

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



FOR THE YEAR ENDED JUNE 30, 2008



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
BRADLEY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2008

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

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BRADLEY COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2008

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2008.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The computer generated accounts receivable listing at the Ambulance Service was not accurate.
- ◆ Controls over information resources at the Ambulance Service were not adequate.
- ◆ The Probation Office did not issue receipts for some collections.
- ◆ The software used by the Probation Office did not have adequate application controls.

OFFICES OF TRUSTEE, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER

- ◆ Software audit logs were not reviewed.

OFFICE OF REGISTER

- ◆ The register allowed individuals unsupervised access to the office after business hours.
-

OTHER FINDINGS

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately at the Ambulance Service and at the Offices of Road Superintendent, Director of Schools, Clerk and Master, Register, and Sheriff.

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**

November 21, 2008

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

To obtain a Certificate of Achievement for Excellence in Financial Reporting, the Government Finance Officers Association (GFOA) requires that all general-purpose local governments publish within six months of the close of each fiscal year 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 comprehensive annual financial report of Bradley County, Tennessee, for the fiscal year ended June 30, 2008.

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, 2008, 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, 2008, are fairly presented in conformity with GAAP. 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 the 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, 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, 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 appropriations to the Finance Committee on or before the third Wednesday in April of 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 by 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 raising, poultry, tobacco, and 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 relationships with city government.
- Reducing debt for the county.
- Increasing per-pupil expenditures and/or addressing school needs for 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 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 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 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 Risk Management Trust (TN-RMT) which is a public risk pool established by an association of member schools. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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.

Pension and other postemployment 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, 10th Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.treasury.state.tn.us.

Acknowledgements. 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 Finance 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,

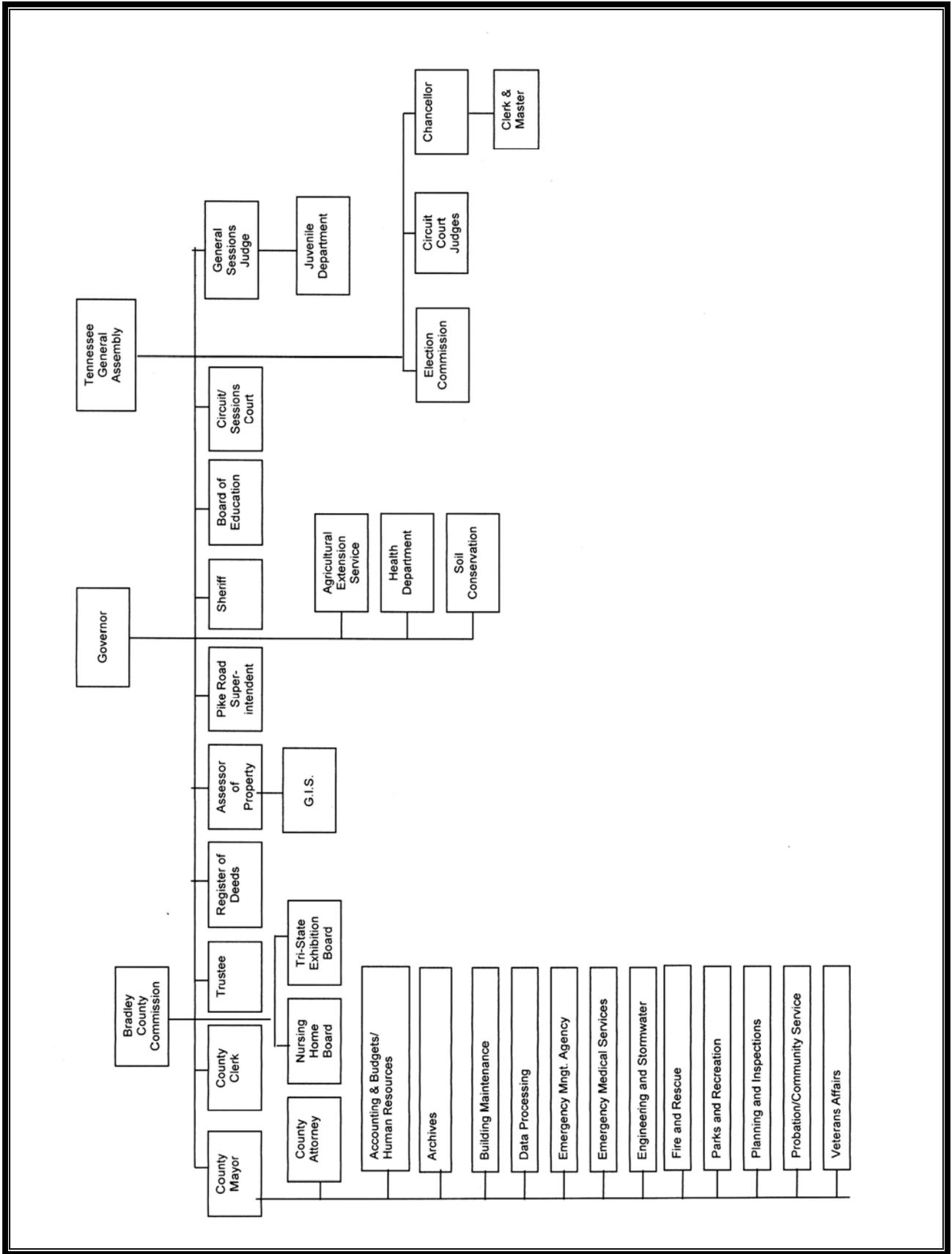


Lynn Burns
Director of Finance



D. Gary Davis
County Mayor

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Bradley County Officials
June 30, 2008

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	Terry Gallaher
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, Chairman

Board of Education

Troy Weathers, Chairman
Richard Baker
Tom Cassada
Christy Critchfield

Mark Grissom
David Kelley
Terry McGuire

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

November 21, 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, 2008, 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, 2008, 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.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of June 30, 2008, 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 November 21, 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.

As described in Note V.B, Bradley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

The management's discussion and analysis on pages 29 through 39 and the budgetary comparison, pension, and other postemployment benefits information on pages 105 through 113 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), miscellaneous schedules, and statistical tables 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 by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a

whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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 stroke at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

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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, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our

Financial Highlights

- The assets of Bradley County Primary Governmental Activities exceeded its liabilities at the close of the most recent fiscal year by \$32,449,361 (net assets).
- The government's total net assets increased by \$4,821,027 during the year ending June 30, 2008.
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$48,955,553. Approximately 32.6 percent of this amount (\$15,958,139 - 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 \$5,506,673 or 17.8 percent of total General Fund expenditures.
- Bradley County's total long-term debt decreased by \$2,243,132 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 the changes in the government's net assets 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 county has no business-type activities to report.

The government-wide financial statements include not only Bradley County itself (known as the primary government), but also a legally separate school district and a 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of 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, and the General Debt Service 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 and the Bradley County School Department do not have any proprietary funds. The discretely presented Bradley Healthcare and Rehabilitation Center uses an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for revenues held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Bradley County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (economic resources measurement) except agency funds have no measurement focus.

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 \$32,449,361 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, 2008, Bradley County had outstanding debt totaling \$51,164,000 for capital purposes of education (\$35,485,508 for county schools and \$15,678,492 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 its 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	
	2008	2007	2008	2007
Current and Other Assets	\$ 71,423,412	\$ 69,303,946	\$ 23,699,543	\$ 29,604,826
Capital Assets	49,433,991	48,537,688	60,126,077	54,255,402
Total Assets	<u>\$ 120,857,403</u>	<u>\$ 117,841,634</u>	<u>\$ 83,825,620</u>	<u>\$ 83,860,228</u>
Long-term Liabilities	\$ 69,226,368	\$ 70,494,942	\$ 1,702,485	\$ 949,860
Other Liabilities	19,181,674	19,718,358	16,730,765	16,277,874
Total Liabilities	<u>\$ 88,408,042</u>	<u>\$ 90,213,300</u>	<u>\$ 18,433,250</u>	<u>\$ 17,227,734</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 33,218,992	\$ 31,858,961	\$ 0	\$ 0
Invested in Capital Assets Restricted	0	0	59,362,230	54,255,402
Unrestricted	42,966,130	39,753,370	2,011,620	8,705,026
	<u>(43,735,761)</u>	<u>(43,983,997)</u>	<u>4,018,520</u>	<u>3,672,066</u>
Total Net Assets	<u>\$ 32,449,361</u>	<u>\$ 27,628,334</u>	<u>\$ 65,392,370</u>	<u>\$ 66,632,494</u>

Table 1b

BRADLEY COUNTY'S NET ASSETS

	Bradley Heathcare & Rehabilitation	
	2008	2007
Current and Other Assets	\$ 2,335,503	\$ 2,201,603
Capital Assets	2,841,097	2,979,915
Total Assets	<u>\$ 5,176,600</u>	<u>\$ 5,181,518</u>
Long-term Liabilities	\$ 118,962	\$ 119,836
Other Liabilities	780,059	891,797
Total Liabilities	<u>\$ 899,021</u>	<u>\$ 1,011,633</u>
Net Assets:		
Invested in Capital Assets	\$ 2,842,347	\$ 2,981,165
Restricted	145,535	142,751
Unrestricted	1,289,697	1,045,969
Total Net Assets	<u>\$ 4,277,579</u>	<u>\$ 4,169,885</u>

An additional portion of Bradley County's governmental activities assets (\$42,966,130) 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 all 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

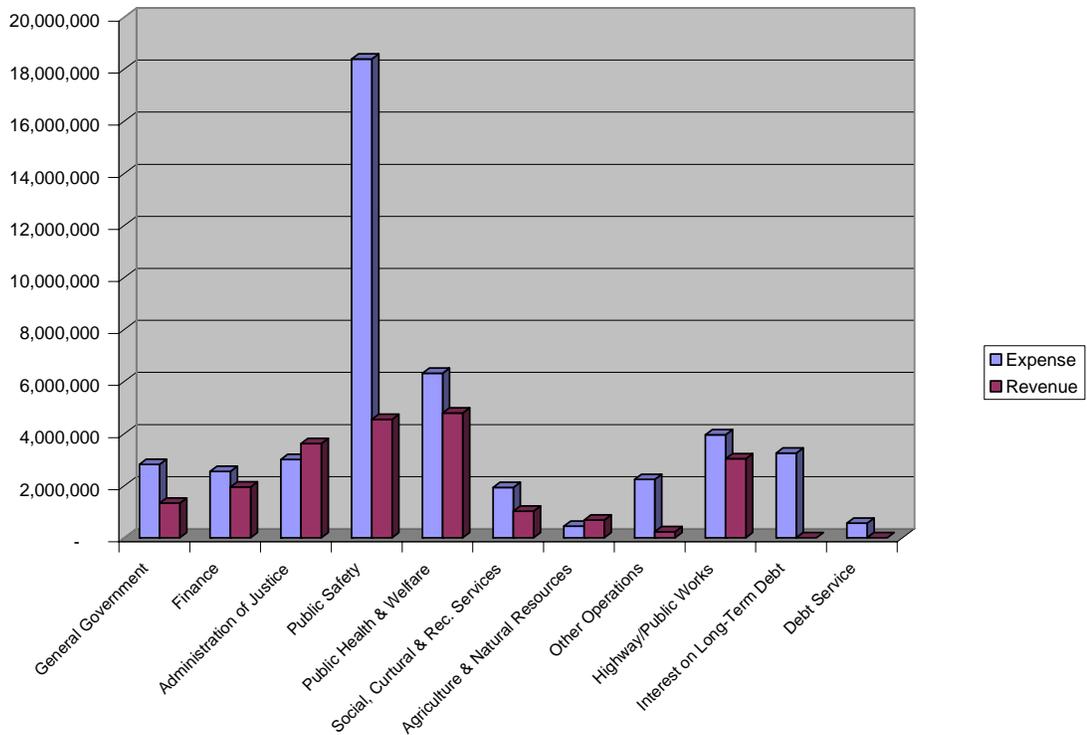
	Bradley County Government		Bradley County School Department	
	2008	2007	2008	2007
Revenues				
Program Revenues:				
Charges for Services	\$ 13,783,681	\$ 14,047,232	\$ 2,165,892	\$ 2,190,518
Operating Grants and Contributions	6,288,479	6,382,194	10,028,336	9,055,821
Capital Grants and Contributions	1,128,994	2,766,433	400,000	5,945,318
General Revenues:				
Property Taxes	20,089,058	18,520,550	11,169,146	10,995,203
Other Taxes	6,212,026	6,069,454	8,032,683	7,959,248
Grants and Contributions not Restricted to Specific Programs	909,566	868,050	38,492,083	33,631,203
Other	1,880,431	17,202,910	233,739	448,346
Total Revenues	<u>\$ 50,292,235</u>	<u>\$ 65,856,823</u>	<u>\$ 70,521,879</u>	<u>\$ 70,225,657</u>
Expenses				
General Government	\$ 2,817,277	\$ 3,109,772	\$ 0	\$ 0
Finance	2,553,721	2,438,416	0	0
Administration of Justice	3,006,547	2,544,591	0	0
Public Safety	18,391,569	17,148,071	0	0
Public Health and Welfare	6,323,493	5,670,024	0	0
Social, Cultural, and Rec. Services	1,932,805	1,725,312	0	0
Agriculture and Natural Resources	442,092	441,046	0	0
Other Operations	2,241,926	3,314,102	0	0
Highways/Public Works	3,951,114	3,853,649	0	0
Education	0	0	0	0
Interest on Long-term Debt	3,251,113	3,008,201	0	0
Other Enterprises	0	0	71,762,003	65,467,868
Other Debt Service	559,551	6,062,980	0	0
Total Expenses	<u>\$ 45,471,208</u>	<u>\$ 49,316,164</u>	<u>\$ 71,762,003</u>	<u>\$ 65,467,868</u>
Increase (Decrease) in Net Assets	\$ 4,821,027	\$ 16,540,659	\$ (1,240,124)	\$ 4,757,789
Net Assets, July 1	<u>27,628,334</u>	<u>11,087,675</u>	<u>66,632,494</u>	<u>61,874,705</u>
Net Assets, June 30	<u>\$ 32,449,361</u>	<u>\$ 27,628,334</u>	<u>\$ 65,392,370</u>	<u>\$ 66,632,494</u>

Table 2b

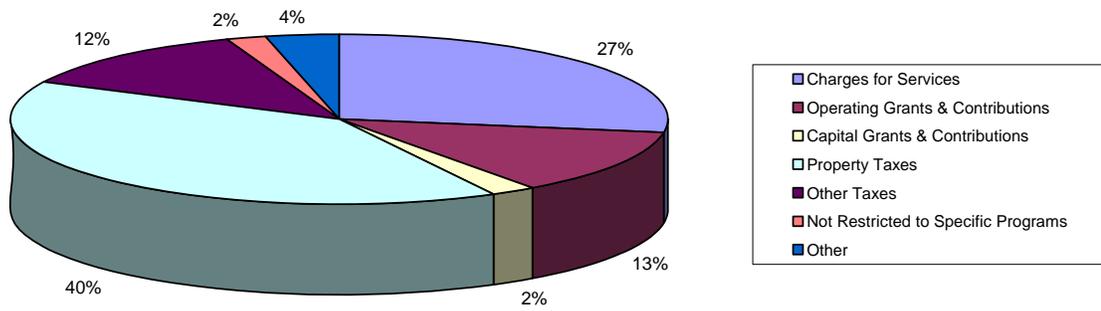
BRADLEY COUNTY'S CHANGES IN NET ASSETS

	Bradley Healthcare and Rehabilitation Center	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 11,957,789	\$ 11,146,481
General Revenues:		
Other	26,409	72,740
Total Revenues	\$ 11,984,198	\$ 11,219,221
Expenses		
Other Enterprises	\$ 11,876,504	\$ 11,343,116
Total Expenses	\$ 11,876,504	\$ 11,343,116
Increase (Decrease) in Net Assets	\$ 107,694	\$ (123,895)
Net Assets, July 1	4,169,885	4,293,780
Net Assets, June 30	<u>\$ 4,277,579</u>	<u>\$ 4,169,885</u>

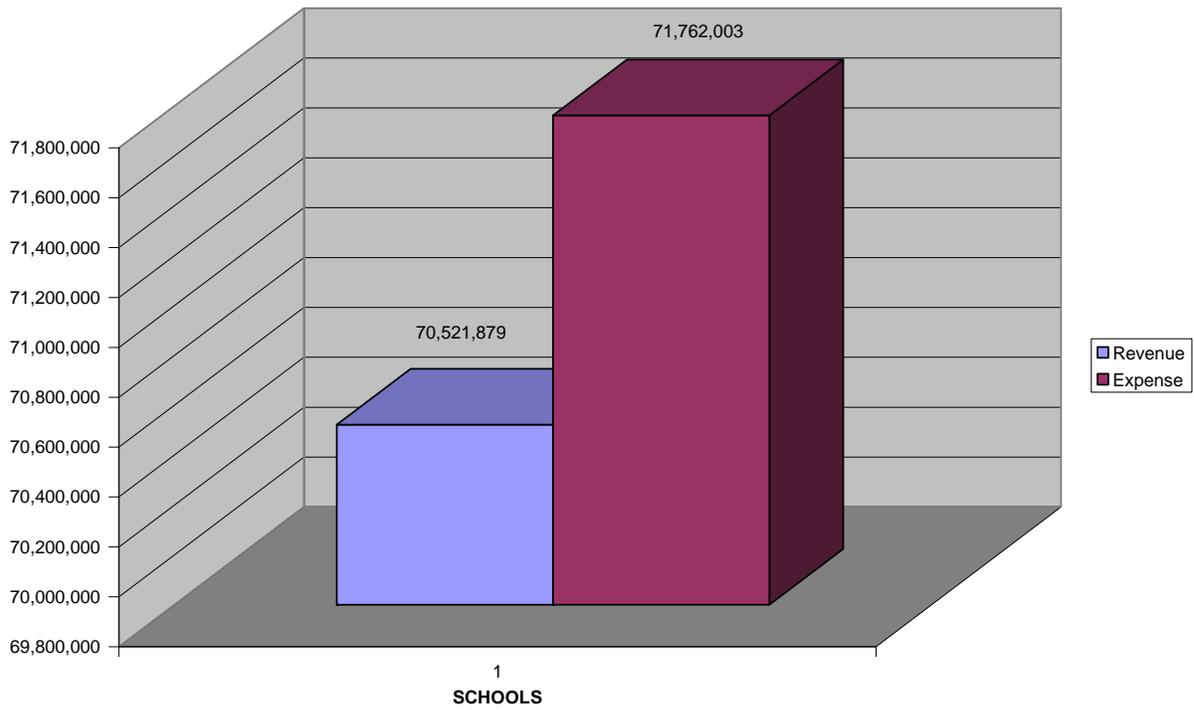
Program Revenues & Expenses - Governmental Activities



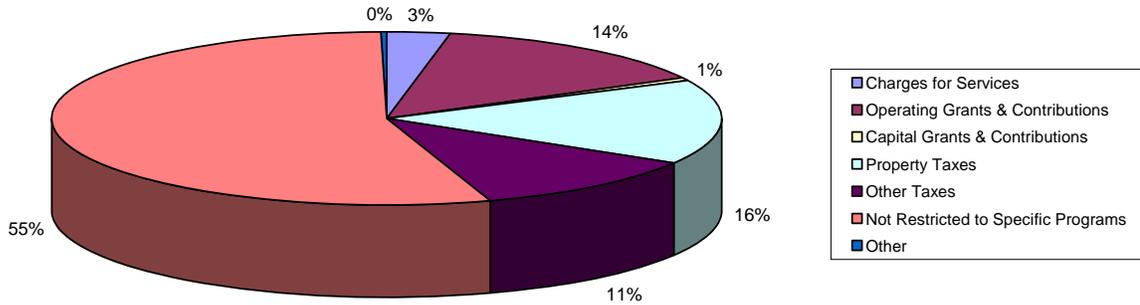
Revenues by Source - Governmental Activities



Program Revenues & Expenses



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-relegated 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 \$48,955,553. Approximately 32.6 percent of this amount (\$15,958,139) constitutes unreserved fund balance, which is available for spending at the government's discretion (subject to each fund's restriction). 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 (\$561,736), 2) to pay debt service (\$15,491,369), 3) for a variety of other restricted purposes (\$1,622,186), or 4) for the Health, Wellness, and Quality of Life permanent fund (\$15,322,123).

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 \$5,506,673 while total fund balance reached \$7,520,768. 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 17.8 percent of total General Fund expenditures, while total fund balance represents 24.3 percent of that same amount.

The fund balance of Bradley County's General Fund decreased by \$599,326 during the current fiscal year. Key factors in this were a reduction in County Officials Fees of 4.9 percent and a 45 percent reduction in federal funding.

The General Debt Service Fund has a total fund balance of \$15,491,369 all of which is reserved for the payment of debt service. The \$371,766 net decrease in fund balance during the current year in the General Debt Service Fund was largely due to other local revenues due but not received by June 30, 2008.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$2,244,931 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$209,460
- Increases allocated to Finance - \$19,883
- Increases allocated to Administration of Justice - \$113,115
- Increases allocated to Public Safety - \$800,374
- Increases allocated to Public Health and Welfare - \$255,248
- Increases allocated to Social, Cultural, and Recreational - \$15,747
- Increases allocated to Other Operations - \$831,104

Of this increase, \$995,878 was to be funded out of miscellaneous increases in various charges for services, grant proceeds, and insurance recovery. The remaining \$1,249,053 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 \$4,956,425, which consisted mostly of additional state and federal dollars received totaling \$4,109,765.

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 and business-type activities as of June 30, 2008, amounts to \$33,218,992 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities amounts to \$59,362,230 (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:

- Seventeen new patrol vehicles – Sheriff’s Department at \$343,507
- Elrod property including two houses – Recreation at \$923,000
- Ambulance vehicles and remount - \$83,875
- Three power pro hydraulic stretchers – Ambulance at \$30,670
- Law enforcement equipment – Sheriff’s Department at \$54,776
- Fire/rescue equipment - \$52,595

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	\$ 514,291	\$ 284,280	\$ 0	\$ 798,571
Other Loans	15,111,000	35,485,508	15,678,492	66,275,000
Bonds	450,000	0	0	450,000
Capital Leases	219,074	479,567	0	698,641
Subtotal	<u>\$ 16,294,365</u>	<u>\$ 36,249,355</u>	<u>\$ 15,678,492</u>	<u>\$ 68,222,212</u>
Compensated Absences	<u>988,824</u>	<u>90,528</u>	<u>0</u>	<u>1,079,352</u>
Total Long-term Debt	<u><u>\$ 17,283,189</u></u>	<u><u>\$ 36,339,883</u></u>	<u><u>\$ 15,678,492</u></u>	<u><u>69,301,564</u></u>

At the end of the current fiscal year, Bradley County had total long-term debt outstanding of \$68,222,212. 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 \$2,243,132 during the current fiscal year.

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

Bradley County maintains an Aaa rating from Moody’s and AAA from Standard & Poor’s and Fitch for general obligation debt.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate for the county as of June 30, 2008, is 7.1 percent, which is up from a year ago at 4.7 percent. The state’s average unemployment rate is 6.9 percent and the

national average is 5.7 percent. Inflationary trends in the region compare favorable to national indices. All of these factors were considered in preparing the county's budget for the 2008-09 fiscal year.

At the end of the 2007-08 fiscal year, unreserved fund balance in the General Fund decreased to \$5,506,673 (15 percent decrease from last year). The county has budgeted \$1,836,448 of this fund balance for spending during the fiscal year 2008-09.

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, 2008

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 421,213	\$ 6,952	\$ 1,487,351
Equity in Pooled Cash and Investments	30,825,349	9,375,103	0
Investments	16,161,413	0	0
Accounts Receivable	4,862,251	0	830,895
Allowance for Uncollectibles	(2,507,692)	0	(15,359)
Due from Other Governments	1,843,242	3,236,612	0
Inventories	0	101,093	30,510
Property Taxes Receivable	20,398,145	11,304,198	0
Allowance for Uncollectible Property Taxes	(727,934)	(324,415)	0
Prepaid Items	0	0	856
Notes Receivable - Long-term	34,325	0	0
Deferred Charges - Debt Issuance Costs	113,100	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,891,855	1,294,715	1,250
Construction in Progress	0	979,700	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	21,489,673	57,531,467	2,226,659
Infrastructure	18,727,383	0	0
Other Capital Assets	3,325,080	320,195	614,438
Total Assets	<u>\$ 120,857,403</u>	<u>\$ 83,825,620</u>	<u>\$ 5,176,600</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,400	\$ 791,329	\$ 255,776
Accrued Payroll	0	5,410,718	423,085
Payroll Deductions Payable	306,251	666	0
Accrued Interest Payable	227,336	5,755	0
Other Current Liabilities	0	0	101,198
Other Long-term Liabilities	0	0	118,962
Unearned Revenue - Current Property Taxes	18,643,687	10,522,297	0
Noncurrent Liabilities:			
Due Within One Year	2,954,431	208,768	0
Due in More Than One Year	66,271,937	1,493,717	0
Total Liabilities	<u>\$ 88,408,042</u>	<u>\$ 18,433,250</u>	<u>\$ 899,021</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 33,218,992	\$ 0	\$ 0
Invested in Capital Assets	0	59,362,230	2,842,347
Restricted for:			
General Purposes	1,587,861	815,430	0
Law Library	9,577	0	0
Public Library	165,817	0	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.):			
Solid Waste/Sanitation	\$ 1,033,344	\$ 0	\$ 0
Drug Control	1,117,920	0	0
Agri-Business	73,573	0	0
Special Purpose Fire Tax	1,120,823	0	0
Highway/Public Works	2,210,056	0	0
Vocational Building	40,772	0	0
Debt Service	15,452,507	0	0
Capital Projects	3,929,495	47,190	0
Health, Wellness, and Quality of Life:			
Expendable	902,262	0	0
Nonexpendable	15,322,123	0	0
School Federal Projects	0	163,357	0
Central Cafeteria	0	985,643	0
Other Purposes	0	0	145,535
Unrestricted	(43,735,761)	4,018,520	1,289,697
Total Net Assets	<u>\$ 32,449,361</u>	<u>\$ 65,392,370</u>	<u>\$ 4,277,579</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, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Primary Government					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley County School Department	Healthcare and Rehabilitation Center	Healthcare and Rehabilitation Center	
Primary Government:										
Governmental Activities:										
General Government	\$ 2,817,277	\$ 1,263,625	\$ 64,048	\$ 0	\$ (1,489,604)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,553,721	1,917,636	27,787	0	(608,298)	0	0	0	0	0
Administration of Justice	3,006,547	3,338,330	284,134	0	615,917	0	0	0	0	0
Public Safety	18,391,569	3,289,619	942,633	314,802	(13,844,515)	0	0	0	0	0
Public Health and Welfare	6,323,493	3,809,439	979,663	0	(1,534,391)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,932,805	144,459	860,577	14,450	(913,319)	0	0	0	0	0
Agriculture and Natural Resources	442,092	0	677,150	0	235,058	0	0	0	0	0
Other Operations	2,241,926	18,337	217,148	0	(2,006,441)	0	0	0	0	0
Highways/Public Works	3,951,114	2,236	2,235,339	799,742	(913,797)	0	0	0	0	0
Interest on Long-term Debt	3,251,113	0	0	0	(3,251,113)	0	0	0	0	0
Other Debt Service	559,551	0	0	0	(559,551)	0	0	0	0	0
Total Governmental Activities	\$ 45,471,208	\$ 13,783,681	\$ 6,288,479	\$ 1,128,994	\$ (24,270,054)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 45,471,208	\$ 13,783,681	\$ 6,288,479	\$ 1,128,994	\$ (24,270,054)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bradley County School Department	\$ 71,762,003	\$ 2,165,892	\$ 10,028,336	\$ 400,000	\$ 0	\$ (59,167,775)	\$ 0	\$ 0	\$ 0	\$ 0
Bradley Healthcare and Rehabilitation Center	11,876,504	11,957,789	0	0	0	0	0	0	0	81,285
Total Component Units	\$ 83,638,507	\$ 14,123,681	\$ 10,028,336	\$ 400,000	\$ 0	\$ (59,167,775)	\$ 0	\$ 0	\$ 0	\$ 81,285

