</b>	<b>\$ 819,150</b>	<b>\$ 890</b>	<b>\$ 1,351,729</b>	<b>\$ 60,969</b>	<b>\$ 1,778,731</b>	<b>\$ 2,198</b>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 881	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Funds	0	0	0	0	0	0	0	0
Deferred Revenue - Current Property Taxes	0	514,060	0	0	0	0	1,401,280	0
Deferred Revenue - Delinquent Property Taxes	0	10,566	0	0	0	0	62,380	0
Other Deferred Revenues	0	6,100	0	0	0	17,880	0	0
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 530,726</b>	<b>\$ 0</b>	<b>\$ 881</b>	<b>\$ 0</b>	<b>\$ 17,880</b>	<b>\$ 1,463,660</b>	<b>\$ 0</b>
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,967	\$ 0	\$ 46,002	\$ 0
Reserved for Long-Term Notes Receivable	0	0	0	0	0	0	0	0
Unreserved	7,430	161,174	819,150	9	1,341,762	43,089	269,069	2,198
<b>Total Fund Balances</b>	<b>\$ 7,430</b>	<b>\$ 161,174</b>	<b>\$ 819,150</b>	<b>\$ 9</b>	<b>\$ 1,351,729</b>	<b>\$ 43,089</b>	<b>\$ 315,071</b>	<b>\$ 2,198</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,430</b>	<b>\$ 691,900</b>	<b>\$ 819,150</b>	<b>\$ 890</b>	<b>\$ 1,351,729</b>	<b>\$ 60,969</b>	<b>\$ 1,778,731</b>	<b>\$ 2,198</b>

(Continued)

Exhibit F-1

Bradley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)			Capital Projects Funds				Total Nonmajor Governmental Funds
	Constitu- tional Officers - Fees	Vocational Building	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>ASSETS</u>								
Cash	\$ 377,784	\$ 0	\$ 377,784	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,784
Equity in Pooled Cash and Investments	0	49,591	2,635,367	1,409,210	389,525	107,536	54,614	4,596,252
Accounts Receivable	0	0	100,869	5,918	0	0	0	106,787
Due from Other Governments	0	7,085	31,102	0	0	29,300	0	60,402
Property Taxes Receivable	0	0	2,085,700	1,768,274	0	0	0	3,853,974
Allowance for Uncollectible Property Taxes	0	0	(83,365)	(63,110)	0	0	0	(146,475)
Notes Receivable - Long-Term	0	0	0	0	0	34,485	0	34,485
<b>Total Assets</b>	<b>\$ 377,784</b>	<b>\$ 56,676</b>	<b>\$ 5,147,457</b>	<b>\$ 3,120,292</b>	<b>\$ 389,525</b>	<b>\$ 171,321</b>	<b>\$ 54,614</b>	<b>\$ 8,883,209</b>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Cash Overdraft	\$ 0	\$ 0	\$ 881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 881
Due to Other Funds	1,146	10,375	11,521	0	0	0	0	11,521
Deferred Revenue - Current Property Taxes	0	0	1,915,340	1,647,627	0	0	0	3,562,967
Deferred Revenue - Delinquent Property Taxes	0	0	72,946	33,870	0	0	0	106,816
Other Deferred Revenues	0	0	23,980	0	0	0	0	23,980
<b>Total Liabilities</b>	<b>\$ 1,146</b>	<b>\$ 10,375</b>	<b>\$ 2,024,668</b>	<b>\$ 1,681,497</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,706,165</b>
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 0	\$ 26	\$ 55,995	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,995
Reserved for Long-Term Notes Receivable	0	0	0	0	0	34,485	0	34,485
Unreserved	376,638	46,275	3,066,794	1,438,795	389,525	136,836	54,614	5,086,564
<b>Total Fund Balances</b>	<b>\$ 376,638</b>	<b>\$ 46,301</b>	<b>\$ 3,122,789</b>	<b>\$ 1,438,795</b>	<b>\$ 389,525</b>	<b>\$ 171,321</b>	<b>\$ 54,614</b>	<b>\$ 5,177,044</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 377,784</b>	<b>\$ 56,676</b>	<b>\$ 5,147,457</b>	<b>\$ 3,120,292</b>	<b>\$ 389,525</b>	<b>\$ 171,321</b>	<b>\$ 54,614</b>	<b>\$ 8,883,209</b>

Exhibit F-2

Bradley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2007

	Special Revenue Funds							Special Purpose Fire Tax	Other Special Revenue
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Agri- Business			
<b>Revenues</b>									
Local Taxes	\$ 471	\$ 532,538	\$ 0	\$ 0	\$ 0	\$ 154,092	\$ 481,282	\$ 0	0
Fines, Forfeitures, and Penalties	1,266	0	0	0	1,166,380	0	0	0	0
Charges for Current Services	3,402	0	264,278	0	0	0	90	0	0
Other Local Revenues	0	6,976	13,300	8,874	35,790	0	26,842	7,270	0
State of Tennessee	0	11,926	65,032	0	8,017	0	0	0	0
Federal Government	0	0	0	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	10,000	0	0	0	0
<b>Total Revenues</b>	<b>\$ 5,139</b>	<b>\$ 551,440</b>	<b>\$ 342,610</b>	<b>\$ 8,874</b>	<b>\$ 1,220,187</b>	<b>\$ 154,092</b>	<b>\$ 508,214</b>	<b>\$ 7,270</b>	
<b>Expenditures</b>									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	0	0	0	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0	0	0	0
Public Safety	0	0	0	7,827	759,903	0	868,282	0	0
Public Health and Welfare	0	0	71,662	0	15,186	0	0	5,072	0
Social, Cultural, and Recreational Services	5,346	486,614	0	0	0	160,726	0	0	0
Other Operations	47	10,662	2,006	36	1,773	1,431	10,853	0	0
Capital Projects	0	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 5,393</b>	<b>\$ 497,276</b>	<b>\$ 73,668</b>	<b>\$ 7,863</b>	<b>\$ 776,862</b>	<b>\$ 162,157</b>	<b>\$ 879,135</b>	<b>\$ 5,072</b>	
Excess (Deficiency) of Revenues Over Expenditures	\$ (254)	\$ 54,164	\$ 268,942	\$ 1,011	\$ 443,325	\$ (8,065)	\$ (370,921)	\$ 2,198	
<b>Other Financing Sources (Uses)</b>									
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers Out	0	0	0	0	0	0	(170,296)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (170,296)</b>	<b>\$ 0</b>	
Net Change in Fund Balances	\$ (254)	\$ 54,164	\$ 268,942	\$ 1,011	\$ 443,325	\$ (8,065)	\$ (541,217)	\$ 2,198	
Fund Balance, July 1, 2006	7,684	107,010	550,208	(1,002)	908,404	51,154	856,288	0	0
<b>Fund Balance, June 30, 2007</b>	<b>\$ 7,430</b>	<b>\$ 161,174</b>	<b>\$ 819,150</b>	<b>\$ 9</b>	<b>\$ 1,351,729</b>	<b>\$ 43,089</b>	<b>\$ 315,071</b>	<b>\$ 2,198</b>	

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)			Capital Projects Funds					Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Vocational Building	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
<u>Revenues</u>									
Local Taxes	\$ 0	\$ 0	\$ 1,168,383	\$ 1,658,328	\$ 0	\$ 0	\$ 0	\$ 1,658,328	\$ 2,826,711
Fines, Forfeitures, and Penalties	0	0	1,167,646	0	0	0	0	0	1,167,646
Charges for Current Services	1,618,092	0	1,885,862	0	0	0	0	0	1,885,862
Other Local Revenues	0	86,081	185,133	362,289	9,310	6,133	532	378,264	563,397
State of Tennessee	0	0	84,975	50,198	0	0	0	50,198	135,173
Federal Government	0	0	0	0	0	213,294	0	213,294	213,294
Other Governments and Citizens Groups	0	0	10,000	0	0	0	1,000	1,000	11,000
<b>Total Revenues</b>	<b>\$ 1,618,092</b>	<b>\$ 86,081</b>	<b>\$ 4,501,999</b>	<b>\$ 2,070,815</b>	<b>\$ 9,310</b>	<b>\$ 219,427</b>	<b>\$ 1,532</b>	<b>\$ 2,301,084</b>	<b>\$ 6,803,083</b>
<u>Expenditures</u>									
Current:									
General Government	\$ 264,946	\$ 3,691	\$ 268,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 268,637
Finance	1,126,458	0	1,126,458	0	0	0	0	0	1,126,458
Administration of Justice	187,781	0	187,781	0	0	0	0	0	187,781
Public Safety	0	0	1,636,012	0	0	0	0	0	1,636,012
Public Health and Welfare	0	0	91,920	0	0	0	0	0	91,920
Social, Cultural, and Recreational Services	0	0	652,686	0	0	0	0	0	652,686
Other Operations	0	790	27,598	35,731	93	185,376	4,128	225,328	252,926
Capital Projects	0	0	0	763,307	0	0	0	763,307	763,307
<b>Total Expenditures</b>	<b>\$ 1,579,185</b>	<b>\$ 4,481</b>	<b>\$ 3,991,092</b>	<b>\$ 799,038</b>	<b>\$ 93</b>	<b>\$ 185,376</b>	<b>\$ 4,128</b>	<b>\$ 988,635</b>	<b>\$ 4,979,727</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,907	\$ 81,600	\$ 510,907	\$ 1,271,777	\$ 9,217	\$ 34,051	\$ (2,596)	\$ 1,312,449	\$ 1,823,356
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000
Transfers Out	0	(81,125)	(251,421)	0	0	0	0	0	(251,421)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ (81,125)</b>	<b>\$ (251,421)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ (226,421)</b>
Net Change in Fund Balances	\$ 38,907	\$ 475	\$ 259,486	\$ 1,271,777	\$ 9,217	\$ 34,051	\$ 22,404	\$ 1,337,449	\$ 1,596,935
Fund Balance, July 1, 2006	337,731	45,826	2,863,303	167,018	380,308	137,270	32,210	716,806	3,580,109
<b>Fund Balance, June 30, 2007</b>	<b>\$ 376,638</b>	<b>\$ 46,301</b>	<b>\$ 3,122,789</b>	<b>\$ 1,438,795</b>	<b>\$ 389,525</b>	<b>\$ 171,321</b>	<b>\$ 54,614</b>	<b>\$ 2,054,255</b>	<b>\$ 5,177,044</b>

Exhibit F-3

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Law Library Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 471	\$ 2,822	\$ 2,822	\$ (2,351)
Fines, Forfeitures, and Penalties	1,266	1,100	1,100	166
Charges for Current Services	3,402	2,300	2,300	1,102
Total Revenues	<u>\$ 5,139</u>	<u>\$ 6,222</u>	<u>\$ 6,222</u>	<u>\$ (1,083)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 5,346	\$ 5,500	\$ 5,500	\$ 154
<u>Other Operations</u>				
Other Charges	47	100	100	53
Total Expenditures	<u>\$ 5,393</u>	<u>\$ 5,600</u>	<u>\$ 5,600</u>	<u>\$ 207</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (254)</u>	<u>\$ 622</u>	<u>\$ 622</u>	<u>\$ (876)</u>
Net Change in Fund Balance	\$ (254)	\$ 622	\$ 622	\$ (876)
Fund Balance, July 1, 2006	<u>7,684</u>	<u>6,678</u>	<u>6,678</u>	<u>1,006</u>
Fund Balance, June 30, 2007	<u>\$ 7,430</u>	<u>\$ 7,300</u>	<u>\$ 7,300</u>	<u>\$ 130</u>

Exhibit F-4

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Public Library Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 532,538	\$ 507,230	\$ 513,440	\$ 19,098
Other Local Revenues	6,976	10,000	10,000	(3,024)
State of Tennessee	11,926	6,600	6,600	5,326
Total Revenues	<u>\$ 551,440</u>	<u>\$ 523,830</u>	<u>\$ 530,040</u>	<u>\$ 21,400</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 486,614	\$ 486,614	\$ 486,614	\$ 0
<u>Other Operations</u>				
Other Charges	10,662	8,250	14,460	3,798
Total Expenditures	<u>\$ 497,276</u>	<u>\$ 494,864</u>	<u>\$ 501,074</u>	<u>\$ 3,798</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 54,164</u>	<u>\$ 28,966</u>	<u>\$ 28,966</u>	<u>\$ 25,198</u>
Net Change in Fund Balance	\$ 54,164	\$ 28,966	\$ 28,966	\$ 25,198
Fund Balance, July 1, 2006	107,010	120,316	120,316	(13,306)
Fund Balance, June 30, 2007	<u>\$ 161,174</u>	<u>\$ 149,282</u>	<u>\$ 149,282</u>	<u>\$ 11,892</u>

Exhibit F-5

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 264,278	\$ 181,000	\$ 250,000	\$ 14,278
Other Local Revenues	13,300	0	0	13,300
State of Tennessee	65,032	84,840	84,840	(19,808)
Total Revenues	<u>\$ 342,610</u>	<u>\$ 265,840</u>	<u>\$ 334,840</u>	<u>\$ 7,770</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Waste Collection	\$ 71,662	\$ 84,000	\$ 84,000	\$ 12,338
<u>Other Operations</u>				
Other Charges	2,006	840	2,100	94
Total Expenditures	<u>\$ 73,668</u>	<u>\$ 84,840</u>	<u>\$ 86,100</u>	<u>\$ 12,432</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 268,942</u>	<u>\$ 181,000</u>	<u>\$ 248,740</u>	<u>\$ 20,202</u>
Net Change in Fund Balance	\$ 268,942	\$ 181,000	\$ 248,740	\$ 20,202
Fund Balance, July 1, 2006	<u>550,208</u>	<u>306,255</u>	<u>306,255</u>	<u>243,953</u>
Fund Balance, June 30, 2007	<u>\$ 819,150</u>	<u>\$ 487,255</u>	<u>\$ 554,995</u>	<u>\$ 264,155</u>

Exhibit F-6

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 16,000	\$ 0	\$ 0
Other Local Revenues	8,874	0	5,872	3,002
Federal Government	0	2,421	0	0
Total Revenues	<u>\$ 8,874</u>	<u>\$ 18,421</u>	<u>\$ 5,872</u>	<u>\$ 3,002</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 7,827	\$ 22,321	\$ 9,772	\$ 1,945
<u>Other Operations</u>				
Other Charges	36	150	150	114
Total Expenditures	<u>\$ 7,863</u>	<u>\$ 22,471</u>	<u>\$ 9,922</u>	<u>\$ 2,059</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,011</u>	<u>\$ (4,050)</u>	<u>\$ (4,050)</u>	<u>\$ 5,061</u>
Net Change in Fund Balance	\$ 1,011	\$ (4,050)	\$ (4,050)	\$ 5,061
Fund Balance, July 1, 2006	(1,002)	6,072	6,072	(7,074)
Fund Balance, June 30, 2007	<u>\$ 9</u>	<u>\$ 2,022</u>	<u>\$ 2,022</u>	<u>\$ (2,013)</u>

Exhibit F-7

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 1,166,380	\$ 0	\$ 0	\$ 1,166,380	\$ 358,000	\$ 1,159,089	\$ 7,291
Other Local Revenues	35,790	0	0	35,790	10,650	5,655	30,135
State of Tennessee	8,017	0	0	8,017	0	7,195	822
Other Governments and Citizens Groups	10,000	0	0	10,000	0	10,000	0
<b>Total Revenues</b>	<b>\$ 1,220,187</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,220,187</b>	<b>\$ 368,650</b>	<b>\$ 1,181,939</b>	<b>\$ 38,248</b>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 257,261	\$ (14,403)	\$ 9,967	\$ 252,825	\$ 249,458	\$ 259,458	\$ 6,633
Special Patrols	48,548	(279)	0	48,269	50,775	50,775	2,506
Drug Enforcement	454,094	0	0	454,094	453,628	527,488	73,394
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	15,186	0	0	15,186	31,000	59,500	44,314
<u>Other Operations</u>							
Other Charges	1,773	0	0	1,773	1,000	2,000	227
<b>Total Expenditures</b>	<b>\$ 776,862</b>	<b>\$ (14,682)</b>	<b>\$ 9,967</b>	<b>\$ 772,147</b>	<b>\$ 785,861</b>	<b>\$ 899,221</b>	<b>\$ 127,074</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 443,325	\$ 14,682	\$ (9,967)	\$ 448,040	\$ (417,211)	\$ 282,718	\$ 165,322
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,337	\$ (7,337)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,337</b>	<b>\$ (7,337)</b>
Net Change in Fund Balance	\$ 443,325	\$ 14,682	\$ (9,967)	\$ 448,040	\$ (417,211)	\$ 290,055	\$ 157,985
Fund Balance, July 1, 2006	908,404	(14,682)	0	893,722	800,395	1,507,661	(613,939)
<b>Fund Balance, June 30, 2007</b>	<b>\$ 1,351,729</b>	<b>\$ 0</b>	<b>\$ (9,967)</b>	<b>\$ 1,341,762</b>	<b>\$ 383,184</b>	<b>\$ 1,797,716</b>	<b>\$ (455,954)</b>

Exhibit F-8

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Agri-Business Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 154,092	\$ 130,000	\$ 130,000	\$ 24,092
Total Revenues	\$ 154,092	\$ 130,000	\$ 130,000	\$ 24,092
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 160,726	\$ 131,534	\$ 161,534	\$ 808
<u>Other Operations</u>				
Other Charges	1,431	1,300	1,431	0
Total Expenditures	\$ 162,157	\$ 132,834	\$ 162,965	\$ 808
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,065)	\$ (2,834)	\$ (32,965)	\$ 24,900
Net Change in Fund Balance	\$ (8,065)	\$ (2,834)	\$ (32,965)	\$ 24,900
Fund Balance, July 1, 2006	51,154	26,929	33,000	18,154
Fund Balance, June 30, 2007	\$ 43,089	\$ 24,095	\$ 35	\$ 43,054