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	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
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 15,304,176	\$ 11,169,146	\$ 0
Property Taxes Levied for Debt Service				4,784,882	0	0
Local Option Sales Taxes				3,680,185	8,025,284	0
Hotel/Motel Tax				647,626	0	0
Business Tax				952,355	0	0
Wholesale Beer Tax				306,527	0	0
Litigation Tax				619,392	0	0
Other Local Taxes				5,941	7,399	0
Grants and Contributions Not Restricted to Specific Programs				909,566	38,492,083	3,432
Unrestricted Investment Income				1,583,986	207,630	20,709
Sale of Equipment					0	2,268
Miscellaneous				296,445	26,109	0
Total General Revenues				\$ 29,091,081	\$ 57,927,651	\$ 26,409
Change in Net Assets				\$ 4,821,027	\$ (1,240,124)	\$ 107,694
Net Assets, July 1, 2007				27,628,334	66,632,494	4,169,885
Net Assets, June 30, 2008				\$ 32,449,361	\$ 65,392,370	\$ 4,277,579

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

Bradley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2008

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other	
<u>ASSETS</u>						
Cash	0	0	0	0	421,213	421,213
Equity in Pooled Cash and Investments	6,725,875	1,721,364	15,157,311	16,224,385	7,157,827	46,986,762
Accounts Receivable	4,860,342	1,502	0	0	407	4,862,251
Allowance for Uncollectibles	(2,507,692)	0	0	0	0	(2,507,692)
Due from Other Governments	1,187,445	581,482	54,378	0	19,937	1,843,242
Due from Other Funds	21,535	0	264,750	0	0	286,285
Property Taxes Receivable	8,947,079	2,480,567	4,842,929	0	4,127,570	20,398,145
Allowance for Uncollectible Property Taxes	(256,780)	(71,192)	(138,991)	0	(260,971)	(727,934)
Notes Receivable - Long-term	0	0	0	0	34,325	34,325
Total Assets	\$ 18,977,804	\$ 4,713,723	\$ 20,180,377	\$ 16,224,385	\$ 11,500,308	\$ 71,596,597

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	3,456	0	0	0	944	4,400
Payroll Deductions Payable	306,251	0	0	0	0	306,251
Due to Other Funds	176,500	0	0	0	109,785	286,285
Deferred Revenue - Current Property Taxes	8,328,191	2,308,982	4,507,934	0	3,498,580	18,643,687
Deferred Revenue - Delinquent Property Taxes	234,064	64,893	126,696	0	310,568	736,221
Other Deferred Revenues	2,408,574	186,620	54,378	0	14,628	2,664,200
Total Liabilities	\$ 11,457,036	\$ 2,560,495	\$ 4,689,008	\$ 0	\$ 3,934,505	\$ 22,641,044
<u>Fund Balances</u>						
Reserved for Encumbrances	426,234	0	0	0	135,502	561,736
Reserved for Alcohol and Drug Treatment	88,837	0	0	0	0	88,837
Reserved for Litter Enforcement Awards	5,060	0	0	0	0	5,060
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	985,090	0	0	0	0	985,090
Reserved for Drug Court	161,349	0	0	0	0	161,349
Reserved for Sexual Offender Registration	7,147	0	0	0	0	7,147
Reserved for Courtroom Security	5,807	0	0	0	0	5,807
Reserved for Computer System - Register	42,688	0	0	0	0	42,688

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other	Governmental	
\$	74,549	0	0	0	0	0	74,549
Reserved for Automation Purposes - Circuit Court	8,594	0	0	0	0	0	8,594
Reserved for Automation Purposes - Criminal Court	50,902	0	0	0	0	0	50,902
Reserved for Automation Purposes - General Sessions Court	4,912	0	0	0	0	0	4,912
Reserved for Automation Purposes - Chancery Court	868	0	0	0	0	0	868
Reserved for Automation Purposes - Other Courts	10,696	0	0	0	0	0	10,696
Reserved for Automation Purposes - Sheriff	0	0	0	15,322,123	0	0	15,322,123
Reserved for Endowments	0	0	0	0	34,325	0	34,325
Reserved for Long-term Notes Receivable	141,362	0	0	0	0	0	141,362
Reserved for Other General Purposes	5,506,673	0	0	0	0	0	5,506,673
Unreserved, Reported In:							
General Fund	0	2,153,228	0	0	0	3,551,559	5,704,787
Special Revenue Funds	0	0	15,491,369	0	0	0	15,491,369
Debt Service Funds	0	0	0	0	0	3,844,417	3,844,417
Capital Projects Funds	0	0	0	902,262	0	0	902,262
Permanent Funds	0	0	0	0	0	0	0
Total Fund Balances	\$ 7,520,768	\$ 2,153,228	\$ 15,491,369	\$ 16,224,385	\$ 7,565,803	\$ 48,955,553	
Total Liabilities and Fund Balances	\$ 18,977,804	\$ 4,713,723	\$ 20,180,377	\$ 16,224,385	\$ 11,500,308	\$ 71,596,597	

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, 2008

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)		\$ 48,955,553
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 5,891,855	
Add: buildings and improvements net of accumulated depreciation	21,489,673	
Add: other capital assets net of accumulated depreciation	3,325,080	
Add: infrastructure net of accumulated depreciation	<u>18,727,383</u>	49,433,991
(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	\$ (450,000)	
Less: notes payable	(514,291)	
Less: other loans payable	(66,275,000)	
Less: capital leases payable	(219,074)	
Less: interest accrued on bonds, notes, other loans, and capital leases	(227,336)	
Add: deferred charges - debt issuance costs	113,100	
Less: other postemployment benefits	(779,179)	
Less: compensated absences payable	<u>(988,824)</u>	(69,340,604)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,400,421</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 32,449,361</u>

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, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Governmental Funds		
Revenues							
Local Taxes	\$ 14,898,290	\$ 2,464,805	\$ 4,808,627	\$ 0	\$ 4,014,505	\$ 0	\$ 26,186,227
Licenses and Permits	370,240	0	0	0	0	0	370,240
Fines, Forfeitures, and Penalties	661,623	0	0	0	238,298	0	899,921
Charges for Current Services	4,169,711	0	0	0	1,975,467	0	6,145,178
Other Local Revenues	913,716	20,749	748,112	849,091	999,224	0	3,530,892
Fees Received from County Officials	2,663,595	0	0	0	0	0	2,663,595
State of Tennessee	4,345,973	2,512,981	146,537	0	154,460	0	7,159,951
Federal Government	466,115	0	0	0	285,384	0	751,499
Other Governments and Citizens Groups	1,865,503	0	0	0	0	0	1,865,503
Total Revenues	\$ 30,354,766	\$ 4,998,535	\$ 5,703,276	\$ 849,091	\$ 7,667,338	\$ 0	\$ 49,573,006
Expenditures							
Current:							
General Government	\$ 2,338,985	\$ 0	\$ 0	\$ 0	\$ 302,100	\$ 0	\$ 2,641,085
Finance	1,274,658	0	0	0	1,221,747	0	2,496,405
Administration of Justice	2,733,102	0	0	0	217,546	0	2,950,648
Public Safety	15,503,238	0	0	0	1,519,138	0	17,022,376
Public Health and Welfare	5,958,357	0	0	0	80,095	0	6,038,452
Social, Cultural, and Recreational Services	1,084,510	0	0	0	703,596	0	1,788,106
Agriculture and Natural Resources	431,756	0	0	0	431,756	0	863,512
Other Operations	1,681,888	0	102,116	0	415,129	0	2,199,133
Highways	0	4,545,887	0	0	0	0	4,545,887
Debt Service:							
Principal on Debt	0	0	2,209,049	0	0	0	2,209,049
Interest on Debt	0	0	3,289,519	0	0	0	3,289,519
Other Debt Service	0	0	553,259	0	0	0	553,259
Capital Projects	0	252,515	175,474	0	751,353	0	1,179,342
Total Expenditures	\$ 31,006,494	\$ 4,798,402	\$ 6,329,417	\$ 0	\$ 5,210,704	\$ 0	\$ 47,345,017
Excess (Deficiency) of Revenues Over Expenditures	\$ (651,728)	\$ 200,133	\$ (626,141)	\$ 849,091	\$ 2,456,634	\$ 0	\$ 2,227,989
Other Financing Sources (Uses)							
Capital Leases Issued	\$ 233,252	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 233,252
Proceeds from Sale of Capital Assets	5,650	0	0	0	0	0	5,650

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Governmental Funds		
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 0	\$ 41,057	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,057
Transfers In	0	0	254,375	0	0	10,000	264,375
Transfers Out	(186,500)	0	0	0	0	(77,875)	(264,375)
Total Other Financing Sources (Uses)	\$ 52,402	\$ 41,057	\$ 254,375	\$ 0	\$ 0	\$ (67,875)	\$ 279,959
Net Change in Fund Balances	\$ (599,326)	\$ 241,190	\$ (371,766)	\$ 849,091	\$ 2,388,759	\$ 2,507,948	
Fund Balance, July 1, 2007	8,120,094	1,912,038	15,863,135	15,375,294	5,177,044	46,447,605	
Fund Balance, June 30, 2008	\$ 7,520,768	\$ 2,153,228	\$ 15,491,369	\$ 16,224,385	\$ 7,565,803	\$ 48,955,553	

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, 2008

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)		\$ 2,507,948
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,580,076	
Less: current year depreciation expense	<u>(3,160,136)</u>	419,940
(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	\$ 595,584	
Less: loss on disposal of capital assets	(80,071)	
Less: decrease of revenue for the sale or insurance recovery of disposed assets	<u>(39,150)</u>	476,363
(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, 2007	\$ (3,284,333)	
Add: deferred delinquent property taxes and other deferred June 30, 2008	<u>3,400,421</u>	116,088
(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: capital lease proceeds	\$ (233,252)	
Less: change in deferred debt issuance costs	(6,292)	
Add: principal payments on bonds	425,000	
Add: principal payments on notes	69,049	
Add: principal payments on other loans	1,715,000	
Add: principal payments on capital leases	<u>152,340</u>	2,121,845
(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 payable	\$ (80,384)	
Change in other postemployment benefits	(779,179)	
Change in accrued interest on bonds	3,630	
Change in accrued interest on notes	309	
Change in accrued interest on other loans	35,572	
Change in accrued interest on capital leases	<u>(1,105)</u>	<u>(821,157)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 4,821,027</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, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,645,900
Equity in Pooled Cash and Investments	182,701
Due from Other Governments	2,084,566
Due from Other Funds	240
Property Taxes Receivable	7,344,269
Allowance for Uncollectible Taxes	<u>(379,473)</u>
Total Assets	<u>\$ 13,878,203</u>
<u>LIABILITIES</u>	
Due to Other Funds	\$ 240
Due to Other Taxing Units	8,982,303
Due to Litigants, Heirs, and Others	<u>4,895,660</u>
Total Liabilities	<u>\$ 13,878,203</u>

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

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BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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 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 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. Complete financial statements of the Bradley Healthcare and Rehabilitation Center can be obtained from its administrative office at the following address:

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, 2008, no net debt issues were contributed by the county to the School Department.

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 fund:

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

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

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.

Capital Projects Fund – The Education Capital Projects 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.

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. 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 1.92 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 for buildings and \$50,000 for infrastructure 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 the 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 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, 2008, Bradley County had \$51,164,000 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 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-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

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

Primary Government

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

Discretely Presented Bradley County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

The budgetary level of control is at the major category level established by the 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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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, 2008, Bradley County had the following investments carried at fair value or cost. The following are nonpooled investments for the Endowment Fund.

Investments	Maturities	Fair Value or Cost
Blount County Tennessee Public Building Authority	6-1-13	\$ 1,105,000
Blount County Tennessee Public Building Authority	6-1-21	2,500,000
Blount County Tennessee Public Building Authority	6-1-22	600,000
Sevier County Tennessee Public Building Authority	6-1-17	1,465,000

Investments (Cont.)	Maturities	Fair Value or Cost
Sevier County Tennessee Public Building Authority	6-1-19	\$ 2,000,000
Sevier County Tennessee Public Building Authority	6-1-27	895,000
Federal Home Loan Bank	7-16-08	1,877,510
Freddie Mac	1-16-09	1,899,402
Fannie Mae	7-13-09	1,913,455
Fannie Mae	4-15-09	<u>1,906,046</u>
 Total		 <u>\$ 16,161,413</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 Bank, Freddie Mac, and Fannie Mae were rated Aaa by Moody's Investor's Service and AAA by Standard & Poor's and Fitch Ratings. Bradley County's investments in the municipal securities (Blount and Sevier counties Tennessee Public Building Authorities) were rated Aa3 by Moody's Investor's Service and AA by Standard & Poor's and Fitch Ratings, with the exception of the Sevier County Tennessee Public Building Authority issues \$1,465,000 and \$895,000, which were not rated 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 (\$16,161,413) represent the entire investments of the primary government's Endowment Fund. These investments are as follows: Blount County Tennessee Public Building Authority (26%), Sevier County Tennessee Public Building Authority (27%), Federal Home Loan Bank (12%), Freddie Mac (12%), and Fannie Mae (23%).

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 \$34,325.

C. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 5,716,381	\$ 175,474	\$ 0	\$ 5,891,855
Total Capital Assets Not Depreciated	\$ 5,716,381	\$ 175,474	\$ 0	\$ 5,891,855
Capital Assets Depreciated:				
Buildings and Improvements	\$ 31,172,546	\$ 0	\$ 0	\$ 31,172,546
Infrastructure	23,388,013	3,124,910	(55,440)	26,457,483
Other Capital Assets	10,832,645	875,276	(383,396)	11,324,525
Total Capital Assets Depreciated	\$ 65,393,204	\$ 4,000,186	\$ (438,836)	\$ 68,954,554
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,850,774	\$ 832,099	\$ 0	\$ 9,682,873
Infrastructure	7,001,116	734,528	(5,544)	7,730,100
Other Capital Assets	6,720,007	1,593,509	(314,071)	7,999,445
Total Accumulated Depreciation	\$ 22,571,897	\$ 3,160,136	\$ (319,615)	\$ 25,412,418
Total Capital Assets Depreciated, Net	\$ 42,821,307	\$ 840,050	\$ (119,221)	\$ 43,542,136
Governmental Activities Capital Assets, Net	\$ 48,537,688	\$ 1,015,524	\$ (119,221)	\$ 49,433,991

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

Governmental Activities:

General Government	\$ 92,775
Finance	6,224
Administration of Justice	8,723
Public Safety	1,660,381
Public Health and Welfare	245,022
Social, Cultural, and Recreational Services	116,903
Agriculture and Natural Resources	2,079
Highways/Public Works	<u>1,028,029</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,160,136</u></u>

Discretely Presented Bradley County School Department

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 1,294,715	\$ 0	\$ 0	\$ 1,294,715
Construction in Progress	<u>1,239,752</u>	<u>979,700</u>	<u>(1,239,752)</u>	<u>979,700</u>
Total Capital Assets Not Depreciated	<u>\$ 2,534,467</u>	<u>\$ 979,700</u>	<u>\$ (1,239,752)</u>	<u>\$ 2,274,415</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 75,720,572	\$ 8,286,457	\$ 0	\$ 84,007,029
Other Capital Assets	<u>937,887</u>	<u>48,443</u>	<u>(17,000)</u>	<u>969,330</u>
Total Capital Assets Depreciated	<u>\$ 76,658,459</u>	<u>\$ 8,334,900</u>	<u>\$ (17,000)</u>	<u>\$ 84,976,359</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 24,353,443	\$ 2,122,119	\$ 0	\$ 26,475,562
Other Capital Assets	<u>584,081</u>	<u>82,054</u>	<u>(17,000)</u>	<u>649,135</u>
Total Accumulated Depreciation	<u>\$ 24,937,524</u>	<u>\$ 2,204,173</u>	<u>\$ (17,000)</u>	<u>\$ 27,124,697</u>
Total Capital Assets Depreciated, Net	<u>\$ 51,720,935</u>	<u>\$ 6,130,727</u>	<u>\$ 0</u>	<u>\$ 57,851,662</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 54,255,402</u></u>	<u><u>\$ 7,110,427</u></u>	<u><u>\$ (1,239,752)</u></u>	<u><u>\$ 60,126,077</u></u>

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

Governmental Activities:

Instruction	\$ 2,126,016
Support Services	<u>78,157</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,204,173</u>

D. Insurance Recoveries

During the year, the Highway Department suffered damages to two trucks. Insurance recoveries of \$41,057 were used to repair the damage to one truck and replace the other truck.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 21,535
General Debt Service	General	176,500
General Debt Service	Nonmajor governmental	88,250

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, 2008, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 176,500	\$ 10,000
Nonmajor governmental funds	77,875	0
Total	<u>\$ 254,375</u>	<u>\$ 10,000</u>

Discretely Presented Bradley County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	\$ 44,318

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.

F. Capital Leases

Primary Government

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. During the year, the General Fund made the final payment on this lease, and the title was transferred to Bradley County.

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.

On December 28, 2007, Bradley County entered into a two-year lease-purchase agreement to purchase 11 patrol cars. The terms of the agreement require total lease payments of \$233,252 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, 2008, were as follows:

Year Ending June 30	Governmental Activities
2009	\$ 153,669
2010	82,023
Total Minimum Lease Payments	\$ 235,692
Less: Amount Representing Interest	(16,618)
Present Value of Minimum Lease Payments	<u>\$ 219,074</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, 2008, were as follows:

Year Ending June 30	Governmental Activities
2009	\$ 93,879
2010	93,880
2011	93,879
2012	93,880
2013	93,880
2014	93,880
Total Minimum Lease Payments	\$ 563,278
Less: Amount Representing Interest	(83,711)
Present Value of Minimum Lease Payments	<u>\$ 479,567</u>

G. 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 ten 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, notes, and other loans included in long-term debt as of June 30, 2008, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds - Refunding	4.5 to 5.125 %	\$ 3,065,000	\$ 450,000
Other Loans - Variable Rate	Variable	45,350,000	34,275,000
Other Loans - Synthetic Fixed by Swap	Variable	32,000,000	32,000,000
Capital Outlay Notes	0 to 3.7	668,340	514,291
Capital Leases	5.6	436,992	219,074

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, 2008:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-08	Interest Type	Interest Rates as of 6-30-08	Fee Rates as of 6-30-08
School:					
Series II-G-1	\$ 10,000,000	\$ 6,500,000	Variable	2.75 %	0.42 %
Series III-A-2	10,000,000	6,490,000	Variable	2.75	0.42
Series III-D-1	10,000,000	7,010,000	Variable	2.75	0.42
Series IV-C-2	10,000,000	10,000,000	Synthetic Fixed by Swap	3.206	0.47

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-08	Interest Type	Interest Rates as of 6-30-08	Fee Rates as of 6-30-08
School:					
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	6.726	0.47
Justice Center and Juvenile Center:					
Series B-1-D	8,050,000	7,625,000	Variable	2.91	0.45
School:					
Series B-4-B	7,300,000	<u>6,650,000</u>	Variable	2.71	0.4
Total		<u>\$ 66,275,000</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2008, including interest payments and other fees, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 450,000	\$ 20,250	\$ 470,250
Total	<u>\$ 450,000</u>	<u>\$ 20,250</u>	<u>\$ 470,250</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 69,049	\$ 11,711	\$ 80,760
2010	74,049	10,320	84,369
2011	74,049	8,783	82,832
2012	79,048	7,073	86,121
2013	79,048	5,190	84,238
2014-2015	139,048	4,334	143,382
Total	<u>\$ 514,291</u>	<u>\$ 47,411</u>	<u>\$ 561,702</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 1,790,000	\$ 2,575,300	\$ 238,912	\$ 4,604,212
2010	2,315,000	2,526,008	231,408	5,072,416
2011	2,420,000	2,460,348	221,496	5,101,844
2012	2,585,000	2,391,660	211,124	5,187,784
2013	2,700,000	2,318,272	200,040	5,218,312
2014-2018	15,860,000	10,354,764	813,500	27,028,264
2019-2023	22,225,000	7,538,364	441,592	30,204,956
2024-2026	16,380,000	1,847,840	116,324	18,344,164
Total	\$ 66,275,000	\$ 32,012,556	\$ 2,474,396	\$ 100,761,952

There is \$15,491,369 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$5, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$767, 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 63.5 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, 2008, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed Payment to Counterparty	Fixed	4.380 %
Variable Payment from Counterparty	63.5% of LIBOR	<u>(2.724)</u>
Net Interest Rate Swap Payments		1.656 %
Variable-Rate Bond Coupon Payments		<u>1.550</u>
Synthetic Interest Rate on Bonds		<u><u>3.206 %</u></u>

Fair value. As of June 30, 2008, the swap had a negative fair value of \$797,202. 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, 2008, 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 AA by Standard and Poor's and Fitch and Aa3 by Moody's Investor Service as of June 30, 2008. 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 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 63.5 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 3.206 percent as of June 30, 2008. Also, as of June 30, 2008, the BMA rate was 1.55 percent whereas 63.5 percent of LIBOR was 2.724 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, 2008, 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
2009	\$ 0	\$ 155,000	\$ 165,585	\$ 320,585
2010	425,000	155,000	165,585	745,585
2011	455,000	148,413	158,548	761,961
2012	485,000	141,360	151,014	777,374
2013	510,000	133,843	142,983	786,826
2014-2018	3,060,000	540,408	577,312	4,177,720
2019-2020	5,065,000	118,963	127,086	5,311,049
Total	\$ 10,000,000	\$ 1,392,987	\$ 1,488,113	\$ 12,881,100

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 63.5 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, 2008, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed Payment to Counterparty	Fixed	4.450 %
Variable Payment from Counterparty	63.5% of LIBOR	<u>(2.724)</u>
Net Interest Rate Swap Payments		1.726 %
Variable-Rate Bond Coupon Payments		<u>5.000</u>
Synthetic Interest Rate on Bonds		<u>6.726 %</u>

Fair value. As of June 30, 2008, the swap had a negative fair value of \$1,256,041. 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, 2008, 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 AA by Standard and Poor's and Fitch and Aa3 by Moody's Investor Service as of June 30, 2008. 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 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 63.5 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 6.723 percent as of June 30, 2008. Also, as of June 30, 2008, the BMA rate was 5 percent whereas 63.5 percent of LIBOR was 2.724 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, 2008, 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		Total
	Principal	Interest	Payment		
2009	\$ 0	\$ 500,000	\$ 172,585	\$ 672,585	
2010	0	500,000	172,585	672,585	
2011	0	500,000	172,585	672,585	
2012	0	500,000	172,585	672,585	
2013	0	500,000	172,585	672,585	
2014-2018	0	2,500,000	862,925	3,362,925	
2019-2023	0	2,500,000	862,925	3,362,925	
2024-2026	10,000,000	917,000	316,521	11,233,521	
Total	\$ 10,000,000	\$ 8,417,000	\$ 2,905,296	\$ 21,322,296	

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, 2025. As of June 30, 2008, 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>(5.00)</u>
Net Interest Rate Swap Payments		0.25 %
Variable-Rate Bond Coupon Payments		<u>5.00</u>
Synthetic Interest Rate on Bonds		<u><u>5.25 %</u></u>

Fair value. As of June 30, 2008, the swap had a negative fair value of \$1,499,060. 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, 2008, 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 AA by Standard and Poor’s and Fitch and Aa3 by Moody’s Investor Service as of June 30, 2008. 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, 2008, 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
2009	\$ 0	\$ 600,000	\$ 30,000	\$ 630,000
2010	0	600,000	30,000	630,000
2011	0	600,000	30,000	630,000
2012	0	600,000	30,000	630,000
2013	0	600,000	30,000	630,000
2014-2018	0	3,000,000	150,000	3,150,000
2019-2023	4,385,000	2,674,250	133,713	7,192,963
2024-2025	7,615,000	395,750	19,787	8,030,537
Total	<u>\$ 12,000,000</u>	<u>\$ 9,070,000</u>	<u>\$ 453,500</u>	<u>\$ 21,523,500</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2007	\$ 875,000	\$ 583,340	\$ 67,990,000
Additions	0	0	0
Deductions	(425,000)	(69,049)	(1,715,000)
Balance, June 30, 2008	<u>\$ 450,000</u>	<u>\$ 514,291</u>	<u>\$ 66,275,000</u>
Balance Due Within One Year	<u>\$ 450,000</u>	<u>\$ 69,049</u>	<u>\$ 1,790,000</u>

	Capital Leases	Compensated Absences	Other Post- Employment Benefits
Balance, July 1, 2007	\$ 138,162	\$ 908,440	\$ 0
Additions	233,252	862,927	867,000
Deductions	(152,340)	(782,543)	(87,821)
Balance, June 30, 2008	\$ 219,074	\$ 988,824	\$ 779,179
Balance Due Within One Year	\$ 141,401	\$ 503,981	\$ 0

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, 2008	\$ 69,226,368
Less: Balances Due Within One Year	<u>(2,954,431)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 66,271,937</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, 2008, will be retired from the General Purpose School Fund.

The capital outlay note and capital lease outstanding as of June 30, 2008, are as follows:

Type	Interest Rate		Original Amount of Issue	Balance 6-30-08
Capital Outlay Note	0	%	\$ 331,660	\$ 284,280
Capital Lease	4.8		547,182	479,567

The annual requirements to amortize the note outstanding as of June 30, 2008, are presented in the following table:

Year Ending June 30	Note Principal
2009	\$ 47,380
2010	47,380
2011	47,380
2012	47,380
2013	47,380
2014	47,380
Total	\$ 284,280

Debt per capita, including the note and the capital lease, totaled \$9, 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, 2008, was as follows:

Governmental Activities:

	Note	Capital Lease
Balance, July 1, 2007	\$ 331,660	\$ 547,182
Deductions	(47,380)	(67,615)
Balance, June 30, 2008	\$ 284,280	\$ 479,567
Balance Due Within One Year	\$ 47,380	\$ 70,860

	Compensated Absences	Other Post- Employment Benefits
Balance, July 1, 2007	\$ 71,018	\$ 0
Additions	168,144	1,492,000
Deductions	(148,634)	(643,890)
Balance, June 30, 2008	\$ 90,528	\$ 848,110
Balance Due Within One Year	\$ 90,528	\$ 0

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, 2008	\$ 1,702,485
Less: Balances Due Within One Year	<u>(208,786)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 1,493,699</u></u>

H. On-Behalf Payments – Discretely Presented Bradley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bradley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$356,408 and \$41,788, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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 School Department is a member of the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the

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

Bradley County provides 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 (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the county's financial statements. In previous years, Bradley County and the Bradley County School Department had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on

how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Bradley County. GASB Statement No. 48 had no effect on the financial statements of Bradley County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Bradley County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Bradley County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Events

Director of Schools Robert Taylor retired June 30, 2008, and was succeeded by Johnny McDaniel effective July 1, 2008.

On August 25, 2008, Bradley County issued \$6,560,000 in other loans to refinance Other Loan II-G-1.

On September 1, 2008, Bradley County issued \$48,210,000 in other loans to refinance Other Loans III-A-2, III-D-1, IV-C-2, IV-G-1, B-1-D, and B-4-B.

D. 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.

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 48.5 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, \$2,079,981 at June 30, 2008, 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, \$1,180,180 represents expenditures relating to the old landfill, which was closed in October 1996, and \$899,801 relating to the use of 13.2 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 2008. 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, 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 the 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, 2008, 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 and McMinn County are contingently liable for certain revenue bonds of the Hiwassee Utilities Commission. On October 18, 2007, the Hiwassee Utilities Commission issued \$12,000,000 in public improvement bonds. The principal of these bonds is reflected on the financial statements of the Hiwassee Utilities Commission. Bradley County would become liable for one-half of these bonds and the interest thereon, in the event of default by the Hiwassee Utilities Commission. As of June 30, 2008, future principal and interest requirements, which Bradley County would be liable for, were \$6,000,000 and \$6,356,440, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2008.

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, 2008.

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. 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, 2008, was 13.31 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, Bradley County's annual pension cost of \$2,969,309 to TCRS was equal to the 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$2,969,309	100%	\$0
6-30-07	2,689,308	100	0
6-30-06	2,324,876	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 86.81 percent funded. The actuarial accrued liability for benefits was \$49.69 million, and the actuarial value of assets was \$43.14 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.55 million. The covered payroll (annual payroll of active employees covered by the plan) was \$22.05 million, and the ratio of the UAAL to the covered payroll was 29.71 percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

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, 2008, was 6.24 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, 2008, 2007, and 2006, were \$2,054,151, \$1,877,518, and \$1,543,707, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare supplement plan. During the year, \$87,821 was contributed by Bradley County for postemployment health care premiums, and expenditures totaling \$643,890 were recognized for postemployment health care by the Bradley County School Department.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,492,000	\$ 867,000
Interest on the NPO	0	0

Annual OPEB Cost and Net OPEB Obligation (Cont.)

	Local Education Group Plan	Local Government Group Plan
Adjustment to the ARC	\$ 0	\$ 0
Annual OPEB cost	\$ 1,492,000	\$ 867,000
Less: Amount of contribution	(643,890)	(87,821)
Increase/decrease in NPO	\$ 848,110	\$ 779,179
Net OPEB obligation, 7-1-07	0	0
Net OPEB obligation, 6-30-08	<u>\$ 848,110</u>	<u>\$ 779,179</u>

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Teacher Group	\$ 1,492,000	43.16 %	\$ 848,110
6-30-08	Local Government Group	867,000	10.13	779,179

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	6-30-07	6-30-07
Actuarial accrued liability (AAL)	\$ 13,176,000	\$ 5,433,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 13,176,000	\$ 5,433,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 38,883,610	\$ 16,357,042
UAAL as a % of covered payroll	33.89%	33.22%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. 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 postemployment 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 made only when employees choose to accept the incentive. During the year ended June 30, 2008, one School Department employee 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 \$4,000.

K. 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 \$5,000 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 provides 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 payers, and others for services rendered.

Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payers 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. Temporarily restricted net assets are subject to donor imposed restrictions that may or will be met, whether by action of the nursing center or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the nursing center. Generally, the donors of permanently restricted net assets permit the nursing center to use all or part of the income earned on any related investment for general or specific purpose. 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 2008 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	1,734,901
Cash on hand	<u>250</u>
Cash deposits per bank and cash on hand	<u>\$ 1,790,151</u>
Carrying value of deposits	\$ 1,487,101
Cash on hand	<u>250</u>
Total carrying value	\$ 1,487,351
Less limited use assets	<u>(264,497)</u>
Cash per the balance sheet	<u>\$ 1,222,854</u>

C. Inventories

Inventories consist of the following:

General stores	\$ 21,420
Foods and dietary	6,826
Enteral feeding supplies	<u>2,264</u>
Total	<u>\$ 30,510</u>

D. Property and Equipment

Property and equipment consist of the following:

	Balance 7-1-07	Increases/ Decreases	Balance 6-30-08
Land	\$ 1,250	\$ 0	\$ 1,250
Land improvements	258,387	0	258,387

	Balance 7-1-07	Increases/ Decreases	Balance 6-30-08
Buildings	\$ 5,148,679	\$ 27,935	\$ 5,176,614
Fixed equipment	783,205	35,623	818,828
Major movable	1,538,788	57,662	1,596,450
Computer software	40,607	0	40,607
Computer hardware	92,587	11,156	103,743
Construction in Progress	0	13,900	13,900
Vehicles	95,914	10,530	106,444
Total	\$ 7,959,417	\$ 156,806	\$ 8,116,223
Less: Accumulated depreciation	(4,978,252)	(295,624)	(5,273,876)
Property and equipment, net	\$ 2,981,165	\$ (138,818)	\$ 2,842,347

E. Assets Whose Use is Limited

Assets whose use is limited are as follows:

Patient trust funds	\$ 118,962
Scholarship fund	15,141
Activities fund	6,364
Chapel fund	4,837
Country store fund	7,047
Endowment fund	<u>112,146</u>
Total	<u>\$ 264,497</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, 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>\$ 122,000</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 as 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, 2008, follows:

Medicare	\$ 2,497,139
Medicaid	7,632,228
Other	<u>1,144,114</u>
Gross patient service revenues	\$ 11,273,481
Contractual adjustments and uncollectible accounts	<u>571,963</u>
Net patient service revenue	<u><u>\$ 11,845,444</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, 2008, were \$227,675 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 \$104,836 at June 30, 2008. There was no unpaid liability at June 30, 2008.

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 2008, rendering the need for tail coverage unnecessary. Premiums are determined by a variety of factors related to the nursing center.

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, 2008, that have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2009	\$ 15,585
2010	15,585
2011	<u>2,700</u>
Total Minimum Lease Payments	<u><u>\$ 33,870</u></u>

Total rental expense for all operating leases was \$28,096 for 2008, 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, which include 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.

**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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
						Original	Final	
Revenues								
Local Taxes	\$ 14,898,290	\$ 0	\$ 0	\$ 14,898,290	\$ 14,132,388	\$ 14,602,888	\$ 295,402	
Licenses and Permits	370,240	0	0	370,240	381,200	346,891	23,349	
Fines, Forfeitures, and Penalties	661,623	0	0	661,623	398,757	641,197	20,426	
Charges for Current Services	4,169,711	0	0	4,169,711	3,704,363	4,225,793	(56,082)	
Other Local Revenues	913,716	0	0	913,716	829,903	807,017	106,699	
Fees Received from County Officials	2,663,595	0	0	2,663,595	2,520,000	2,774,000	(110,405)	
State of Tennessee	4,345,973	0	0	4,345,973	3,812,841	4,564,590	(218,617)	
Federal Government	466,115	0	0	466,115	121,164	692,824	(226,709)	
Other Governments and Citizens Groups	1,865,503	0	0	1,865,503	1,737,078	1,643,739	221,764	
Total Revenues	\$ 30,354,766	\$ 0	\$ 0	\$ 30,354,766	\$ 27,637,694	\$ 30,298,939	\$ 55,827	
Expenditures								
<u>General Government</u>								
County Commission	\$ 618,714	(11,510)	47,147	654,351	374,430	708,006	53,655	
Board of Equalization	0	0	0	0	2,000	2,000	2,000	
Beer Board	2,165	0	0	2,165	2,500	2,500	335	
Other Boards and Committees	33,246	0	0	33,246	33,497	34,497	1,251	
County Mayor/Executive	251,300	(3,989)	3,432	250,743	266,817	266,817	16,074	
Personnel Office	145,164	(2,719)	58,673	201,118	439,138	209,031	7,913	
Election Commission	259,779	0	614	260,393	279,648	281,719	21,326	
Register of Deeds	104,104	(815)	0	103,289	65,990	157,990	54,701	
Development	156,693	(16,030)	48,641	189,304	201,436	201,471	12,167	
Engineering	292,394	0	0	292,394	282,147	293,032	638	
County Buildings	475,426	(131,932)	30,341	373,835	463,297	463,297	89,462	
<u>Finance</u>								
Accounting and Budgeting	167,833	(1,245)	3,562	170,150	170,659	172,930	2,780	
Property Assessor's Office	674,109	(1,113)	7,613	680,609	718,328	718,678	38,069	

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual		Budgeted Amounts	Variance with Final Budget - Positive (Negative)
				Revenues/ Expenditures			
				(Budgetary Basis)	(Budgetary Basis)		
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 39,826	\$ (2,149)	\$ 0	\$ 37,677	\$ 48,041	\$ 48,041	\$ 10,364
County Trustee's Office	79,394	(318)	544	79,620	81,131	81,131	1,511
County Clerk's Office	168,746	(1,929)	663	167,480	188,570	188,570	21,090
Data Processing	144,750	(5,057)	31,552	171,245	184,492	184,492	13,247
<u>Administration of Justice</u>							
Circuit Court	70,138	0	0	70,138	70,138	70,138	0
Circuit Court Clerk	1,104,366	0	0	1,104,366	1,191,682	1,191,682	87,316
General Sessions Court	13,481	0	0	13,481	15,536	15,536	2,055
General Sessions Judge	422,710	(60)	758	423,408	432,757	432,757	9,349
Drug Court	144,571	0	0	144,571	178,972	178,972	33,865
Chancery Court	46,754	(175)	460	47,039	51,521	53,274	6,235
Juvenile Court	478,688	(4,257)	1,704	476,135	518,353	516,016	39,881
Judicial Commissioners	27,176	0	0	27,176	31,700	31,700	4,524
Other Administration of Justice	103,955	0	0	103,955	101,437	104,937	982
Probation Services	321,263	(14)	0	321,249	280,644	341,843	20,594
<u>Public Safety</u>							
Sheriff's Department	6,568,007	(22,499)	68,374	6,613,882	6,126,438	6,650,598	36,716
Special Patrols	248,310	0	0	248,310	224,477	248,777	467
Traffic Control	25,566	(15,000)	6,300	16,866	20,200	20,200	3,334
Wheel Tax Officer	104,727	(5,020)	0	99,707	465,112	103,572	3,865
Administration of the Sexual Offender Registry	5,185	0	0	5,185	0	7,767	2,582
Jail	5,422,066	(16,905)	26,002	5,431,163	5,195,710	5,535,896	104,733
Correctional Incentive Program Improvements	949,014	(9,713)	2,242	941,543	1,114,170	1,125,497	183,954
Juvenile Services	369,026	0	1,411	370,437	722,324	514,382	143,945
Work Release Program	311,848	(60)	2,000	313,788	336,290	356,247	42,459
Civil Defense	342,020	(7,372)	0	334,648	343,417	349,259	14,611

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual		Budgeted Amounts	Variance with Final Budget - Positive (Negative)
				Revenues/ Expenditures			
				(Budgetary Basis)	(Budgetary Basis)		
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Rescue Squad	\$ 101,355	\$ 0	\$ 60,957	\$ 162,312	\$ 172,913	\$ 205,060	\$ 42,748
Other Emergency Management	284,385	(12,179)	0	272,206	0	350,900	78,694
Inspection and Regulation	189,566	0	0	189,566	199,598	196,413	6,847
County Coroner/Medical Examiner	132,163	0	500	132,663	80,500	137,003	4,340
Public Safety Grant Programs	0	0	0	0	48	0	0
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	388,867	(1,580)	405	387,692	390,563	390,563	2,871
Rabies and Animal Control	318,187	0	0	318,187	318,187	318,187	0
Ambulance/Emergency Medical Services	4,083,462	(55,426)	8,882	4,036,918	3,931,617	4,150,687	113,769
Alcohol and Drug Programs	43,350	0	730	44,080	77,996	59,996	15,916
Other Local Health Services	982,821	(1,200)	10	981,631	1,014,079	1,039,066	57,435
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	75,832	0	0	75,832	75,832	75,832	0
Waste Pickup	985	0	0	985	0	1,000	15
Problem Waste Centers	0	0	0	0	0	5,368	5,368
Recycling Center	27,327	0	0	27,327	26,624	27,483	156
Other Public Health and Welfare	36,526	0	2,817	39,343	19,625	41,589	2,246
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	10,000	0	0	10,000	10,000	10,000	0
Senior Citizens Assistance	91,393	0	0	91,393	91,393	91,393	0
Other Social, Cultural, and Recreational	983,117	(196)	0	982,921	972,956	988,703	5,782
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	258,725	(75)	0	258,650	277,797	277,797	19,147
Soil Conservation	48,756	0	0	48,756	52,864	52,864	4,108

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Storm Water Management	\$ 124,275	\$ (1,100)	\$ 9,900	\$ 133,075	\$ 135,073	\$ 135,073	\$ 1,998
<u>Other Operations</u>							
Tourism	150,000	0	0	150,000	150,000	150,000	0
Industrial Development	150,000	0	0	150,000	150,000	150,000	0
Other Economic and Community Development	578,142	0	0	578,142	0	578,142	0
Public Transportation	33,595	0	0	33,595	33,595	33,595	0
Veterans' Services	104,175	(100)	0	104,075	104,121	106,078	2,003
Other Charges	315,211	0	0	315,211	325,000	325,000	9,789
Contributions to Other Agencies	100,765	0	0	100,765	109,760	110,765	10,000
Miscellaneous	250,000	0	0	250,000	0	250,000	0
Total Expenditures	\$ 31,006,494	\$ (331,737)	\$ 426,234	\$ 31,100,991	\$ 30,328,342	\$ 32,573,273	\$ 1,472,282
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (651,728)	\$ 331,737	\$ (426,234)	\$ (746,225)	\$ (2,690,648)	\$ (2,274,334)	\$ 1,528,109
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 233,252	\$ 0	\$ 0	\$ 233,252	\$ 0	\$ 233,252	\$ 0
Proceeds from Sale of Capital Assets	5,650	0	0	5,650	0	0	5,650
Transfers In	0	0	0	0	200,000	250,000	(250,000)
Transfers Out	(186,500)	0	0	(186,500)	(10,000)	(186,500)	0
Total Other Financing Sources (Uses)	\$ 52,402	\$ 0	\$ 0	\$ 52,402	\$ 190,000	\$ 296,752	\$ (244,350)
Net Change in Fund Balance	\$ (599,326)	\$ 331,737	\$ (426,234)	\$ (693,823)	\$ (2,500,648)	\$ (1,977,582)	\$ 1,283,759
Fund Balance, July 1, 2007	8,120,094	(331,737)	0	7,788,357	5,545,830	5,703,770	2,084,587
Fund Balance, June 30, 2008	\$ 7,520,768	\$ 0	\$ (426,234)	\$ 7,094,534	\$ 3,045,182	\$ 3,726,188	\$ 3,368,346

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,464,805	\$ 2,411,059	\$ 2,408,989	\$ 55,816
Charges for Current Services	0	10	0	0
Other Local Revenues	20,749	17,110	19,200	1,549
State of Tennessee	2,512,981	2,592,950	2,416,700	96,281
Total Revenues	<u>\$ 4,998,535</u>	<u>\$ 5,021,129</u>	<u>\$ 4,844,889</u>	<u>\$ 153,646</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 419,673	\$ 437,188	\$ 438,589	\$ 18,916
Highway and Bridge Maintenance	2,611,126	3,044,291	3,039,341	428,215
Operation and Maintenance of Equipment	465,759	466,926	510,126	44,367
Quarry Operations	0	100	0	0
Litter and Trash Collection	81,211	85,871	86,071	4,860
Other Charges	146,384	155,720	150,800	4,416
Employee Benefits	612,837	671,007	650,083	37,246
Capital Outlay	208,897	471,500	216,500	7,603
<u>Capital Projects</u>				
Highway and Street Capital Projects	252,515	256,549	272,249	19,734
Total Expenditures	<u>\$ 4,798,402</u>	<u>\$ 5,589,152</u>	<u>\$ 5,363,759</u>	<u>\$ 565,357</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 200,133</u>	<u>\$ (568,023)</u>	<u>\$ (518,870)</u>	<u>\$ 719,003</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 41,057	\$ 0	\$ 7,557	\$ 33,500
Total Other Financing Sources (Uses)	<u>\$ 41,057</u>	<u>\$ 0</u>	<u>\$ 7,557</u>	<u>\$ 33,500</u>
Net Change in Fund Balance	\$ 241,190	\$ (568,023)	\$ (511,313)	\$ 752,503
Fund Balance, July 1, 2007	1,912,038	1,298,522	1,298,522	613,516
Fund Balance, June 30, 2008	<u><u>\$ 2,153,228</u></u>	<u><u>\$ 730,499</u></u>	<u><u>\$ 787,209</u></u>	<u><u>\$ 1,366,019</u></u>

Exhibit E-3

Bradley County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 43,144	\$ 49,698	\$ 6,554	86.81 %	\$ 22,057	29.71 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit E-4

Bradley County, Tennessee
Schedule of Funding Progress - Other Postemployment Benefits Plan
Bradley County and the Discretely Presented Bradley County School Department
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date *	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
	(a)	(b)	(b)-(a)	(a/b)	(c)	
Local Government Group Plan	6-30-07 \$ 0	\$ 5,433	\$ 5,433	0 %	\$ 16,357	33.22 %
Local Education Group Plan	6-30-07 0	13,176	13,176	0	38,884	33.89

*Data not available for two preceding years.

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BRADLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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

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.

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

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

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.

Peerless Road Capital Projects Fund – The Peerless Road Capital Projects Fund is used to account for a specific road project.

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

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

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, 2008

	Special Revenue Funds							Total
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri-Business	Special Purpose Fire Tax	Constitutional Officers - Fees	
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 421,213	\$ 421,213
Equity in Pooled Cash and Investments	9,577	143,866	1,028,035	1,117,920	58,538	847,388	0	3,334,346
Accounts Receivable	0	0	0	0	407	0	0	407
Due from Other Governments	0	0	5,309	0	14,628	0	0	19,937
Property Taxes Receivable	0	542,352	0	0	0	1,813,881	0	2,356,233
Allowance for Uncollectible Property Taxes	0	(15,565)	0	0	0	(194,569)	0	(210,134)
Notes Receivable - Long-term	0	0	0	0	0	0	0	0
Total Assets	\$ 9,577	\$ 670,653	\$ 1,033,344	\$ 1,117,920	\$ 73,573	\$ 2,466,700	\$ 421,213	\$ 5,922,002

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Notes Receivable - Long-term

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Due to Other Funds
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues
 Total Liabilities

Fund Balances

Reserved for Encumbrances
 Reserved for Long-term Notes Receivable
 Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 944
0	0	0	0	0	0	0	21,535	88,250
0	504,836	0	0	0	1,344,933	0	0	1,849,769
0	14,188	0	0	0	250,040	0	0	264,228
0	0	0	0	14,628	0	0	0	14,628
\$ 0	\$ 519,024	\$ 0	\$ 0	\$ 14,628	\$ 1,595,917	\$ 21,535	\$ 88,250	\$ 2,239,354
\$ 0	\$ 0	\$ 0	\$ 47,243	\$ 0	\$ 83,846	\$ 0	\$ 0	\$ 131,089
0	0	0	0	0	0	0	0	0
9,577	151,629	1,033,344	1,070,677	58,945	786,937	399,678	40,772	3,551,559
\$ 9,577	\$ 151,629	\$ 1,033,344	\$ 1,117,920	\$ 58,945	\$ 870,783	\$ 399,678	\$ 40,772	\$ 3,682,648
\$ 9,577	\$ 670,653	\$ 1,033,344	\$ 1,117,920	\$ 73,573	\$ 2,466,700	\$ 421,213	\$ 129,022	\$ 5,922,002

(Continued)

Exhibit F-1

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

	Capital Projects Funds										Total Nonmajor Governmental Funds	
	General Capital Projects	Community Development/ Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 421,213
Equity in Pooled Cash and Investments	2,935,686	389,525	275,000	121,865	31,635	69,770	3,823,481	7,157,827				
Accounts Receivable	0	0	0	0	0	0	0	407				
Due from Other Governments	0	0	0	0	0	0	0	19,937				
Property Taxes Receivable	1,738,309	0	0	0	33,028	0	1,771,337	4,127,570				
Allowance for Uncollectible Property Taxes	(49,889)	0	0	0	(948)	0	(50,837)	(260,971)				
Notes Receivable - Long-term	0	0	0	34,325	0	0	34,325	34,325				
Total Assets	\$ 4,624,106	\$ 389,525	\$ 275,000	\$ 156,190	\$ 63,715	\$ 69,770	\$ 5,578,306	\$ 11,500,308				

ASSETS

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 944
Due to Other Funds	0	0	0	0	0	0	0	0	0	0	109,785
Deferred Revenue - Current Property Taxes	1,618,067	0	0	0	30,744	0	1,648,811	3,498,580			
Deferred Revenue - Delinquent Property Taxes	45,476	0	0	0	864	0	46,340	310,568			
Other Deferred Revenues	0	0	0	0	0	0	0	14,628			
Total Liabilities	\$ 1,663,543	\$ 0	\$ 0	\$ 0	\$ 31,608	\$ 0	\$ 1,695,151	\$ 3,934,505			
Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,413	\$ 4,413	\$ 135,502			
Reserved for Encumbrances	0	0	0	34,325	0	0	34,325	34,325			
Reserved for Long-term Notes Receivable	2,960,563	389,525	275,000	121,865	32,107	65,357	3,844,417	7,395,976			
Unreserved	2,960,563	389,525	275,000	156,190	32,107	69,770	3,883,155	7,565,803			
Total Fund Balances	\$ 4,624,106	\$ 389,525	\$ 275,000	\$ 156,190	\$ 63,715	\$ 69,770	\$ 5,578,306	\$ 11,500,308			

Bradley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	Agri- Business
Revenues						
Local Taxes	\$ 464	\$ 538,542	\$ 0	\$ 0	\$ 0	\$ 162,632
Fines, Forfeitures, and Penalties	1,278	0	0	0	237,020	0
Charges for Current Services	4,291	0	218,493	0	0	0
Other Local Revenues	1,000	0	0	0	57,763	0
State of Tennessee	0	16,411	59,717	0	15,509	0
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 7,033	\$ 554,953	\$ 278,210	\$ 0	\$ 310,292	\$ 162,632
Expenditures						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	0	524,739	0
Public Health and Welfare	0	0	61,061	0	16,836	0
Social, Cultural, and Recreational Services	4,829	553,610	0	0	0	145,157
Other Operations	57	10,888	2,955	9	2,526	1,619
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 4,886	\$ 564,498	\$ 64,016	\$ 9	\$ 544,101	\$ 146,776
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 2,147	\$ (9,545)	\$ 214,194	\$ (9)	\$ (233,809)	\$ 15,856
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 2,147	\$ (9,545)	\$ 214,194	\$ (9)	\$ (233,809)	\$ 15,856
Fund Balance, July 1, 2007	7,430	161,174	819,150	9	1,351,729	43,089
Fund Balance, June 30, 2008	\$ 9,577	\$ 151,629	\$ 1,033,344	\$ 0	\$ 1,117,920	\$ 58,945

(Continued)

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

	Special Revenue Funds (Cont.)					Total
	Special Purpose Fire Tax	Other Special Revenue	Constitutional Officers - Fees	Vocational Building		
<u>Revenues</u>						
Local Taxes	\$ 1,554,903	\$ 0	\$ 0	\$ 0	\$ 0	2,256,541
Fines, Forfeitures, and Penalties	0	0	0	0	0	238,298
Charges for Current Services	0	0	1,752,683	0	0	1,975,467
Other Local Revenues	25,988	0	0	85,017	0	169,768
State of Tennessee	0	0	0	0	0	91,637
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 1,580,891	\$ 0	\$ 1,752,683	\$ 85,017	\$ 85,017	\$ 4,731,711
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 290,350	\$ 11,750	\$ 11,750	\$ 302,100
Finance	0	0	1,221,747	0	0	1,221,747
Administration of Justice	0	0	217,546	0	0	217,546
Public Safety	994,399	0	0	0	0	1,519,138
Public Health and Welfare	0	2,198	0	0	0	80,095
Social, Cultural, and Recreational Services	0	0	0	0	0	703,596
Other Operations	30,780	0	0	921	0	49,755
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 1,025,179	\$ 2,198	\$ 1,729,643	\$ 12,671	\$ 12,671	\$ 4,093,977
Excess (Deficiency) of Revenues Over Expenditures	\$ 555,712	\$ (2,198)	\$ 23,040	\$ 72,346	\$ 72,346	\$ 637,734
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	0	(77,875)	(77,875)	(77,875)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (77,875)	\$ (77,875)	\$ (77,875)
Net Change in Fund Balances	\$ 555,712	\$ (2,198)	\$ 23,040	\$ (5,529)	\$ (5,529)	\$ 559,859
Fund Balance, July 1, 2007	315,071	2,198	376,638	46,301	46,301	3,122,789
Fund Balance, June 30, 2008	\$ 870,783	\$ 0	\$ 399,678	\$ 40,772	\$ 40,772	\$ 3,682,648

(Continued)

Exhibit F-2

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

	Capital Projects Funds							Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
Revenues								
Local Taxes	\$ 1,726,243	\$ 0	\$ 0	\$ 0	\$ 31,721	\$ 0	\$ 1,757,964	\$ 4,014,505
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	238,298
Charges for Current Services	0	0	0	0	0	0	0	1,975,467
Other Local Revenues	534,850	0	275,000	5,156	0	14,450	829,456	999,224
State of Tennessee	52,598	0	0	9,226	999	0	62,823	154,460
Federal Government	0	0	0	285,384	0	0	285,384	285,384
Total Revenues	\$ 2,313,691	\$ 0	\$ 275,000	\$ 299,766	\$ 32,720	\$ 14,450	\$ 2,935,627	\$ 7,667,338
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 302,100
Finance	0	0	0	0	0	0	0	1,221,747
Administration of Justice	0	0	0	0	0	0	0	217,546
Public Safety	0	0	0	0	0	0	0	1,519,138
Public Health and Welfare	0	0	0	0	0	0	0	80,095
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	703,596
Other Operations	40,570	0	0	314,897	613	9,294	365,374	415,129
Capital Projects	751,353	0	0	0	0	0	751,353	751,353
Total Expenditures	\$ 791,923	\$ 0	\$ 0	\$ 314,897	\$ 613	\$ 9,294	\$ 1,116,727	\$ 5,210,704
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,521,768	\$ 0	\$ 275,000	\$ (15,131)	\$ 32,107	\$ 5,156	\$ 1,818,900	\$ 2,456,634
Other Financing Sources (Uses)								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
Transfers Out	0	0	0	0	0	0	0	(77,875)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ (67,875)
Net Change in Fund Balances	\$ 1,521,768	\$ 0	\$ 275,000	\$ (15,131)	\$ 32,107	\$ 15,156	\$ 1,828,900	\$ 2,388,759
Fund Balance, July 1, 2007	1,438,795	389,525	0	171,321	0	54,614	2,054,255	5,177,044
Fund Balance, June 30, 2008	\$ 2,960,563	\$ 389,525	\$ 275,000	\$ 156,190	\$ 32,107	\$ 69,770	\$ 3,883,155	\$ 7,565,803