Exhibit F-9

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Special Purpose Fire Tax Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 481,282	\$ 0	\$ 481,282	\$ 502,332	\$ 498,425	\$ (17,143)
Charges for Current Services	90	0	90	0	0	90
Other Local Revenues	26,842	0	26,842	30,000	30,000	(3,158)
State of Tennessee	0	0	0	0	17,200	(17,200)
Total Revenues	<u>\$ 508,214</u>	<u>\$ 0</u>	<u>\$ 508,214</u>	<u>\$ 532,332</u>	<u>\$ 545,625</u>	<u>\$ (37,411)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Fire Prevention and Control	\$ 868,282	\$ 46,002	\$ 914,284	\$ 948,714	\$ 958,295	\$ 44,011
<u>Other Operations</u>						
Other Charges	10,853	0	10,853	15,500	16,500	5,647
Total Expenditures	<u>\$ 879,135</u>	<u>\$ 46,002</u>	<u>\$ 925,137</u>	<u>\$ 964,214</u>	<u>\$ 974,795</u>	<u>\$ 49,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (370,921)</u>	<u>\$ (46,002)</u>	<u>\$ (416,923)</u>	<u>\$ (431,882)</u>	<u>\$ (429,170)</u>	<u>\$ 12,247</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (170,296)	\$ 0	\$ (170,296)	\$ (170,296)	\$ (170,296)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (170,296)</u>	<u>\$ 0</u>	<u>\$ (170,296)</u>	<u>\$ (170,296)</u>	<u>\$ (170,296)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (541,217)	\$ (46,002)	\$ (587,219)	\$ (602,178)	\$ (599,466)	\$ 12,247
Fund Balance, July 1, 2006	856,288	0	856,288	831,501	834,213	22,075
Fund Balance, June 30, 2007	<u>\$ 315,071</u>	<u>\$ (46,002)</u>	<u>\$ 269,069</u>	<u>\$ 229,323</u>	<u>\$ 234,747</u>	<u>\$ 34,322</u>

Exhibit F-10

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Vocational Building Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 86,081	\$ 0	\$ 86,081	\$ 85,017	\$ 85,017	\$ 1,064
Total Revenues	\$ 86,081	\$ 0	\$ 86,081	\$ 85,017	\$ 85,017	\$ 1,064
<u>Expenditures</u>						
<u>General Government</u>						
Other Facilities	\$ 3,691	\$ 26	\$ 3,717	\$ 3,000	\$ 3,717	\$ 0
<u>Other Operations</u>						
Other Charges	790	0	790	850	850	60
Total Expenditures	\$ 4,481	\$ 26	\$ 4,507	\$ 3,850	\$ 4,567	\$ 60
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,600	\$ (26)	\$ 81,574	\$ 81,167	\$ 80,450	\$ 1,124
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (81,125)	\$ 0	\$ (81,125)	\$ (81,125)	\$ (81,125)	\$ 0
Total Other Financing Sources (Uses)	\$ (81,125)	\$ 0	\$ (81,125)	\$ (81,125)	\$ (81,125)	\$ 0
Net Change in Fund Balance	\$ 475	\$ (26)	\$ 449	\$ 42	\$ (675)	\$ 1,124
Fund Balance, July 1, 2006	45,826	0	45,826	43,005	42,288	3,538
Fund Balance, June 30, 2007	\$ 46,301	\$ (26)	\$ 46,275	\$ 43,047	\$ 41,613	\$ 4,662

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,824,923	\$ 4,778,482	\$ 4,864,415	\$ (39,492)
Other Local Revenues	1,192,507	980,105	1,187,605	4,902
State of Tennessee	97,959	99,572	99,572	(1,613)
<b>Total Revenues</b>	<b>\$ 6,115,389</b>	<b>\$ 5,858,159</b>	<b>\$ 6,151,592</b>	<b>\$ (36,203)</b>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 120,993	\$ 128,327	\$ 130,827	\$ 9,834
Contributions to Other Agencies	2,319,680	0	2,319,680	0
<u>Principal on Debt</u>				
General Government	910,000	575,000	1,375,000	465,000
Education	1,545,000	2,907,500	2,007,500	462,500
<u>Interest on Debt</u>				
General Government	750,407	855,779	855,779	105,372
Education	2,361,300	2,786,740	2,786,740	425,440
<u>Other Debt Service</u>				
General Government	34,484	35,809	35,809	1,325
Education	6,022,204	132,510	6,032,510	10,306
<b>Total Expenditures</b>	<b>\$ 14,064,068</b>	<b>\$ 7,421,665</b>	<b>\$ 15,543,845</b>	<b>\$ 1,479,777</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,948,679)	\$ (1,563,506)	\$ (9,392,253)	\$ 1,443,574
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 433,171	\$ 433,171	\$ 433,171	\$ 0
Payments to Refunded Debt Escrow Agent	(9,705,000)	0	(9,705,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (9,271,829)</b>	<b>\$ 433,171</b>	<b>\$ (9,271,829)</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ (17,220,508)	\$ (1,130,335)	\$ (18,664,082)	\$ 1,443,574
Fund Balance, July 1, 2006	33,083,643	32,304,025	24,475,278	8,608,365
<b>Fund Balance, June 30, 2007</b>	<b>\$ 15,863,135</b>	<b>\$ 31,173,690</b>	<b>\$ 5,811,196</b>	<b>\$ 10,051,939</b>

# Fiduciary Funds

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

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of 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.

Inside Urban Fringe Area Fire Tax Fund – The Inside Urban Fringe Area Fire Tax Fund is used to account for property taxes collected on property that lies within five miles of the City of Cleveland. These taxes are remitted to the City of Cleveland, which provides fire protection for this property.

City School ADA - Cleveland Fund – The City School ADA - Cleveland Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

Exhibit H-1

Bradley County, Tennessee  
Combining Statement of Assets and Liabilities  
All Agency Funds  
June 30, 2007

	Agency Funds				Total
	Cities - Sales Tax	Inside Urban Fringe Area Fire Tax	City School ADA - Cleveland	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 5,035,526	\$ 5,035,526
Equity in Pooled Cash and Investments	24,100	17,063	11,262	0	52,425
Due from Other Governments	1,383,505	0	639,502	0	2,023,007
Due from Other Funds	0	0	271	0	271
Property Taxes Receivable	0	2,130,338	5,330,049	0	7,460,387
Allowance for Uncollectible Property Taxes	0	(167,201)	(190,369)	0	(357,570)
Total Assets	<u>\$ 1,407,605</u>	<u>\$ 1,980,200</u>	<u>\$ 5,790,715</u>	<u>\$ 5,035,526</u>	<u>\$ 14,214,046</u>
<u>LIABILITIES</u>					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 271	\$ 271
Due to Component Unit	0	0	0	584	584
Due to Other Taxing Units	1,407,605	1,730,200	5,790,715	0	8,928,520
Due to Litigants, Heirs, and Others	0	250,000	0	5,034,671	5,284,671
Total Liabilities	<u>\$ 1,407,605</u>	<u>\$ 1,980,200</u>	<u>\$ 5,790,715</u>	<u>\$ 5,035,526</u>	<u>\$ 14,214,046</u>

Exhibit H-2

Bradley County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 125,198	\$ 7,975,737	\$ 8,076,835	\$ 24,100
Due from Other Governments	1,355,040	1,383,505	1,355,040	1,383,505
<b>Total Assets</b>	<b>\$ 1,480,238</b>	<b>\$ 9,359,242</b>	<b>\$ 9,431,875</b>	<b>\$ 1,407,605</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,480,238	\$ 9,359,242	\$ 9,431,875	\$ 1,407,605
<b>Total Liabilities</b>	<b>\$ 1,480,238</b>	<b>\$ 9,359,242</b>	<b>\$ 9,431,875</b>	<b>\$ 1,407,605</b>
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 292,036	\$ 1,871,730	\$ 2,146,703	\$ 17,063
Taxes Receivable	2,019,211	2,130,338	2,019,211	2,130,338
Allowance for Uncollectible Taxes	(188,630)	(167,201)	(188,630)	(167,201)
<b>Total Assets</b>	<b>\$ 2,122,617</b>	<b>\$ 3,834,867</b>	<b>\$ 3,977,284</b>	<b>\$ 1,980,200</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,622,617	\$ 3,584,867	\$ 3,477,284	\$ 1,730,200
Due to Litigants, Heirs, and Others	500,000	250,000	500,000	250,000
<b>Total Liabilities</b>	<b>\$ 2,122,617</b>	<b>\$ 3,834,867</b>	<b>\$ 3,977,284</b>	<b>\$ 1,980,200</b>
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,743	\$ 8,928,573	\$ 8,929,054	\$ 11,262
Due from Other Governments	678,392	639,502	678,392	639,502
Due from Other Funds	285	271	285	271
Taxes Receivable	5,228,559	5,330,049	5,228,559	5,330,049
Allowance for Uncollectible Taxes	(213,331)	(190,369)	(213,331)	(190,369)
<b>Total Assets</b>	<b>\$ 5,705,648</b>	<b>\$ 14,708,026</b>	<b>\$ 14,622,959</b>	<b>\$ 5,790,715</b>
<u>Liabilities</u>				
Cash Overdraft	\$ 111,682	\$ 0	\$ 111,682	\$ 0
Due to Other Taxing Units	5,593,966	14,708,026	14,511,277	5,790,715
<b>Total Liabilities</b>	<b>\$ 5,705,648</b>	<b>\$ 14,708,026</b>	<b>\$ 14,622,959</b>	<b>\$ 5,790,715</b>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,086,747	\$ 22,247,665	\$ 23,298,886	\$ 5,035,526
Total Assets	\$ 6,086,747	\$ 22,247,665	\$ 23,298,886	\$ 5,035,526
<u>Liabilities</u>				
Due to Other Funds	\$ 285	\$ 271	\$ 285	\$ 271
Due to Component Unit	496	584	496	584
Due to Litigants, Heirs, and Others	6,085,966	22,246,810	23,298,105	5,034,671
Total Liabilities	\$ 6,086,747	\$ 22,247,665	\$ 23,298,886	\$ 5,035,526
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 6,086,747	\$ 22,247,665	\$ 23,298,886	\$ 5,035,526
Equity in Pooled Cash and Investments	428,977	18,776,040	19,152,592	52,425
Due from Other Governments	2,033,432	2,023,007	2,033,432	2,023,007
Due from Other Funds	285	271	285	271
Taxes Receivable	7,247,770	7,460,387	7,247,770	7,460,387
Allowance for Uncollectible Taxes	(401,961)	(357,570)	(401,961)	(357,570)
Total Assets	\$ 15,395,250	\$ 50,149,800	\$ 51,331,004	\$ 14,214,046
<u>Liabilities</u>				
Cash Overdraft	\$ 111,682	\$ 0	\$ 111,682	\$ 0
Due to Other Funds	285	271	285	271
Due to Component Unit	496	584	496	584
Due to Other Taxing Units	8,696,821	27,652,135	27,420,436	8,928,520
Due to Litigants, Heirs, and Others	6,585,966	22,496,810	23,798,105	5,284,671
Total Liabilities	\$ 15,395,250	\$ 50,149,800	\$ 51,331,004	\$ 14,214,046

# Bradley County School Department

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

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

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues that 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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building projects of the county school system.

Exhibit I-1

Bradley County, Tennessee  
Statement of Activities  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total
					Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 40,558,537	\$ 13,849	\$ 4,059,734	\$ 5,345,318	\$ (31,139,636)
Support Services	18,949,472	11,704	2,534,746	0	(16,403,022)
Operation of Non-Instructional Services	5,959,859	2,164,965	2,461,341	600,000	(733,553)
Total Governmental Activities	\$ 65,467,868	\$ 2,190,518	\$ 9,055,821	\$ 5,945,318	\$ (48,276,211)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,995,203
Local Option Sales Taxes					7,948,465
Other Local Taxes					10,783
Grants and Contributions Not Restricted to Specific Programs					33,631,203
Unrestricted Investment Earnings					438,669
Miscellaneous					9,677
Total General Revenues					\$ 53,034,000
Change in Net Assets					\$ 4,757,789
Net Assets, July 1, 2006					61,874,705
Net Assets, June 30, 2007					\$ 66,632,494

Exhibit I-2

Bradley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2007

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Govern-</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,574	\$ 1,574
Equity in Pooled Cash and Investments	8,990,216	5,596,972	1,615,555	16,202,743
Inventories	0	0	100,732	100,732
Due from Other Governments	2,090,380	0	133,000	2,223,380
Due from Other Funds	20,446	0	0	20,446
Due from Primary Government	584	0	0	584
Property Taxes Receivable	11,486,094	0	0	11,486,094
Allowance for Uncollectible Property Taxes	(410,281)	0	0	(410,281)
<b>Total Assets</b>	<b>\$ 22,177,439</b>	<b>\$ 5,596,972</b>	<b>\$ 1,850,861</b>	<b>\$ 29,625,272</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 642,381	\$ 0	\$ 24,241	\$ 666,622
Accrued Payroll	4,521,426	0	379,284	4,900,710
Payroll Deductions Payable	0	0	2,639	2,639
Due to Other Funds	0	0	20,446	20,446
Deferred Revenue - Current Property Taxes	10,701,337	0	0	10,701,337
Deferred Revenue - Delinquent Property Taxes	220,462	0	0	220,462
Other Deferred Revenues	791,619	0	0	791,619
<b>Total Liabilities</b>	<b>\$ 16,877,225</b>	<b>\$ 0</b>	<b>\$ 426,610</b>	<b>\$ 17,303,835</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 683,019	\$ 0	\$ 0	\$ 683,019
Reserved for Inventory	0	0	100,732	100,732
Other Local Education Reserves	600,000	0	0	600,000
Reserved for Capital Outlay	1,031,660	0	0	1,031,660
Reserved for Career Ladder - Extended Contract	25,489	0	0	25,489
Reserved for Career Ladder Program	26,654	0	0	26,654
Reserved for Title I Grants to Local Education Agencies	0	0	42,947	42,947
Reserved for Special Education - Grants to States	0	0	254,794	254,794
Other Federal Reserves	0	0	1,008	1,008
Unreserved, Reported In:				
General Fund	2,933,392	0	0	2,933,392
Special Revenue Funds	0	0	1,024,770	1,024,770
Capital Projects Funds	0	5,596,972	0	5,596,972
<b>Total Fund Balances</b>	<b>\$ 5,300,214</b>	<b>\$ 5,596,972</b>	<b>\$ 1,424,251</b>	<b>\$ 12,321,437</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,177,439</b>	<b>\$ 5,596,972</b>	<b>\$ 1,850,861</b>	<b>\$ 29,625,272</b>

Exhibit I-3

Bradley County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Bradley County School Department  
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	12,321,437
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Add: land	\$	1,294,715	
Add: construction in progress		1,239,752	
Add: buildings and improvements net of accumulated depreciation		51,367,129	
Add: other capital assets net of accumulated depreciation		<u>353,806</u>	54,255,402
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(331,660)	
Less: capital lease payable		(547,182)	
Less: compensated absences payable		(71,018)	
Less: accrued interest on note and capital lease		<u>(6,566)</u>	(956,426)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,012,081</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>66,632,494</u></u>

Exhibit I-4

Bradley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 19,107,065	\$ 0	\$ 0	\$ 19,107,065
Licenses and Permits	5,436	0	0	5,436
Charges for Current Services	24,439	0	2,164,965	2,189,404
Other Local Revenues	447,370	45,318	56,951	549,639
State of Tennessee	33,572,213	0	0	33,572,213
Federal Government	2,929,057	0	5,727,683	8,656,740
Other Governments and Citizens Groups	0	5,900,000	0	5,900,000
Total Revenues	\$ 56,085,580	\$ 5,945,318	\$ 7,949,599	\$ 69,980,497
<u>Expenditures</u>				
Current:				
Instruction	\$ 35,384,749	\$ 0	\$ 2,110,565	\$ 37,495,314
Support Services	19,237,645	0	1,430,046	20,667,691
Operation of Non-Instructional Services	1,137,850	0	4,114,846	5,252,696
Capital Outlay	1,636,311	0	0	1,636,311
Capital Projects	0	3,884,236	0	3,884,236
Total Expenditures	\$ 57,396,555	\$ 3,884,236	\$ 7,655,457	\$ 68,936,248
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,310,975)	\$ 2,061,082	\$ 294,142	\$ 1,044,249
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 331,660	\$ 0	\$ 0	\$ 331,660
Capital Leases Issued	547,182	0	0	547,182
Transfers In	52,245	0	0	52,245
Transfers Out	0	0	(52,245)	(52,245)
Total Other Financing Sources (Uses)	\$ 931,087	\$ 0	\$ (52,245)	\$ 878,842
Net Change in Fund Balances	\$ (379,888)	\$ 2,061,082	\$ 241,897	\$ 1,923,091
Fund Balance, July 1, 2006	5,680,102	3,535,890	1,182,354	10,398,346
Fund Balance, June 30, 2007	\$ 5,300,214	\$ 5,596,972	\$ 1,424,251	\$ 12,321,437

Exhibit I-5

Bradley County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

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)		\$ 1,923,091
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated 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	\$ 5,691,957	
Less: current year depreciation expense	<u>(2,013,085)</u>	3,678,872
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(14,000)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 1,012,081	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(956,293)</u>	55,788
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (331,660)	
Less: capital lease proceeds	<u>(547,182)</u>	(878,842)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	\$ (554)	
Change in accrued interest on capital leases	<u>(6,566)</u>	(7,120)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 4,757,789</u>