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 464	\$ 500	\$ 500	\$ (36)
Fines, Forfeitures, and Penalties	1,278	1,100	1,100	178
Charges for Current Services	4,291	2,300	3,600	691
Other Local Revenues	1,000	0	1,000	0
Total Revenues	<u>\$ 7,033</u>	<u>\$ 3,900</u>	<u>\$ 6,200</u>	<u>\$ 833</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 4,829	\$ 5,500	\$ 5,542	\$ 713
<u>Other Operations</u>				
Other Charges	57	100	100	43
Total Expenditures	<u>\$ 4,886</u>	<u>\$ 5,600</u>	<u>\$ 5,642</u>	<u>\$ 756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,147</u>	<u>\$ (1,700)</u>	<u>\$ 558</u>	<u>\$ 1,589</u>
Net Change in Fund Balance	\$ 2,147	\$ (1,700)	\$ 558	\$ 1,589
Fund Balance, July 1, 2007	<u>7,430</u>	<u>5,984</u>	<u>5,984</u>	<u>1,446</u>
Fund Balance, June 30, 2008	<u>\$ 9,577</u>	<u>\$ 4,284</u>	<u>\$ 6,542</u>	<u>\$ 3,035</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 538,542	\$ 518,571	\$ 522,976	\$ 15,566
State of Tennessee	16,411	6,600	13,260	3,151
Total Revenues	<u>\$ 554,953</u>	<u>\$ 525,171</u>	<u>\$ 536,236</u>	<u>\$ 18,717</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 553,610	\$ 524,556	\$ 553,613	\$ 3
<u>Other Operations</u>				
Other Charges	10,888	8,250	12,000	1,112
Total Expenditures	<u>\$ 564,498</u>	<u>\$ 532,806</u>	<u>\$ 565,613</u>	<u>\$ 1,115</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,545)</u>	<u>\$ (7,635)</u>	<u>\$ (29,377)</u>	<u>\$ 19,832</u>
Net Change in Fund Balance	\$ (9,545)	(7,635)	(29,377)	19,832
Fund Balance, July 1, 2007	161,174	162,031	162,031	(857)
Fund Balance, June 30, 2008	<u>\$ 151,629</u>	<u>\$ 154,396</u>	<u>\$ 132,654</u>	<u>\$ 18,975</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 218,493	\$ 250,000	\$ 250,000	\$ (31,507)
State of Tennessee	59,717	84,840	64,000	(4,283)
Total Revenues	<u>\$ 278,210</u>	<u>\$ 334,840</u>	<u>\$ 314,000</u>	<u>\$ (35,790)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Waste Collection	\$ 61,061	\$ 359,000	\$ 64,000	\$ 2,939
<u>Other Operations</u>				
Other Charges	2,955	1,300	3,300	345
Total Expenditures	<u>\$ 64,016</u>	<u>\$ 360,300</u>	<u>\$ 67,300</u>	<u>\$ 3,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 214,194</u>	<u>\$ (25,460)</u>	<u>\$ 246,700</u>	<u>\$ (32,506)</u>
Net Change in Fund Balance	\$ 214,194	\$ (25,460)	\$ 246,700	\$ (32,506)
Fund Balance, July 1, 2007	819,150	798,948	798,948	20,202
Fund Balance, June 30, 2008	<u>\$ 1,033,344</u>	<u>\$ 773,488</u>	<u>\$ 1,045,648</u>	<u>\$ (12,304)</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 9	\$ 0	\$ 9	\$ 0
Total Expenditures	\$ 9	\$ 0	\$ 9	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (9)	\$ 0	\$ (9)	\$ 0
Net Change in Fund Balance	\$ (9)	\$ 0	\$ (9)	\$ 0
Fund Balance, July 1, 2007	9	0	9	0
Fund Balance, June 30, 2008	\$ 0	\$ 0	\$ 0	\$ 0

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 237,020	\$ 0	\$ 0	\$ 237,020	\$ 631,889	\$ 112,417	\$ 124,603
Other Local Revenues	57,763	0	0	57,763	500	58,400	(637)
State of Tennessee	15,509	0	0	15,509	0	15,500	9
Total Revenues	\$ 310,292	\$ 0	\$ 0	\$ 310,292	\$ 632,389	\$ 186,317	\$ 123,975
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 131,769	(9,967)	\$ 47,243	\$ 169,045	\$ 158,320	\$ 210,258	\$ 41,213
Drug Enforcement	392,970	0	0	392,970	392,991	393,217	247
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	16,836	0	0	16,836	31,000	36,000	19,164
<u>Other Operations</u>							
Other Charges	2,526	0	0	2,526	1,000	2,526	0
Total Expenditures	\$ 544,101	(9,967)	\$ 47,243	\$ 581,377	\$ 583,311	\$ 642,001	\$ 60,624
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,809)	\$ 9,967	\$ (47,243)	\$ (271,085)	\$ 49,078	\$ (455,684)	\$ 184,599
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (233,809)	\$ 9,967	\$ (47,243)	\$ (271,085)	\$ 49,078	\$ (455,684)	\$ 184,599
	1,351,729	(9,967)	0	1,341,762	1,198,289	1,198,289	143,473
Fund Balance, June 30, 2008	\$ 1,117,920	\$ 0	\$ (47,243)	\$ 1,070,677	\$ 1,247,367	\$ 742,605	\$ 328,072

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 162,632	\$ 140,000	\$ 140,000	\$ 22,632
Total Revenues	\$ 162,632	\$ 140,000	\$ 140,000	\$ 22,632
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 145,157	\$ 144,943	\$ 145,157	\$ 0
<u>Other Operations</u>				
Other Charges	1,619	1,400	1,620	1
Total Expenditures	\$ 146,776	\$ 146,343	\$ 146,777	\$ 1
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,856	\$ (6,343)	\$ (6,777)	\$ 22,633
Net Change in Fund Balance	\$ 15,856	\$ (6,343)	\$ (6,777)	\$ 22,633
Fund Balance, July 1, 2007	43,089	18,377	18,377	24,712
Fund Balance, June 30, 2008	\$ 58,945	\$ 12,034	\$ 11,600	\$ 47,345

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,554,903	0	0	\$ 1,554,903	\$ 1,381,578	\$ 1,484,000	\$ 70,903
Other Local Revenues	25,988	0	0	25,988	25,000	26,055	(67)
State of Tennessee	0	0	0	0	17,200	0	0
<u>Total Revenues</u>	<u>\$ 1,580,891</u>	<u>0</u>	<u>0</u>	<u>\$ 1,580,891</u>	<u>\$ 1,423,778</u>	<u>\$ 1,510,055</u>	<u>\$ 70,836</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 994,399	(46,002)	83,846	\$ 1,032,243	\$ 1,154,791	\$ 1,159,663	\$ 127,420
<u>Other Operations</u>							
Other Charges	30,780	0	0	30,780	10,000	30,780	0
<u>Total Expenditures</u>	<u>\$ 1,025,179</u>	<u>(46,002)</u>	<u>83,846</u>	<u>\$ 1,063,023</u>	<u>\$ 1,164,791</u>	<u>\$ 1,190,443</u>	<u>\$ 127,420</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 555,712</u>	<u>46,002</u>	<u>(83,846)</u>	<u>\$ 517,868</u>	<u>\$ 258,987</u>	<u>\$ 319,612</u>	<u>\$ 198,256</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	0	0	0	0	(168,132)	(168,132)	168,132
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>\$ 0</u>	<u>(168,132)</u>	<u>(168,132)</u>	<u>168,132</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2007</u>	<u>\$ 555,712</u>	<u>46,002</u>	<u>(83,846)</u>	<u>\$ 517,868</u>	<u>\$ 90,855</u>	<u>\$ 151,480</u>	<u>\$ 366,388</u>
	315,071	(46,002)	0	269,069	250,697	250,697	18,372
<u>Fund Balance, June 30, 2008</u>	<u>\$ 870,783</u>	<u>0</u>	<u>(83,846)</u>	<u>\$ 786,937</u>	<u>\$ 341,552</u>	<u>\$ 402,177</u>	<u>\$ 384,760</u>

Exhibit F-10

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Local Health Services	\$ 2,198	\$ 0	\$ 2,198	\$ 0
Total Expenditures	\$ 2,198	\$ 0	\$ 2,198	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,198)	\$ 0	\$ (2,198)	\$ 0
Net Change in Fund Balance	\$ (2,198)	\$ 0	\$ (2,198)	\$ 0
Fund Balance, July 1, 2007	2,198	0	2,198	0
Fund Balance, June 30, 2008	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit F-11

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 85,017	0	\$ 85,017	\$ 85,017	\$ 85,017	\$ 0
Total Revenues	\$ 85,017	0	\$ 85,017	\$ 85,017	\$ 85,017	\$ 0
<u>Expenditures</u>						
<u>General Government</u>						
Other Facilities	\$ 11,750	(26)	\$ 11,724	\$ 3,000	\$ 13,200	\$ 1,476
<u>Other Operations</u>						
Other Charges	921	0	921	850	922	1
Total Expenditures	\$ 12,671	(26)	\$ 12,645	\$ 3,850	\$ 14,122	\$ 1,477
Excess (Deficiency) of Revenues Over Expenditures	\$ 72,346	26	\$ 72,372	\$ 81,167	\$ 70,895	\$ 1,477
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (77,875)	0	\$ (77,875)	\$ (77,875)	\$ (77,875)	\$ 0
Total Other Financing Sources (Uses)	\$ (77,875)	0	\$ (77,875)	\$ (77,875)	\$ (77,875)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (5,529)	26	\$ (5,503)	\$ 3,292	\$ (6,980)	\$ 1,477
	46,301	(26)	46,275	45,151	45,151	1,124
Fund Balance, June 30, 2008	\$ 40,772	0	\$ 40,772	\$ 48,443	\$ 38,171	\$ 2,601

Major Governmental Fund

General Debt Service Fund

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

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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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,808,627	\$ 4,748,197	\$ 4,761,197	\$ 47,430
Other Local Revenues	748,112	714,928	814,928	(66,816)
State of Tennessee	146,537	104,000	126,000	20,537
Total Revenues	\$ 5,703,276	\$ 5,567,125	\$ 5,702,125	\$ 1,151
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 102,116	\$ 124,605	\$ 124,605	\$ 22,489
<u>Principal on Debt</u>				
General Government	594,049	669,711	669,711	75,662
Education	1,615,000	1,760,000	1,760,000	145,000
<u>Interest on Debt</u>				
General Government	872,807	886,517	886,517	13,710
Education	2,416,712	2,773,350	2,773,350	356,638
<u>Other Debt Service</u>				
General Government	34,588	34,827	34,827	239
Education	518,671	122,024	522,024	3,353
<u>Capital Projects</u>				
Public Safety Projects	175,474	0	175,474	0
Total Expenditures	\$ 6,329,417	\$ 6,371,034	\$ 6,946,508	\$ 617,091
Excess (Deficiency) of Revenues Over Expenditures	\$ (626,141)	\$ (803,909)	\$ (1,244,383)	\$ 618,242
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 254,375	\$ 538,117	\$ 562,166	\$ (307,791)
Total Other Financing Sources (Uses)	\$ 254,375	\$ 538,117	\$ 562,166	\$ (307,791)
Net Change in Fund Balance	\$ (371,766)	\$ (265,792)	\$ (682,217)	\$ 310,451
Fund Balance, July 1, 2007	15,863,135	24,343,875	23,686,499	(7,823,364)
Fund Balance, June 30, 2008	\$ 15,491,369	\$ 24,078,083	\$ 23,004,282	\$ (7,512,913)

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Fiduciary Funds

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

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

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Exhibit H-1

Bradley County, Tennessee
Combining Statement of Assets and Liabilities
All Agency Funds
June 30, 2008

	Agency Funds					Total
	Cities - Sales Tax	Inside Urban Fringe Area Fire Tax	City School ADA - Cleveland	Constitu- tional Officers - Agency		
\$	0	0	0	0	4,645,900	\$ 4,645,900
	0	182,701	0	0	182,701	\$ 182,701
	1,426,917	0	657,649	0	2,084,566	\$ 2,084,566
	0	0	240	0	240	\$ 240
	0	2,118,881	5,225,388	0	7,344,269	\$ 7,344,269
	0	(229,491)	(149,982)	0	(379,473)	\$ (379,473)
	\$ 1,426,917	\$ 2,072,091	\$ 5,733,295	\$ 4,645,900	\$ 13,878,203	\$ 13,878,203

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Due from Other Governments	
Due from Other Funds	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES

Due to Other Funds	
Due to Other Taxing Units	
Due to Litigants, Heirs, and Others	
Total Liabilities	

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 24,100	\$ 7,988,745	\$ 8,012,845	\$ 0
Due from Other Governments	1,383,505	1,426,917	1,383,505	1,426,917
Total Assets	\$ 1,407,605	\$ 9,415,662	\$ 9,396,350	\$ 1,426,917
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,407,605	\$ 9,415,662	\$ 9,396,350	\$ 1,426,917
Total Liabilities	\$ 1,407,605	\$ 9,415,662	\$ 9,396,350	\$ 1,426,917
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 17,063	\$ 2,014,312	\$ 1,848,674	\$ 182,701
Taxes Receivable	2,130,338	2,118,881	2,130,338	2,118,881
Allowance for Uncollectible Taxes	(167,201)	(229,491)	(167,201)	(229,491)
Total Assets	\$ 1,980,200	\$ 3,903,702	\$ 3,811,811	\$ 2,072,091
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,730,200	\$ 3,653,702	\$ 3,561,811	\$ 1,822,091
Due to Litigants, Heirs, and Others	250,000	250,000	250,000	250,000
Total Liabilities	\$ 1,980,200	\$ 3,903,702	\$ 3,811,811	\$ 2,072,091
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,262	\$ 8,907,846	\$ 8,919,108	\$ 0
Due from Other Governments	639,502	657,649	639,502	657,649
Due from Other Funds	271	240	271	240
Taxes Receivable	5,330,049	5,225,388	5,330,049	5,225,388
Allowance for Uncollectible Taxes	(190,369)	(149,982)	(190,369)	(149,982)
Total Assets	\$ 5,790,715	\$ 14,641,141	\$ 14,698,561	\$ 5,733,295
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,790,715	\$ 14,641,141	\$ 14,698,561	\$ 5,733,295
Total Liabilities	\$ 5,790,715	\$ 14,641,141	\$ 14,698,561	\$ 5,733,295

(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	\$ 5,035,526	\$ 21,664,707	\$ 22,054,333	\$ 4,645,900
Total Assets	\$ 5,035,526	\$ 21,664,707	\$ 22,054,333	\$ 4,645,900
<u>Liabilities</u>				
Due to Other Funds	\$ 271	\$ 240	\$ 271	\$ 240
Due to Component Unit	584	0	584	0
Due to Litigants, Heirs, and Others	5,034,671	21,664,467	22,053,478	4,645,660
Total Liabilities	\$ 5,035,526	\$ 21,664,707	\$ 22,054,333	\$ 4,645,900
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,035,526	\$ 21,664,707	\$ 22,054,333	\$ 4,645,900
Equity in Pooled Cash and Investments	52,425	18,910,903	18,780,627	182,701
Due from Other Governments	2,023,007	2,084,566	2,023,007	2,084,566
Due from Other Funds	271	240	271	240
Taxes Receivable	7,460,387	7,344,269	7,460,387	7,344,269
Allowance for Uncollectible Taxes	(357,570)	(379,473)	(357,570)	(379,473)
Total Assets	\$ 14,214,046	\$ 49,625,212	\$ 49,961,055	\$ 13,878,203
<u>Liabilities</u>				
Due to Other Funds	\$ 271	\$ 240	\$ 271	\$ 240
Due to Component Unit	584	0	584	0
Due to Other Taxing Units	8,928,520	27,710,505	27,656,722	8,982,303
Due to Litigants, Heirs, and Others	5,284,671	21,914,467	22,303,478	4,895,660
Total Liabilities	\$ 14,214,046	\$ 49,625,212	\$ 49,961,055	\$ 13,878,203

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Bradley County School Department

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.

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.

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Exhibit I-1

Bradley County, Tennessee
Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 43,579,730	\$ 12,951	\$ 3,026,911	0	\$ (40,539,868)
Support Services	21,014,952	9,004	3,044,823	0	(17,961,125)
Operation of Non-Instructional Services	7,167,321	2,143,937	3,956,602	400,000	(666,782)
Total Governmental Activities	\$ 71,762,003	\$ 2,165,892	\$ 10,028,336	\$ 400,000	\$ (59,167,775)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,169,146
Local Option Sales Taxes					8,025,284
Other Local Taxes					7,399
Grants and Contributions Not Restricted to Specific Programs					38,492,083
Unrestricted Investment Earnings					207,630
Miscellaneous					26,109
Total General Revenues					\$ 57,927,651
Change in Net Assets					\$ (1,240,124)
Net Assets, July 1, 2007					66,632,494
Net Assets, June 30, 2008					\$ 65,392,370

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2008

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total Govern- mental Funds</u>
	General Purpose School	Other Govern- mental Funds	
<u>ASSETS</u>			
Cash	\$ 0	\$ 6,952	\$ 6,952
Equity in Pooled Cash and Investments	8,426,388	948,715	9,375,103
Inventories	0	101,093	101,093
Due from Other Governments	2,731,352	505,260	3,236,612
Property Taxes Receivable	11,304,198	0	11,304,198
Allowance for Uncollectible Property Taxes	(324,415)	0	(324,415)
Total Assets	<u>\$ 22,137,523</u>	<u>\$ 1,562,020</u>	<u>\$ 23,699,543</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 763,971	\$ 27,358	\$ 791,329
Accrued Payroll	5,072,912	337,806	5,410,718
Payroll Deductions Payable	0	666	666
Deferred Revenue - Current Property Taxes	10,522,297	0	10,522,297
Deferred Revenue - Delinquent Property Taxes	295,708	0	295,708
Other Deferred Revenues	701,764	0	701,764
Total Liabilities	<u>\$ 17,356,652</u>	<u>\$ 365,830</u>	<u>\$ 17,722,482</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 187,514	\$ 0	\$ 187,514
Reserved for Inventory	0	101,093	101,093
Other Local Education Reserves	760,000	0	760,000
Reserved for Career Ladder - Extended Contract	35,628	0	35,628
Reserved for Career Ladder Program	19,802	0	19,802
Reserved for Title I Grants to Local Education Agencies	0	137,478	137,478
Reserved for Innovative Education Program Strategies	0	21,766	21,766
Reserved for Special Education - Grants to States	0	3,183	3,183
Other Federal Reserves	0	930	930
Unreserved, Reported In:			
General Fund	3,777,927	0	3,777,927
Special Revenue Funds	0	884,550	884,550
Capital Projects Funds	0	47,190	47,190
Total Fund Balances	<u>\$ 4,780,871</u>	<u>\$ 1,196,190</u>	<u>\$ 5,977,061</u>
Total Liabilities and Fund Balances	<u>\$ 22,137,523</u>	<u>\$ 1,562,020</u>	<u>\$ 23,699,543</u>

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, 2008

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)		\$ 5,977,061	
(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	979,700		
Add: buildings and improvements net of accumulated depreciation	57,531,467		
Add: other capital assets net of accumulated depreciation	<u>320,195</u>	60,126,077	
(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	\$ (284,280)		
Less: capital lease payable	(479,567)		
Less: compensated absences payable	(90,528)		
Less: other postemployment benefits	(848,110)		
Less: accrued interest on note and capital lease	<u>(5,755)</u>	(1,708,240)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>997,472</u>
Net assets of governmental activities (Exhibit A)			<u><u>\$ 65,392,370</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, 2008

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 19,210,295	\$ 0	\$ 19,210,295
Licenses and Permits	5,042	0	5,042
Charges for Current Services	20,704	2,143,937	2,164,641
Other Local Revenues	253,870	49,920	303,790
State of Tennessee	39,471,720	0	39,471,720
Federal Government	3,317,302	5,381,960	8,699,262
Other Governments and Citizens Groups	0	400,000	400,000
Total Revenues	<u>\$ 62,278,933</u>	<u>\$ 7,975,817</u>	<u>\$ 70,254,750</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 38,535,245	\$ 1,680,484	\$ 40,215,729
Support Services	21,355,464	1,482,510	22,837,974
Operation of Non-Instructional Services	1,429,415	4,640,835	6,070,250
Capital Outlay	1,522,470	0	1,522,470
Capital Projects	0	5,952,703	5,952,703
Total Expenditures	<u>\$ 62,842,594</u>	<u>\$ 13,756,532</u>	<u>\$ 76,599,126</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (563,661)</u>	<u>\$ (5,780,715)</u>	<u>\$ (6,344,376)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 44,318	\$ 0	\$ 44,318
Transfers Out	0	(44,318)	(44,318)
Total Other Financing Sources (Uses)	<u>\$ 44,318</u>	<u>\$ (44,318)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (519,343)	\$ (5,825,033)	\$ (6,344,376)
Fund Balance, July 1, 2007	5,300,214	7,021,223	12,321,437
Fund Balance, June 30, 2008	<u>\$ 4,780,871</u>	<u>\$ 1,196,190</u>	<u>\$ 5,977,061</u>

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, 2008

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)		\$ (6,344,376)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these 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	\$ 8,074,848	
Less: current year depreciation expense	<u>(2,204,173)</u>	5,870,675
(2) 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, 2008	\$ 997,472	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(1,012,081)</u>	(14,609)
(3) 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.		
Add: principal payments on note	\$ 47,380	
Add: principal payments on capital lease	<u>67,615</u>	114,995
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	\$ (19,510)	
Change in other postemployment benefits	(848,110)	
Change in accrued interest on capital lease	<u>811</u>	<u>(866,809)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,240,124)</u>

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2008

	<u>Special Revenue Funds</u>			Total	
	School Federal Projects	Central Cafeteria	Education Capital Projects		Nonmajor Governmental Funds
\$	0 \$	6,952 \$	0 \$	6,952	
Equity in Pooled Cash and Investments	204,721	696,804	47,190	948,715	
Inventories	0	101,093	0	101,093	
Due from Other Governments	297,108	208,152	0	505,260	
Total Assets	\$ 501,829 \$	1,013,001 \$	47,190 \$	1,562,020	

ASSETS

Cash	0 \$	6,952 \$	0 \$	6,952
Equity in Pooled Cash and Investments	204,721	696,804	47,190	948,715
Inventories	0	101,093	0	101,093
Due from Other Governments	297,108	208,152	0	505,260

Total Assets

LIABILITIES AND FUND BALANCES

Accounts Payable	0 \$	27,358 \$	0 \$	27,358
Accrued Payroll	337,806	0	0	337,806
Payroll Deductions Payable	666	0	0	666
Total Liabilities	\$ 338,472 \$	27,358 \$	0 \$	365,830
Fund Balances	0 \$	101,093 \$	0 \$	101,093
Reserved for Inventory	137,478	0	0	137,478
Reserved for Title I Grants to Local Education Agencies	21,766	0	0	21,766
Reserved for Innovative Education Program Strategies	3,183	0	0	3,183
Reserved for Special Education - Grants to States	930	0	0	930
Other Federal Reserves	0	884,550	47,190	931,740
Unreserved	163,357 \$	985,643 \$	47,190 \$	1,196,190
Total Fund Balances	\$ 501,829 \$	1,013,001 \$	47,190 \$	1,562,020

Total Liabilities and Fund Balances

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, 2008

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 2,143,937	\$ 2,143,937	\$ 0	\$ 2,143,937
Other Local Revenues	0	46,999	46,999	2,921	49,920
Federal Government	3,071,920	2,310,040	5,381,960	0	5,381,960
Other Governments and Citizens Groups	0	0	0	400,000	400,000
Total Revenues	<u>\$ 3,071,920</u>	<u>\$ 4,500,976</u>	<u>\$ 7,572,896</u>	<u>\$ 402,921</u>	<u>\$ 7,975,817</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,680,484	\$ 0	\$ 1,680,484	\$ 0	\$ 1,680,484
Support Services	1,482,510	0	1,482,510	0	1,482,510
Operation of Non-Instructional Services	0	4,640,835	4,640,835	0	4,640,835
Capital Projects	0	0	0	5,952,703	5,952,703
Total Expenditures	<u>\$ 3,162,994</u>	<u>\$ 4,640,835</u>	<u>\$ 7,803,829</u>	<u>\$ 5,952,703</u>	<u>\$ 13,756,532</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ (91,074)</u>	<u>\$ (139,859)</u>	<u>\$ (230,933)</u>	<u>\$ (5,549,782)</u>	<u>\$ (5,780,715)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (44,318)	\$ 0	\$ (44,318)	\$ 0	\$ (44,318)
Total Other Financing Sources (Uses)	<u>\$ (44,318)</u>	<u>\$ 0</u>	<u>\$ (44,318)</u>	<u>\$ 0</u>	<u>\$ (44,318)</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2007	<u>298,749</u>	<u>1,125,502</u>	<u>1,424,251</u>	<u>5,596,972</u>	<u>7,021,223</u>
Fund Balance, June 30, 2008	<u>\$ 163,357</u>	<u>\$ 985,643</u>	<u>\$ 1,149,000</u>	<u>\$ 47,190</u>	<u>\$ 1,196,190</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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 19,210,295	\$ 0	\$ 0	\$ 19,210,295	\$ 19,042,279	\$ 19,042,279	\$ 168,016
Licenses and Permits	5,042	0	0	5,042	5,000	5,000	42
Charges for Current Services	20,704	0	0	20,704	21,000	21,000	(296)
Other Local Revenues	253,870	0	0	253,870	300,000	300,000	(46,130)
State of Tennessee	39,471,720	0	0	39,471,720	34,860,000	39,016,961	454,759
Federal Government	3,317,302	0	0	3,317,302	304,000	3,295,000	22,302
Total Revenues	\$ 62,278,933	\$ 0	\$ 0	\$ 62,278,933	\$ 54,532,279	\$ 61,680,240	\$ 598,693
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 33,096,438	\$ 0	\$ 0	\$ 33,096,438	\$ 32,794,701	\$ 33,995,730	\$ 899,292
Special Education Program	2,811,539	0	0	2,811,539	2,863,400	2,846,700	35,161
Vocational Education Program	2,377,274	0	0	2,377,274	2,311,150	2,404,100	26,826
Adult Education Program	249,994	0	0	249,994	180,600	256,600	6,606
<u>Support Services</u>							
Attendance	129,579	0	0	129,579	104,525	137,600	8,021
Health Services	510,792	0	0	510,792	297,400	512,250	1,458
Other Student Support	1,542,389	0	0	1,542,389	1,375,600	1,595,915	53,526
Regular Instruction Program	1,721,194	0	0	1,721,194	1,700,750	1,782,600	61,406
Special Education Program	604,180	0	0	604,180	586,650	632,775	28,595
Vocational Education Program	106,341	0	0	106,341	111,650	113,100	6,759
Other Programs	3,038,196	0	0	3,038,196	0	3,038,196	0
Board of Education	689,944	0	0	689,944	832,430	832,430	142,486
Director of Schools	336,623	0	0	336,623	336,780	338,675	2,052
Office of the Principal	3,150,381	0	0	3,150,381	3,205,900	3,231,400	81,019
Fiscal Services	306,831	0	0	306,831	270,200	321,325	14,494

(Continued)

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 7/1/2007	Add: Encumbrances 6/30/2008	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	\$ 4,043,022	\$ 0	\$ 0	\$ 4,043,022	\$ 4,115,100	\$ 4,122,200	\$ 79,178
Maintenance of Plant	2,635,980	0	0	2,635,980	1,039,500	2,642,867	6,887
Transportation	1,970,651	0	0	1,970,651	1,942,400	1,993,300	22,649
Central and Other	569,361	0	0	569,361	433,350	591,300	21,939
<u>Operation of Non-Instructional Services</u>							
Food Service	67,113	0	0	67,113	70,750	71,300	4,187
Community Services	328,113	0	0	328,113	0	330,000	1,887
Early Childhood Education	1,034,189	0	0	1,034,189	0	1,148,000	113,811
Capital Outlay							
Regular Capital Outlay	1,522,470	(683,019)	187,514	1,026,965	1,450,000	1,039,093	12,128
Total Expenditures	\$ 62,842,594	\$ (683,019)	\$ 187,514	\$ 62,347,089	\$ 56,022,836	\$ 63,977,456	\$ 1,630,367
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (563,661)	\$ 683,019	\$ (187,514)	\$ (68,156)	\$ (1,490,557)	\$ (2,297,216)	\$ 2,229,060
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 44,318	\$ 0	\$ 0	\$ 44,318	\$ 20,000	\$ 20,000	\$ 24,318
Total Other Financing Sources (Uses)	\$ 44,318	\$ 0	\$ 0	\$ 44,318	\$ 20,000	\$ 20,000	\$ 24,318
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (519,343)	\$ 683,019	\$ (187,514)	\$ (23,838)	\$ (1,470,557)	\$ (2,277,216)	\$ 2,253,378
Fund Balance, July 1, 2007	5,300,214	(683,019)	0	4,617,195	5,680,102	5,255,102	(637,907)
Fund Balance, June 30, 2008	\$ 4,780,871	\$ 0	\$ (187,514)	\$ 4,593,357	\$ 4,209,545	\$ 2,977,886	\$ 1,615,471

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,071,920	\$ 5,720,465	\$ 5,728,415	\$ (2,656,495)
Total Revenues	\$ 3,071,920	\$ 5,720,465	\$ 5,728,415	\$ (2,656,495)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 778,603	\$ 867,326	\$ 867,326	\$ 88,723
Special Education Program	803,259	2,434,309	2,434,309	1,631,050
Vocational Education Program	98,622	89,454	98,622	0
<u>Support Services</u>				
Other Student Support	498,961	573,716	573,716	74,755
Regular Instruction Program	114,663	107,645	114,663	0
Special Education Program	820,444	1,807,512	1,807,512	987,068
Transportation	48,442	50,000	50,000	1,558
Total Expenditures	\$ 3,162,994	\$ 5,929,962	\$ 5,946,148	\$ 2,783,154
Excess (Deficiency) of Revenues Over Expenditures	\$ (91,074)	\$ (209,497)	\$ (217,733)	\$ 126,659
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (44,318)	\$ (89,455)	\$ (89,455)	\$ 45,137
Total Other Financing Sources (Uses)	\$ (44,318)	\$ (89,455)	\$ (89,455)	\$ 45,137
Net Change in Fund Balance	\$ (135,392)	\$ (298,952)	\$ (307,188)	\$ 171,796
Fund Balance, July 1, 2007	298,749	298,952	307,188	(8,439)
Fund Balance, June 30, 2008	\$ 163,357	\$ 0	\$ 0	\$ 163,357

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,143,937	\$ 2,460,000	\$ 2,460,000	\$ (316,063)
Other Local Revenues	46,999	60,000	60,000	(13,001)
Federal Government	2,310,040	2,350,000	2,350,000	(39,960)
Total Revenues	<u>\$ 4,500,976</u>	<u>\$ 4,870,000</u>	<u>\$ 4,870,000</u>	<u>\$ (369,024)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,640,835	\$ 4,870,000	\$ 4,870,000	\$ 229,165
Total Expenditures	<u>\$ 4,640,835</u>	<u>\$ 4,870,000</u>	<u>\$ 4,870,000</u>	<u>\$ 229,165</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (139,859)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (139,859)</u>
Net Change in Fund Balance	\$ (139,859)	\$ 0	\$ 0	\$ (139,859)
Fund Balance, July 1, 2007	<u>1,125,502</u>	<u>0</u>	<u>0</u>	<u>1,125,502</u>
Fund Balance, June 30, 2008	<u>\$ 985,643</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 985,643</u>

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MISCELLANEOUS SCHEDULES

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Exhibit J-1

Bradley County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Matured During Period	Outstanding 6-30-08
<u>PRIMARY GOVERNMENT</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Bond, Series 1999	\$ 3,065,000	4.5 to 5.125 %	2-1-1999	5-1-09	\$ 875,000	\$ 0	\$ 425,000	\$ 450,000
Total Bonds Payable	\$ 3,065,000				\$ 875,000	\$ 0	\$ 425,000	\$ 450,000
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Baseball Facility - BCHS	500,000	2.25 to 3.7	11-18-04	11-1-14	\$ 415,000	\$ 0	\$ 45,000	\$ 370,000
Energy Efficiency	168,340	0	6-4-07	6-4-14	168,340	0	24,049	144,291
Total Notes Payable	\$ 668,340				\$ 583,340	\$ 0	\$ 69,049	\$ 514,291
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School - Series II-G-1	10,000,000	Variable	12-11-1997	6-1-20	\$ 6,975,000	\$ 0	\$ 475,000	\$ 6,500,000
School - Series III-A-2	10,000,000	Variable	3-19-1998	6-1-20	6,970,000	0	480,000	6,490,000
School - Series III-D-1	10,000,000	Variable	1-21-1999	6-1-20	7,445,000	0	435,000	7,010,000
School - Series IV-C-2	10,000,000	Variable	6-26-00	6-1-20	10,000,000	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	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	10,000,000
Justice Center and Juvenile Center - Series B-1-D	8,050,000	Variable	2-28-03	6-1-26	7,725,000	0	100,000	7,625,000
School - Series B-4-B	7,300,000	Variable	1-29-04	6-1-26	6,875,000	0	225,000	6,650,000
Total Other Loans Payable	\$ 67,990,000				\$ 67,990,000	\$ 0	\$ 1,715,000	\$ 66,275,000

(Continued)

Exhibit J-1

Bradley County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
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 7-1-07	Issued During Period	Paid and/or Mated During Period	Outstanding 6-30-08
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Fund								
Van - Sheriff's Department	\$ 18,219	5 %	2-13-06	2-13-08	\$ 6,068	0 \$	6,068 \$	0
Patrol Cars	203,740	5.6	8-28-06	8-28-08	132,094	0	64,248	67,846
Patrol Cars	233,252	5.6	12-28-07	12-28-09	0	233,252	82,024	151,228
Total Capital Leases Payable					\$ 138,162	233,252 \$	152,340 \$	219,074
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
Payable through General Purpose School Fund								
Lighting Project	331,660	0	6-4-07	6-15-14	\$ 331,660	0 \$	47,380 \$	284,280
Total Note Payable					\$ 331,660	0 \$	47,380 \$	284,280
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Purpose School Fund								
Lighting Project	547,182	4.8	5-18-07	4-1-14	\$ 547,182	0 \$	67,615 \$	479,567
Total Capital Leases Payable					\$ 547,182	0 \$	67,615 \$	479,567

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 450,000	\$ 20,250	\$ 470,250
Total	\$ 450,000	\$ 20,250	\$ 470,250

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 69,049	\$ 11,711	\$ 80,760
2010	74,049	10,320	84,369
2011	74,049	8,783	82,832
2012	79,048	7,073	86,121
2013	79,048	5,190	84,238
2014	79,048	3,224	82,272
2015	60,000	1,110	61,110
Total	\$ 514,291	\$ 47,411	\$ 561,702

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2009	\$ 1,790,000	\$ 2,575,300	\$ 238,912	\$ 4,604,212
2010	2,315,000	2,526,008	231,408	5,072,416
2011	2,420,000	2,460,348	221,496	5,101,844
2012	2,585,000	2,391,660	211,124	5,187,784
2013	2,700,000	2,318,272	200,040	5,218,312
2014	2,850,000	2,241,608	188,464	5,280,072
2015	3,005,000	2,160,692	176,244	5,341,936
2016	3,145,000	2,075,360	163,364	5,383,724
2017	3,340,000	1,985,996	149,876	5,475,872
2018	3,520,000	1,891,108	135,552	5,546,660
2019	4,010,000	1,791,096	120,452	5,921,548
2020	4,220,000	1,669,016	102,316	5,991,332
2021	4,430,000	1,540,464	83,224	6,053,688
2022	4,655,000	1,362,556	73,088	6,090,644
2023	4,910,000	1,175,232	62,512	6,147,744
2024	5,190,000	906,012	51,036	6,147,048
2025	5,455,000	621,108	38,944	6,115,052
2026	5,735,000	320,720	26,344	6,082,064
Total	\$ 66,275,000	\$ 32,012,556	\$ 2,474,396	\$ 100,761,952

(Continued)

Exhibit J-2

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

PRIMARY GOVERNMENT (Cont.)

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2009	\$ 141,401	\$ 12,268	\$ 153,669
2010	77,673	4,350	82,023
Total	<u>\$ 219,074</u>	<u>\$ 16,618</u>	<u>\$ 235,692</u>

DISCRETELY PRESENTED BRADLEY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 47,380	\$ 0	\$ 47,380
2010	47,380	0	47,380
2011	47,380	0	47,380
2012	47,380	0	47,380
2013	47,380	0	47,380
2014	47,380	0	47,380
Total	<u>\$ 284,280</u>	<u>\$ 0</u>	<u>\$ 284,280</u>

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2009	\$ 70,860	\$ 23,019	\$ 93,879
2010	74,262	19,618	93,880
2011	77,826	16,053	93,879
2012	81,562	12,318	93,880
2013	85,477	8,403	93,880
2014	89,580	4,300	93,880
Total	<u>\$ 479,567</u>	<u>\$ 83,711</u>	<u>\$ 563,278</u>

Exhibit J-3

Bradley County, Tennessee
Schedule of Investments
June 30, 2008

Description	Amount
<u>Endowment Fund</u>	
Blount County Tennessee Public Building Authority	\$ 1,105,000
Blount County Tennessee Public Building Authority	2,500,000
Blount County Tennessee Public Building Authority	600,000
Sevier County Tennessee Public Building Authority	1,465,000
Sevier County Tennessee Public Building Authority	2,000,000
Sevier County Tennessee Public Building Authority	895,000
Federal Home Loan Bank	1,877,510
Freddie Mac	1,899,402
Fannie Mae	1,913,455
Fannie Mae	<u>1,906,046</u>
Total	<u>\$ 16,161,413</u>

Exhibit J-4

Bradley County, Tennessee
Schedule of Notes Receivable
June 30, 2008

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-08
<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	1,818
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	736
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	1,400
Total						<u>\$ 34,325</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, 2008

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Other Capital Projects	Greenway Project	\$ 10,000
General	General Debt Service	Debt repayments	176,500
Vocational Building	General Debt Service	"	77,875
Total Transfers Primary Government			<u>\$ 264,375</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 44,318
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 44,318</u>

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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 84,222 (1)	\$ 50,000	St. Paul Travelers
Highway Superintendent	Section 8-24-102, <u>TCA</u>	77,153	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	109,822 (2)	(3)	
Trustee	Section 8-24-102, <u>TCA</u>	70,138	2,371,000	St. Paul Travelers
Assessor of Property	Section 8-24-102, <u>TCA</u>	70,138	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, <u>TCA</u>	70,138	50,000	St. Paul Travelers
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	70,138	50,000	St. Paul Travelers
Clerk and Master	Section 8-24-102, <u>TCA</u>	70,138	50,000	The Cincinnati Insurance Company
Register	Section 8-24-102, <u>TCA</u>	70,138	25,000	St. Paul Travelers
Sheriff:	Section 8-24-102, <u>TCA</u>	77,153	25,000	St. Paul Travelers
Other Bonds:				
Public Employee Dishonesty			150,000	Local Government Property and Casualty Fund
School Employee Dishonesty			150,000	Tennessee Risk Management Trust

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

(2) Does not include chief executive officer training supplement of \$1,000, travel allowance of \$8,400, disability insurance of \$1,933, and unused vacation leave pay of \$15,322. (The director of schools retired on June 30, 2008.)

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

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2008

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,360,665	\$ 0	507,412	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	252,426	0	15,303	0	0	0
Circuit/Clerk & Master Collections - Prior Years	106,920	0	6,481	0	0	0
Interest and Penalty	50,570	0	3,067	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,446	0	390	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	2,642	0	160	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,651,685	0	0	0	0	0
Hotel/Motel Tax	488,696	0	0	0	0	162,632
Litigation Tax - General	443,061	0	0	0	0	0
Litigation Tax - Special Purpose	84,845	464	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	91,022	0	0	0	0	0
Business Tax	952,355	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	94,509	0	5,729	0	0	0
Wholesale Beer Tax	306,527	0	0	0	0	0
Interstate Telecommunications Tax	5,921	0	0	0	0	0
Total Local Taxes	\$ 14,898,290	\$ 464	\$ 538,542	\$ 0	\$ 0	\$ 162,632
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 224,791	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	4,829	0	0	0	0	0
Building Permits	130,990	0	0	0	0	0
Electrical Permits	9,630	0	0	0	0	0
Total Licenses and Permits	\$ 370,240	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 23,646	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	16,434	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Drug Control Fines					54,167		\$
Data Entry Fee - Circuit Court	21,171	0	0	0	0	0	0
Courtroom Security Fee	502	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	148,476	1,278	0	0	0	0	0
Officers Costs	132,839	0	0	0	0	0	0
Drug Control Fines	47,086	0	0	0	47,086	0	0
Jail Fees	87,383	0	0	0	0	0	0
DUI Treatment Fines	30,926	0	0	0	0	0	0
Data Entry Fee - Criminal Court	7,769	0	0	0	0	0	0
Courtroom Security Fee	161	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines for Littering	2,999	0	0	0	0	0	0
Officers Costs	14,567	0	0	0	0	0	0
Jail Fees	9,465	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,702	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,150	0	0	0	0	0	0
Courtroom Security Fee	13	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,022	0	0	0	0	0	0
Data Entry Fee - Chancery Court	3,959	0	0	0	0	0	0
Courtroom Security Fee	659	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Court Fees	82,594	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Fines	327	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	135,767	0	0
Other Fines, Forfeitures, and Penalties	14,773	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 661,623	\$ 1,278	\$ 0	\$ 0	\$ 237,020	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Public Library	Waste / Sanitation	Drug Control	Agri- Business
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	218,493	\$ 0	\$ 0
Water Treatment Charges	18,600	0	0	0	0	0
Patient Charges	3,449,974	0	0	0	0	0
Zoning Studies	775	0	0	0	0	0
Work Release Charges for Board	5,419	0	0	0	0	0
Other General Service Charges	10,526	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	1,060	0	0	0	0	0
Engineer Review Fees	8,442	0	0	0	0	0
Recreation Fees	136,831	0	0	0	0	0
Copy Fees	12,770	0	0	0	0	0
Library Fees	0	4,291	0	0	0	0
Telephone Commissions	90,071	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	41,222	0	0	0	0	0
Probation Fees	342,185	0	0	0	0	0
Data Processing Fee - Sheriff	2,730	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,565	0	0	0	0	0
Education Charges						
Community Service Fees - Adults	18,337	0	0	0	0	0
Other Charges for Services	26,204	0	0	0	0	0
<u>Total Charges for Current Services</u>	\$ 4,169,711	\$ 4,291	\$ 0	\$ 218,493	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 559,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	58,214	0	0	0	0	0
Sale of Materials and Supplies	2,727	0	0	0	0	0
Commissary Sales	248,252	0	0	0	0	0
Sale of Maps	2,571	0	0	0	0	0
Miscellaneous Refunds	7,480	0	0	0	200	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Public Library	Waste / Sanitation	Drug Control	Agri-Business
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	5,825 \$	0 \$	0 \$	0 \$	63 \$	0
Sale of Property	12,752	1,000	0	0	1,937	0
Contributions and Gifts	6,750	0	0	0	55,563	0
<u>Other Local Revenues</u>						
Other Local Revenues	9,685	0	0	0	0	0
<u>Total Other Local Revenues</u>	<u>913,716 \$</u>	<u>1,000 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>57,763 \$</u>	<u>0</u>
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	40,000 \$	0 \$	0 \$	0 \$	0 \$	0
Clerk and Master	117,503	0	0	0	0	0
Register	224,192	0	0	0	0	0
Trustee	646,674	0	0	0	0	0
<u>Fees In-Lieu-of-Salary</u>						
Circuit Court Clerk	381,043	0	0	0	0	0
Criminal Court Clerk	636,926	0	0	0	0	0
General Sessions Court Clerk	592,114	0	0	0	0	0
Sheriff	25,143	0	0	0	0	0
<u>Total Fees Received from County Officials</u>	<u>2,663,595 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	213,775 \$	0 \$	0 \$	0 \$	0 \$	0
Solid Waste Grants	0	0	0	59,717	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	83,676	0	0	0	0	0
Safe and Drug - Free Schools and Communities	181,256	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	918,348	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Law Library	Public Library	Waste / Sanitation	Drug Control	Agri- Business	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 66,973	\$ 0	\$ 4,060	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	19,312	0	0	0	0	0	0
Alcoholic Beverage Tax	96,411	0	0	0	0	0	0
Mixed Drink Tax	10,931	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	203,747	0	12,351	0	0	0	0
Contracted Prisoner Boarding	1,299,820	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Reappraisal Program Reimbursement	27,787	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	1,057,112	0	0	0	0	0	0
Other State Revenues	150,445	0	0	0	15,509	0	0
Total State of Tennessee	\$ 4,345,973	\$ 0	\$ 16,411	\$ 59,717	\$ 15,509	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 1,598	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	202,537	0	0	0	0	0	0
Law Enforcement Grants	22,547	0	0	0	0	0	0
Other Federal through State	232,657	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	6,776	0	0	0	0	0	0
Total Federal Government	\$ 466,115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 1,687,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	151,154	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	26,587	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,865,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 30,354,766	\$ 7,033	\$ 554,953	\$ 278,210	\$ 310,292	\$ 162,632	\$ 0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,451,232	\$ 0	\$ 2,320,706	\$ 0	\$ 4,530,748
Trustee's Collections - Prior Year	11,634	0	69,996	0	136,555
Circuit/Clerk & Master Collections - Prior Years	81,016	0	29,643	0	57,874
Interest and Penalty	3,994	0	15,737	0	27,374
Payments in-Lieu-of Taxes - T.V.A.	5,025	0	1,787	0	3,489
Payments in-Lieu-of Taxes - Local Utilities	2,002	0	733	0	1,430
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	26,203	0	51,157
Wholesale Beer Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Total Local Taxes	\$ 1,554,903	\$ 0	\$ 2,464,805	\$ 0	\$ 4,808,627
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	0	0	0	0	0
Building Permits	0	0	0	0	0
Electrical Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
Circuit Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0

(Continued)

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

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

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Constitutional 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
Water Treatment Charges	0	0	0	0	0
Patient Charges	0	0	0	0	0
Zoning Studies	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	0
Engineer Review Fees	0	0	0	0	0
Recreation Fees	0	0	0	0	0
Copy Fees	0	0	0	0	0
Library Fees	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	1,752,683	0	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 1,752,683	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	0	0	0	484,520
Lease/Rentals	0	0	0	85,017	0
Sale of Materials and Supplies	0	0	2,236	0	0
Commissary Sales	0	0	0	0	0
Sale of Maps	0	0	0	0	0
Miscellaneous Refunds	1,055	0	5,153	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	0 \$	0 \$	0 \$	0 \$	0
Sale of Property	0	0	0	0	0
Contributions and Gifts	24,933	0	0	0	263,592
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	13,360	0	0
Total Other Local Revenues	25,988 \$	0 \$	20,749 \$	85,017 \$	748,112
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	0 \$	0 \$	0 \$	0 \$	0
Clerk and Master	0	0	0	0	0
Register	0	0	0	0	0
Trustee	0	0	0	0	0
<u>Fees In-Lieu-of-Salary</u>					
Circuit Court Clerk	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Sheriff	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0
Solid Waste Grants	0	0	0	0	0
Public Safety Grants					
Drug Control Grants	0	0	0	0	0
Safe and Drug - Free Schools and Communities	0	0	0	0	0
Health and Welfare Grants					
Health Department Programs	0	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	204,158	0	0
Litter Program	0	0	46,707	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0 \$	0 \$	18,568 \$	0 \$	36,251
Beer Tax	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	56,489	0	110,286
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	2,116,414	0	0
Petroleum Special Tax	0	0	70,645	0	0
Reappraisal Program Reimbursement	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0 \$	0 \$	2,512,981 \$	0 \$	146,537
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0 \$	0 \$	0 \$	0 \$	0
Homeland Security Grants	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0
Other Federal through State	0	0	0	0	0
Direct Federal Revenue	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	0
Contracted Services	0	0	0	0	0
Citizens Groups	0	0	0	0	0
Donations	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0
Total	\$ 1,580,891 \$	1,752,683 \$	4,998,535 \$	85,017 \$	5,703,276

(Continued)

Exhibit J-7

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

	Capital Projects Funds						Permanent Fund	Total
	Peerless							
	General Capital Projects	Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 1,626,276	\$ 0	\$ 0	\$ 30,906	\$ 0	\$ 0	\$ 18,827,945	
Trustee's Collections - Prior Year	49,121	0	0	0	0	0	535,035	
Circuit/Clerk & Master Collections - Prior Years	20,773	0	0	395	0	0	303,102	
Interest and Penalty	9,828	0	0	37	0	0	110,607	
Payments in-Lieu-of Taxes - T.V.A.	1,370	0	0	24	0	0	18,531	
Payments in-Lieu-of Taxes - Local Utilities	513	0	0	10	0	0	7,490	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	3,651,685	
Hotel/Motel Tax	0	0	0	0	0	0	651,328	
Litigation Tax - General	0	0	0	0	0	0	443,061	
Litigation Tax - Special Purpose	0	0	0	0	0	0	85,309	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	91,022	
Business Tax	0	0	0	0	0	0	952,355	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	18,362	0	0	349	0	0	196,309	
Wholesale Beer Tax	0	0	0	0	0	0	306,527	
Interstate Telecommunications Tax	0	0	0	0	0	0	5,921	
Total Local Taxes	\$ 1,726,243	\$ 0	\$ 0	\$ 31,721	\$ 0	\$ 0	\$ 26,186,227	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 224,791	
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	4,829	
Building Permits	0	0	0	0	0	0	130,990	
Electrical Permits	0	0	0	0	0	0	9,630	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 370,240	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,646	
Officers Costs	0	0	0	0	0	0	16,434	

(Continued)

Exhibit J-7

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

	Capital Projects Funds							Total
	Permanent Fund							
	General Capital Projects	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Drug Control Fines	0	0	0	0	0	0	54,167	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	21,171	
Courtroom Security Fee	0	0	0	0	0	0	502	
<u>Criminal Court</u>								
Fines	0	0	0	0	0	0	149,754	
Officers Costs	0	0	0	0	0	0	132,839	
Drug Control Fines	0	0	0	0	0	0	94,172	
Jail Fees	0	0	0	0	0	0	87,383	
DUI Treatment Fines	0	0	0	0	0	0	30,926	
Data Entry Fee - Criminal Court	0	0	0	0	0	0	7,769	
Courtroom Security Fee	0	0	0	0	0	0	161	
<u>General Sessions Court</u>								
Fines for Littering	0	0	0	0	0	0	2,999	
Officers Costs	0	0	0	0	0	0	14,567	
Jail Fees	0	0	0	0	0	0	9,465	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	12,702	
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	2,150	
Courtroom Security Fee	0	0	0	0	0	0	13	
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	1,022	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,959	
Courtroom Security Fee	0	0	0	0	0	0	659	
<u>Other Courts - In-county</u>								
Drug Court Fees	0	0	0	0	0	0	82,594	
<u>Judicial District Drug Program</u>								
Fines	0	0	0	0	0	0	327	
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	135,767	
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	14,773	
Total Fines, Forfeitures, and Penalties	0	0	0	0	0	0	899,921	

(Continued)

Exhibit J-7

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

	Capital Projects Funds						Permanent Fund		Total
	General Capital Projects	Peerless Road Capital Projects	HUD Grant Projects	Education Capital 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	\$ 0	218,493
Water Treatment Charges	0	0	0	0	0	0	0	0	18,600
Patient Charges	0	0	0	0	0	0	0	0	3,449,974
Zoning Studies	0	0	0	0	0	0	0	0	775
Work Release Charges for Board	0	0	0	0	0	0	0	0	5,419
Other General Service Charges	0	0	0	0	0	0	0	0	10,526
<u>Fees</u>									
Subdivision Lot Fees	0	0	0	0	0	0	0	0	1,060
Engineer Review Fees	0	0	0	0	0	0	0	0	8,442
Recreation Fees	0	0	0	0	0	0	0	0	136,831
Copy Fees	0	0	0	0	0	0	0	0	12,770
Library Fees	0	0	0	0	0	0	0	0	4,291
Telephone Commissions	0	0	0	0	0	0	0	0	90,071
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0	1,752,683
Data Processing Fee - Register	0	0	0	0	0	0	0	0	41,222
Probation Fees	0	0	0	0	0	0	0	0	342,185
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	2,730
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	4,565
<u>Education Charges</u>									
Community Service Fees - Adults	0	0	0	0	0	0	0	0	18,337
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	26,204
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,145,178
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 534,850	\$ 0	\$ 5,156	\$ 0	\$ 0	\$ 849,091	\$ 0	\$ 0	\$ 2,433,077
Lease/Rentals	0	0	0	0	0	0	0	0	143,231
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	4,963
Commissary Sales	0	0	0	0	0	0	0	0	248,252
Sale of Maps	0	0	0	0	0	0	0	0	2,571
Miscellaneous Refunds	0	0	0	0	0	0	0	0	13,888

(Continued)

Exhibit J-7

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

	Capital Projects Funds							Total
	Permanent Fund							
	General Capital Projects	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment		
<u>Other Local Revenues (Cont.)</u>								
<u>Nonrecurring Items</u>								
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,888	
Sale of Property	0	0	0	0	0	0	15,689	
Contributions and Gifts	0	0	0	0	14,450	0	365,288	
<u>Other Local Revenues</u>								
Other Local Revenues	0	275,000	0	0	0	0	298,045	
Total Other Local Revenues	\$ 534,850	\$ 275,000	\$ 5,156	\$ 0	\$ 14,450	\$ 849,091	\$ 3,530,892	
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000	
Clerk and Master	0	0	0	0	0	0	117,503	
Register	0	0	0	0	0	0	224,192	
Trustee	0	0	0	0	0	0	646,674	
<u>Fees In-Lieu-of-Salary</u>								
Circuit Court Clerk	0	0	0	0	0	0	381,043	
Criminal Court Clerk	0	0	0	0	0	0	636,926	
General Sessions Court Clerk	0	0	0	0	0	0	592,114	
Sheriff	0	0	0	0	0	0	25,143	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,663,595	
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,775	
Solid Waste Grants	0	0	0	0	0	0	59,717	
<u>Public Safety Grants</u>								
Drug Control Grants	0	0	0	0	0	0	83,676	
Safe and Drug - Free Schools and Communities	0	0	0	0	0	0	181,256	
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	918,348	
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	0	204,158	
Litter Program	0	0	0	0	0	0	46,707	

(Continued)

Exhibit J-7

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

	Capital Projects Funds						Total
	General Capital Projects	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Permanent Fund	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 13,012	\$ 0	\$ 0	\$ 247	\$ 0	\$ 0	\$ 139,111
Beer Tax	0	0	0	0	0	0	19,312
Alcoholic Beverage Tax	0	0	0	0	0	0	96,411
Mixed Drink Tax	0	0	0	0	0	0	10,931
State Revenue Sharing - T.V.A.	39,586	0	0	752	0	0	423,211
Contracted Prisoner Boarding	0	0	0	0	0	0	1,299,820
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	2,116,414
Petroleum Special Tax	0	0	0	0	0	0	70,645
Reappraisal Program Reimbursement	0	0	0	0	0	0	27,787
Registrar's Salary Supplement	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	1,057,112
Other State Revenues	0	0	9,226	0	0	0	175,180
Total State of Tennessee	\$ 52,598	\$ 0	\$ 9,226	\$ 999	\$ 0	\$ 0	\$ 7,159,951
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,598
Homeland Security Grants	0	0	0	0	0	0	202,537
Law Enforcement Grants	0	0	0	0	0	0	22,547
Other Federal through State	0	0	285,384	0	0	0	518,041
Direct Federal Revenue	0	0	0	0	0	0	6,776
Other Direct Federal Revenue	0	0	285,384	0	0	0	751,499
Total Federal Government	\$ 0	\$ 0	\$ 285,384	\$ 0	\$ 0	\$ 0	\$ 751,499
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,687,762
Contracted Services	0	0	0	0	0	0	151,154
Citizens Groups	0	0	0	0	0	0	26,587
Donations	0	0	0	0	0	0	1,865,503
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,865,503
Total	\$ 2,313,691	\$ 275,000	\$ 299,766	\$ 32,720	\$ 14,450	\$ 849,091	\$ 49,573,006