Exhibit I-6

Bradley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2007

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,574	\$ 1,574	\$ 1,574
Equity in Pooled Cash and Investments	568,118	1,047,437	1,615,555	1,615,555
Inventories	0	100,732	100,732	100,732
Due from Other Governments	133,000	0	133,000	133,000
Total Assets	<u>\$ 701,118</u>	<u>\$ 1,149,743</u>	<u>\$ 1,850,861</u>	<u>\$ 1,850,861</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 24,241	\$ 24,241	\$ 24,241
Accrued Payroll	379,284	0	379,284	379,284
Payroll Deductions Payable	2,639	0	2,639	2,639
Due to Other Funds	20,446	0	20,446	20,446
Total Liabilities	<u>\$ 402,369</u>	<u>\$ 24,241</u>	<u>\$ 426,610</u>	<u>\$ 426,610</u>
<u>Fund Balances</u>				
Reserved for Inventory	\$ 0	\$ 100,732	\$ 100,732	\$ 100,732
Reserved for Title I Grants to Local Education Agencies	42,947	0	42,947	42,947
Reserved for Special Education - Grants to States	254,794	0	254,794	254,794
Other Federal Reserves	1,008	0	1,008	1,008
Unreserved	0	1,024,770	1,024,770	1,024,770
Total Fund Balances	<u>\$ 298,749</u>	<u>\$ 1,125,502</u>	<u>\$ 1,424,251</u>	<u>\$ 1,424,251</u>
Total Liabilities and Fund Balances	<u>\$ 701,118</u>	<u>\$ 1,149,743</u>	<u>\$ 1,850,861</u>	<u>\$ 1,850,861</u>

Exhibit I-7

Bradley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 2,164,965	\$ 2,164,965	\$ 2,164,965
Other Local Revenues	0	56,951	56,951	56,951
Federal Government	3,615,549	2,112,134	5,727,683	5,727,683
Total Revenues	<u>\$ 3,615,549</u>	<u>\$ 4,334,050</u>	<u>\$ 7,949,599</u>	<u>\$ 7,949,599</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,110,565	\$ 0	\$ 2,110,565	\$ 2,110,565
Support Services	1,430,046	0	1,430,046	1,430,046
Operation of Non-Instructional Services	0	4,114,846	4,114,846	4,114,846
Total Expenditures	<u>\$ 3,540,611</u>	<u>\$ 4,114,846</u>	<u>\$ 7,655,457</u>	<u>\$ 7,655,457</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 74,938</u>	<u>\$ 219,204</u>	<u>\$ 294,142</u>	<u>\$ 294,142</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (52,245)	\$ 0	\$ (52,245)	\$ (52,245)
Total Other Financing Sources (Uses)	<u>\$ (52,245)</u>	<u>\$ 0</u>	<u>\$ (52,245)</u>	<u>\$ (52,245)</u>
Net Change in Fund Balances	\$ 22,693	\$ 219,204	\$ 241,897	\$ 241,897
Fund Balance, July 1, 2006	<u>276,056</u>	<u>906,298</u>	<u>1,182,354</u>	<u>1,182,354</u>
Fund Balance, June 30, 2007	<u>\$ 298,749</u>	<u>\$ 1,125,502</u>	<u>\$ 1,424,251</u>	<u>\$ 1,424,251</u>

Exhibit I-8

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bradley County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 19,107,065	\$ 0	\$ 0	\$ 19,107,065	\$ 18,411,165	\$ 18,411,165	\$ 695,900
Licenses and Permits	5,436	0	0	5,436	6,000	6,000	(564)
Charges for Current Services	24,439	0	0	24,439	19,000	19,000	5,439
Other Local Revenues	447,370	0	0	447,370	275,000	275,000	172,370
State of Tennessee	33,572,213	0	0	33,572,213	32,092,000	33,266,465	305,748
Federal Government	2,929,057	0	0	2,929,057	278,000	2,842,338	86,719
Total Revenues	\$ 56,085,580	\$ 0	\$ 0	\$ 56,085,580	\$ 51,081,165	\$ 54,819,968	\$ 1,265,612
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 30,391,717	\$ 0	\$ 0	\$ 30,391,717	\$ 30,194,900	\$ 30,548,900	\$ 157,183
Special Education Program	2,653,761	0	0	2,653,761	2,632,300	2,682,300	28,539
Vocational Education Program	2,179,120	0	0	2,179,120	2,190,200	2,190,200	11,080
Adult Education Program	160,151	0	0	160,151	190,000	190,000	29,849
<u>Support Services</u>							
Attendance	97,775	0	0	97,775	99,500	99,500	1,725
Health Services	278,815	0	0	278,815	290,800	290,800	11,985
Other Student Support	1,293,551	0	0	1,293,551	1,338,400	1,338,400	44,849
Regular Instruction Program	1,613,718	0	0	1,613,718	1,615,900	1,622,900	9,182
Special Education Program	555,958	0	0	555,958	637,600	587,600	31,642
Vocational Education Program	106,101	0	0	106,101	106,300	106,300	199
Other Programs	2,290,000	0	0	2,290,000	0	2,290,000	0
Board of Education	750,027	0	0	750,027	919,365	919,365	169,338
Director of Schools	305,444	0	0	305,444	339,250	339,250	33,806
Office of the Principal	3,007,645	0	0	3,007,645	3,068,100	3,068,100	60,455
Fiscal Services	256,681	0	0	256,681	259,700	259,700	3,019

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,842,268	\$ 0	\$ 0	\$ 3,842,268	\$ 3,875,850	\$ 3,875,850	\$ 33,582
Maintenance of Plant	2,608,621	0	0	2,608,621	1,004,050	2,614,219	5,598
Transportation	1,846,240	0	0	1,846,240	1,893,350	1,893,350	47,110
Central and Other	384,801	0	0	384,801	358,700	396,200	11,399
<u>Operation of Non-Instructional Services</u>							
Food Service	65,672	0	0	65,672	80,900	80,900	15,228
Community Services	447,089	0	0	447,089	0	447,089	0
Early Childhood Education	625,089	0	0	625,089	0	640,714	15,625
<u>Capital Outlay</u>							
Regular Capital Outlay	1,636,311	(356,317)	683,019	1,963,013	750,000	1,967,013	4,000
Total Expenditures	\$ 57,396,555	\$ (356,317)	\$ 683,019	\$ 57,723,257	\$ 51,845,165	\$ 58,448,650	\$ 725,393
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,310,975)	\$ 356,317	\$ (683,019)	\$ (1,637,677)	\$ (764,000)	\$ (3,628,682)	\$ 1,991,005
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 331,660	\$ 0	\$ 0	\$ 331,660	\$ 0	\$ 331,660	\$ 0
Capital Leases Issued	547,182	0	0	547,182	0	547,182	0
Transfers In	52,245	0	0	52,245	14,000	14,000	38,245
Total Other Financing Sources (Uses)	\$ 931,087	\$ 0	\$ 0	\$ 931,087	\$ 14,000	\$ 892,842	\$ 38,245
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2006	\$ (379,888)	\$ 356,317	\$ (683,019)	\$ (706,590)	\$ (750,000)	\$ (2,735,840)	\$ 2,029,250
Fund Balance, July 1, 2006	5,680,102	(356,317)	0	5,323,785	4,185,079	4,185,079	1,138,706
Fund Balance, June 30, 2007	\$ 5,300,214	\$ 0	\$ (683,019)	\$ 4,617,195	\$ 3,435,079	\$ 1,449,239	\$ 3,167,956

Exhibit I-9

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bradley County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,615,549	\$ 5,612,630	\$ 5,612,630	\$ (1,997,081)
Total Revenues	\$ 3,615,549	\$ 5,612,630	\$ 5,612,630	\$ (1,997,081)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,074,652	\$ 1,294,115	\$ 1,112,189	\$ 37,537
Special Education Program	906,933	2,530,073	2,530,073	1,623,140
Vocational Education Program	128,980	129,315	129,315	335
<u>Support Services</u>				
Other Student Support	332,809	35,400	327,327	(5,482)
Regular Instruction Program	237,950	321,901	234,111	(3,839)
Special Education Program	852,396	1,448,004	1,448,004	595,608
Vocational Education Program	6,891	0	6,891	0
Fiscal Services	0	10,765	0	0
Central and Other	0	11,445	0	0
Total Expenditures	\$ 3,540,611	\$ 5,781,018	\$ 5,787,910	\$ 2,247,299
Excess (Deficiency) of Revenues Over Expenditures	\$ 74,938	\$ (168,388)	\$ (175,280)	\$ 250,218
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (52,245)	\$ (107,665)	\$ (100,774)	\$ 48,529
Total Other Financing Sources (Uses)	\$ (52,245)	\$ (107,665)	\$ (100,774)	\$ 48,529
Net Change in Fund Balance	\$ 22,693	\$ (276,053)	\$ (276,054)	\$ 298,747
Fund Balance, July 1, 2006	276,056	276,056	276,056	0
Fund Balance, June 30, 2007	\$ 298,749	\$ 3	\$ 2	\$ 298,747

Exhibit I-10

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bradley County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,164,965	\$ 2,330,000	\$ 2,330,000	\$ (165,035)
Other Local Revenues	56,951	50,000	50,000	6,951
Federal Government	2,112,134	2,220,000	2,220,000	(107,866)
Total Revenues	<u>\$ 4,334,050</u>	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ (265,950)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,114,846	\$ 4,600,000	\$ 4,600,000	\$ 485,154
Total Expenditures	<u>\$ 4,114,846</u>	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 485,154</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 219,204</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 219,204</u>
Net Change in Fund Balance	\$ 219,204	\$ 0	\$ 0	\$ 219,204
Fund Balance, July 1, 2006	906,298	0	0	906,298
Fund Balance, June 30, 2007	<u>\$ 1,125,502</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,125,502</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Bradley County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds  
Primary Government and Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Payments to Paying Agent Escrow Account (1)	Outstanding 6-30-07
<b>PRIMARY GOVERNMENT</b>									
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Baseball Facility - BCHS	\$ 500,000	2.25 to 3.7 %	11-18-04	11-1-14	\$ 460,000	\$ 0	\$ 45,000	\$ 0	\$ 415,000
Vocational Building	627,000	5	12-1-00	6-1-07	355,000	0	355,000	0	0
Total Payable through General Debt Service					\$ 815,000	\$ 0	\$ 400,000	\$ 0	\$ 415,000
<u>Payable through General Fund</u>									
Energy Efficiency	168,340	0	6-4-07	6-4-14	\$ 0	\$ 168,340	\$ 0	\$ 0	\$ 168,340
Total Notes Payable					\$ 815,000	\$ 168,340	\$ 400,000	\$ 0	\$ 583,340
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
School - Series II-G-1	10,000,000	Variable	12-11-1997	6-1-20	\$ 7,430,000	\$ 0	\$ 455,000	\$ 0	\$ 6,975,000
School - Series III-A-2	10,000,000	Variable	3-19-1998	6-1-20	7,420,000	0	450,000	0	6,970,000
School - Series III-D-1	10,000,000	Variable	1-21-1999	6-1-20	7,860,000	0	415,000	0	7,445,000
School - Series IV-C-2	10,000,000	Variable	6-26-00	6-1-20	10,000,000	0	0	0	10,000,000
School - Series IV-D-2	12,000,000	Variable	6-22-00	6-1-25	12,000,000	0	0	0	12,000,000
School and Justice Center - Series IV-G-1	10,000,000	Variable	6-1-01	6-1-26	10,000,000	0	0	0	10,000,000
Justice Center and Juvenile Center - Series B-1-D	8,050,000	Variable	2-28-03	6-1-26	7,825,000	0	100,000	0	7,725,000
School - Series B-4-B	7,300,000	Variable	1-29-04	6-1-26	7,100,000	0	225,000	0	6,875,000
Total Other Loans Payable					\$ 69,635,000	\$ 0	\$ 1,645,000	\$ 0	\$ 67,990,000
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through General Fund</u>									
Patrol Cars	215,659	2.69	11-12-04	12-10-06	\$ 72,030	\$ 0	\$ 72,030	\$ 0	\$ 0
Van - Sheriff's Department	18,219	5	2-13-06	2-13-08	11,836	0	5,768	0	6,068
Patrol Cars	203,740	5.6	8-28-06	8-28-08	0	203,740	71,646	0	132,094
Total Capital Leases Payable					\$ 83,866	\$ 203,740	\$ 149,444	\$ 0	\$ 138,162

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Payments to Paying Agent Escrow Account (1)	Outstanding 6-30-07
<b>PRIMARY GOVERNMENT (Cont.)</b>									
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Refunding Bond, Series 1999 - Hospital	\$ 11,980,000	4.7 to 5.5 %	2-1-1999	3-1-07	\$ 7,610,000	\$ 0	\$ 0	\$ 7,610,000	\$ 0
Refunding Bond, Series 1999	3,065,000	4.5 to 5.125	2-1-1999	5-1-09	1,285,000	0	410,000	0	875,000
Refunding Bond, Series 2002 - Hospital	3,925,000	3 to 4.75	3-1-03	3-1-07	2,095,000	0	0	2,095,000	0
Total Bonds Payable					<u>\$ 10,990,000</u>	<u>\$ 0</u>	<u>\$ 410,000</u>	<u>\$ 9,705,000</u>	<u>\$ 875,000</u>
<b>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</b>									
<b>NOTES PAYABLE</b>									
<u>Payable through General Purpose School Fund</u>									
Lighting Project	331,660	0	6-4-07	6-15-14	\$ 0	\$ 331,660	\$ 0	\$ 0	\$ 331,660
Total Notes Payable					<u>\$ 0</u>	<u>\$ 331,660</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 331,660</u>
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through General Purpose School Fund</u>									
Lighting Project	547,182	4.8	5-18-07	4-1-14	\$ 0	\$ 547,182	\$ 0	\$ 0	\$ 547,182
Total Capital Leases Payable					<u>\$ 0</u>	<u>\$ 547,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 547,182</u>

(1) - The Bradley County Memorial Hospital was sold in the prior period. One of the requirements of the sale was to deposit part of the proceeds into a Paying Agent Escrow Account, wh to service the debt until the debt is retired. This debt is no longer a liability of Bradley County.

Exhibit J-2

Bradley County, Tennessee  
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 425,000	\$ 42,031	\$ 467,031
2009	450,000	20,250	470,250
Total	<u>\$ 875,000</u>	<u>\$ 62,281</u>	<u>\$ 937,281</u>

Exhibit J-3

Bradley County, Tennessee  
Schedule of Investments  
June 30, 2007

<u>Description</u>	<u>Amount</u>
<u>Endowment Fund</u>	
Federal Home Loan Mortgage Corp.	\$ 3,742,527
Federal Home Loan Mortgage Corp.	3,694,315
Federal Home Loan Bank	2,296,412
Freddie Mac	1,872,075
Freddie Mac	1,869,731
Fannie Mae	<u>1,864,463</u>
Total	<u>\$ 15,339,523</u>

Exhibit J-4

Bradley County, Tennessee  
Schedule of Notes Receivable  
June 30, 2007

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-07
<u>HUD Grant Projects Fund</u>						
H.O.U.S.E. Down Payment Assistance	Hugh Wilson	\$ 4,000	12-2-1992	12-2-22	0 %	\$ 3,311
H.O.U.S.E. Down Payment Assistance	Paula Payne	5,000	5-5-1993	5-5-23	0	3,023
H.O.U.S.E. Down Payment Assistance	Timmie Varner	3,500	10-5-1993	10-5-23	0	1,935
H.O.U.S.E. Down Payment Assistance	Rebecca Young	2,200	4-27-1994	4-27-24	0	1,626
H.O.U.S.E. Down Payment Assistance	Beryl Paul Jr.	3,600	5-25-1994	5-25-24	0	2,540
H.O.U.S.E. Down Payment Assistance	Donna Yarber	1,800	10-4-1994	10-4-24	0	1,055
H.O.U.S.E. Down Payment Assistance	Robin Sharp	14,700	10-24-1994	10-24-24	0	11,638
H.O.U.S.E. Down Payment Assistance	Patricia Kendrick	2,300	1-17-1995	1-17-25	0	1,770
H.O.U.S.E. Down Payment Assistance	Angela Thornton	1,300	3-2-1995	3-2-25	0	779
H.O.U.S.E. Down Payment Assistance	Kim Swinford	5,000	5-12-1995	5-12-25	0	3,583
H.O.U.S.E. Down Payment Assistance	Yolandia Thomas	2,100	5-22-1995	5-22-25	0	1,825
H.O.U.S.E. Down Payment Assistance	Christine Scott	1,500	5-20-1995	5-20-25	0	<u>1,400</u>
Total						<u>\$ 34,485</u>

Exhibit J-5

Bradley County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Other Capital Projects	To provide funds for the county's Greenway Project	\$ 25,000
General	General Debt Service	To provide funds for debt payments	181,750
Special Purpose - Fire Tax	General Debt Service	"	170,296
Vocational Building	General Debt Service	"	<u>81,125</u>
Total Transfers Primary Government			<u>\$ 458,171</u>
<u>Discretely Presented Bradley County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 52,245</u>
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 52,245</u>

Exhibit J-6

Bradley County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 80,212 (1) (4) \$	50,000	St. Paul Travelers
Highway Superintendent	Section 8-24-102, <u>TCA</u>	73,479 (4)	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	114,255 (2)	(3)	
Trustee:				
Anderson Miller (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	11,133 (4)	1,640,500	The Cincinnati Insurance Company
Mike Smith (9-1-09 through 6-30-07)	Section 8-24-102, <u>TCA</u>	55,665 (4)	2,371,000	St. Paul Travelers
Assessor of Property	Section 8-24-102, <u>TCA</u>	66,798 (4)	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, <u>TCA</u>	66,798 (4)	50,000	St. Paul Travelers
Circuit Court Clerk:				
Pam Mull (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	11,133 (4)	50,000	The Cincinnati Insurance Company
Gayla Miller (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	55,665 (4)	50,000	St. Paul Travelers
Clerk and Master	Section 8-24-102, <u>TCA</u>	66,798 (4)	50,000	The Cincinnati Insurance Company
Register	Section 8-24-102, <u>TCA</u>	66,798 (4)	25,000	St. Paul Travelers
Sheriff:				
Dan Gilley (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	13,848 (4)	25,000	The Cincinnati Insurance Company
Tim Gobble (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	59,630 (4)	25,000	St. Paul Travelers
Other Bonds:				
Public Employee Dishonesty			150,000	Local Government Property and Casualty Fund
School Employee Dishonesty			150,000	Tennessee School Boards Risk Management Trust

(1) Includes compensation as county purchasing agent of \$3,000.