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, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,575,249	\$ 0	\$ 0	\$ 0	\$ 10,575,249
Trustee's Collections - Prior Year	319,688	0	0	0	319,688
Circuit/Clerk & Master Collections - Prior Years	135,104	0	0	0	135,104
Interest and Penalty	63,986	0	0	0	63,986
Payments in-Lieu-of Taxes - T.V.A.	10,916	0	0	0	10,916
Payments in-Lieu-of Taxes - Local Utilities	3,338	0	0	0	3,338
<u>County Local Option Taxes</u>					
Local Option Sales Tax	7,975,284	0	0	0	7,975,284
<u>Statutory Local Taxes</u>					
Bank Excise Tax	119,403	0	0	0	119,403
Interstate Telecommunications Tax	7,327	0	0	0	7,327
Total Local Taxes	\$ 19,210,295	\$ 0	\$ 0	\$ 0	\$ 19,210,295
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,042	\$ 0	\$ 0	\$ 0	\$ 5,042
Total Licenses and Permits	\$ 5,042	\$ 0	\$ 0	\$ 0	\$ 5,042
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,186,567	\$ 0	\$ 1,186,567
Lunch Payments - Adults	0	0	173,622	0	173,622
Income from Breakfast	0	0	121,163	0	121,163
A la carte Sales	0	0	654,729	0	654,729
TBI Criminal Background Fees	9,004	0	0	0	9,004
<u>Other Charges for Services</u>					
Other Charges for Services	11,700	0	7,856	0	19,556
Total Charges for Current Services	\$ 20,704	\$ 0	\$ 2,143,937	\$ 0	\$ 2,164,641
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 207,630	\$ 0	\$ 35,520	\$ 0	\$ 243,150
Miscellaneous Refunds	10,885	0	11,479	2,921	25,285
<u>Nonrecurring Items</u>					
Sale of Property	1,124	0	0	0	1,124
Contributions and Gifts	32,980	0	0	0	32,980
<u>Other Local Revenues</u>					
Other Local Revenues	1,251	0	0	0	1,251
Total Other Local Revenues	\$ 253,870	\$ 0	\$ 46,999	\$ 2,921	\$ 303,790
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 398,196	\$ 0	\$ 0	\$ 0	\$ 398,196
<u>State Education Funds</u>					
Basic Education Program	36,368,000	0	0	0	36,368,000
Early Childhood Education	1,034,189	0	0	0	1,034,189
School Food Service	53,540	0	0	0	53,540
Driver Education	30,810	0	0	0	30,810
Other State Education Funds	386,938	0	0	0	386,938
Career Ladder Program	403,737	0	0	0	403,737
Career Ladder - Extended Contract	244,746	0	0	0	244,746
<u>Other State Revenues</u>					
Income Tax	84,614	0	0	0	84,614
State Revenue Sharing - T.V.A.	376,420	0	0	0	376,420
Other State Revenues	90,530	0	0	0	90,530
Total State of Tennessee	\$ 39,471,720	\$ 0	\$ 0	\$ 0	\$ 39,471,720

(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>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,730,709	\$ 0	\$ 1,730,709
Breakfast	0	0	569,702	0	569,702
USDA - Other	0	0	9,629	0	9,629
Adult Education State Grant Program	201,165	0	0	0	201,165
Vocational Education - Basic Grants to States	0	139,217	0	0	139,217
Title I Grants to Local Education Agencies	0	1,066,527	0	0	1,066,527
Innovative Education Program Strategies	0	13,998	0	0	13,998
Special Education - Grants to States	89,898	1,375,957	0	0	1,465,855
Special Education Preschool Grants	0	71,575	0	0	71,575
Eisenhower Professional Development State Grants	75,527	353,327	0	0	428,854
Other Federal through State	192,268	51,319	0	0	243,587
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	2,758,444	0	0	0	2,758,444
Total Federal Government	\$ 3,317,302	\$ 3,071,920	\$ 2,310,040	\$ 0	\$ 8,699,262
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 400,000	\$ 400,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 400,000	\$ 400,000
Total	\$ 62,278,933	\$ 3,071,920	\$ 4,500,976	\$ 402,921	\$ 70,254,750

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	132,994	
Social Security		9,199	
State Retirement		13,445	
Life Insurance		336	
Medical Insurance		40,480	
Audit Services		47,114	
Debt Collection Services		2,625	
Dues and Memberships		1,950	
Legal Services		165,949	
Travel		605	
Road Signs		330	
Water and Sewer		112,311	
Other Charges		42,087	
Other Equipment		49,289	
Total County Commission			\$ 618,714

Beer Board

Board and Committee Members Fees	\$	2,165	
Total Beer Board			2,165

Other Boards and Committees

Clerical Personnel	\$	19,794	
Social Security		1,475	
State Retirement		2,491	
Life Insurance		22	
Medical Insurance		5,263	
Communication		5	
Maintenance and Repair Services - Equipment		381	
Other Contracted Services		2,585	
Office Supplies		1,230	
Total Other Boards and Committees			33,246

County Mayor/Executive

County Official/Administrative Officer	\$	84,222	
Assistant(s)		66,870	
Clerical Personnel		20,574	
Social Security		13,457	
State Retirement		23,957	
Life Insurance		71	
Medical Insurance		17,420	

(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.)

Advertising	\$	1,708	
Communication		1,695	
Dues and Memberships		1,750	
Maintenance and Repair Services - Office Equipment		505	
Travel		2,879	
Tuition		77	
Office Supplies		3,737	
Periodicals		374	
Vehicle and Equipment Insurance		750	
Other Charges		254	
Motor Vehicles		11,000	
Total County Mayor/Executive			\$ 251,300

Personnel Office

Supervisor/Director	\$	35,265	
Accountants/Bookkeepers		24,000	
Social Security		4,425	
State Retirement		6,131	
Life Insurance		45	
Medical Insurance		10,859	
Unemployment Compensation		524	
Advertising		1,172	
Dues and Memberships		388	
Maintenance and Repair Services - Office Equipment		2,693	
Travel		397	
Tuition		499	
Office Supplies		6,873	
Periodicals		1,000	
Testing		5,788	
Workers' Compensation Insurance		43,995	
Office Equipment		1,110	
Total Personnel Office			145,164

Election Commission

County Official/Administrative Officer	\$	63,124
Deputy(ies)		64,452
Part-time Personnel		9,775
Board and Committee Members Fees		175
Election Commission		12,412
Election Workers		33,182

(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.)

Social Security	\$	10,605	
State Retirement		16,777	
Life Insurance		71	
Medical Insurance		11,383	
Accounting Services		3,500	
Advertising		2,970	
Communication		1,475	
Maintenance and Repair Services - Equipment		5,806	
Postal Charges		3,901	
Printing, Stationery, and Forms		5,085	
Travel		5,574	
Office Supplies		3,998	
Other Charges		2,231	
Furniture and Fixtures		500	
Office Equipment		1,010	
Other Equipment		1,773	
Total Election Commission			\$ 259,779

Register of Deeds

Life Insurance	\$	163	
Medical Insurance		37,422	
Communication		800	
Data Processing Services		49,276	
Maintenance and Repair Services - Equipment		4,405	
Travel		842	
Office Supplies		8,731	
Office Equipment		2,465	
Total Register of Deeds			104,104

Development

Assistant(s)	\$	5,924	
Supervisor/Director		56,496	
Social Security		4,775	
State Retirement		8,308	
Life Insurance		30	
Medical Insurance		6,527	
Communication		1,593	
Data Processing Services		32,614	
Dues and Memberships		275	
Travel		178	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Tuition	\$	2,950	
Other Contracted Services		28,778	
Gasoline		214	
Other Supplies and Materials		1,156	
Vehicle and Equipment Insurance		775	
Data Processing Equipment		1,700	
Motor Vehicles		4,400	
Total Development			\$ 156,693

Engineering

Assistant(s)	\$	102,149	
Supervisor/Director		55,642	
Clerical Personnel		24,952	
Social Security		13,954	
State Retirement		24,585	
Life Insurance		118	
Medical Insurance		28,482	
Communication		817	
Dues and Memberships		900	
Legal Services		4,000	
Legal Notices, Recording, and Court Costs		1,999	
Maintenance and Repair Services - Office Equipment		1,916	
Maintenance and Repair Services - Vehicles		399	
Travel		1,200	
Tuition		1,849	
Other Contracted Services		16,363	
Gasoline		2,456	
Office Supplies		3,700	
Periodicals		400	
Vehicle and Equipment Insurance		933	
Workers' Compensation Insurance		2,480	
Other Charges		700	
Office Equipment		2,400	
Total Engineering			292,394

County Buildings

Assistant(s)	\$	27,810
Custodial Personnel		44,338
Social Security		5,519
State Retirement		9,603

(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.)

Life Insurance	\$	47	
Medical Insurance		11,303	
Communication		19,932	
Maintenance and Repair Services - Office Equipment		1,737	
Postal Charges		110,437	
Travel		300	
Other Contracted Services		34,363	
Custodial Supplies		16,804	
Drugs and Medical Supplies		1,878	
Utilities		100,000	
Other Supplies and Materials		19,473	
Other Charges		1,963	
Building Improvements		12,549	
Heating and Air Conditioning Equipment		57,370	
Total County Buildings			\$ 475,426

Finance

Accounting and Budgeting

Supervisor/Director	\$	54,494	
Clerical Personnel		55,259	
Social Security		9,013	
State Retirement		14,955	
Life Insurance		71	
Medical Insurance		11,291	
Accounting Services		10,000	
Dues and Memberships		1,429	
Maintenance and Repair Services - Office Equipment		5,077	
Tuition		400	
Office Supplies		5,344	
Office Equipment		500	
Total Accounting and Budgeting			167,833

Property Assessor's Office

County Official/Administrative Officer	\$	70,138	
Paraprofessionals		213,437	
Clerical Personnel		147,222	
Overtime Pay		840	
Social Security		32,612	
State Retirement		51,820	
Life Insurance		298	

(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.)

Medical Insurance	\$	66,504	
Communication		235	
Dues and Memberships		2,180	
Maintenance and Repair Services - Office Equipment		5,560	
Maintenance and Repair Services - Vehicles		3,000	
Travel		1,765	
Tuition		590	
Other Contracted Services		56,115	
Gasoline		3,888	
Office Supplies		7,512	
Vehicle and Equipment Insurance		2,415	
Workers' Compensation Insurance		350	
Motor Vehicles		92	
Office Equipment		7,536	
Total Property Assessor's Office			\$ 674,109

Reappraisal Program

Data Processing Services	\$	23,635	
Postal Charges		5,040	
Other Contracted Services		11,151	
Total Reappraisal Program			39,826

County Trustee's Office

Life Insurance	\$	164	
Medical Insurance		46,499	
Communication		27	
Dues and Memberships		650	
Travel		2,448	
Tuition		612	
Other Contracted Services		18,523	
Office Supplies		7,883	
Office Equipment		2,588	
Total County Trustee's Office			79,394

County Clerk's Office

Life Insurance	\$	505	
Medical Insurance		113,162	
Communication		1,249	
Dues and Memberships		800	
Travel		3,993	

(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.)

Office Supplies	\$ 40,673	
Office Equipment	8,364	
Total County Clerk's Office		\$ 168,746

Data Processing

Data Processing Personnel	\$ 54,635	
Social Security	4,158	
State Retirement	7,272	
Life Insurance	24	
Medical Insurance	5,652	
Communication	23,454	
Data Processing Services	17,752	
Travel	824	
Other Contracted Services	8,435	
Data Processing Equipment	20,904	
Other Equipment	1,640	
Total Data Processing		144,750

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 70,138	
Total Circuit Court		70,138

Circuit Court Clerk

Assistant(s)	\$ 35,909	
Deputy(ies)	647,877	
Social Security	56,581	
State Retirement	88,565	
Employee and Dependent Insurance	5,346	
Life Insurance	696	
Medical Insurance	163,604	
Communication	1,669	
Data Processing Services	12,214	
Dues and Memberships	640	
Janitorial Services	6,500	
Travel	224	
Tuition	100	
Custodial Supplies	1,200	
Data Processing Supplies	11,539	
Office Supplies	30,286	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Utilities	\$ 25,000	
Office Equipment	16,416	
Total Circuit Court Clerk		\$ 1,104,366

General Sessions Court

Data Processing Equipment	\$ 13,481	
Total General Sessions Court		13,481

General Sessions Judge

Judge(s)	\$ 273,636	
Clerical Personnel	50,000	
Part-time Personnel	2,550	
Other Salaries and Wages	8,320	
Social Security	19,913	
State Retirement	41,348	
Life Insurance	87	
Medical Insurance	21,036	
Communication	854	
Dues and Memberships	300	
Travel	1,408	
Tuition	1,175	
Office Supplies	169	
Periodicals	1,459	
Data Processing Equipment	455	
Total General Sessions Judge		422,710

Drug Court

Assessment Personnel	\$ 41,200	
Overtime Pay	1,200	
Social Security	3,429	
State Retirement	5,504	
Life Insurance	26	
Medical Insurance	6,237	
Communication	1,013	
Rentals	1,125	
Travel	3,536	
Other Contracted Services	81,293	
Office Supplies	8	
Total Drug Court		144,571

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Jury and Witness Fees	\$	2,714	
Life Insurance		120	
Medical Insurance		28,482	
Communication		643	
Dues and Memberships		620	
Maintenance and Repair Services - Office Equipment		7,621	
Travel		1,205	
Tuition		215	
Office Supplies		5,134	
Total Chancery Court			\$ 46,754

Juvenile Court

County Official/Administrative Officer	\$	45,903	
Probation Officer(s)		225,422	
Clerical Personnel		29,292	
Social Security		22,784	
State Retirement		39,296	
Life Insurance		211	
Medical Insurance		48,010	
Communication		8,182	
Maintenance and Repair Services - Office Equipment		7,913	
Maintenance and Repair Services - Vehicles		113	
Medical and Dental Services		223	
Travel		5,626	
Tuition		1,483	
Other Contracted Services		8,000	
Gasoline		930	
Office Supplies		1,401	
Utilities		23,736	
Vehicle and Equipment Insurance		3,100	
Other Charges		2,915	
Data Processing Equipment		2,842	
Office Equipment		1,306	
Total Juvenile Court			478,688

Judicial Commissioners

Jury and Witness Fees	\$	26,856	
Office Supplies		320	
Total Judicial Commissioners			27,176

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Assistant(s)	\$	25,133	
Supervisor/Director		29,504	
Clerical Personnel		13,113	
Social Security		5,261	
State Retirement		8,514	
Life Insurance		61	
Medical Insurance		13,486	
Communication		390	
Maintenance and Repair Services - Vehicles		1,500	
Office Supplies		600	
Other Supplies and Materials		1,800	
Liability Insurance		3,500	
Vehicle and Equipment Insurance		743	
Workers' Compensation Insurance		350	
Total Other Administration of Justice			\$ 103,955

Probation Services

Assistant(s)	\$	32,673	
Supervisor/Director		45,209	
Probation Officer(s)		112,972	
Clerical Personnel		8,236	
Social Security		14,458	
State Retirement		25,546	
Life Insurance		119	
Medical Insurance		35,374	
Communication		22	
Contracts with Government Agencies		1,600	
Contributions		10,000	
Rentals		2,400	
Travel		561	
Tuition		141	
Other Contracted Services		15,610	
Office Supplies		2,079	
Other Supplies and Materials		13,402	
Other Charges		861	
Total Probation Services			321,263

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,153	
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(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.)

Deputy(ies)	\$ 3,193,285	
Clerical Personnel	142,449	
Custodial Personnel	20,600	
Part-time Personnel	7,000	
School Resource Officer	64,764	
Overtime Pay	110,000	
Other Salaries and Wages	53,400	
Social Security	285,100	
State Retirement	466,683	
Life Insurance	2,397	
Medical Insurance	528,306	
Unemployment Compensation	11,017	
Communication	38,557	
Contracts with Vehicle Owners	2,000	
Confidential Drug Enforcement Payments	6,369	
Dues and Memberships	2,346	
Maintenance and Repair Services - Equipment	1,250	
Maintenance and Repair Services - Vehicles	142,111	
Tow-in Services	3,000	
Travel	11,267	
Tuition	15,097	
Other Contracted Services	49,074	
Gasoline	465,306	
Law Enforcement Supplies	51,242	
Office Supplies	14,685	
Uniforms	33,851	
Other Supplies and Materials	9,520	
Liability Insurance	51,900	
Vehicle and Equipment Insurance	47,085	
Workers' Compensation Insurance	90,231	
Principal on Capital Leases	135,895	
Interest on Capital Leases	7,397	
Data Processing Equipment	32,906	
Law Enforcement Equipment	161,512	
Motor Vehicles	233,252	
Total Sheriff's Department		\$ 6,568,007

Special Patrols

Deputy(ies)	\$ 149,919
Overtime Pay	38,300

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Social Security	\$	13,200	
State Retirement		23,000	
Life Insurance		110	
Medical Insurance		20,600	
Communication		927	
Uniforms		<u>2,254</u>	
Total Special Patrols			\$ 248,310

Traffic Control

Maintenance and Repair Services - Equipment	\$	20,892	
Utilities		<u>4,674</u>	
Total Traffic Control			25,566

Wheel Tax Officer

Medical Personnel	\$	26,225	
Overtime Pay		3,135	
Social Security		2,238	
State Retirement		2,075	
Life Insurance		15	
Medical Insurance		3,378	
Communication		49	
Medical and Dental Services		58,231	
Other Contracted Services		356	
Drugs and Medical Supplies		8,740	
Office Supplies		<u>285</u>	
Total Wheel Tax Officer			104,727

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	<u>5,185</u>	
Total Administration of the Sexual Offender Registry			5,185

Jail

Deputy(ies)	\$	2,663,850	
Mechanic(s)		63,793	
Clerical Personnel		87,519	
Maintenance Personnel		35,485	
Part-time Personnel		18,720	
Overtime Pay		81,381	
Social Security		221,500	
State Retirement		350,000	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	2,400	
Medical Insurance		496,000	
Unemployment Compensation		14,694	
Communication		14,486	
Maintenance and Repair Services - Buildings		29,499	
Maintenance and Repair Services - Equipment		2,479	
Maintenance and Repair Services - Vehicles		2,930	
Medical and Dental Services		346,667	
Transportation - Other than Students		9,367	
Travel		6,478	
Tuition		2,297	
Other Contracted Services		16,245	
Custodial Supplies		59,135	
Food Supplies		351,145	
Office Supplies		14,806	
Prisoners Clothing		1,669	
Uniforms		22,221	
Utilities		300,000	
Other Supplies and Materials		38,100	
Principal on Capital Leases		16,445	
Interest on Capital Leases		315	
Data Processing Equipment		12,714	
Law Enforcement Equipment		74,468	
Motor Vehicles		62,108	
Other Equipment		3,150	
Total Jail			\$ 5,422,066

Correctional Incentive Program Improvements

Supervisor/Director	\$	34,789
Guards		502,493
Part-time Personnel		66,040
Overtime Pay		12,275
Social Security		46,237
State Retirement		51,604
Life Insurance		525
Medical Insurance		112,591
Unemployment Compensation		2,548
Communication		8,143
Maintenance and Repair Services - Buildings		1,748
Maintenance and Repair Services - Equipment		6,811

(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.)

Maintenance and Repair Services - Office Equipment	\$	1,637	
Medical and Dental Services		2,546	
Travel		800	
Tuition		1,440	
Custodial Supplies		13,015	
Food Supplies		17,593	
Gasoline		1,397	
Office Supplies		1,949	
Prisoners Clothing		1,218	
Utilities		24,549	
Other Supplies and Materials		5,000	
Other Charges		891	
Data Processing Equipment		2,235	
Law Enforcement Equipment		1,035	
Motor Vehicles		21,558	
Office Equipment		1,394	
Other Equipment		4,953	
Total Correctional Incentive Program Improvements			\$ 949,014

Juvenile Services

Assistant(s)	\$	28,829
Supervisor/Director		94,763
Teachers		1,080
Clerical Personnel		66,016
Other Salaries and Wages		41,410
Social Security		16,060
State Retirement		21,147
Life Insurance		135
Medical Insurance		31,812
Unemployment Compensation		6,875
Communication		1,418
Contracts with Private Agencies		6,855
Maintenance and Repair Services - Equipment		19
Maintenance and Repair Services - Office Equipment		959
Rentals		694
Travel		4,304
Tuition		1,743
Other Contracted Services		38,429
Office Supplies		2,941
Other Supplies and Materials		2,178

(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.)

Workers' Compensation Insurance	\$	13	
Other Charges		348	
Office Equipment		998	
Total Juvenile Services			\$ 369,026

Work Release Program

Supervisor/Director	\$	49,137	
Probation Officer(s)		82,029	
Clerical Personnel		23,094	
Part-time Personnel		15,310	
Social Security		12,638	
State Retirement		22,411	
Life Insurance		118	
Medical Insurance		28,259	
Accounting Services		1,200	
Communication		4,605	
Evaluation and Testing		2,747	
Maintenance and Repair Services - Equipment		754	
Postal Charges		82	
Printing, Stationery, and Forms		348	
Rentals		18,000	
Travel		12,625	
Tuition		2,659	
Custodial Supplies		1,002	
Office Supplies		2,520	
Periodicals		404	
Utilities		3,996	
Other Supplies and Materials		3,206	
Liability Insurance		4,200	
Other Charges		20,504	
Total Work Release Program			311,848

Civil Defense

Supervisor/Director	\$	53,560	
Accountants/Bookkeepers		27,722	
Paraprofessionals		65,669	
Overtime Pay		1,469	
Social Security		11,283	
State Retirement		17,689	
Life Insurance		86	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Medical Insurance	\$	20,817	
Unemployment Compensation		5,342	
Communication		19,992	
Contracts with Government Agencies		11,398	
Contracts with Other Public Agencies		1,992	
Dues and Memberships		1,100	
Janitorial Services		1,000	
Maintenance and Repair Services - Buildings		1,000	
Maintenance and Repair Services - Equipment		1,800	
Maintenance and Repair Services - Vehicles		5,000	
Postal Charges		460	
Printing, Stationery, and Forms		440	
Travel		2,491	
Tuition		4,000	
Maintenance and Repair Services - Records		9,200	
Gasoline		8,758	
Office Supplies		2,793	
Uniforms		2,547	
Utilities		10,962	
Synthetic Membrane		7,250	
Building and Contents Insurance		9,000	
Vehicle and Equipment Insurance		6,200	
Other Charges		6,500	
Data Processing Equipment		12,000	
Other Equipment		12,500	
Total Civil Defense			\$ 342,020

Rescue Squad

Communication	\$	911
Dues and Memberships		1,000
Maintenance and Repair Services - Buildings		3,000
Maintenance and Repair Services - Vehicles		11,925
Medical and Dental Services		3,402
Postal Charges		100
Travel		986
Tuition		4,750
Custodial Supplies		1,307
Drugs and Medical Supplies		2,793
Food Supplies		1,500
Gasoline		8,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Instructional Supplies and Materials	\$	195	
Office Supplies		784	
Uniforms		398	
Utilities		15,726	
Other Supplies and Materials		4,487	
Vehicle and Equipment Insurance		13,500	
Other Charges		12,472	
Building Improvements		3,249	
Other Equipment		10,129	
Other Capital Outlay		741	
Total Rescue Squad			\$ 101,355

Other Emergency Management

Contracts with Government Agencies	\$	284,385	
Total Other Emergency Management			284,385

Inspection and Regulation

Investigator(s)	\$	12,079	
Social Security		800	
State Retirement		1,112	
Life Insurance		5	
Medical Insurance		1,127	
Dues and Memberships		250	
Travel		500	
Tuition		300	
Other Supplies and Materials		297	
Building and Contents Insurance		41,487	
Liability Insurance		131,609	
Total Inspection and Regulation			189,566

County Coroner/Medical Examiner

Medical Personnel	\$	24,427	
Overtime Pay		11,229	
Social Security		848	
State Retirement		998	
Medical and Dental Services		76,707	
Postal Charges		500	
Gasoline		6,000	
Other Supplies and Materials		1,482	
Motor Vehicles		9,972	
Total County Coroner/Medical Examiner			132,163

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

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

Public Health and Welfare

Local Health Center

Paraprofessionals	\$ 66,336	
Custodial Personnel	28,583	
Social Security	7,125	
State Retirement	10,605	
Life Insurance	109	
Medical Insurance	26,370	
Communication	6,960	
Maintenance and Repair Services - Buildings	2,901	
Postal Charges	5,000	
Rentals	1,000	
Travel	6,874	
Tuition	1,000	
Custodial Supplies	3,000	
Drugs and Medical Supplies	2,761	
Office Supplies	5,687	
Utilities	26,932	
Other Supplies and Materials	2,380	
Other Charges	<u>185,244</u>	
Total Local Health Center		388,867

Rabies and Animal Control

Contracts with Government Agencies	\$ 318,187	
Total Rabies and Animal Control		318,187

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 57,409
Accountants/Bookkeepers	90,482
Paraprofessionals	1,931,964
Part-time Personnel	235,499
Overtime Pay	228,911
Social Security	190,641
State Retirement	292,469
Employee and Dependent Insurance	4,402
Life Insurance	1,308
Medical Insurance	299,376

(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.)

Unemployment Compensation	\$	1,497	
Communication		17,999	
Dues and Memberships		200	
Laundry Service		12,510	
Licenses		1,390	
Maintenance and Repair Services - Buildings		5,000	
Maintenance and Repair Services - Equipment		3,216	
Maintenance and Repair Services - Vehicles		116,685	
Medical and Dental Services		1,635	
Travel		662	
Tuition		4,216	
Custodial Supplies		3,500	
Drugs and Medical Supplies		118,406	
Gasoline		154,072	
Office Supplies		14,826	
Uniforms		10,000	
Utilities		18,000	
Other Supplies and Materials		4,600	
Vehicle and Equipment Insurance		13,000	
Workers' Compensation Insurance		92,446	
Data Processing Equipment		27,220	
Motor Vehicles		90,047	
Office Equipment		3,829	
Other Equipment		36,045	
Total Ambulance/Emergency Medical Services			\$ 4,083,462

Alcohol and Drug Programs

Other Salaries and Wages	\$	28,140	
Consultants		2,075	
Postal Charges		16	
Printing, Stationery, and Forms		583	
Rentals		95	
Travel		2,481	
Tuition		1,119	
Other Supplies and Materials		8,841	
Total Alcohol and Drug Programs			43,350

Other Local Health Services

Medical Personnel	\$	100,006	
Paraprofessionals		428,167	

(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 Health Services (Cont.)

Clerical Personnel	\$ 153,519	
Part-time Personnel	10,595	
Social Security	52,301	
State Retirement	80,254	
Life Insurance	536	
Medical Insurance	129,988	
Contracts with Government Agencies	2,000	
Postal Charges	600	
Travel	22,030	
Office Supplies	2,825	
Total Other Local Health Services		\$ 982,821

General Welfare Assistance

Contributions	\$ 1,000	
Total General Welfare Assistance		1,000

Other Local Welfare Services

Contracts with Government Agencies	\$ 75,832	
Total Other Local Welfare Services		75,832

Waste Pickup

Other Supplies and Materials	\$ 985	
Total Waste Pickup		985

Recycling Center

Maintenance Personnel	\$ 17,509	
Social Security	1,339	
State Retirement	2,200	
Life Insurance	22	
Medical Insurance	5,154	
Other Supplies and Materials	1,103	
Total Recycling Center		27,327

Other Public Health and Welfare

Other Salaries and Wages	\$ 17,022	
Social Security	1,302	
Travel	2,331	
Office Supplies	82	
Other Supplies and Materials	15,789	
Total Other Public Health and Welfare		36,526

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

Contracts with Government Agencies	\$ 10,000	
Total Adult Activities		\$ 10,000

Senior Citizens Assistance

Contracts with Other Public Agencies	\$ 2,500	
Contributions	88,893	
Total Senior Citizens Assistance		91,393

Other Social, Cultural, and Recreational

Assistant(s)	\$ 69,037	
Supervisor/Director	46,204	
Foremen	27,315	
Clerical Personnel	11,940	
Cafeteria Personnel	23,954	
Maintenance Personnel	82,335	
Temporary Personnel	13,180	
Other Salaries and Wages	22,258	
Social Security	22,992	
State Retirement	28,000	
Life Insurance	192	
Medical Insurance	40,268	
Unemployment Compensation	146	
Communication	4,200	
Maintenance and Repair Services - Buildings	76,031	
Travel	1,700	
Food Supplies	64,453	
Gasoline	14,170	
Office Supplies	2,858	
Uniforms	2,486	
Utilities	80,703	
Other Supplies and Materials	231,806	
Vehicle and Equipment Insurance	1,074	
Workers' Compensation Insurance	4,115	
Other Equipment	32,000	
Other Capital Outlay	79,700	
Total Other Social, Cultural, and Recreational		983,117

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$ 10,288	
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(Continued)

Exhibit J-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Part-time Personnel	\$	14,798	
Other Salaries and Wages		164,756	
Board and Committee Members Fees		100	
Social Security		9,887	
Extension Service Medicare		889	
State Retirement		19,381	
Life Insurance		11	
Medical Insurance		16,967	
Other Fringe Benefits		2,746	
Communication		2,100	
Contracts with Government Agencies		3,500	
Dues and Memberships		330	
Maintenance and Repair Services - Buildings		5,830	
Travel		2,400	
Office Supplies		490	
Utilities		4,252	
Total Agriculture Extension Service			\$ 258,725

Soil Conservation

Contracts with Government Agencies	\$	38,556	
Contracts with Other Public Agencies		200	
Other Charges		10,000	
Total Soil Conservation			48,756

Storm Water Management

Assistant(s)	\$	25,461	
Overtime Pay		29,800	
Social Security		4,102	
State Retirement		4,928	
Life Insurance		10	
Medical Insurance		4,407	
Advertising		1,500	
Communication		143	
Data Processing Services		3,858	
Dues and Memberships		150	
Evaluation and Testing		7,784	
Legal Services		3,000	
Legal Notices, Recording, and Court Costs		956	
Maintenance and Repair Services - Vehicles		300	
Travel		2,000	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management (Cont.)

Tuition	\$	1,492	
Permits		2,500	
Other Contracted Services		25,138	
Gasoline		1,500	
Instructional Supplies and Materials		1,793	
Office Supplies		1,195	
Periodicals		98	
Other Supplies and Materials		200	
Vehicle and Equipment Insurance		954	
Other Charges		198	
Other Equipment		808	
Total Storm Water Management			\$ 124,275

Other Operations

Tourism

Contributions	\$	150,000	
Total Tourism			150,000

Industrial Development

Contributions	\$	150,000	
Total Industrial Development			150,000

Other Economic and Community Development

Other Construction	\$	578,142	
Total Other Economic and Community Development			578,142

Public Transportation

Matching Share	\$	33,595	
Total Public Transportation			33,595

Veterans' Services

Assistant(s)	\$	23,721	
Supervisor/Director		27,892	
Clerical Personnel		19,884	
Social Security		5,407	
State Retirement		5,406	
Life Insurance		69	
Medical Insurance		16,902	
Communication		828	
Dues and Memberships		50	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	2,095	
Other Contracted Services		700	
Office Supplies		1,221	
Total Veterans' Services			\$ 104,175

Other Charges

Trustee's Commission	\$	315,211	
Total Other Charges			315,211

Contributions to Other Agencies

Contributions	\$	77,000	
Dues and Memberships		23,765	
Total Contributions to Other Agencies			100,765

Miscellaneous

Other Charges	\$	250,000	
Total Miscellaneous			250,000

Total General Fund \$ 31,006,494

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Legal Services	\$	41	
Library Books/Media		2,038	
Utilities		2,750	
Total Libraries			\$ 4,829

Other Operations

Other Charges

Trustee's Commission	\$	57	
Total Other Charges			57

Total Law Library Fund 4,886

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	524,553	
Other Capital Outlay		29,057	
Total Libraries			\$ 553,610

(Continued)

Exhibit J-9

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

Public Library Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 10,888	
Total Other Charges		\$ 10,888

Total Public Library Fund		\$ 564,498
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Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Other Contracted Services	\$ 61,061	
Total Other Waste Collection		\$ 61,061

Other Operations

Other Charges

Trustee's Commission	\$ 2,955	
Total Other Charges		2,955

Total Solid Waste/Sanitation Fund		64,016
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Local Purpose Tax Fund

Other Operations

Other Charges

Trustee's Commission	\$ 9	
Total Other Charges		\$ 9

Total Local Purpose Tax Fund		9
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Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$ 7,756	
Travel	6,393	
Tuition	755	
Other Supplies and Materials	1,973	
Law Enforcement Equipment	62,866	
Motor Vehicles	52,026	
Total Sheriff's Department		\$ 131,769

Drug Enforcement

Investigator(s)	\$ 194,500
Clerical Personnel	25,000

(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.)

Overtime Pay	\$	18,000	
Social Security		17,801	
State Retirement		30,150	
Life Insurance		144	
Medical Insurance		27,976	
Communication		7,000	
Confidential Drug Enforcement Payments		20,000	
Other Contracted Services		27,405	
Uniforms		3,253	
Other Supplies and Materials		21,741	
Total Drug Enforcement			\$ 392,970

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	16,836	
Total Alcohol and Drug Programs			16,836

Other Operations

Other Charges

Trustee's Commission	\$	2,526	
Total Other Charges			2,526

Total Drug Control Fund \$ 544,101

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	47,586	
Clerical Personnel		44,795	
Social Security		7,022	
State Retirement		12,296	
Life Insurance		71	
Medical Insurance		11,934	
Communication		1,156	
Rentals		416	
Disposal Fees		571	
Utilities		11,572	
Building and Contents Insurance		6,988	
Vehicle and Equipment Insurance		750	
Total Other Social, Cultural, and Recreational			\$ 145,157

(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	\$ 1,619	
Total Other Charges		\$ 1,619

Total Agri-Business Fund \$ 146,776

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$ 46,193	
Investigator(s)	31,470	
Lieutenant(s)	82,137	
Paraprofessionals	279,494	
Clerical Personnel	24,000	
Overtime Pay	45,062	
Social Security	37,562	
State Retirement	61,040	
Life Insurance	418	
Medical Insurance	99,023	
Communication	18,899	
Contributions	11,650	
Laundry Service	7,000	
Maintenance and Repair Services - Vehicles	26,953	
Travel	3,790	
Tuition	6,625	
Other Contracted Services	29,296	
Custodial Supplies	1,254	
Gasoline	23,000	
Office Supplies	3,231	
Uniforms	2,341	
Utilities	33,404	
Other Supplies and Materials	8,960	
Building and Contents Insurance	1,500	
Liability Insurance	4,000	
Vehicle and Equipment Insurance	30,262	
Workers' Compensation Insurance	25,187	
Building Improvements	10,102	
Law Enforcement Equipment	2,001	
Other Equipment	38,545	
Total Fire Prevention and Control		\$ 994,399

(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

Trustee's Commission	\$ 30,780	
Total Other Charges		\$ 30,780

Total Special Purpose Fire Tax Fund \$ 1,025,179

Other Special Revenue Fund

Public Health and Welfare

Other Local Health Services

Secretary(ies)	\$ 327	
Other Salaries and Wages	1,000	
Consultants	350	
Other Supplies and Materials	521	
Total Other Local Health Services		\$ 2,198

Total Other Special Revenue Fund 2,198

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 290,350	
Total Register of Deeds		\$ 290,350

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 378,900	
Total County Trustee's Office		378,900

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 842,847	
Total County Clerk's Office		842,847

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 217,546	
Total Chancery Court		217,546

Total Constitutional Officers - Fees Fund 1,729,643

(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	\$	77,153	
Assistant(s)		48,693	
Supervisor/Director		39,551	
Accountants/Bookkeepers		39,229	
Dispatchers/Radio Operators		27,144	
Overtime Pay		2,431	
Other Salaries and Wages		162,058	
Data Processing Services		5,518	
Dues and Memberships		3,736	
Legal Notices, Recording, and Court Costs		853	
Maintenance and Repair Services - Office Equipment		712	
Travel		1,566	
Office Supplies		4,299	
Communication Equipment		2,360	
Office Equipment		4,370	
Total Administration			\$ 419,673

Highway and Bridge Maintenance

Foremen	\$	34,928	
Equipment Operators		194,026	
Truck Drivers		235,748	
Laborers		315,131	
Overtime Pay		9,935	
Rentals		1,060	
Other Contracted Services		9,656	
Asphalt - Hot Mix		1,581,674	
Asphalt - Liquid		31,354	
Concrete		2,048	
Crushed Stone		41,629	
Fertilizer, Lime, and Seed		2,102	
General Construction Materials		57,915	
Pipe - Metal		18,560	
Road Signs		67,350	
Sand		1,472	
Small Tools		2,848	
Wood Products		832	
Other Supplies and Materials		2,858	
Total Highway and Bridge Maintenance			2,611,126

(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	\$	31,597	
Mechanic(s)		92,359	
Overtime Pay		446	
Laundry Service		7,668	
Other Contracted Services		190	
Diesel Fuel		155,433	
Equipment and Machinery Parts		90,087	
Garage Supplies		13,341	
Gasoline		42,035	
Lubricants		8,669	
Propane Gas		2,406	
Small Tools		1,930	
Tires and Tubes		19,288	
Other Supplies and Materials		310	
Total Operation and Maintenance of Equipment			\$ 465,759

Litter and Trash Collection

Truck Drivers	\$	26,416	
Guards		27,795	
Other Salaries and Wages		6,500	
Other Contracted Services		2,927	
Other Supplies and Materials		17,573	
Total Litter and Trash Collection			81,211

Other Charges

Communication	\$	4,936	
Electricity		9,198	
Water and Sewer		874	
Liability Insurance		59,700	
Trustee's Commission		71,676	
Total Other Charges			146,384

Employee Benefits

Social Security	\$	103,301	
State Retirement		166,923	
Life Insurance		1,248	
Medical Insurance		297,034	
Unemployment Compensation		1,090	
Workers' Compensation Insurance		43,241	
Total Employee Benefits			612,837

(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	\$	25,560	
Bridge Construction		181,705	
Building Improvements		<u>1,632</u>	
Total Capital Outlay	\$		208,897

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	57,830	
Truck Drivers		47,024	
Laborers		55,254	
Overtime Pay		1,866	
Social Security		12,222	
State Retirement		24,260	
Rentals		591	
Other Contracted Services		125	
Concrete		5,746	
Crushed Stone		15,809	
Diesel Fuel		6,000	
Equipment and Machinery Parts		6,540	
General Construction Materials		6,117	
Pipe - Metal		7,209	
Small Tools		449	
Workers' Compensation Insurance		<u>5,473</u>	
Total Highway and Street Capital Projects			<u>252,515</u>

Total Highway/Public Works Fund \$ 4,798,402

Vocational Building Fund

General Government

Other Facilities

Maintenance and Repair Services - Buildings	\$	<u>11,750</u>	
Total Other Facilities	\$		11,750

Other Operations

Other Charges

Trustee's Commission	\$	<u>921</u>	
Total Other Charges			<u>921</u>

Total Vocational Building Fund 12,671

(Continued)

Exhibit J-9

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

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$ 102,116	
Total Other Charges		\$ 102,116

Principal on Debt

General Government

Principal on Bonds	\$ 425,000	
Principal on Notes	69,049	
Principal on Other Loans	<u>100,000</u>	
Total General Government		594,049

Education

Principal on Other Loans	\$ 1,615,000	
Total Education		1,615,000

Interest on Debt

General Government

Interest on Bonds	\$ 42,031	
Interest on Notes	12,960	
Interest on Other Loans	<u>817,816</u>	
Total General Government		872,807

Education

Interest on Notes	\$ 1,315	
Interest on Other Loans	<u>2,415,397</u>	
Total Education		2,416,712

Other Debt Service

General Government

Other Debt Service	\$ 34,588	
Total General Government		34,588

Education

Contributions	\$ 400,000	
Other Debt Service	<u>118,671</u>	
Total Education		518,671

Capital Projects

Public Safety Projects

Land	\$ 175,474	
Total Public Safety Projects		<u>175,474</u>

Total General Debt Service Fund		\$ 6,329,417
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(Continued)

Exhibit J-9

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

<u>General Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 40,570	
Total Other Charges		\$ 40,570
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Bridge Construction	\$ 105,000	
Highway Construction	385,076	
Other Equipment	261,277	
Total Highway and Street Capital Projects		751,353
Total General Capital Projects Fund		\$ 791,923
<u>HUD Grant Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Economic and Community Development</u>		
Evaluation and Testing	\$ 72,835	
Building Improvements	242,008	
Total Other Economic and Community Development		\$ 314,843
<u>Other Charges</u>		
Trustee's Commission	\$ 54	
Total Other Charges		54
Total HUD Grant Projects Fund		314,897
<u>Education Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 613	
Total Other Charges		\$ 613
Total Education Capital Projects Fund		613
<u>Other Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Economic and Community Development</u>		
Other Contracted Services	\$ 9,294	
Total Other Economic and Community Development		\$ 9,294
Total Other Capital Projects Fund		9,294
Total Governmental Funds - Primary Government		<u>\$ 47,345,017</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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 23,510,646	
Career Ladder Program	280,278	
Career Ladder Extended Contracts	208,500	
Homebound Teachers	54,040	
Educational Assistants	812,920	
Other Salaries and Wages	86,776	
Non-certified Substitute Teachers	302,775	
Social Security	1,521,041	
State Retirement	1,597,772	
Life Insurance	25,315	
Medical Insurance	2,966,735	
Employer Medicare	356,913	
Operating Lease Payments	5,400	
Maintenance and Repair Services - Equipment	38,750	
Travel	7,366	
Other Contracted Services	133,747	
Instructional Supplies and Materials	327,340	
Textbooks	589,435	
Other Supplies and Materials	26,594	
Fee Waivers	77,020	
Other Charges	20,120	
Regular Instruction Equipment	146,955	
Total Regular Instruction Program		\$ 33,096,438

Special Education Program

Teachers	\$ 1,625,730
Career Ladder Program	15,600
Educational Assistants	128,533
Other Salaries and Wages	144,520
Non-certified Substitute Teachers	18,824
Social Security	116,682
State Retirement	132,889
Life Insurance	2,245
Medical Insurance	241,839
Employer Medicare	27,297
Maintenance and Repair Services - Equipment	465
Other Contracted Services	167,370
Instructional Supplies and Materials	52,130
Other Supplies and Materials	48,192

(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.)

Other Charges	\$ 67,784	
Special Education Equipment	21,439	
Total Special Education Program		\$ 2,811,539

Vocational Education Program

Teachers	\$ 1,756,822	
Career Ladder Program	7,000	
Non-certified Substitute Teachers	15,000	
Social Security	107,890	
State Retirement	110,533	
Life Insurance	1,800	
Medical Insurance	205,618	
Employer Medicare	25,232	
Maintenance and Repair Services - Equipment	14,175	
Travel	1,017	
Other Contracted Services	700	
Instructional Supplies and Materials	84,509	
Vocational Instruction Equipment	46,978	
Total Vocational Education Program		2,377,274

Adult Education Program

Teachers	\$ 102,301	
Other Salaries and Wages	80,320	
Social Security	11,181	
State Retirement	11,072	
Life Insurance	199	
Medical Insurance	21,642	
Employer Medicare	2,615	
Travel	1,362	
Instructional Supplies and Materials	1,060	
Other Charges	18,242	
Total Adult Education Program		249,994

Support Services

Attendance

Supervisor/Director	\$ 36,689	
Career Ladder Program	1,000	
Clerical Personnel	48,446	
Social Security	5,128	

(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	\$	8,800	
Life Insurance		108	
Medical Insurance		12,264	
Employer Medicare		1,199	
Travel		3,693	
Other Supplies and Materials		2,182	
Other Charges		75	
Attendance Equipment		9,995	
Total Attendance			\$ 129,579

Health Services

Medical Personnel	\$	282,490	
Other Salaries and Wages		46,912	
Social Security		20,032	
State Retirement		43,809	
Life Insurance		562	
Medical Insurance		48,029	
Employer Medicare		4,685	
Travel		5,249	
Drugs and Medical Supplies		5,000	
Other Supplies and Materials		43,584	
Other Charges		765	
Attendance Equipment		9,675	
Total Health Services			510,792

Other Student Support

Career Ladder Program	\$	12,475	
Guidance Personnel		1,045,987	
Other Salaries and Wages		134,053	
Social Security		70,371	
State Retirement		76,361	
Life Insurance		1,133	
Medical Insurance		116,398	
Employer Medicare		16,456	
Evaluation and Testing		68,202	
Travel		953	
Total Other Student Support			1,542,389

(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

Supervisor/Director	\$	158,878	
Career Ladder Program		14,200	
Librarians		684,532	
Materials Supervisor		23,549	
Secretary(ies)		47,602	
Educational Assistants		152,972	
Other Salaries and Wages		62,940	
Social Security		64,619	
State Retirement		67,821	
Life Insurance		1,050	
Medical Insurance		116,692	
Employer Medicare		15,967	
Maintenance and Repair Services - Equipment		920	
Travel		2,616	
Library Books/Media		305,836	
In Service/Staff Development		1,000	
Total Regular Instruction Program			\$ 1,721,194

Special Education Program

Supervisor/Director	\$	77,711	
Career Ladder Program		12,600	
Psychological Personnel		189,929	
Secretary(ies)		31,735	
Other Salaries and Wages		153,722	
Social Security		28,571	
State Retirement		31,359	
Life Insurance		372	
Medical Insurance		36,938	
Employer Medicare		6,691	
Travel		382	
Other Supplies and Materials		3,650	
In Service/Staff Development		24,686	
Other Charges		5,834	
Total Special Education Program			604,180

Vocational Education Program

Supervisor/Director	\$	56,272
Secretary(ies)		23,265
Social Security		4,801

(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.)

State Retirement	\$	6,605	
Life Insurance		86	
Medical Insurance		9,735	
Employer Medicare		1,123	
Travel		2,538	
Other Supplies and Materials		1,042	
Other Charges		874	
Total Vocational Education Program			\$ 106,341

Other Programs

On-Behalf Payments to OPEB	\$	398,196	
Remittance of Revenue Collected		2,640,000	
Total Other Programs			3,038,196

Board of Education

Board and Committee Members Fees	\$	20,400	
Social Security		1,265	
State Retirement		2,356	
Unemployment Compensation		5,040	
Employer Medicare		296	
Audit Services		22,000	
Dues and Memberships		7,465	
Legal Services		29,112	
Travel		11,223	
Other Contracted Services		3,226	
Liability Insurance		78,252	
Premiums on Corporate Surety Bonds		4,013	
Trustee's Commission		318,334	
Workers' Compensation Insurance		165,144	
Criminal Investigation of Applicants - TBI		17,228	
Refund to Applicant for Criminal Investigation		3,852	
Other Charges		738	
Total Board of Education			689,944

Director of Schools

County Official/Administrative Officer	\$	109,822	
Career Ladder Program		1,000	
Secretary(ies)		68,930	
Other Salaries and Wages		4,404	

(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.)

Social Security	\$	11,642	
State Retirement		24,342	
Life Insurance		130	
Medical Insurance		21,403	
Employer Medicare		2,986	
Other Fringe Benefits		25,655	
Communication		27,921	
Dues and Memberships		4,366	
Postal Charges		6,000	
Travel		7,959	
Office Supplies		5,905	
Other Charges		13,257	
Administration Equipment		901	
Total Director of Schools			\$ 336,623

Office of the Principal

Principals	\$	1,212,939	
Career Ladder Program		17,000	
Assistant Principals		685,173	
Secretary(ies)		575,899	
Social Security		145,689	
State Retirement		194,391	
Life Insurance		2,314	
Medical Insurance		271,969	
Employer Medicare		34,201	
Dues and Memberships		7,800	
Travel		3,006	
Total Office of the Principal			3,150,381

Fiscal Services

Supervisor/Director	\$	77,711	
Career Ladder Program		3,000	
Accountants/Bookkeepers		132,272	
Social Security		11,746	
State Retirement		26,715	
Life Insurance		192	
Medical Insurance		15,405	
Employer Medicare		2,985	
Data Processing Services		8,200	

(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.)

Fiscal Services (Cont.)

Dues and Memberships	\$	350	
Travel		1,278	
Data Processing Supplies		4,835	
Office Supplies		3,818	
Administration Equipment		18,324	
Total Fiscal Services			\$ 306,831

Operation of Plant

Supervisor/Director	\$	64,243	
Guards		7,191	
Custodial Personnel		523,571	
Social Security		36,269	
State Retirement		72,076	
Life Insurance		1,122	
Medical Insurance		116,288	
Employer Medicare		8,482	
Janitorial Services		457,443	
Maintenance and Repair Services - Equipment		8,221	
Rentals		1,689	
Travel		5,810	
Disposal Fees		26,288	
Other Contracted Services		120	
Custodial Supplies		152,597	
Electricity		1,488,481	
Fuel Oil		113,750	
Natural Gas		315,070	
Water and Sewer		235,188	
Boiler Insurance		12,841	
Building and Contents Insurance		174,453	
Other Charges		8,949	
Principal on Notes		47,380	
Principal on Capital Leases		67,615	
Interest on Capital Leases		26,265	
Other Capital Outlay		71,620	
Total Operation of Plant			4,043,022

Maintenance of Plant

Supervisor/Director	\$	55,962
Maintenance Personnel		435,831

(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.)

Maintenance of Plant (Cont.)

Other Salaries and Wages	\$	12,342	
Social Security		30,745	
State Retirement		66,031	
Life Insurance		595	
Medical Insurance		57,577	
Employer Medicare		7,191	
Other Contracted Services		25,716	
Other Supplies and Materials		369,357	
Other Charges		4,902	
Other Capital Outlay		1,569,731	
Total Maintenance of Plant			\$ 2,635,980

Transportation

Supervisor/Director	\$	36,689	
Clerical Personnel		30,420	
Social Security		3,859	
State Retirement		6,338	
Life Insurance		65	
Medical Insurance		7,762	
Employer Medicare		903	
Contracts with Vehicle Owners		1,659,935	
Maintenance and Repair Services - Vehicles		63,340	
Medical and Dental Services		3,556	
Travel		910	
Gasoline		67,772	
Other Supplies and Materials		4,144	
Vehicle and Equipment Insurance		72,233	
Other Charges		12,725	
Total Transportation			1,970,651

Central and Other

Supervisor/Director	\$	73,895	
Data Processing Personnel		156,021	
Social Security		13,700	
State Retirement		25,377	
Life Insurance		258	
Medical Insurance		28,073	
Employer Medicare		3,204	
Maintenance and Repair Services - Equipment		127,840	

(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.)

Central and Other (Cont.)

Travel	\$	7,028	
Other Contracted Services		133,109	
Data Processing Equipment		856	
Total Central and Other			\$ 569,361

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	45,774	
Social Security		2,825	
State Retirement		6,093	
Life Insurance		3,350	
Medical Insurance		4,524	
Employer Medicare		661	
Travel		1,623	
Other Contracted Services		1,609	
Other Supplies and Materials		654	
Total Food Service			67,113

Community Services

Other Salaries and Wages	\$	196,530	
Social Security		12,168	
State Retirement		7,361	
Life Insurance		35	
Medical Insurance		796	
Employer Medicare		2,846	
Maintenance and Repair Services - Equipment		3,423	
Printing, Stationery, and Forms		8,580	
Travel		3,534	
Other Contracted Services		29,905	
Instructional Supplies and Materials		42,828	
Utilities		17,600	
Other Charges		2,507	
Total Community Services			328,113

Early Childhood Education

Contracts with Other Public Agencies	\$	1,034,189	
Total Early Childhood Education			1,034,189

(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.)

Capital Outlay

Regular Capital Outlay

Architects	\$	21,284	
Building Construction		916,484	
Building Improvements		584,702	
Total Regular Capital Outlay			\$ 1,522,470

Total General Purpose School Fund \$ 62,842,594

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	480,598	
Educational Assistants		70,471	
Non-certified Substitute Teachers		2,236	
Social Security		33,554	
State Retirement		31,502	
Life Insurance		432	
Medical Insurance		52,977	
Employer Medicare		7,847	
Other Contracted Services		3,087	
Instructional Supplies and Materials		46,374	
Regular Instruction Equipment		49,525	
Total Regular Instruction Program			\$ 778,603

Special Education Program

Teachers	\$	107,939	
Educational Assistants		399,051	
Other Salaries and Wages		25,345	
Social Security		30,714	
State Retirement		58,394	
Life Insurance		1,106	
Medical Insurance		104,796	
Employer Medicare		7,490	
Other Contracted Services		34,601	
Instructional Supplies and Materials		16,740	
Other Supplies and Materials		11,442	
Special Education Equipment		5,641	
Total Special Education Program			803,259

(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.)

Instruction (Cont.)

Vocational Education Program

Other Supplies and Materials	\$	10,950	
Vocational Instruction Equipment		87,672	
Total Vocational Education Program			\$ 98,622

Support Services

Other Student Support

Other Salaries and Wages	\$	224,109	
Social Security		13,750	
State Retirement		15,026	
Life Insurance		173	
Medical Insurance		26,220	
Employer Medicare		3,215	
Travel		26,380	
Instructional Supplies and Materials		8,414	
Other Supplies and Materials		13,998	
In Service/Staff Development		89,618	
Other Charges		78,058	
Total Other Student Support			498,961

Regular Instruction Program

Supervisor/Director	\$	54,948	
Secretary(ies)		15,867	
Other Salaries and Wages		10,000	
Social Security		4,480	
State Retirement		6,668	
Life Insurance		30	
Medical Insurance		6,755	
Travel		2,795	
In Service/Staff Development		13,120	
Total Regular Instruction Program			114,663

Special Education Program

Psychological Personnel	\$	146,564	
Secretary(ies)		83,150	
Other Salaries and Wages		387,382	
Social Security		34,922	
State Retirement		36,934	
Life Insurance		514	
Medical Insurance		59,222	

(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.)

Special Education Program (Cont.)