(2) Includes chief executive officer training supplement of \$1,000 and travel allowance of \$8,400 (per employment contract, the director of schools began receiving a travel allowance of \$700/month in May 2006).

(3) The director of schools is covered under the school employee dishonesty bond.

(4) County officials were given an additional two percent in excess of the minimum salary by the Bradley County Commission.

Exhibit J-7

Bradley County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2007

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,300,379	\$ 0	\$ 503,165	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	282,245	0	12,936	0	0	0
Circuit/Clerk & Master Collections - Prior Years	137,550	0	8,237	0	0	0
Interest and Penalty	48,337	0	2,853	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,936	0	432	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	2,861	0	173	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,668,047	0	0	0	0	0
Hotel/Motel Tax	462,277	0	0	0	0	0
Litigation Tax - General	396,016	0	0	0	0	0
Litigation Tax - Special Purpose	78,211	471	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	91,968	0	0	0	0	0
Business Tax	893,300	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	78,228	0	4,742	0	0	0
Wholesale Beer Tax	296,363	0	0	0	0	0
Interstate Telecommunications Tax	8,041	0	0	0	0	0
Total Local Taxes	\$ 14,750,759	\$ 471	\$ 532,538	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 167,730	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	4,552	0	0	0	0	0
Building Permits	239,306	0	0	0	0	0
Electrical Permits	3,052	0	0	0	0	0
Total Licenses and Permits	\$ 414,640	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 23,683	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines for Littering	750	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Officers Costs	\$ 21,178	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	0	50,853
Data Entry Fee - Circuit Court	20,389	0	0	0	0	0
Courtroom Security Fee	112	0	0	0	0	0
<u>Criminal Court</u>						
Fines	153,490	1,266	0	0	0	0
Officers Costs	105,810	0	0	0	0	0
Drug Control Fines	29,929	0	0	0	0	29,505
Jail Fees	74,996	0	0	0	0	0
DUI Treatment Fines	31,471	0	0	0	0	0
Data Entry Fee - Criminal Court	7,456	0	0	0	0	0
Courtroom Security Fee	35	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	17	0	0	0	0	0
Fines for Littering	1,129	0	0	0	0	0
Officers Costs	15,344	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	6,509
Data Entry Fee - General Sessions Court	10,803	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,422	0	0	0	0	0
Courtroom Security Fee	68	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,652	0	0	0	0	0
Data Entry Fee - Chancery Court	920	0	0	0	0	0
Courtroom Security Fee	4,254	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	35,334	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Fines	470	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	1,079,513
Total Fines, Forfeitures, and Penalties	\$ 540,714	\$ 1,266	\$ 0	\$ 0	\$ 0	1,166,380

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 264,278	\$ 0	0
Water Treatment Charges	29,138	0	0	0	0	0
Patient Charges	3,156,421	0	0	0	0	0
Zoning Studies	1,320	0	0	0	0	0
Work Release Charges for Board	9,183	0	0	0	0	0
Other General Service Charges	9,970	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	2,585	0	0	0	0	0
Engineer Review Fees	22,989	0	0	0	0	0
Recreation Fees	144,066	0	0	0	0	0
Copy Fees	18,123	0	0	0	0	0
Library Fees	0	3,402	0	0	0	0
Telephone Commissions	97,903	0	0	0	0	0
Vending Machine Collections	44	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	48,166	0	0	0	0	0
Probation Fees	265,906	0	0	0	0	0
Data Processing Fee - Sheriff	1,610	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,840	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	11,614	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	18,351	0	0	0	0	0
Total Charges for Current Services	\$ 3,842,229	\$ 3,402	\$ 0	\$ 264,278	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 504,937	\$ 0	\$ 6,976	\$ 13,300	\$ 0	0
Lease/Rentals	43,417	0	0	0	4,450	4,450
Sale of Materials and Supplies	1,020	0	0	0	0	0
Commissary Sales	120,197	0	0	0	0	0
Sale of Maps	3,604	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 5,536	\$ 0	\$ 0	\$ 0	\$ 0	0
Miscellaneous Refunds	7,661	0	0	0	2,448	7,667
<u>Nonrecurring Items</u>						
Sale of Equipment	9,569	0	0	0	1,976	22,968
Sale of Property	2,799	0	0	0	0	0
Contributions & Gifts	30,807	0	0	0	0	705
<u>Other Local Revenues</u>						
Other Local Revenues	12,464	0	0	0	0	0
Total Other Local Revenues	\$ 742,011	\$ 0	\$ 6,976	\$ 13,300	\$ 8,874	\$ 35,790
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 81,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	62,814	0	0	0	0	0
Register	399,188	0	0	0	0	0
Trustee	650,661	0	0	0	0	0
<u>Fees-In-Lieu of Salary</u>						
Circuit Court Clerk	479,495	0	0	0	0	0
Criminal Court Clerk	595,824	0	0	0	0	0
General Sessions Court Clerk	513,591	0	0	0	0	0
Sheriff	19,504	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,802,077	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 467,634	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	65,032	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	53,656	0	0	0	0	0
Safe and Drug - Free Schools and Communities	234,289	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	904,163	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	4,200	0	955	0	0	0
Beer Tax	18,753	0	0	0	0	0
Alcoholic Beverage Tax	91,066	0	0	0	0	0
Mixed Drink Tax	9,962	0	0	0	0	0
State Revenue Sharing - T.V.A.	180,973	0	10,971	0	0	0
Contracted Prisoner Boarding	1,126,869	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Reappraisal Program Reimbursement	28,046	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	373,137	0	0	0	0	0
Other State Revenues	52,470	0	0	0	0	8,017
Total State of Tennessee	\$ 3,561,598	\$ 0	\$ 11,926	\$ 65,032	\$ 0	\$ 8,017
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 27,421	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	20,847	0	0	0	0	0
Homeland Security Grants	281,357	0	0	0	0	0
Law Enforcement Grants	72,287	0	0	0	0	0
Other Federal through State	412,042	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	33,126	0	0	0	0	0
Total Federal Government	\$ 847,080	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 1,576,035	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	0	0
Contracted Services	233,011	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	19,470	0	0	0	0	10,000
Total Other Governments and Citizens Groups	\$ 1,828,516	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Total	\$ 29,329,624	\$ 5,139	\$ 551,440	\$ 342,610	\$ 8,874	\$ 1,220,187

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	Argi- Business	Special Purpose Fire Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Vocational Building
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 436,200	\$ 0	\$ 0	\$ 2,301,285	\$ 0
Trustee's Collections - Prior Year	0	8,418	0	0	66,612	0
Circuit/Clerk & Master Collections - Prior Years	0	32,071	0	0	37,934	0
Interest and Penalty	0	2,374	0	0	12,774	0
Payments in-Lieu-of Taxes - T.V.A.	0	1,552	0	0	1,946	0
Payments in-Lieu-of Taxes - Local Utilities	0	667	0	0	793	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	154,092	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	21,689	0
Wholesale Beer Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0
Total Local Taxes	\$ 154,092	\$ 481,282	\$ 0	\$ 0	\$ 2,443,033	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	0	0	0	0	0	0
Building Permits	0	0	0	0	0	0
Electrical Permits	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines for Littering	0	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	Argi- Business	Special Purpose Fire Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Vocational Building
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Criminal Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Fines for Littering	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	0	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Fines	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	Argi- Business	Special Purpose Fire Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Vocational Building
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Water Treatment Charges	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0
Zoning Studies	0	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	0
Engineer Review Fees	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0
Copy Fees	0	90	0	0	0	0
Library Fees	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	1,618,092	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Probation Fees	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 90	\$ 0	\$ 1,618,092	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 26,812	\$ 0	\$ 0	\$ 31,905	\$ 1,064
Lease/Rentals	0	0	0	0	0	85,017
Sale of Materials and Supplies	0	0	0	0	1,896	0
Commissary Sales	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	Argi- Business	Special Purpose Fire Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Vocational Building
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Miscellaneous Refunds	0	30	0	0	86,734	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0
Contributions & Gifts	0	0	7,270	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	14,403	0
Total Other Local Revenues	\$ 0	\$ 26,842	\$ 7,270	\$ 0	\$ 134,938	\$ 86,081
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
<u>Fees-In-Lieu of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	0	0	0	0	0	0
Safe and Drug - Free Schools and Communities	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Fund					
	Argi- Business	Special Purpose Fire Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Vocational Building
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	107,616	\$ 0
State Aid Program	0	0	0	0	494,367	0
Litter Program	0	0	0	0	46,347	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	2,572	0
Beer Tax	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	50,175	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,081,731	0
Petroleum Special Tax	0	0	0	0	70,762	0
Reappraisal Program Reimbursement	0	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	2,853,570	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
Disaster Relief	0	0	0	0	35,227	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	35,227	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
Contributions	0	0	0	0	0	0
Contracted Services	0	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
Total	\$ 154,092	\$ 508,214	\$ 7,270	\$ 1,618,092	\$ 5,466,768	\$ 86,081

(Continued)

Exhibit J-7

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

	Debt Service Fund		Capital Projects Funds			Permanent Fund		Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	Endowment		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 4,492,886	\$ 1,612,666	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,646,581	
Trustee's Collections - Prior Year	190,233	0	0	0	0	0	560,444	
Circuit/Clerk & Master Collections - Prior Years	61,391	24,707	0	0	0	0	301,890	
Interest and Penalty	33,423	3,735	0	0	0	0	103,496	
Payments in-Lieu-of Taxes - T.V.A.	3,097	1,465	0	0	0	0	15,428	
Payments in-Lieu-of Taxes - Local Utilities	1,549	556	0	0	0	0	6,599	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	3,668,047	
Hotel/Motel Tax	0	0	0	0	0	0	616,369	
Litigation Tax - General	0	0	0	0	0	0	396,016	
Litigation Tax - Special Purpose	0	0	0	0	0	0	78,682	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	91,968	
Business Tax	0	0	0	0	0	0	893,300	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	42,344	15,199	0	0	0	0	162,202	
Wholesale Beer Tax	0	0	0	0	0	0	296,363	
Interstate Telecommunications Tax	0	0	0	0	0	0	8,041	
<b>Total Local Taxes</b>	<b>\$ 4,824,923</b>	<b>\$ 1,658,328</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,845,426</b>	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 167,730	
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	4,552	
Building Permits	0	0	0	0	0	0	239,306	
Electrical Permits	0	0	0	0	0	0	3,052	
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 414,640</b>	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,683	
Fines for Littering	0	0	0	0	0	0	750	

(Continued)

Exhibit J-7

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

	Debt Service Fund		Capital Projects Funds			Permanent Fund		Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	Endowment		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	21,178
Drug Control Fines	0	0	0	0	0	0	0	50,853
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	20,389
Courtroom Security Fee	0	0	0	0	0	0	0	112
<u>Criminal Court</u>								
Fines	0	0	0	0	0	0	0	154,756
Officers Costs	0	0	0	0	0	0	0	105,810
Drug Control Fines	0	0	0	0	0	0	0	59,434
Jail Fees	0	0	0	0	0	0	0	74,996
DUI Treatment Fines	0	0	0	0	0	0	0	31,471
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	7,456
Courtroom Security Fee	0	0	0	0	0	0	0	35
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	17
Fines for Littering	0	0	0	0	0	0	0	1,129
Officers Costs	0	0	0	0	0	0	0	15,344
Drug Control Fines	0	0	0	0	0	0	0	6,509
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	10,803
Courtroom Security Fee	0	0	0	0	0	0	0	2
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	1,422
Courtroom Security Fee	0	0	0	0	0	0	0	68
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	1,652
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	920
Courtroom Security Fee	0	0	0	0	0	0	0	4,254
<u>Other Courts - In-county</u>								
Drug Court Fees	0	0	0	0	0	0	0	35,334
<u>Judicial District Drug Program</u>								
Fines	0	0	0	0	0	0	0	470
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	1,079,513
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,708,360

(Continued)

Exhibit J-7

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

	Debt Service Fund		Capital Projects Funds			Permanent Fund		Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	Endowment		
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	264,278
Water Treatment Charges	0	0	0	0	0	0	0	29,138
Patient Charges	0	0	0	0	0	0	0	3,156,421
Zoning Studies	0	0	0	0	0	0	0	1,320
Work Release Charges for Board	0	0	0	0	0	0	0	9,183
Other General Service Charges	0	0	0	0	0	0	0	9,970
<u>Fees</u>								
Subdivision Lot Fees	0	0	0	0	0	0	0	2,585
Engineer Review Fees	0	0	0	0	0	0	0	22,989
Recreation Fees	0	0	0	0	0	0	0	144,066
Copy Fees	0	0	0	0	0	0	0	18,213
Library Fees	0	0	0	0	0	0	0	3,402
Telephone Commissions	0	0	0	0	0	0	0	97,903
Vending Machine Collections	0	0	0	0	0	0	0	44
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	1,618,092
Data Processing Fee - Register	0	0	0	0	0	0	0	48,166
Probation Fees	0	0	0	0	0	0	0	265,906
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	1,610
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	4,840
<u>Education Charges</u>								
Community Service Fees - Adults	0	0	0	0	0	0	0	11,614
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	0	0	0	0	0	18,351
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,728,091
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 1,119,570	\$ 362,289	\$ 9,310	\$ 5,913	\$ 532	\$ 1,298,398	\$ 0	3,381,006
Lease/Rentals	0	0	0	0	0	0	0	137,334
Sale of Materials and Supplies	0	0	0	0	0	0	0	2,916
Commissary Sales	0	0	0	0	0	0	0	120,197
Sale of Maps	0	0	0	0	0	0	0	3,604

(Continued)

Exhibit J-7

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

	Debt Service Fund		Capital Projects Funds			Permanent Fund		Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	Endowment		
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,536
Miscellaneous Refunds	0	0	0	220	0	0	0	104,760
<u>Nonrecurring Items</u>								
Sale of Equipment	0	0	0	0	0	0	0	34,513
Sale of Property	0	0	0	0	0	0	0	2,799
Contributions & Gifts	72,937	0	0	0	0	0	0	111,719
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	0	0	0	0	26,867
Total Other Local Revenues	\$ 1,192,507	\$ 362,289	\$ 9,310	\$ 6,133	\$ 532	\$ 1,298,398	\$ 3,931,251	
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	81,000
Clerk and Master	0	0	0	0	0	0	0	62,814
Register	0	0	0	0	0	0	0	399,188
Trustee	0	0	0	0	0	0	0	650,661
<u>Fees-In-Lieu of Salary</u>								
Circuit Court Clerk	0	0	0	0	0	0	0	479,495
Criminal Court Clerk	0	0	0	0	0	0	0	595,824
General Sessions Court Clerk	0	0	0	0	0	0	0	513,591
Sheriff	0	0	0	0	0	0	0	19,504
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,802,077
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	467,634
Solid Waste Grants	0	0	0	0	0	0	0	65,032
<u>Public Safety Grants</u>								
Drug Control Grants	0	0	0	0	0	0	0	53,656
Safe and Drug - Free Schools and Communities	0	0	0	0	0	0	0	234,289
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	904,163

(Continued)

Exhibit J-7

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

	Debt Service Fund		Capital Projects Funds			Permanent Fund		Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	Endowment		
<u>State of Tennessee (Cont.)</u>								
<u>Public Works Grants</u>								
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	107,616
State Aid Program	0	0	0	0	0	0	0	494,367
Litter Program	0	0	0	0	0	0	0	46,347
<u>Other State Revenues</u>								
Income Tax	0	15,037	0	0	0	0	0	22,764
Beer Tax	0	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	0	0	91,066
Mixed Drink Tax	0	0	0	0	0	0	0	9,962
State Revenue Sharing - T.V.A.	97,959	35,161	0	0	0	0	0	375,239
Contracted Prisoner Boarding	0	0	0	0	0	0	0	1,126,869
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	2,081,731
Petroleum Special Tax	0	0	0	0	0	0	0	70,762
Reappraisal Program Reimbursement	0	0	0	0	0	0	0	28,046
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	0	373,137
Other State Revenues	0	0	0	0	0	0	0	60,487
Total State of Tennessee	\$ 97,959	\$ 50,198	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,648,300
<u>Federal Government</u>								
<u>Federal Through State</u>								
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	27,421
Disaster Relief	0	0	0	0	0	0	0	56,074
Homeland Security Grants	0	0	0	0	0	0	0	281,357
Law Enforcement Grants	0	0	0	0	0	0	0	72,287
Other Federal through State	0	0	0	213,294	0	0	0	625,336
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	0	0	0	0	0	0	0	33,126
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 213,294	\$ 0	\$ 0	\$ 0	1,095,601
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,576,035
Contributions	0	0	0	0	1,000	0	0	1,000
Contracted Services	0	0	0	0	0	0	0	233,011
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	29,470
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 0	\$ 0	1,839,516
Total	\$ 6,115,389	\$ 2,070,815	\$ 9,310	\$ 219,427	\$ 1,532	\$ 1,298,398	\$ 0	49,013,262

Exhibit J-8

Bradley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,495,955	\$ 0	\$ 0	\$ 0	\$ 10,495,955
Trustee's Collections - Prior Year	326,565	0	0	0	326,565
Circuit/Clerk & Master Collections - Prior Years	173,762	0	0	0	173,762
Interest and Penalty	61,133	0	0	0	61,133
Payments in-Lieu-of Taxes - T.V.A.	12,662	0	0	0	12,662
Payments in-Lieu-of Taxes - Local Utilities	3,618	0	0	0	3,618
<u>County Local Option Taxes</u>					
Local Option Sales Tax	7,923,465	0	0	0	7,923,465
<u>Statutory Local Taxes</u>					
Bank Excise Tax	98,922	0	0	0	98,922
Interstate Telecommunications Tax	10,983	0	0	0	10,983
<b>Total Local Taxes</b>	<b>\$ 19,107,065</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 19,107,065</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,436	\$ 0	\$ 0	\$ 0	\$ 5,436
<b>Total Licenses and Permits</b>	<b>\$ 5,436</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,436</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,282,844	\$ 0	\$ 1,282,844
Lunch Payments - Adults	0	0	141,545	0	141,545
Income from Breakfast	0	0	122,938	0	122,938
A la carte Sales	0	0	614,692	0	614,692
TBI Criminal Background Fees	11,704	0	0	0	11,704
<u>Other Charges for Services</u>					
Other Charges for Services	12,735	0	2,946	0	15,681
<b>Total Charges for Current Services</b>	<b>\$ 24,439</b>	<b>\$ 0</b>	<b>\$ 2,164,965</b>	<b>\$ 0</b>	<b>\$ 2,189,404</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 438,669	\$ 0	\$ 43,328	\$ 45,318	\$ 527,315
Miscellaneous Refunds	4,087	0	13,623	0	17,710
<u>Nonrecurring Items</u>					
Contributions & Gifts	3,500	0	0	0	3,500
<u>Other Local Revenues</u>					
Other Local Revenues	1,114	0	0	0	1,114
<b>Total Other Local Revenues</b>	<b>\$ 447,370</b>	<b>\$ 0</b>	<b>\$ 56,951</b>	<b>\$ 45,318</b>	<b>\$ 549,639</b>
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 31,165,701	\$ 0	\$ 0	\$ 0	\$ 31,165,701
Early Childhood Education	625,089	0	0	0	625,089
School Food Service	53,144	0	0	0	53,144
Driver Education	42,158	0	0	0	42,158
Other State Education Funds	484,625	0	0	0	484,625
Career Ladder Program	462,426	0	0	0	462,426
Career Ladder - Extended Contract	244,746	0	0	0	244,746

(Continued)

Exhibit J-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 4,649	\$ 0	\$ 0	\$ 0	\$ 4,649
State Revenue Sharing - T.V.A.	335,015	0	0	0	335,015
Other State Revenues	154,660	0	0	0	154,660
Total State of Tennessee	\$ 33,572,213	\$ 0	\$ 0	\$ 0	\$ 33,572,213
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,598,957	\$ 0	\$ 1,598,957
Breakfast	0	0	513,177	0	513,177
Adult Education State Grant Program	193,279	0	0	0	193,279
Vocational Education - Basic Grants to States	0	141,385	0	0	141,385
Title I Grants to Local Education Agencies	0	1,091,667	0	0	1,091,667
Innovative Education Program Strategies	0	13,178	0	0	13,178
Special Education - Grants to States	106,070	1,862,550	0	0	1,968,620
Special Education Preschool Grants	1,746	71,429	0	0	73,175
Eisenhower Professional Development State Grants	55,503	377,488	0	0	432,991
Other Federal through State	258,553	57,852	0	0	316,405
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	2,313,906	0	0	0	2,313,906
Total Federal Government	\$ 2,929,057	\$ 3,615,549	\$ 2,112,134	\$ 0	\$ 8,656,740
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 5,900,000	\$ 5,900,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 5,900,000	\$ 5,900,000
Total	\$ 56,085,580	\$ 3,615,549	\$ 4,334,050	\$ 5,945,318	\$ 69,980,497

Exhibit J-9

Bradley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	129,120	
Social Security		9,878	
State Retirement		10,986	
Life Insurance		336	
Medical Insurance		32,630	
Audit Services		31,532	
Dues and Memberships		1,950	
Legal Services		22,903	
Other Charges		38,856	
Building Improvements		3,736	
Other Capital Outlay		50,000	
Total County Commission			\$ 331,927

Board of Equalization

Board and Committee Members Fees	\$	1,350	
Total Board of Equalization			1,350

Beer Board

Board and Committee Members Fees	\$	1,775	
Total Beer Board			1,775

Other Boards and Committees

Clerical Personnel	\$	19,348	
Social Security		1,438	
State Retirement		2,575	
Life Insurance		24	
Medical Insurance		5,157	
Communication		25	
Maintenance & Repair Services - Equipment		297	
Other Contracted Services		1,999	
Office Supplies		1,000	
Total Other Boards and Committees			31,863

County Mayor/Executive

County Official/Administrative Officer	\$	80,212	
Assistant(s)		34,813	
Clerical Personnel		43,767	
Social Security		12,186	
State Retirement		21,202	
Life Insurance		96	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Medical Insurance	\$	20,760	
Advertising		1,306	
Communication		1,206	
Dues and Memberships		1,750	
Maintenance & Repair Services - Office Equipment		824	
Travel		3,000	
Tuition		150	
Office Supplies		7,814	
Periodicals		161	
Vehicle and Equipment Insurance		718	
Other Charges		400	
Office Equipment		1,000	
Total County Mayor/Executive			\$ 231,365

Personnel Office

Supervisor/Director	\$	28,057	
Accountants/Bookkeepers		22,867	
Social Security		4,441	
State Retirement		8,319	
Life Insurance		37	
Medical Insurance		7,977	
Unemployment Compensation		38,447	
Advertising		1,752	
Dues and Memberships		31	
Maintenance & Repair Services - Office Equipment		2,723	
Travel		504	
Tuition		149	
Office Supplies		3,910	
Periodicals		905	
Testing		6,775	
Workers' Compensation Insurance		283,662	
Other Charges		351	
Office Equipment		195	
Total Personnel Office			411,102

Election Commission

County Official/Administrative Officer	\$	60,118
Deputy(ies)		32,742
Clerical Personnel		30,108
Part-time Personnel		18,292

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Board and Committee Members Fees	\$	175	
Election Commission		13,900	
Election Workers		70,909	
Social Security		11,075	
State Retirement		15,234	
Life Insurance		64	
Medical Insurance		12,530	
Accounting Services		6,450	
Advertising		5,519	
Communication		2,251	
Legal Services		1,093	
Maintenance & Repair Services - Equipment		5,955	
Printing, Stationery, and Forms		7,343	
Travel		6,650	
Tuition		372	
Office Supplies		4,754	
Other Charges		1,600	
Data Processing Equipment		1,428	
Office Equipment		151,959	
Total Election Commission			\$ 460,521

Register of Deeds

Life Insurance	\$	168	
Medical Insurance		36,330	
Communication		731	
Data Processing Services		165,693	
Maintenance & Repair Services - Equipment		1,204	
Travel		1,600	
Office Supplies		8,049	
Office Equipment		9,217	
Total Register of Deeds			222,992

Development

Assistant(s)	\$	4,691	
Supervisor/Director		54,851	
Social Security		4,550	
State Retirement		7,925	
Life Insurance		30	
Medical Insurance		6,483	
Communication		1,421	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Data Processing Services	\$	23,942	
Dues and Memberships		255	
Maintenance & Repair Services - Equipment		450	
Travel		757	
Tuition		2,050	
Other Contracted Services		31,984	
Other Supplies and Materials		348	
Data Processing Equipment		967	
Motor Vehicles		524	
Total Development			\$ 141,228

Engineering

Assistant(s)	\$	137,395	
Supervisor/Director		54,021	
Clerical Personnel		24,226	
Social Security		15,698	
State Retirement		24,462	
Life Insurance		120	
Medical Insurance		26,850	
Communication		800	
Dues and Memberships		900	
Legal Services		4,000	
Legal Notices, Recording, and Court Costs		1,800	
Maintenance & Repair Services - Vehicles		500	
Travel		1,500	
Tuition		2,000	
Other Contracted Services		19,000	
Gasoline		3,300	
Office Supplies		3,950	
Periodicals		400	
Vehicle and Equipment Insurance		1,482	
Other Charges		700	
Data Processing Equipment		3,000	
Motor Vehicles		12,000	
Office Equipment		2,400	
Other Equipment		100	
Total Engineering			340,604

County Buildings

Assistant(s)	\$	26,400	
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(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Personnel	\$	43,047	
Social Security		5,359	
State Retirement		8,323	
Life Insurance		48	
Medical Insurance		9,265	
Communication		26,860	
Maintenance & Repair Services - Office Equipment		1,737	
Postal Charges		109,563	
Travel		331	
Other Contracted Services		28,009	
Custodial Supplies		183	
Drugs and Medical Supplies		2,485	
Utilities		105,000	
Other Supplies and Materials		19,614	
Other Charges		649	
Building Improvements		33,230	
Heating and Air Conditioning Equipment		77,858	
Total County Buildings			\$ 497,961

Finance

Accounting and Budgeting

Supervisor/Director	\$	52,907	
Clerical Personnel		5,772	
Part-time Personnel		4,785	
Social Security		4,855	
State Retirement		7,042	
Life Insurance		24	
Medical Insurance		5,239	
Accounting Services		9,912	
Dues and Memberships		985	
Maintenance & Repair Services - Office Equipment		3,382	
Tuition		183	
Office Supplies		3,806	
Total Accounting and Budgeting			98,892

Property Assessor's Office

County Official/Administrative Officer	\$	66,798	
Paraprofessionals		206,765	
Clerical Personnel		138,465	
Overtime Pay		659	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Social Security	\$	31,141	
State Retirement		48,399	
Life Insurance		299	
Medical Insurance		59,593	
Communication		330	
Dues and Memberships		2,300	
Maintenance & Repair Services - Vehicles		1,184	
Travel		2,000	
Tuition		598	
Other Contracted Services		84,513	
Gasoline		3,492	
Office Supplies		11,448	
Vehicle and Equipment Insurance		3,143	
Principal on Capital Leases		2,980	
Motor Vehicles		18,539	
Office Equipment		2,259	
Total Property Assessor's Office			\$ 684,905

Reappraisal Program

Data Processing Services	\$	24,981	
Postal Charges		4,543	
Other Contracted Services		8,310	
Total Reappraisal Program			37,834

County Trustee's Office

Life Insurance	\$	210	
Medical Insurance		39,592	
Communication		597	
Travel		2,077	
Tuition		962	
Other Contracted Services		19,118	
Office Supplies		6,251	
Office Equipment		3,980	
Total County Trustee's Office			72,787

County Clerk's Office

Life Insurance	\$	512	
Medical Insurance		100,310	
Communication		1,269	
Dues and Memberships		867	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Travel	\$	4,000	
Office Supplies		49,404	
Office Equipment		27,641	
Total County Clerk's Office			\$ 184,003

Data Processing

Data Processing Personnel	\$	53,044	
Social Security		4,008	
State Retirement		7,060	
Life Insurance		24	
Medical Insurance		5,157	
Communication		26,434	
Data Processing Services		17,522	
Travel		803	
Other Contracted Services		4,000	
Data Processing Equipment		48,229	
Total Data Processing			166,281

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	66,798	
Total Circuit Court			66,798

Criminal Court

Deputy(ies)	\$	39,861	
Clerical Personnel		142,116	
Social Security		13,195	
State Retirement		17,584	
Life Insurance		220	
Medical Insurance		41,142	
Communication		134	
Contracts with Private Agencies		798	
Janitorial Services		7,500	
Travel		889	
Custodial Supplies		2,500	
Data Processing Supplies		2,515	
Office Supplies		15,396	
Utilities		29,700	
Data Processing Equipment		24,440	
Total Criminal Court			337,990

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Assistant(s)	\$	27,156	
Deputy(ies)		134,365	
Clerical Personnel		221,610	
Social Security		34,563	
State Retirement		57,693	
Employee and Dependent Insurance		4,734	
Life Insurance		421	
Medical Insurance		92,486	
Communication		1,370	
Dues and Memberships		467	
Data Processing Supplies		6,833	
Office Supplies		17,967	
Data Processing Equipment		5,990	
Office Equipment		10,485	
Total General Sessions Court			\$ 616,140

General Sessions Judge

Judge(s)	\$	260,092	
Clerical Personnel		40,299	
Part-time Personnel		2,100	
Social Security		21,625	
State Retirement		12,824	
Life Insurance		76	
Medical Insurance		16,086	
Communication		586	
Dues and Memberships		361	
Travel		1,044	
Tuition		1,600	
Office Supplies		1,862	
Periodicals		440	
Furniture and Fixtures		1,705	
Total General Sessions Judge			360,700

Drug Court

Assessment Personnel	\$	39,904	
Social Security		3,060	
State Retirement		3,876	
Life Insurance		24	
Medical Insurance		5,190	
Communication		1,400	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Rentals	\$	750	
Travel		5,456	
Other Contracted Services		78,225	
Office Supplies		108	
Other Supplies and Materials		220	
Total Drug Court			\$ 138,213

Chancery Court

Jury and Witness Fees	\$	2,714	
Life Insurance		119	
Medical Insurance		25,450	
Communication		700	
Dues and Memberships		587	
Maintenance & Repair Services - Office Equipment		7,698	
Travel		1,089	
Tuition		418	
Office Supplies		4,749	
Data Processing Equipment		3,052	
Total Chancery Court			46,576

Juvenile Court

County Official/Administrative Officer	\$	44,951	
Probation Officer(s)		237,529	
Clerical Personnel		27,897	
Social Security		23,478	
State Retirement		38,746	
Life Insurance		234	
Medical Insurance		45,719	
Communication		3,783	
Maintenance & Repair Services - Office Equipment		3,831	
Maintenance & Repair Services - Vehicles		547	
Medical and Dental Services		142	
Travel		3,251	
Tuition		1,338	
Other Contracted Services		10,755	
Gasoline		834	
Office Supplies		1,274	
Utilities		28,195	
Vehicle and Equipment Insurance		2,878	
Other Charges		515	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Building Improvements	\$	9,300	
Data Processing Equipment		1,079	
Office Equipment		1,032	
Total Juvenile Court			\$ 487,308

Judicial Commissioners

Board and Committee Members Fees	\$	120	
Jury and Witness Fees		31,583	
Office Supplies		539	
Other Charges		58	
Total Judicial Commissioners			32,300

Other Administration of Justice

Assistant(s)	\$	24,401	
Supervisor/Director		28,424	
Clerical Personnel		12,570	
Social Security		4,982	
State Retirement		8,584	
Life Insurance		60	
Medical Insurance		12,824	
Communication		390	
Maintenance & Repair Services - Vehicles		1,500	
Office Supplies		433	
Other Supplies and Materials		1,394	
Liability Insurance		345	
Vehicle and Equipment Insurance		694	
Total Other Administration of Justice			96,601

Probation Services

Assistant(s)	\$	31,584	
Supervisor/Director		43,892	
Probation Officer(s)		61,652	
Clerical Personnel		8,240	
Social Security		11,054	
State Retirement		17,697	
Life Insurance		107	
Medical Insurance		25,266	
Communication		46	
Contracts with Government Agencies		1,600	
Contributions		20,000	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Rentals	\$	2,400	
Travel		514	
Tuition		238	
Other Contracted Services		14,230	
Office Supplies		781	
Other Supplies and Materials		13,986	
Other Charges		627	
Total Probation Services			\$ 253,914

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	73,478
Deputy(ies)		3,100,418
Clerical Personnel		135,099
Custodial Personnel		12,846
Part-time Personnel		5,238
School Resource Officer		57,077
Overtime Pay		86,488
Other Salaries & Wages		52,200
Social Security		267,008
State Retirement		422,219
Employee and Dependent Insurance		203
Life Insurance		2,251
Medical Insurance		474,861
Communication		40,950
Contracts with Vehicle Owners		5,000
Dues and Memberships		1,914
Maintenance & Repair Services - Equipment		1,369
Maintenance & Repair Services - Vehicles		111,693
Tow-in Services		2,000
Travel		15,556
Tuition		18,111
Other Contracted Services		23,810
Gasoline		275,000
Law Enforcement Supplies		13,860
Office Supplies		10,220
Uniforms		35,135
Other Supplies and Materials		13,044
Liability Insurance		48,153
Vehicle and Equipment Insurance		43,687

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Workers' Compensation Insurance	\$	1,984	
Principal on Capital Leases		143,676	
Interest on Capital Leases		1,961	
Data Processing Equipment		7,644	
Law Enforcement Equipment		153,602	
Maintenance Equipment		2,600	
Motor Vehicles		203,740	
Total Sheriff's Department			\$ 5,864,095

Special Patrols

Deputy(ies)	\$	117,528	
Overtime Pay		14,508	
Social Security		10,050	
State Retirement		17,443	
Life Insurance		100	
Medical Insurance		21,168	
Communication		341	
Law Enforcement Equipment		12,270	
Total Special Patrols			193,408

Traffic Control

Maintenance & Repair Services - Equipment	\$	33,878	
Utilities		4,400	
Total Traffic Control			38,278

Wheel Tax Officer

Medical Personnel	\$	110,766	
Part-time Personnel		15,541	
Overtime Pay		4,915	
Social Security		9,978	
State Retirement		11,781	
Life Insurance		58	
Medical Insurance		11,619	
Communication		352	
Medical and Dental Services		262,360	
Other Contracted Services		41,247	
Drugs and Medical Supplies		149,014	
Office Supplies		1,805	
Total Wheel Tax Officer			619,436

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$ 1,929	
Total Administration of the Sexual Offender Registry		\$ 1,929

Jail

Deputy(ies)	\$ 2,514,415	
Mechanic(s)	61,934	
Clerical Personnel	84,589	
Maintenance Personnel	34,451	
Part-time Personnel	19,608	
Overtime Pay	59,467	
Social Security	209,619	
State Retirement	322,428	
Life Insurance	2,243	
Medical Insurance	470,162	
Communication	5,905	
Maintenance & Repair Services - Buildings	26,289	
Maintenance & Repair Services - Equipment	2,500	
Maintenance & Repair Services - Vehicles	2,284	
Transportation - Other than Students	6,350	
Travel	4,000	
Tuition	1,962	
Other Contracted Services	16,458	
Custodial Supplies	40,000	
Food Supplies	374,850	
Office Supplies	14,656	
Prisoners Clothing	6,010	
Uniforms	27,507	
Utilities	269,972	
Other Supplies and Materials	62,098	
Principal on Capital Leases	5,768	
Interest on Capital Leases	615	
Law Enforcement Equipment	10,031	
Office Equipment	932	
Other Capital Outlay	6,196	
Total Jail		4,663,299

Correctional Incentive Program Improvements

Supervisor/Director	\$ 33,775
Guards	447,800
Part-time Personnel	88,078

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Overtime Pay	\$	20,000	
Social Security		44,538	
State Retirement		37,427	
Life Insurance		530	
Medical Insurance		105,399	
Communication		10,113	
Maintenance & Repair Services - Buildings		1,477	
Maintenance & Repair Services - Equipment		5,010	
Maintenance & Repair Services - Office Equipment		1,842	
Medical and Dental Services		2,285	
Travel		1,000	
Tuition		1,500	
Custodial Supplies		9,568	
Food Supplies		18,056	
Gasoline		1,095	
Office Supplies		2,500	
Prisoners Clothing		3,000	
Utilities		21,846	
Other Supplies and Materials		5,000	
Other Charges		1,901	
Data Processing Equipment		965	
Law Enforcement Equipment		3,000	
Office Equipment		2,500	
Total Correctional Incentive Program Improvements			\$ 870,205

Juvenile Services

Assistant(s)	\$	30,468
Supervisor/Director		98,705
Teachers		49,930
Clerical Personnel		52,500
Part-time Personnel		64,302
Other Salaries & Wages		72,377
Social Security		16,107
State Retirement		18,378
Life Insurance		177
Medical Insurance		32,047
Communication		3,434
Contracts with Government Agencies		12,300
Maintenance & Repair Services - Office Equipment		1,568
Postal Charges		14

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Rentals	\$	7,282	
Travel		11,934	
Tuition		5,862	
Other Contracted Services		109,383	
Office Supplies		9,716	
Other Supplies and Materials		19,483	
Workers' Compensation Insurance		20	
Other Charges		1,255	
Office Equipment		300	
Total Juvenile Services			\$ 617,542

Work Release Program

Assistant(s)	\$	14,763	
Supervisor/Director		45,906	
Probation Officer(s)		77,639	
Clerical Personnel		22,121	
Longevity Pay		4,100	
Social Security		12,338	
State Retirement		21,899	
Life Insurance		121	
Medical Insurance		25,994	
Accounting Services		1,200	
Communication		4,120	
Evaluation and Testing		2,335	
Maintenance & Repair Services - Equipment		800	
Postal Charges		306	
Printing, Stationery, and Forms		400	
Rentals		18,000	
Travel		11,500	
Tuition		3,485	
Custodial Supplies		392	
Office Supplies		2,606	
Periodicals		450	
Utilities		3,360	
Other Supplies and Materials		4,029	
Liability Insurance		2,777	
Other Charges		35,018	
Total Work Release Program			315,659

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	51,308	
Accountants/Bookkeepers		30,000	
Paraprofessionals		56,192	
Social Security		10,399	
State Retirement		16,520	
Life Insurance		77	
Medical Insurance		16,777	
Disability Insurance		2,600	
Communication		16,312	
Contracts with Government Agencies		15,750	
Dues and Memberships		1,000	
Janitorial Services		800	
Maintenance & Repair Services - Equipment		1,518	
Maintenance & Repair Services - Vehicles		2,787	
Postal Charges		400	
Printing, Stationery, and Forms		400	
Travel		2,403	
Tuition		1,723	
Maintenance and Repair Services - Records		1,000	
Gasoline		9,239	
Office Supplies		1,772	
Uniforms		2,500	
Utilities		9,500	
Synthetic Membrane		103,019	
Other Supplies and Materials		1,482	
Vehicle and Equipment Insurance		2,700	
Other Charges		6,619	
Motor Vehicles		23,000	
Other Equipment		5,000	
Total Civil Defense			\$ 392,797

Rescue Squad

Other Charges	\$	26,914	
Total Rescue Squad			26,914

Disaster Relief

Data Processing Equipment	\$	1,000	
Total Disaster Relief			1,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Contracts with Government Agencies	\$ 100,539	
Total Other Emergency Management		\$ 100,539

Inspection and Regulation

Investigator(s)	\$ 18,834	
Clerical Personnel	2,782	
Social Security	1,654	
State Retirement	2,877	
Life Insurance	11	
Medical Insurance	2,403	
Dues and Memberships	322	
Travel	609	
Tuition	300	
Periodicals	311	
Other Supplies and Materials	300	
Building and Contents Insurance	15,833	
Liability Insurance	127,073	
Total Inspection and Regulation		173,309

County Coroner/Medical Examiner

Medical Personnel	\$ 103,000	
Postal Charges	104	
Other Supplies and Materials	500	
Total County Coroner/Medical Examiner		103,604

Other Public Safety

Contributions	\$ 450,000	
Total Other Public Safety		450,000

Public Health and Welfare

Local Health Center

Paraprofessionals	\$ 63,141	
Custodial Personnel	27,547	
Social Security	6,956	
State Retirement	11,184	
Life Insurance	109	
Medical Insurance	23,850	
Communication	7,746	
Maintenance & Repair Services - Buildings	7,006	
Postal Charges	5,000	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Rentals	\$	1,000	
Travel		5,556	
Tuition		984	
Custodial Supplies		3,055	
Drugs and Medical Supplies		4,700	
Office Supplies		6,119	
Utilities		26,496	
Other Supplies and Materials		419	
Other Charges		<u>185,244</u>	
Total Local Health Center	\$		386,112

Rabies and Animal Control

Contracts with Government Agencies	\$	<u>268,060</u>	
Total Rabies and Animal Control			268,060

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,720	
Accountants/Bookkeepers		96,547	
Paraprofessionals		1,873,365	
Part-time Personnel		247,491	
Overtime Pay		92,992	
Social Security		183,407	
State Retirement		262,796	
Employee and Dependent Insurance		1,228	
Life Insurance		1,332	
Medical Insurance		280,992	
Communication		17,774	
Dues and Memberships		500	
Laundry Service		10,000	
Licenses		1,700	
Maintenance & Repair Services - Buildings		6,000	
Maintenance & Repair Services - Equipment		3,250	
Maintenance & Repair Services - Vehicles		80,013	
Medical and Dental Services		1,200	
Travel		1,500	
Tuition		4,715	
Custodial Supplies		3,702	
Drugs and Medical Supplies		106,441	
Gasoline		89,871	
Office Supplies		16,200	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Uniforms	\$	10,728	
Utilities		18,000	
Other Supplies and Materials		4,600	
Vehicle and Equipment Insurance		13,000	
Data Processing Equipment		36,744	
Motor Vehicles		134,303	
Office Equipment		4,200	
Other Equipment		<u>40,574</u>	
Total Ambulance/Emergency Medical Services	\$		3,700,885

Alcohol and Drug Programs

Other Salaries & Wages	\$	11,947	
Consultants		912	
Postal Charges		40	
Printing, Stationery, and Forms		606	
Rentals		1,140	
Travel		1,744	
Tuition		636	
Other Contracted Services		10,880	
Other Supplies and Materials		3,907	
Other Equipment		<u>1,995</u>	
Total Alcohol and Drug Programs			33,807

Other Local Health Services

Medical Personnel	\$	97,094	
Paraprofessionals		422,713	
Clerical Personnel		115,263	
Part-time Personnel		5,660	
Social Security		47,309	
State Retirement		76,003	
Life Insurance		503	
Medical Insurance		108,082	
Postal Charges		600	
Travel		25,853	
Office Supplies		<u>541</u>	
Total Other Local Health Services			899,621

General Welfare Assistance

Contributions	\$	<u>1,000</u>	
Total General Welfare Assistance			1,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Contracts with Government Agencies	\$ 72,915	
Total Other Local Welfare Services		\$ 72,915

Recycling Center

Maintenance Personnel	\$ 15,600	
Social Security	1,193	
State Retirement	2,076	
Life Insurance	24	
Medical Insurance	5,157	
Other Supplies and Materials	1,591	
Total Recycling Center		25,641

Other Public Health and Welfare

Paraprofessionals	\$ 2,596	
Social Security	199	
Postal Charges	200	
Travel	1,539	
Office Supplies	13,287	
Total Other Public Health and Welfare		17,821

Social, Cultural, and Recreational Services

Adult Activities

Contracts with Government Agencies	\$ 5,000	
Total Adult Activities		5,000

Senior Citizens Assistance

Contracts with Other Public Agencies	\$ 2,500	
Contributions	86,304	
Total Senior Citizens Assistance		88,804

Other Social, Cultural, and Recreational

Assistant(s)	\$ 32,977
Supervisor/Director	44,858
Foremen	26,519
Clerical Personnel	10,044
Cafeteria Personnel	16,870
Maintenance Personnel	77,747
Temporary Personnel	6,487
Overtime Pay	132
Other Salaries & Wages	28,931

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Social Security	\$	22,189	
State Retirement		21,250	
Life Insurance		192	
Medical Insurance		29,893	
Communication		5,070	
Maintenance & Repair Services - Buildings		90,447	
Travel		1,700	
Food Supplies		44,876	
Gasoline		12,690	
Office Supplies		3,108	
Uniforms		2,500	
Utilities		79,000	
Other Supplies and Materials		229,462	
Vehicle and Equipment Insurance		1,074	
Other Equipment		27,000	
Other Capital Outlay		62,810	
Total Other Social, Cultural, and Recreational	\$		877,826

Agriculture & Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	18,231	
Part-time Personnel		14,540	
Other Salaries & Wages		155,924	
Board and Committee Members Fees		20	
Social Security		10,255	
Extension Service Medicare		822	
State Retirement		19,891	
Life Insurance		24	
Medical Insurance		20,971	
Other Fringe Benefits		2,545	
Communication		2,181	
Contracts with Government Agencies		2,563	
Dues and Memberships		300	
Maintenance & Repair Services - Buildings		1,500	
Travel		2,400	
Office Supplies		500	
Utilities		3,961	
Office Equipment		1,500	
Total Agriculture Extension Service			258,128

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation

Social Security	\$	2,329	
State Retirement		4,121	
Life Insurance		24	
Contracts with Government Agencies		30,961	
Contracts with Other Public Agencies		200	
Other Charges		10,000	
Total Soil Conservation			\$ 47,635

Storm Water Management

Assistant(s)	\$	27,053	
Overtime Pay		24,019	
Social Security		3,866	
State Retirement		6,544	
Life Insurance		32	
Medical Insurance		7,555	
Advertising		1,497	
Communication		175	
Data Processing Services		3,977	
Dues and Memberships		144	
Evaluation and Testing		24,115	
Legal Services		2,997	
Legal Notices, Recording, and Court Costs		1,500	
Maintenance & Repair Services - Vehicles		297	
Travel		2,000	
Tuition		1,497	
Permits		2,500	
Other Contracted Services		10,351	
Gasoline		1,647	
Instructional Supplies and Materials		1,999	
Office Supplies		1,199	
Periodicals		100	
Testing		2,500	
Other Supplies and Materials		198	
Vehicle and Equipment Insurance		475	
Other Charges		400	
Data Processing Equipment		3,000	
Other Equipment		1,000	
Total Storm Water Management			132,637

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 189,169	
Total Tourism		\$ 189,169

Industrial Development

Contributions	\$ 189,169	
Total Industrial Development		189,169

Public Transportation

Matching Share	\$ 31,197	
Total Public Transportation		31,197

Veterans' Services

Assistant(s)	\$ 21,243	
Supervisor/Director	26,258	
Clerical Personnel	2,030	
Social Security	3,770	
State Retirement	5,032	
Life Insurance	38	
Communication	781	
Dues and Memberships	50	
Travel	2,139	
Other Contracted Services	525	
Office Supplies	2,073	
Furniture and Fixtures	9,377	
Total Veterans' Services		73,316

Other Charges

Other Contracted Services	\$ 5,416	
Trustee's Commission	307,271	
Total Other Charges		312,687

Contributions to Other Agencies

Contributions	\$ 86,500	
Dues and Memberships	22,652	
Total Contributions to Other Agencies		109,152

Total General Fund		\$ 28,506,526
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(Continued)

Exhibit J-9

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

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 2,596	
Utilities	<u>2,750</u>	
Total Libraries		\$ 5,346

Other Operations

Other Charges

Trustee's Commission	\$ 47	
Total Other Charges		<u>47</u>

Total Law Library Fund \$ 5,393

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 486,614	
Total Libraries		\$ 486,614

Other Operations

Other Charges

Trustee's Commission	\$ 10,662	
Total Other Charges		<u>10,662</u>

Total Public Library Fund 497,276

Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Other Contracted Services	\$ 71,662	
Total Other Waste Collection		\$ 71,662

Other Operations

Other Charges

Trustee's Commission	\$ 2,006	
Total Other Charges		<u>2,006</u>

Total Solid Waste/Sanitation Fund 73,668

(Continued)

Exhibit J-9

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

Local Purpose Tax Fund

Public Safety

Sheriff's Department

Rentals	\$ 7,827	
Total Sheriff's Department		\$ 7,827

Other Operations

Other Charges

Trustee's Commission	\$ 36	
Total Other Charges		36

Total Local Purpose Tax Fund		\$ 7,863
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Drug Control Fund

Public Safety

Sheriff's Department

Maintenance & Repair Services - Vehicles	\$ 434	
Tow-in Services	395	
Travel	7,500	
Tuition	6,000	
Other Supplies and Materials	23	
Furniture and Fixtures	6,798	
Law Enforcement Equipment	169,671	
Motor Vehicles	66,440	
Total Sheriff's Department		\$ 257,261

Special Patrols

Investigator(s)	\$ 36,817	
Social Security	2,696	
State Retirement	4,721	
Life Insurance	13	
Medical Insurance	2,832	
Communication	1,190	
Travel	279	
Total Special Patrols		48,548

Drug Enforcement

Investigator(s)	\$ 181,510
Clerical Personnel	67,918
Overtime Pay	15,683
Social Security	20,761
State Retirement	35,235
Life Insurance	179

(Continued)

Exhibit J-9

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Medical Insurance	\$	38,387	
Confidential Drug Enforcement Payments		20,000	
Other Contracted Services		49,622	
Uniforms		1,840	
Other Supplies and Materials		22,959	
Total Drug Enforcement			\$ 454,094

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	15,186	
Total Alcohol and Drug Programs			15,186

Other Operations

Other Charges

Trustee's Commission	\$	1,773	
Total Other Charges			1,773

Total Drug Control Fund \$ 776,862

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	46,200	
Clerical Personnel		43,491	
Part-time Personnel		3,692	
Social Security		7,099	
State Retirement		11,938	
Life Insurance		72	
Medical Insurance		10,524	
Communication		594	
Contributions		30,000	
Rentals		240	
Disposal Fees		296	
Gasoline		299	
Utilities		3,190	
Building and Contents Insurance		2,397	
Vehicle and Equipment Insurance		694	
Total Other Social, Cultural, and Recreational			\$ 160,726

(Continued)

Exhibit J-9

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

Agri-Business Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 1,431	
Total Other Charges		\$ 1,431

Total Agri-Business Fund \$ 162,157

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$ 40,192	
Investigator(s)	31,523	
Lieutenant(s)	80,587	
Paraprofessionals	224,710	
Clerical Personnel	18,532	
Overtime Pay	36,431	
Social Security	33,399	
State Retirement	55,800	
Life Insurance	378	
Medical Insurance	73,011	
Communication	5,138	
Contributions	32,660	
Laundry Service	4,055	
Maintenance & Repair Services - Vehicles	23,996	
Medical and Dental Services	960	
Travel	2,618	
Tuition	7,000	
Other Contracted Services	31,990	
Custodial Supplies	2,409	
Gasoline	19,000	
Office Supplies	1,136	
Uniforms	5,036	
Utilities	36,993	
Other Supplies and Materials	9,895	
Building and Contents Insurance	1,237	
Liability Insurance	4,000	
Vehicle and Equipment Insurance	19,329	
Workers' Compensation Insurance	32,373	
Building Improvements	1,998	
Law Enforcement Equipment	1,208	
Other Equipment	30,688	
Total Fire Prevention and Control		\$ 868,282

(Continued)

Exhibit J-9

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

Special Purpose Fire Tax Fund (Cont.)

Other Operations

Other Charges

Accounting Services	\$	718	
Trustee's Commission		<u>10,135</u>	
Total Other Charges			\$ <u>10,853</u>

Total Special Purpose Fire Tax Fund \$ 879,135

Other Special Revenue Fund

Public Health and Welfare

Other Local Health Services

Secretary(ies)	\$	1,845	
Other Salaries & Wages		1,100	
Other Supplies and Materials		<u>2,127</u>	
Total Other Local Health Services			\$ <u>5,072</u>

Total Other Special Revenue Fund 5,072

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	<u>264,946</u>	
Total Register of Deeds			\$ 264,946

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>355,119</u>	
Total County Trustee's Office			355,119

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>771,339</u>	
Total County Clerk's Office			771,339

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	<u>187,367</u>	
Total Chancery Court			187,367

Probate Court

Constitutional Officers' Operating Expenses	\$	<u>414</u>	
Total Probate Court			<u>414</u>

Total Constitutional Officers - Fees Fund 1,579,185

(Continued)

Exhibit J-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	73,479	
Assistant(s)		47,226	
Supervisor/Director		38,336	
Accountants/Bookkeepers		38,015	
Dispatchers/Radio Operators		26,314	
Overtime Pay		2,594	
Other Salaries & Wages		157,011	
Data Processing Services		5,514	
Dues and Memberships		4,086	
Legal Notices, Recording, and Court Costs		737	
Maintenance & Repair Services - Office Equipment		455	
Travel		1,587	
Office Supplies		4,031	
Communication Equipment		4,832	
Office Equipment		2,445	
Total Administration			\$ 406,662

Highway and Bridge Maintenance

Foremen	\$	33,738	
Equipment Operators		213,906	
Truck Drivers		238,106	
Laborers		259,748	
Overtime Pay		9,230	
Rentals		600	
Other Contracted Services		4,051	
Asphalt - Hot Mix		1,374,443	
Asphalt - Liquid		41,346	
Concrete		2,073	
Crushed Stone		83,533	
Fertilizer, Lime, and Seed		2,438	
General Construction Materials		36,190	
Pipe - Metal		30,642	
Road Signs		31,022	
Sand		927	
Small Tools		4,328	
Wood Products		303	
Other Supplies and Materials		3,210	
Total Highway and Bridge Maintenance			2,369,834

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	31,225	
Mechanic(s)		83,482	
Overtime Pay		444	
Laundry Service		9,292	
Other Contracted Services		4,510	
Diesel Fuel		111,984	
Equipment and Machinery Parts		81,197	
Garage Supplies		10,912	
Gasoline		36,567	
Lubricants		9,576	
Propane Gas		2,649	
Small Tools		5,152	
Tires and Tubes		32,050	
Other Supplies and Materials		182	
Total Operation and Maintenance of Equipment			\$ 419,222

Litter and Trash Collection

Truck Drivers	\$	25,662	
Guards		26,980	
Other Salaries & Wages		6,500	
Other Contracted Services		2,300	
Other Supplies and Materials		15,468	
Total Litter and Trash Collection			76,910

Other Charges

Communication	\$	5,095	
Electricity		8,835	
Water and Sewer		825	
Liability Insurance		60,459	
Trustee's Commission		70,222	
Total Other Charges			145,436

Employee Benefits

Social Security	\$	98,650	
State Retirement		162,596	
Life Insurance		1,282	
Medical Insurance		263,552	
Unemployment Compensation		2,187	
Workers' Compensation Insurance		38,727	
Total Employee Benefits			566,994

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	11,248	
Building Improvements		6,631	
Highway Construction		252,456	
Other Equipment		16,990	
Total Capital Outlay			\$ 287,325

Capital Projects

Highway & Street Capital Projects

Equipment Operators	\$	55,608	
Truck Drivers		48,558	
Laborers		39,756	
Overtime Pay		884	
Social Security		11,078	
State Retirement		17,300	
Rentals		65	
Concrete		4,618	
Crushed Stone		13,678	
Diesel Fuel		5,000	
Equipment and Machinery Parts		6,375	
General Construction Materials		1,468	
Pipe - Metal		7,680	
Small Tools		1,988	
Workers' Compensation Insurance		5,470	
Total Highway & Street Capital Projects			219,526

Total Highway/Public Works Fund \$ 4,491,909

Vocational Building Fund

General Government

Other Facilities

Maintenance & Repair Services - Buildings	\$	3,691	
Total Other Facilities			\$ 3,691

Other Operations

Other Charges

Trustee's Commission	\$	790	
Total Other Charges			790

Total Vocational Building Fund 4,481

(Continued)

Exhibit J-9

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

General Debt Service Fund

Other Operations

Other Charges

Financial Advisory Services	\$ 5,000	
Trustee's Commission	115,993	
Total Other Charges		\$ 120,993

Contributions to Other Agencies

Contributions	\$ 2,319,680	
Total Contributions to Other Agencies		2,319,680

Principal on Debt

General Government

Principal on Bonds	\$ 410,000	
Principal on Notes	400,000	
Principal on Other Loans	100,000	
Total General Government		910,000

Education

Principal on Other Loans	\$ 1,545,000	
Total Education		1,545,000

Interest on Debt

General Government

Interest on Bonds	\$ 63,044	
Interest on Notes	22,994	
Interest on Other Loans	664,369	
Total General Government		750,407

Education

Interest on Notes	\$ 3,816	
Interest on Other Loans	2,357,484	
Total Education		2,361,300

Other Debt Service

General Government

Other Debt Service	\$ 34,484	
Total General Government		34,484

Education

Contributions	\$ 5,900,000	
Other Debt Service	122,204	
Total Education		6,022,204

Total General Debt Service Fund \$ 14,064,068

(Continued)

Exhibit J-9

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

General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 35,731	
Total Other Charges		\$ 35,731

Capital Projects

Administration of Justice Projects

Other Equipment	\$ 34,557	
Total Administration of Justice Projects		34,557

Highway & Street Capital Projects

Bridge Construction	\$ 101,153	
Highway Construction	63,750	
Other Equipment	563,847	
Total Highway & Street Capital Projects		<u>728,750</u>

Total General Capital Projects Fund		\$ 799,038
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Community Development/Industrial Park Fund

Other Operations

Other Charges

Trustee's Commission	\$ 93	
Total Other Charges		<u>\$ 93</u>

Total Community Development/Industrial Park Fund		93
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HUD Grant Projects Fund

Other Operations

Other Economic and Community Development

Evaluation and Testing	\$ 9,755	
Building Improvements	175,562	
Total Other Economic and Community Development		\$ 185,317

Other Charges

Trustee's Commission	\$ 59	
Total Other Charges		<u>59</u>

Total HUD Grant Projects Fund		185,376
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(Continued)

Exhibit J-9

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

<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Economic and Community Development</u>			
Other Contracted Services	<u>\$ 4,123</u>		
Total Other Economic and Community Development		\$ 4,123	
<u>Other Charges</u>			
Trustee's Commission	<u>\$ 5</u>		
Total Other Charges			<u>5</u>
Total Other Capital Projects Fund			\$ 4,128
<u>Endowment Fund</u>			
<u>Social, Cultural, and Recreational Services</u>			
<u>Other Social, Cultural, and Recreational</u>			
Land	<u>\$ 912,134</u>		
Total Other Social, Cultural, and Recreational		\$ 912,134	
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Notes	<u>\$ 10,970</u>		
Total General Government			<u>10,970</u>
Total Endowment Fund			<u>923,104</u>
Total Governmental Funds - Primary Government			<u>\$ 52,965,334</u>

Exhibit J-10

Bradley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 21,287,715	
Career Ladder Program	303,665	
Career Ladder Extended Contracts	210,200	
Homebound Teachers	51,727	
Educational Assistants	651,200	
Other Salaries & Wages	103,587	
Non-certified Substitute Teachers	296,072	
Social Security	1,385,400	
State Retirement	1,411,616	
Life Insurance	23,430	
Medical Insurance	2,801,869	
Employer Medicare	324,009	
Operating Lease Payments	5,400	
Maintenance & Repair Services - Equipment	40,427	
Travel	15,394	
Other Contracted Services	49,013	
Instructional Supplies and Materials	309,553	
Textbooks	791,241	
Other Supplies and Materials	173,017	
Fee Waivers	74,010	
Other Charges	39,850	
Regular Instruction Equipment	43,322	
Total Regular Instruction Program		\$ 30,391,717

Special Education Program

Teachers	\$ 1,683,890
Career Ladder Program	21,600
Educational Assistants	122,129
Other Salaries & Wages	85,378
Non-certified Substitute Teachers	19,110
Social Security	115,859
State Retirement	128,145
Life Insurance	2,285
Medical Insurance	248,321
Employer Medicare	27,096
Other Contracted Services	103,793
Instructional Supplies and Materials	8,733
Other Supplies and Materials	45,985
Other Charges	37,064

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Special Education Equipment	\$ 4,373	
Total Special Education Program		\$ 2,653,761

Vocational Education Program

Teachers	\$ 1,613,548	
Career Ladder Program	7,985	
Non-certified Substitute Teachers	14,114	
Social Security	99,005	
State Retirement	99,659	
Life Insurance	1,683	
Medical Insurance	196,318	
Employer Medicare	23,154	
Maintenance & Repair Services - Buildings	910	
Maintenance & Repair Services - Equipment	9,008	
Travel	2,705	
Instructional Supplies and Materials	72,250	
Vocational Instruction Equipment	38,781	
Total Vocational Education Program		2,179,120

Adult Education Program

Teachers	\$ 63,565	
Other Salaries & Wages	35,946	
Social Security	6,153	
State Retirement	3,743	
Life Insurance	101	
Medical Insurance	10,934	
Employer Medicare	1,439	
Travel	6,057	
Instructional Supplies and Materials	6,373	
Other Supplies and Materials	332	
Other Charges	25,508	
Total Adult Education Program		160,151

Support Services

Attendance

Supervisor/Director	\$ 34,716
Career Ladder Program	1,000
Clerical Personnel	29,835
Social Security	3,951

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

State Retirement	\$	6,160	
Life Insurance		65	
Medical Insurance		9,444	
Employer Medicare		924	
Travel		2,140	
Other Supplies and Materials		5,067	
Attendance Equipment		4,473	
Total Attendance			\$ 97,775

Health Services

Medical Personnel	\$	199,436	
Social Security		12,214	
State Retirement		26,545	
Life Insurance		350	
Medical Insurance		27,035	
Employer Medicare		2,857	
Travel		2,480	
Drugs and Medical Supplies		5,000	
Other Charges		310	
Health Equipment		2,588	
Total Health Services			278,815

Other Student Support

Career Ladder Program	\$	13,000	
Guidance Personnel		1,015,710	
Social Security		61,206	
State Retirement		63,238	
Life Insurance		989	
Medical Insurance		102,645	
Employer Medicare		14,314	
Evaluation and Testing		22,421	
Travel		28	
Total Other Student Support			1,293,551

Regular Instruction Program

Supervisor/Director	\$	149,759
Career Ladder Program		15,500
Librarians		720,212
Materials Supervisor		22,152

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Secretary(ies)	\$	45,338	
Educational Assistants		132,802	
Social Security		65,345	
State Retirement		66,904	
Life Insurance		998	
Medical Insurance		111,732	
Employer Medicare		15,282	
Maintenance & Repair Services - Equipment		189	
Travel		2,824	
Library Books/Media		256,139	
In Service/Staff Development		8,542	
Total Regular Instruction Program			\$ 1,613,718

Special Education Program

Supervisor/Director	\$	73,466	
Career Ladder Program		11,598	
Psychological Personnel		139,886	
Secretary(ies)		29,835	
Other Salaries & Wages		166,318	
Social Security		25,867	
State Retirement		26,996	
Life Insurance		324	
Medical Insurance		32,595	
Employer Medicare		6,050	
Travel		14,185	
Other Supplies and Materials		17,207	
In Service/Staff Development		5,332	
Other Charges		6,299	
Total Special Education Program			555,958

Vocational Education Program

Supervisor/Director	\$	56,134	
Career Ladder Program		1,000	
Secretary(ies)		22,155	
Social Security		5,216	
State Retirement		6,874	
Life Insurance		86	
Medical Insurance		10,182	
Employer Medicare		1,220	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Travel	\$	2,685	
Other Supplies and Materials		309	
Other Charges		240	
Total Vocational Education Program			\$ 106,101

Other Programs

Remittance of Revenue Collected	\$	2,290,000	
Total Other Programs			2,290,000

Board of Education

Board and Committee Members Fees	\$	20,000	
Social Security		1,240	
State Retirement		2,343	
Unemployment Compensation		11,342	
Employer Medicare		290	
Audit Services		24,000	
Dues and Memberships		7,565	
Legal Services		23,886	
Travel		7,185	
Other Contracted Services		6,594	
Liability Insurance		84,018	
Premiums on Corporate Surety Bonds		4,309	
Trustee's Commission		322,647	
Workers' Compensation Insurance		219,484	
Criminal Investigation of Applicants - TBI		9,427	
Refund to Applicant for Criminal Investigation		5,432	
Other Charges		265	
Total Board of Education			750,027

Director of Schools

County Official/Administrative Officer	\$	104,855	
Career Ladder Program		1,000	
Secretary(ies)		65,425	
Other Salaries & Wages		4,128	
Social Security		10,407	
State Retirement		21,412	
Life Insurance		400	
Medical Insurance		22,037	
Employer Medicare		2,636	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Fringe Benefits	\$	10,103	
Communication		24,232	
Dues and Memberships		4,570	
Postal Charges		7,623	
Travel		6,940	
Office Supplies		3,803	
Other Charges		13,692	
Administration Equipment		2,181	
Total Director of Schools			\$ 305,444

Office of the Principal

Principals	\$	1,151,369	
Career Ladder Program		17,000	
Assistant Principals		640,896	
Secretary(ies)		551,590	
Social Security		139,158	
State Retirement		179,646	
Life Insurance		2,320	
Medical Insurance		281,094	
Employer Medicare		32,545	
Dues and Memberships		7,800	
Travel		4,227	
Total Office of the Principal			3,007,645

Fiscal Services

Supervisor/Director	\$	73,209	
Career Ladder Program		3,600	
Accountants/Bookkeepers		112,005	
Social Security		11,272	
State Retirement		23,639	
Life Insurance		173	
Medical Insurance		13,997	
Employer Medicare		2,636	
Data Processing Services		8,014	
Dues and Memberships		280	
Travel		1,021	
Data Processing Supplies		2,408	
Office Supplies		3,479	
Administration Equipment		948	
Total Fiscal Services			256,681

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Supervisor/Director	\$	61,441	
Guards		10,116	
Custodial Personnel		547,700	
Social Security		37,274	
State Retirement		75,091	
Life Insurance		1,251	
Medical Insurance		133,884	
Employer Medicare		8,717	
Janitorial Services		364,578	
Rentals		1,761	
Disposal Fees		29,665	
Custodial Supplies		134,564	
Electricity		1,497,236	
Fuel Oil		109,537	
Natural Gas		309,611	
Water and Sewer		228,815	
Boiler Insurance		13,788	
Building and Contents Insurance		246,206	
Other Charges		31,033	
Total Operation of Plant			\$ 3,842,268

Maintenance of Plant

Supervisor/Director	\$	53,300	
Maintenance Personnel		394,930	
Other Salaries & Wages		10,839	
Social Security		27,772	
State Retirement		60,154	
Life Insurance		601	
Medical Insurance		61,066	
Employer Medicare		6,495	
Other Contracted Services		35,474	
Other Supplies and Materials		340,590	
Other Charges		7,231	
Other Capital Outlay		1,610,169	
Total Maintenance of Plant			2,608,621

Transportation

Supervisor/Director	\$	34,459
Clerical Personnel		28,495

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	3,662	
State Retirement		5,905	
Life Insurance		65	
Medical Insurance		9,444	
Employer Medicare		857	
Communication		9,815	
Contracts with Vehicle Owners		1,564,886	
Maintenance & Repair Services - Vehicles		41,543	
Medical and Dental Services		3,437	
Travel		895	
Gasoline		58,779	
Other Supplies and Materials		1,349	
Vehicle and Equipment Insurance		77,556	
Other Charges		5,093	
Total Transportation			\$ 1,846,240

Central and Other

Supervisor/Director	\$	69,612	
Data Processing Personnel		104,835	
Other Salaries & Wages		29,144	
Social Security		12,053	
State Retirement		18,743	
Life Insurance		173	
Medical Insurance		20,140	
Employer Medicare		2,819	
Maintenance & Repair Services - Equipment		23,485	
Travel		5,520	
Other Contracted Services		54,092	
Other Supplies and Materials		26,354	
Other Charges		3,954	
Data Processing Equipment		13,877	
Total Central and Other			384,801

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,966	
Social Security		2,652	
State Retirement		5,719	
Life Insurance		3,197	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Medical Insurance	\$	4,666	
Employer Medicare		620	
Travel		1,789	
Other Contracted Services		1,700	
Other Supplies and Materials		176	
Food Service Equipment		2,187	
Total Food Service			\$ 65,672

Community Services

Other Salaries & Wages	\$	256,409	
Social Security		15,852	
State Retirement		10,483	
Life Insurance		134	
Medical Insurance		4,865	
Employer Medicare		3,707	
Communication		1,140	
Maintenance & Repair Services - Equipment		5,500	
Postal Charges		39	
Printing, Stationery, and Forms		8,527	
Travel		9,173	
Other Contracted Services		48,903	
Instructional Supplies and Materials		43,832	
Utilities		18,000	
Other Charges		5,733	
Other Equipment		14,792	
Total Community Services			447,089

Early Childhood Education

Contracts with Other Public Agencies	\$	625,089	
Total Early Childhood Education			625,089

Capital Outlay

Regular Capital Outlay

Architects	\$	189,006	
Building Improvements		1,447,305	
Total Regular Capital Outlay			1,636,311

Total General Purpose School Fund \$ 57,396,555

(Continued)

Exhibit J-10

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	761,023	
Educational Assistants		15,730	
Non-certified Substitute Teachers		5,889	
Social Security		47,687	
State Retirement		49,018	
Life Insurance		778	
Medical Insurance		80,745	
Employer Medicare		11,153	
Other Contracted Services		3,109	
Instructional Supplies and Materials		63,686	
In Service/Staff Development		80	
Regular Instruction Equipment		35,754	
Total Regular Instruction Program			\$ 1,074,652

Special Education Program

Teachers	\$	101,182	
Educational Assistants		372,648	
Other Salaries & Wages		58,324	
Social Security		31,547	
State Retirement		62,820	
Life Insurance		1,236	
Medical Insurance		108,177	
Employer Medicare		7,378	
Other Contracted Services		45,055	
Instructional Supplies and Materials		68,951	
Other Supplies and Materials		49,615	
Total Special Education Program			906,933

Vocational Education Program

Travel	\$	25,144	
Other Supplies and Materials		11,852	
Vocational Instruction Equipment		91,984	
Total Vocational Education Program			128,980

Support Services

Other Student Support

Other Salaries & Wages	\$	238,608	
Social Security		14,727	
State Retirement		14,627	

(Continued)

Exhibit J-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	216	
Medical Insurance		25,532	
Employer Medicare		3,444	
Instructional Supplies and Materials		6,298	
In Service/Staff Development		22,937	
Other Charges		6,420	
Total Other Student Support			\$ 332,809

Regular Instruction Program

Supervisor/Director	\$	51,946	
Secretary(ies)		15,113	
Other Salaries & Wages		10,000	
Social Security		4,519	
State Retirement		5,441	
Life Insurance		43	
Medical Insurance		8,195	
Employer Medicare		1,057	
Travel		7,497	
Other Supplies and Materials		9,636	
In Service/Staff Development		119,905	
Other Equipment		4,598	
Total Regular Instruction Program			237,950

Special Education Program

Psychological Personnel	\$	122,284	
Secretary(ies)		81,800	
Other Salaries & Wages		392,422	
Social Security		36,188	
State Retirement		36,992	
Life Insurance		562	
Medical Insurance		60,042	
Employer Medicare		8,465	
Travel		32,912	
In Service/Staff Development		80,729	
Total Special Education Program			852,396

Vocational Education Program

Supervisor/Director	\$	6,891	
Total Vocational Education Program			6,891

Total School Federal Projects Fund \$ 3,540,611

(Continued)

Exhibit J-10

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Accountants/Bookkeepers	\$	32,703	
Cafeteria Personnel		1,461,746	
In-Service Training		3,225	
Social Security		91,337	
State Retirement		143,178	
Medical Insurance		243,664	
Unemployment Compensation		1,674	
Employer Medicare		21,345	
Communication		2,847	
Dues and Memberships		723	
Freight Expenses		482	
Laundry Service		525	
Maintenance & Repair Services - Equipment		46,708	
Pest Control		4,750	
Travel		2,793	
Other Contracted Services		74,178	
Food Preparation Supplies		10,227	
Food Supplies		1,600,161	
Ice		47,600	
Uniforms		9,304	
Other Supplies and Materials		146,230	
Refunds		1,730	
Criminal Investigation of Applicants - TBI		1,232	
Refund to Applicant for Criminal Investigation		112	
Other Charges		23,477	
Food Service Equipment		142,895	
Total Food Service			\$ 4,114,846

Total Central Cafeteria Fund \$ 4,114,846

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Supplies and Materials	\$	68,542	
Building Construction		3,815,694	
Total Education Capital Projects			\$ 3,884,236

Total Education Capital Projects Fund 3,884,236

Total Governmental Funds - Bradley County School Department \$ 68,936,248

Exhibit J-11

Bradley County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund	Inside Urban Fringe Area Fire Tax Fund	City School ADA - Cleveland Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 1,437,001	\$ 4,783,841	\$ 6,220,842
Trustee's Collections - Prior Years	0	52,997	165,623	218,620
Circuit/Clerk and Master Collections - Prior Years	0	122,459	83,441	205,900
Interest and Penalty	0	9,273	28,361	37,634
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,678	1,678
Local Option Sales Taxes	7,975,737	0	3,683,576	11,659,313
Bank Excise Taxes	0	0	45,893	45,893
Interstate Telecommunications Taxes	0	0	5,180	5,180
Marriage Licenses	0	0	2,487	2,487
Investment Income	0	0	82,658	82,658
Contributions and Gifts	0	250,000	0	250,000
Other Local Revenue	0	0	430	430
Income Taxes	0	0	45,405	45,405
<b>Total Cash Receipts</b>	<b>\$ 7,975,737</b>	<b>\$ 1,871,730</b>	<b>\$ 8,928,573</b>	<b>\$ 18,776,040</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 8,075,732	\$ 2,113,506	\$ 8,715,415	\$ 18,904,653
Trustee's Commission	1,103	33,197	101,957	136,257
<b>Total Cash Disbursements</b>	<b>\$ 8,076,835</b>	<b>\$ 2,146,703</b>	<b>\$ 8,817,372</b>	<b>\$ 19,040,910</b>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ (101,098)	\$ (274,973)	\$ 111,201	\$ (264,870)
Cash Balance, July 1, 2006	125,198	292,036	(99,939)	317,295
<b>Cash Balance, June 30, 2007</b>	<b>\$ 24,100</b>	<b>\$ 17,063</b>	<b>\$ 11,262</b>	<b>\$ 52,425</b>

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**SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

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

January 4, 2008

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Bradley County's basic financial statements and have issued our report thereon dated January 4, 2008. Our report on the financial statements of the aggregate discretely presented component units of Bradley County, Tennessee, expresses an adverse opinion because the financial statements do not include the Bradley County Memorial Hospital (discretely presented component unit), as required by accounting principles generally accepted in the United States of America. Our report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, was unqualified. Our report was also modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Bradley Healthcare and Rehabilitation Center as described in our report on Bradley 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, we considered Bradley County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bradley County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bradley County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.02 and 07.08.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Bradley County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bradley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items: 07.01, 07.03, 07.04, 07.05, and 07.06.

We consider item 07.07 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations.

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

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

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

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/rc



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 4, 2008

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bradley County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Bradley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bradley County's management. Our responsibility is to express an opinion on Bradley County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bradley County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our

audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bradley County's compliance with those requirements.

In our opinion, Bradley County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

#### Internal Control Over Compliance

The management of Bradley County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bradley County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Bradley County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the county's internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County as of and for the year ended June 30, 2007, and have issued our report thereon dated January 4, 2008. Our report on the financial statements of the aggregate discretely presented component units of Bradley County, Tennessee, expresses an adverse opinion because the financial statements do not include the Bradley County Memorial Hospital (discretely presented component unit), as required by accounting principles generally accepted in the United States of America. Our report on the financial

statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, was unqualified. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Bradley County's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/rc

Bradley County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture: Food Donation (Noncash Assistance)	10.550	N/A	\$ 197,405
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	513,177
National School Lunch Program	10.555	N/A	1,598,957
Total U.S. Department of Agriculture			<u>\$ 2,309,539</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency: HOME Investment Partnerships Program	14.239	HM0308	\$ 185,317
Total U.S. Department of Housing and Urban Development			<u>\$ 185,317</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth: Juvenile Accountability Incentive Block Grants	16.523	(3)	\$ 125,433
Enforcing Underage Drinking Laws Programs	16.727	GG-07-12684-00	17,141
Total U.S. Department of Justice			<u>\$ 142,574</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation: State and Community Highway Safety	20.600	Z-06-027272-00	\$ 62,287
Total U.S. Department of Transportation			<u>\$ 62,287</u>
U.S. Department of Education:			
Direct Programs:			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Q184L050439	\$ 2,290,000
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,189,294
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,823,892
Special Education - Preschool Grants	84.173	N/A	75,054
Vocational Education - Basic Grants to States	84.048	N/A	141,385
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	31,384
Twenty-First Century Community Learning Centers	84.287	192-07-03-001	224,337
State Grants for Innovative Programs	84.298	(2)	13,178
Education Technology State Grants	84.318	SACTS	55,503
English Language Acquisition Grants	84.365	(2)	25,460
Improving Teacher Quality State Grants	84.367	N/A	401,023
Hurricane Education Recovery	84.938	N/A	12,029
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	193,279
Passed-through Bradley/Cleveland Public Education Foundation:			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Q184L050439	256,476
Total U.S. Department of Education			<u>\$ 6,732,294</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State: Help America Vote Act Requirements Payments	90.401	(5)	\$ 153,234
Total U.S. Elections Assistance Commission:			<u>\$ 153,234</u>

(Continued)

Bradley 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:			
State Domestic Preparedness Equipment Support Programs	97.004	GG-06-620641769-00	\$ 32,258
Hazard Mitigation Grant	97.039	GG-05-11608-00	20,847
Emergency Management Performance Grants	97.042	Z-07-20634-00	27,421
Homeland Security Grant Program	97.067	Z-05-02135-00	281,357
Total U.S. Department of Homeland Security			\$ 361,883
Total Expenditures of Federal Awards			\$ 9,947,128

State Grants	Contract Number	Expenditures
Lottery Education After Schools Programs - Lottery Commission	N/A	(6) \$ 66,934
Health Department Grant - State Department of Health	N/A	(7) 904,162
State Reappraisal Program - Comptroller of the Treasury	N/A	(2) 20,046
Family Friends - State Children's Services Commission	N/A	GG-07-12585-00 54,444
Community Prevention Initiative Program - State Department of Health	N/A	(8) 181,965
Youth Violence and Drug Use Prevention - State Department of Education	N/A	GG-07-12387-00 8,177
Child Visitation Program - State Department of Finance	N/A	Z-05-020355-00 9,706
Community Corrections Program - State Board of Probation and Parole	N/A	Z-05-020599-00 300,329
Youth Environment Services - SE Tennessee Development	N/A	1331-36849-6 3,895
STOP Grant - State Department of Finance and Administration	N/A	Z-00-001436-01 72,807
Adult Drug Court - State Department of Finance and Administration	N/A	Z-05-02553-00 53,656
Tire Recycling Grant - State Department of Environment and Conservation	N/A	Z-03-011360-04 65,032
Litter Program - State Department of Transportation	N/A	Z-06-027936-00 46,347
Safe Schools Act - State Department of Education	N/A	(2) 55,330
Lottery Education After Schools Programs - Lottery Commission	N/A	019-07-2-002 222,748
Voluntary Pre-K for Tennessee - Lottery Commission	N/A	(2) 625,089
Total State Grants		\$ 2,690,667

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) GG-07-12750-00: \$62,000; GG-06-12100-00: \$63,433
- (4) Z-06-030900-00: \$4,548; GG-07-12494-00: \$8,800; Z-07-033674-00: \$179,931
- (5) Z-06-032921: \$151,959; Z-07-037428-00: \$1,275
- (6) Z-07-034307-00: \$18,720; Z-05-027742-02: \$48,214
- (7) Z-06-025947-00: \$253,401; Z-07-031532-00: \$650,761
- (8) Z-05-020798-00: \$841; GG-06-17786: \$181,124

Bradley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2007

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 Bradley County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

**OTHER FINDINGS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.01	264	A tax anticipation note was not issued in compliance with state statutes
06.04	265	A central system of accounting, budgeting, and purchasing had not been adopted
06.05	266	Duties were not segregated adequately in the Offices of Road Superintendent, Director of Schools, Clerk and Master, Register, and Sheriff

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**BRADLEY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2007**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. An adverse opinion was issued on the financial statements of Bradley County.
2. The audit of the financial statements of Bradley County disclosed significant deficiencies in internal control. None of these conditions was considered to be a material weakness.
3. The audit disclosed an instance of noncompliance that is material to the financial statements of Bradley County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies Program (CFDA No. 84.010), the Special Education Cluster: the Special Education – Grants to States Program and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), the Safe and Drug-Free Schools and Communities – National Program (CFDA No. 84.184), and the Improving Teacher Quality State Grants Program (CFDA No. 84.367) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bradley County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses by the county mayor, road superintendent, director of schools, trustee, and sheriff are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### OFFICE OF COUNTY MAYOR

**FINDING 07.01 COUNTY PROPERTY SOLD AT PUBLIC AUCTION WAS NOT DECLARED SURPLUS BY THE COUNTY COMMISSION**  
(Noncompliance Under Government Auditing Standards)

Certain property of the Sheriff's Department was sold at public auction for \$28,910; however, this property had not been presented to and declared surplus by the County Commission as required by Bradley County's capital assets policies and procedures. Section I.1. of these policies and procedures provides that "A list of surplus items must be presented to and approved by the Full Commission."

### RECOMMENDATION

A list of all county property to be sold or disposed of should be presented to the County Commission and declared surplus property as required by Bradley County's policies and procedures.

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**FINDING 07.02 A SIGNATURE STAMP WAS USED TO SIGN SOME WARRANTS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

It is the practice of Bradley County to allow the county mayor to sign manually all warrants in excess of \$5,000 and to use a digitized signature for all warrants under \$5,000. Our examination disclosed that some warrants over \$5,000 were not signed by the county mayor. In these instances, a signature stamp was used to affix the signature of the county mayor. Tennessee Code Annotated does not provide authority for the use of a signature stamp.

### RECOMMENDATION

Management should discontinue use of the signature stamp.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Bradley County has no written or formal policies regarding check signatures. Mayor Davis has, since he took office, signed all warrants of \$5,000 or more. On occasion, when the mayor is out of the office, a signature stamp is used. This stamp is maintained by one individual and kept in a locked location. The finance area is segregated so that no one individual has access to warrants, the payable system to issue warrants, the digitized signature, or the stamp. Therefore, it would require at least two individuals to issue and sign a warrant. Also, the mayor is made aware of those warrants when the stamp is used. In addition, our bank has on file a copy of the mayor's actual signature, the digitized signature, and the stamp signature and will notify us if anything other than these signatures are used.

REBUTTAL

Tennessee Code Annotated does not provide authority for the use of a signature stamp. As noted in the finding and management's response, some internal controls exist over the use of the signature stamp; however, these controls are weaker than internal controls associated with a personal signature or a digitized signature. A digitized signature provides an audit trail of how many times the digitized signature was used. There are no such controls for a signature stamp. Management should discontinue the use of the signature stamp, and all warrants should either be signed by the county mayor or with a digitized signature.

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FINDING 07.03      **THE OTHER SPECIAL REVENUE FUND WAS NOT BUDGETED**  
(Noncompliance Under Government Auditing Standards)

The Other Special Revenue Fund was not budgeted. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

The Other Special Revenue Fund should be budgeted as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

This was a temporary fund (The Wellness Steps) made up of a county donation. It has since been closed.

## **OFFICE OF TRUSTEE**

### **FINDING 07.04      **EXCESS COMMISSIONS WERE NOT REPORTED AND PAID TO THE COUNTY IN COMPLIANCE WITH STATE STATUTES AND PURCHASES CIRCUMVENTED THE BUDGETARY PROCESS****

(Noncompliance Under Government Auditing Standards)

The trustee paid \$15,300 for office remodeling from commissions earned by the office. Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” The use of commissions by the trustee to pay for office remodeling by-passed the county’s budgetary process and therefore was a violation of Section 5-9-401, TCA.

### **RECOMMENDATION**

Expenditures for the operation of the office, other than salaries, should be paid through the General Fund based on an appropriation of the County Commission.

### **MANAGEMENT’S RESPONSE – TRUSTEE**

Shortly after taking office, I discussed the need for additional office space to adequately perform the activities within the Trustee’s Office with the county mayor and numerous county commissioners. As a result, the county mayor and I felt using fees of the office would be appropriate. In the future, if additional funds are needed, I will gladly approach the County Commission.

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## **OFFICE OF SHERIFF**

### **FINDING 07.05      **QUESTIONABLE USE OF COUNTY CREDIT CARDS**** (Noncompliance Under Government Auditing Standards)

The county’s credit card policy provides that credit cards are to be used for out-of-town travel expenses while any other use should be discouraged. Our review of credit card records of the Sheriff’s Department for the year ended June 30, 2007, noted that credit card charges totaling \$5,230 were made for office furniture, tear gas, vacuum cleaners, office supplies, items for a job fair, workout tapes, supplies for an open house, and other law enforcement supplies. These purchases were not related to travel expenses and appear to violate the intent of the credit card policy. While we do not question the validity of these purchases, we do believe that these purchases should have been made through the General Fund through the county’s normal purchasing process.

## RECOMMENDATION

Credit cards should only be used by county employees for travel related expenses. Other purchases should be made through the county's purchasing system.

## MANAGEMENT'S RESPONSE – SHERIFF

The county's credit card policy currently states that "the use of county issued credit cards is for out-of-town travel expenses and any other use should be discouraged." The word discouraged does not mean prohibited and the county's credit card policy does not prohibit an elected official from utilizing the credit card for official purposes "to promote and encourage the efficient conduct of business. Therefore, a reasonable person would conclude that a law enforcement agency, required to operate on a 24-hour, seven days a week, 365 days a year, in a 333 square mile area, might from time to time need to make purchases utilizing the county credit card without waiting on a purchase order to be requested and issued.

## REBUTTAL

We concur that emergency purchases may be needed after regular business hours, and that a purchase order could not be issued at the time of purchase. However, most of the credit card purchases we reviewed were not items which would be considered emergency purchases. As noted above, the items purchased included office furniture, law enforcement supplies, vacuum cleaners, office supplies, items for a job fair, and workout tapes. These items could have been purchased through the county's purchasing procedures, which would include obtaining a purchase order before the purchase was made.

County officials should consider clarifying the credit card policy if it is the county's intention to limit credit card usage to travel related expenses.

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## OTHER FINDINGS AND RECOMMENDATIONS

### FINDING 07.06      **NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES** (Material Noncompliance Under Government Auditing Standards)

During the year, the county issued the following notes without obtaining the prior approval of the state director of Local Finance as required by Section 9-21-408, Tennessee Code Annotated:

- A. The General Fund (\$168,340) and the General Purpose School Fund (\$331,660) borrowed \$500,000 on a capital outlay note for projects to improve energy efficiency.
- B. The Inside Urban Fringe Area Fire Tax Fund borrowed a \$250,000 tax anticipation note.

C. The Endowment Fund borrowed a \$910,000 revenue anticipation note.

RECOMMENDATION

All notes should be approved by the state director of Local Finance as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The three loans were internal loans borrowed from the trustee for one year or less. After each of the loans was approved by the County Commission and issued, we submitted State Form CT-0253 to the state director of Local Finance. We were unaware that pre-approval was required. Our procedures have been amended to meet these requirements.

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FINDING 07.07      **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**  
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes.

RECOMMENDATION

County officials should consider adopting the County Financial Management System of 1981 or a private act which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

MANAGEMENTS' RESPONSES – COUNTY MAYOR, ROAD SUPERINTENDENT, AND DIRECTOR OF SCHOOLS

This recommendation has been included in our audit for many years, and our commission has reviewed this recommendation and considered its implementation; however, the County Commission voted to keep the current accounting structure. We believe that the commissioners realize that the current accounting method works best for the citizens of Bradley County. Bradley County meets the requirements of GASB Statement No. 34, and Bradley County is one of only a few counties in Tennessee to receive the prestigious Certificate of Excellence in Financial Reporting, as awarded by the Government Finance Officers Association. It is obvious that Bradley County's system is operating efficiently and effectively. We see no reason to change.

FINDING 07.08

**DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF ROAD SUPERINTENDENT, DIRECTOR OF SCHOOLS, CLERK AND MASTER, REGISTER, AND SHERIFF**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Road Superintendent, Director of Schools, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**BRADLEY COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2007**

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

**Office of Director of Schools – Corrective Action Plan for Prior Year's Findings**

**FINDINGS 06.05 and 06.06**

Although the School Department as a whole lacks sufficient segregation of duties, additional controls are in place over the expenditures of federal funds and reporting to federal agencies that we feel mitigate the lack of segregation of duties as it pertains to federal awards.