Employer Medicare	\$	8,900	
Travel		22,111	
In Service/Staff Development		40,745	
Total Special Education Program			\$ 820,444

Transportation

Transportation Equipment	\$	48,442	
Total Transportation			48,442

Total School Federal Projects Fund \$ 3,162,994

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,670,796	
In-Service Training		1,004	
Social Security		101,979	
State Retirement		159,492	
Medical Insurance		302,283	
Unemployment Compensation		3,786	
Employer Medicare		23,850	
Communication		3,323	
Dues and Memberships		713	
Freight Expenses		1,637	
Maintenance and Repair Services - Equipment		61,501	
Pest Control		3,804	
Travel		3,145	
Permits		1,320	
Other Contracted Services		140,690	
Food Preparation Supplies		18,306	
Food Supplies		1,830,177	
Ice		39,006	
Uniforms		14,102	
Other Supplies and Materials		142,642	
Refunds		884	
Criminal Investigation of Applicants - TBI		1,648	
Refund to Applicant for Criminal Investigation		480	
Other Charges		23,453	
Food Service Equipment		90,814	
Total Food Service			\$ 4,640,835

Total Central Cafeteria Fund 4,640,835

(Continued)

Exhibit J-10

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Other Supplies and Materials	\$ 36,030	
Building Construction	5,856,801	
Site Development	41,684	
Other Equipment	<u>18,188</u>	
Total Education Capital Projects		<u>\$ 5,952,703</u>
Total Education Capital Projects Fund		<u>\$ 5,952,703</u>
Total Governmental Funds - Bradley County School Department		<u>\$ 76,599,126</u>

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, 2008

	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	\$ 1,594,142	\$ 4,805,190	\$ 6,399,332
Trustee's Collections - Prior Years	0	64,895	219,068	283,963
Circuit/Clerk and Master Collections - Prior Years	0	95,557	71,463	167,020
Interest and Penalty	0	9,718	29,595	39,313
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,543	1,543
Local Option Sales Taxes	7,988,745	0	3,679,972	11,668,717
Bank Excise Taxes	0	0	55,202	55,202
Interstate Telecommunications Taxes	0	0	3,715	3,715
Marriage Licenses	0	0	2,601	2,601
Contributions and Gifts	0	250,000	0	250,000
Other Local Revenue	0	0	379	379
Income Taxes	0	0	39,118	39,118
Total Cash Receipts	\$ 7,988,745	\$ 2,014,312	\$ 8,907,846	\$ 18,910,903
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 8,011,744	\$ 1,813,074	\$ 8,816,291	\$ 18,641,109
Trustee's Commission	1,101	35,600	102,817	139,518
Total Cash Disbursements	\$ 8,012,845	\$ 1,848,674	\$ 8,919,108	\$ 18,780,627
<u>Excess of Cash Receipts Over (Under)</u>				
Cash Disbursements	\$ (24,100)	\$ 165,638	\$ (11,262)	\$ 130,276
Cash Balance, July 1, 2007	24,100	17,063	11,262	52,425
Cash Balance, June 30, 2008	\$ 0	\$ 182,701	\$ 0	\$ 182,701

STATISTICAL SECTION

This part of the Bradley County's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5	233-240
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-9	241-244
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	10-14	245-249
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	15-16	250-251
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	17-19	252-254

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

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Table 1

		Bradley County, Tennessee									
		Net Assets by Component									
		Primary Government and Discretely Presented Component Unit									
		Last Ten Fiscal Years (Note 1)									
		(accrual basis of accounting)									
		Fiscal Year									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRIMARY GOVERNMENT: (Note 2)											
Governmental activities											
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (42,183,824)	\$ 9,475,827	\$ 13,575,147	\$ 18,717,481	\$ 31,858,961	\$ 33,218,992
Restricted	-	-	-	-	-	39,973,104	41,614,984	42,970,084	34,951,549	39,753,370	42,966,130
Unrestricted	-	-	-	-	-	10,891,277	(41,727,595)	(40,725,118)	(42,581,355)	(43,983,997)	(43,735,761)
Total Governmental activities net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,680,557	\$ 9,363,216	\$ 15,820,113	\$ 11,087,675	\$ 27,628,334	\$ 32,449,361
COMPONENT UNIT - Bradley County Schools (Notes 3,4)											
Governmental activities											
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,963,624	\$ 47,542,470	\$ 48,899,874	\$ 50,590,530	\$ 54,255,402	\$ 59,362,230
Restricted	-	-	-	-	-	1,670,614	2,105,867	1,947,027	5,099,663	8,705,026	2,011,620
Unrestricted	-	-	-	-	-	4,396,465	4,348,355	4,850,978	6,184,512	3,672,066	4,018,520
Total Governmental activities net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,030,703	\$ 53,996,692	\$ 55,697,879	\$ 61,874,705	\$ 66,632,494	\$ 65,392,370

Notes:

- (1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.
- (2) Bradley County Government does not engage in any business-type activities.
- (3) Bradley County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (4) Does not include discretely presented Bradley Healthcare and Rehabilitation Center component unit.

Bradley County, Tennessee
 Changes in Net Assets
 Last Ten Fiscal Years (Note 2)
 (accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ 2,199,215	\$ 2,326,274	\$ 2,508,007	\$ 2,643,474	\$ 3,109,772	\$ 2,817,277
Finance	-	-	-	-	1,719,385	1,822,956	2,076,420	2,105,013	2,438,416	2,553,721
Administration of Justice	-	-	-	-	1,954,308	2,113,955	2,484,384	2,484,104	2,544,591	3,006,547
Public Safety	-	-	-	-	8,672,534	11,403,020	13,838,185	16,179,741	17,148,071	18,391,569
Public Health and Welfare	-	-	-	-	3,670,897	4,127,341	4,388,121	5,071,634	5,670,024	6,323,493
Social, Cultural, and Recreational Services	-	-	-	-	1,269,906	1,268,703	1,310,346	1,428,944	1,725,312	1,932,805
Agriculture and Natural Resources	-	-	-	-	273,696	332,175	391,320	412,796	441,046	442,092
Other Operations	-	-	-	-	1,620,484	3,090,443	1,432,033	1,599,541	3,314,102	2,241,926
Highways/Public Works	-	-	-	-	3,818,551	3,568,583	3,492,535	3,761,715	3,853,649	3,951,114
Education (Payments to Component Unit)	-	-	-	-	344,153	4,000,000	1,411,489	11,346,511	-	-
Interest on Long-term Debt	-	-	-	-	2,928,254	2,754,922	2,895,248	3,494,212	3,008,201	3,251,113
Other Debt Service	-	-	-	-	3,129	159,926	183,324	174,032	6,062,980	559,551
Total Governmental activities expenses	\$ -	\$ -	\$ -	\$ -	\$ 28,474,512	\$ 36,968,298	\$ 36,411,412	\$ 50,701,717	\$ 49,316,164	\$ 45,471,208
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ 1,074,572	\$ 1,115,827	\$ 1,104,050	\$ 1,288,925	\$ 1,519,838	\$ 1,263,625
Finance	-	-	-	-	1,805,508	1,968,160	1,989,391	1,893,208	1,898,211	1,917,636
Administration of Justice	-	-	-	-	1,995,752	3,563,622	2,466,699	2,762,591	3,961,169	3,338,330
Public Safety	-	-	-	-	687,703	525,568	2,351,215	1,318,278	2,868,159	3,289,619
Public Health and Welfare	-	-	-	-	2,323,178	2,748,781	3,035,866	3,433,555	3,617,068	3,809,439
Social, Cultural, and Recreational Services	-	-	-	-	-	-	-	2,913	154,874	144,459
Other Operations	-	-	-	-	-	-	-	-	11,614	18,337
Highways/Public Works	-	-	-	-	-	-	-	-	16,299	2,236
Operating Grants and Contributions	-	-	-	-	3,522,586	3,714,851	5,222,274	7,548,175	6,382,194	6,288,479
Capital Grants and Contributions	-	-	-	-	2,812,620	1,283,377	2,526,651	1,747,863	2,766,433	1,128,994
Total Governmental activities program revenues	\$ -	\$ -	\$ -	\$ -	\$ 14,221,919	\$ 14,920,186	\$ 18,696,146	\$ 19,995,508	\$ 23,195,859	\$ 21,201,154

(Continued)

Bradley County, Tennessee
Changes in Net Assets (Cont.)
Last Ten Fiscal Years (Note 2)
(accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ (14,252,593)	\$ (22,048,112)	\$ (17,715,266)	\$ (30,706,209)	\$ (26,120,305)	\$ (24,270,054)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property Tax Levied for General Purposes	\$ -	\$ -	\$ -	\$ -	\$ 10,356,774	\$ 10,374,534	\$ 10,837,104	\$ 11,536,253	\$ 13,820,122	\$ 15,304,176
Property Tax Levied for Debt Services	-	-	-	-	5,754,591	5,930,474	6,171,066	6,463,692	4,700,428	4,784,882
Sales Tax	-	-	-	-	3,028,941	3,276,430	3,470,426	3,516,343	3,671,047	3,680,185
Other Local Taxes	-	-	-	-	1,960,856	2,017,125	2,216,994	2,205,635	2,398,407	2,531,841
Unrestricted Grants and Contributions	-	-	-	-	984,293	716,556	480,296	894,447	868,050	909,566
Investment Earnings	-	-	-	-	431,722	308,312	770,396	1,196,114	2,082,608	1,583,986
Proceeds from Hospital Sale	-	-	-	-	-	-	-	-	15,000,000	-
Miscellaneous	-	-	-	-	307,085	117,340	265,881	161,287	120,302	296,445
Total Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ 22,824,262	\$ 22,740,771	\$ 24,212,163	\$ 25,973,771	\$ 42,660,964	\$ 29,091,081
Change in Net Assets	\$ -	\$ -	\$ -	\$ -	\$ 8,571,669	\$ 692,659	\$ 6,496,897	\$ (4,732,438)	\$ 16,540,659	\$ 4,821,027

Notes:

- (1) Bradley County Government does not engage in any business-type activities.
- (2) GASB Statement 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.

Table 2a

Bradley County, Tennessee
Changes in Net Assets - Bradley County Schools
Last Ten Fiscal Years (Note 2)
(accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EXPENSES (Note 1)										
Governmental activities:										
Education	\$-	\$-	\$-	\$-	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003
Total Governmental activities expenses	\$-	\$-	\$-	\$-	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$-	\$-	\$-	\$-	\$ 1,686,576	\$ 1,819,737	\$ 1,936,298	\$ 9,337,575	\$ 2,190,518	\$ 2,165,892
Operating Grants and Contributions	-	-	-	-	6,038,159	5,657,588	6,512,203	1,789,366	9,055,821	10,028,336
Capital Grants and Contributions	-	-	-	-	141,892	4,058,059	1,411,489	4,408,270	5,945,318	400,000
Total Governmental activities program revenues	\$-	\$-	\$-	\$-	\$ 7,866,627	\$ 11,535,384	\$ 9,859,990	\$ 15,535,211	\$ 17,191,657	\$ 12,594,228
Net (Expense)/Revenue Governmental Activities	\$-	\$-	\$-	\$-	\$ (41,034,793)	\$ (39,459,507)	\$ (44,474,023)	\$ (43,920,483)	\$ (48,276,211)	\$ (59,167,775)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property Tax Levied for General Purposes	\$-	\$-	\$-	\$-	\$ 9,494,483	\$ 9,757,162	\$ 9,937,003	\$ 10,690,877	\$ 10,995,203	\$ 11,169,146
Sales Tax	-	-	-	-	6,378,550	6,960,299	7,194,986	7,815,657	7,948,465	8,025,284
Other Local Taxes	-	-	-	-	16,434	70,647	8,862	10,698	10,783	7,399
Unrestricted Grants and Contributions	-	-	-	-	24,271,342	25,411,252	28,466,791	31,042,436	33,631,203	38,492,083
Investment Earnings	-	-	-	-	181,478	140,437	414,341	444,794	438,669	207,630
Sale of Land/Equipment	-	-	-	-	-	-	-	2,671	-	-
Miscellaneous	-	-	-	-	248,532	85,699	153,224	90,180	9,677	26,109
Total Governmental activities	\$-	\$-	\$-	\$-	\$ 40,590,819	\$ 42,425,496	\$ 46,175,207	\$ 50,097,313	\$ 53,034,000	\$ 57,927,651
Change in Net Assets	\$-	\$-	\$-	\$-	\$ (443,974)	\$ 2,965,989	\$ 1,701,184	\$ 6,176,830	\$ 4,757,789	\$ (1,240,124)

Notes:

- (1) Bradley County Schools do not engage in any business-type activities.
(2) GASB Statement 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.

Table 3

Bradley County, Tennessee
Governmental Activities Tax Revenue by Source
General Government and Discretely Presented Component Unit
Last Ten Fiscal Years (1)
(accrual basis of accounting)

Fiscal Year	Property Tax for General Purposes	Property Tax for Bradley Co. Schools		Property Tax for Debt Service	Sales Tax - Primary Government		Sales Tax - Bradley Co. Schools		Other Local Tax - Primary Govt.		Other Local Tax - Bradley Co. Schools		Total
		Property Tax for Bradley Co. Schools	Property Tax for Debt Service		Sales Tax - Primary Government	Sales Tax - Bradley Co. Schools	Other Local Tax - Primary Govt.	Other Local Tax - Bradley Co. Schools					
1999	-	-	-	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-	-
2003	\$10,356,774	\$9,494,483	\$5,754,591	\$3,028,941	\$6,378,550	\$1,960,856	\$16,434	\$36,990,629					
2004	10,374,534	9,757,162	5,930,474	3,276,430	6,960,299	2,017,125	70,647	38,386,671					
2005	10,837,104	9,937,003	6,171,066	3,470,426	7,194,986	2,216,994	8,862	39,836,441					
2006	11,536,253	10,690,877	6,463,692	3,516,343	7,815,657	2,205,635	10,698	42,239,155					
2007	13,820,122	10,995,203	4,700,428	3,671,047	7,948,465	2,398,407	10,783	43,544,455					
2008	15,304,176	11,169,146	4,784,882	3,680,185	8,025,284	2,531,841	7,399	45,502,913					

(1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information unavailable for periods before 2003.

Table 4

Bradley County, Tennessee
 General Government Fund Balances - Primary Government and Discretely Presented Component Unit
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 114,269	\$ 152,991	\$ 241,241	\$ 217,245	\$ 527,261	\$ 871,562	\$ 1,432,595	\$ 1,319,054	\$ 1,638,349	\$ 2,014,095
Unreserved	4,820,888	3,569,367	3,649,850	4,019,608	5,301,308	5,128,454	5,525,501	5,812,612	6,481,745	5,506,673
Total General Fund	\$ 4,935,157	\$ 3,722,358	\$ 3,891,091	\$ 4,236,853	\$ 5,828,569	\$ 6,000,016	\$ 6,958,096	\$ 7,131,666	\$ 8,120,094	\$ 7,520,768
All other governmental funds										
Reserved	\$ -	\$ -	\$ 423,993	\$ 10,971,570	\$ 16,892,679	\$ 15,960,394	\$ 11,931,266	\$ 9,788,944	\$ 15,285,240	\$ 19,043,509
Unreserved, reported in:										
Special revenue funds	2,577,553	4,218,124	3,985,271	3,285,407	3,694,780	3,447,443	4,089,594	3,785,800	4,978,832	2,153,228
Debt Service	10,977,729	13,748,163	18,979,375	22,284,829	25,037,444	27,489,479	30,236,743	23,378,643	15,863,135	15,491,369
Capital projects funds	1,050,224	629,165	504,894	(11,215,567)	(1,922,250)	(1,245,961)	57,776	647,544	2,019,770	3,844,417
Permanent funds	-	-	-	-	-	-	-	-	180,534	902,262
Total all other governmental funds	\$ 14,605,506	\$ 18,595,452	\$ 23,893,533	\$ 25,326,239	\$ 43,702,653	\$ 45,651,355	\$ 46,315,379	\$ 37,600,931	\$ 38,327,511	\$ 41,434,785
COMPONENT UNIT - Bradley County Schools										
General Purpose School Fund										
Reserved	\$ 1,181,767	\$ 9,800,631	\$ 2,560,482	\$ 300,680	\$ 74,174	\$ 236,048	\$ 491,047	\$ 381,419	\$ 2,366,822	\$ 1,002,944
Unreserved	3,157,459	(5,745,747)	1,176,838	3,323,309	3,464,636	3,560,605	4,104,647	5,298,683	2,933,392	3,777,927
Total General Purpose School Fund	\$ 4,339,226	\$ 4,054,884	\$ 3,737,320	\$ 3,623,989	\$ 3,538,810	\$ 3,796,653	\$ 4,595,694	\$ 5,680,102	\$ 5,300,214	\$ 4,780,871
All other school funds										
Reserved	\$ 100,643	\$ 506,025	\$ 428,406	\$ 505,385	\$ 747,657	\$ 1,756,224	\$ 617,026	\$ 3,421,028	\$ 399,481	\$ 264,450
Unreserved, reported in:										
Special revenue funds	-	-	-	-	654,683	655,781	726,961	820,498	1,024,770	884,550
Capital projects funds	-	-	-	-	194,100	(542,186)	111,993	476,718	5,596,972	47,190
Total all other governmental funds	\$ 100,643	\$ 506,025	\$ 428,406	\$ 505,385	\$ 1,596,440	\$ 1,869,819	\$ 1,455,980	\$ 4,718,244	\$ 7,021,223	\$ 1,196,190

Table 5

Bradley County, Tennessee
Changes in Fund Balances General Governmental and Discretely Presented Component Unit
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 29,912,427	\$ 34,290,854	\$ 34,731,121	\$ 36,010,247	\$ 37,398,729	\$ 38,549,381	\$ 40,124,087	\$ 42,288,329	\$ 43,952,491	\$ 45,396,522
Licenses and Permits	279,607	330,330	273,383	357,549	349,992	492,751	274,184	446,892	420,076	375,282
Fines and Forfeitures	338,175	320,628	421,752	433,250	684,843	1,923,364	850,300	981,503	1,708,360	899,921
Charges for Service	4,434,716	5,367,948	4,557,004	5,274,325	5,801,881	6,669,710	4,162,521	7,228,248	7,917,495	8,309,819
Other Local Revenue	3,814,615	3,767,342	4,901,523	4,421,545	2,200,042	1,942,191	4,966,528	3,231,818	4,480,890	3,834,682
Fees from Co. Officials	1,114,861	1,159,625	1,190,255	1,689,308	1,686,576	1,819,737	2,356,183	2,638,050	2,802,077	2,663,595
State Revenues	26,601,523	27,112,138	27,602,532	27,891,688	29,342,005	30,885,536	33,831,809	36,477,847	40,220,513	46,631,671
Federal Revenues	3,463,850	4,377,180	4,513,579	4,713,483	7,729,067	5,134,084	7,519,916	8,588,643	9,752,341	9,450,761
Other Govt/Citizens	52,806	188,924	83,633	59,690	203,246	4,125,778	3,343,277	8,048,630	7,739,516	2,265,503
Total revenues	\$ 70,012,580	\$ 76,914,969	\$ 78,274,782	\$ 80,851,085	\$ 85,396,381	\$ 91,542,532	\$ 97,428,805	\$ 109,929,960	\$ 118,993,759	\$ 119,827,756
Expenditures										
General Government	\$ 15,551,892	\$ 16,435,463	\$ 16,568,593	\$ 17,949,421	\$ 1,901,747	\$ 1,906,354	\$ 2,157,169	\$ 2,324,856	\$ 2,672,688	\$ 2,641,085
Finance	-	-	-	-	915,926	951,626	1,133,907	1,110,913	1,244,702	2,496,405
Admin. of Justice	-	-	-	-	1,666,688	1,921,028	2,184,430	2,303,979	2,436,540	2,950,648
Public Safety	-	-	-	-	8,660,884	10,400,622	12,937,106	13,850,301	14,432,014	17,022,376
Public Health/Welfare	-	-	-	-	3,576,501	3,960,429	4,391,716	4,976,180	5,405,862	6,038,452
Social, Cultural/Rec.	-	-	-	-	706,305	664,082	688,662	726,262	971,630	1,788,106
Agriculture and Natural Resource	-	-	-	-	271,944	345,364	388,227	411,087	438,400	431,756
Other Operations	-	-	-	-	1,281,011	1,179,183	731,473	1,327,793	904,690	2,199,133
Special Revenues	2,920,558	4,471,883	4,124,815	3,008,886	2,587,554	4,187,344	3,916,478	3,899,970	4,216,420	-
Highways and Bridges	3,510,620	3,848,176	4,666,172	4,403,118	4,568,442	4,842,271	4,842,271	4,947,495	4,272,383	4,545,887
Education	40,340,084	41,433,932	43,869,636	45,448,792	48,520,790	50,110,321	53,660,469	58,200,686	65,052,012	70,646,423
Debt Service										
Principal	2,077,500	2,270,000	2,750,000	2,570,000	2,705,000	2,905,000	2,980,000	13,275,000	2,455,000	2,209,049
Interest	1,497,319	1,689,751	2,434,283	2,838,148	2,894,084	2,745,975	2,937,025	3,425,476	3,111,707	3,289,519
Other charges	232,149	2,852,439	162,995	208,418	119,937	280,454	446,585	302,141	8,497,361	553,259
Endowment	-	-	-	-	-	-	-	-	923,104	-
Capital Projects-General	890,843	157,754	877,408	3,356,965	8,707,116	7,085,812	3,086,881	12,532,566	982,833	1,179,342
Capital Projects-Schools	4,133,101	10,947,183	16,566,119	5,418,021	380,630	3,456,345	2,038,514	2,674,190	3,884,236	5,952,703
	\$ 71,154,066	\$ 84,106,581	\$ 92,020,021	\$ 85,201,769	\$ 89,464,539	\$ 96,678,849	\$ 98,520,913	\$ 126,288,895	\$ 121,901,582	\$ 123,944,143
Excess of revenues over (under) expenditures	\$ (1,141,486)	\$ (7,191,612)	\$ (13,745,239)	\$ (4,350,684)	\$ (4,068,178)	\$ (5,136,317)	\$ (1,092,108)	\$ (16,358,935)	\$ (2,907,823)	\$ (4,116,387)

(Continued)

Table 5

Bradley County, Tennessee
Changes in Fund Balances General Governmental and Discretely Presented Component Unit
Last Ten Fiscal Years (Cont.)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
Transfers in	\$ 1,906,830	\$ 2,083,808	\$ 2,104,923	\$ 2,405,607	\$ 2,575,539	\$ 2,103,353	\$ 433,710	\$ 627,644	\$ 510,416	\$ 308,693
Transfers out	(1,906,830)	(2,083,808)	(2,104,923)	(2,405,607)	(2,575,539)	(2,103,353)	(433,710)	(627,644)	(510,416)	(308,693)
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Note proceeds	5,000,000	10,050,000	18,816,870	6,092,800	8,300,734	7,542,000	2,923,755	12,146,511	500,000	-
Proceeds on refunded bonds	15,045,000	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(14,904,951)	-	-	-	-	-	-	-	(9,705,000)	-
Proceeds Capitalized Lease	84,200	-	-	-	231,121	244,860	215,659	18,219	750,922	233,252
Transfer to component unit	-	-	-	-	-	-	-	-	-	-
Insurance Recovery	-	-	-	-	-	-	-	-	-	41,057
Proceeds on Sale of Hospital	-	-	-	-	-	-	-	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	-	-	-	15,000,000	-
TOTAL OTHER SOURCES	\$ 5,224,249	\$ 10,050,000	\$ 18,816,870	\$ 6,092,800	\$ 8,531,855	\$ 7,786,860	\$ 3,139,414	\$ 12,164,730	\$ 6,545,922	\$ 279,959
Net change in fund balances	\$ 4,082,763	\$ 2,858,388	\$ 5,071,631	\$ 1,742,116	\$ 4,463,677	\$ 2,650,543	\$ 2,047,306	\$ (4,194,205)	\$ 3,638,099	\$ (3,836,428)

Debt Service as a percentage of noncapital expenditures

5.8%

9.3%

7.2%

7.3%

7.1%

6.9%

6.8%

15.3%

12.0%

5.2%

General Governmental and Discretely Presented Component Unit TAX Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Hotel Tax	Litigation Tax	Business Tax	Other local Tax	Bank Excise Tax	Wholesale Beer		Interstate Telecom	Total Tax Revenue
								Wholesale	Beer		
1999	\$ 19,482,367	\$ 8,660,734	\$ 391,554	\$ 302,353	\$ 645,760	\$ -	\$ 203,413	\$ 226,246	\$ -	\$ -	\$ 29,912,427
2000	23,100,211	9,260,234	420,221	544,373	552,029	45,275	161,729	206,782	-	-	34,290,854
2001	23,599,144	9,256,686	351,039	472,874	704,837	19,598	125,371	201,572	-	-	34,731,121
2002	24,727,554	9,177,251	419,377	556,462	733,968	3	167,370	206,304	7,203	7,203	35,995,492
2003	25,855,277	9,496,305	421,279	506,735	688,078	2,061	173,299	232,308	23,387	23,387	37,398,729
2004	26,265,305	10,155,593	471,160	474,242	746,486	-	151,586	265,667	19,342	19,342	38,549,381
2005	27,176,962	10,659,086	550,519	441,951	848,165	498	165,338	263,886	17,682	17,682	40,124,087
2006	28,586,707	11,245,000	597,302	475,737	852,262	495	240,264	271,405	19,157	19,157	42,288,329
2007	29,708,133	11,591,512	616,369	566,666	893,300	-	261,124	296,363	19,024	19,024	43,952,491
2008	30,910,991	11,626,969	651,328	619,392	952,355	-	315,712	306,527	13,248	13,248	45,396,522

Includes recurring expenditures of the general, special revenue, capital projects and debt service fund types.

Table 6

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

Fiscal Year Ending June 30	Tax Year Rate	Real Property		Personal Property		Public Utilities		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
		Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
1999	\$3.30	\$5,078,872,200	\$1,443,649,646	\$722,470,963	\$216,741,289	\$127,078,000	\$69,892,900	\$5,928,421,163	\$1,730,283,835	29.19%
2000	2.18	3,364,307,300	958,054,640	455,914,687	136,774,539	111,805,158	55,902,579	3,932,027,145	1,150,731,758	29.27
2001	2.43	3,467,925,000	987,402,505	313,117,892	106,369,703	144,942,292	72,471,146	3,925,985,184	1,166,243,354	29.71
2002	2.37	4,004,121,900	1,132,834,080	395,138,236	118,541,569	159,655,384	79,827,992	4,558,916,120	1,331,203,641	29.20
2003	2.18	4,117,433,300	1,167,628,385	599,464,775	179,839,539	157,525,324	78,762,662	4,874,423,399	1,426,230,586	29.26
2004	2.18	4,218,292,800	1,197,359,520	591,189,504	154,367,603	157,525,324	78,762,662	4,967,007,628	1,430,489,785	28.80
2005	2.02	4,813,051,600	1,367,157,130	643,760,090	193,128,027	110,030,664	55,015,332	5,566,842,354	1,615,300,489	29.02
2006	2.02	5,020,566,900	1,429,562,610	648,911,057	194,673,307	121,093,308	60,546,654	5,790,571,265	1,684,782,571	29.10
2007	2.02	5,669,477,400	1,429,569,410	648,910,500	194,673,317	121,573,948	60,786,974	6,439,961,848	1,685,029,701	26.17
2008	2.02	5,239,053,700	1,496,126,215	701,160,400	184,852,571	104,067,588	52,033,794	6,044,281,688	1,733,012,580	28.67

Source: Bradley County Assessor of Property

Note: Exempt properties are not included in the assessed or estimated value because the property assessor does not currently place values on these.

Table 7

Bradley County, Tennessee
Property Tax Rates (per \$100 assessed value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Bradley County Gen Rate	Bradley County Fire O/S Fringe	Bradley County Fire I/S Fringe	City of Cleveland	City of Charleston
1999	1998	\$ 2.18	\$ 0.31	\$ -	\$ 1.33	\$ 0.65
2000	1999	2.18	0.31	-	1.26	0.52
2001	2000	2.43	0.31	0.51	1.56	0.52
2002	2001	2.18	0.19	0.51	1.65	0.47
2003	2002	2.18	0.13	0.51	1.65	0.57
2004	2003	2.18	0.13	0.51	1.65	0.57
2005	2004	2.02	0.12	0.46	1.65	0.48
2006	2005	2.02	0.12	0.46	1.65	0.48
2007	2006	2.02	0.12	0.46	1.65	0.48
2008	2007	2.02	0.39	0.46	1.65	0.48

Source: Bradley County Assessor of Property

Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2008

Taxpayer	Type of Business	2008			2003 (1)			Percentage of Total Taxes Levied	Percentage of Total Taxes Levied
		Rank	Assessed Valuation	Tax Liability	Rank	Assessed Valuation	Tax Liability		
Mars-Inc.	Candies, Cookies	1	\$ 29,778,535	\$ 601,526	3	\$ 22,629,565	\$ 493,325	1.83%	1.67%
Maytag/Whirlpool	Appliance Manufacturer	2	27,089,213	547,202	1	29,233,725	637,295	1.67%	2.16%
Life Care Centers	Nursing Homes	3	26,036,231	525,932		-	-	1.60%	0.00%
Community Health Systems	Hospitals	4	24,177,681	488,389				1.49%	0.00%
Olin Mathieson	Chemical Company	5	19,130,998	386,446	5	16,445,112	358,503	1.18%	1.21%
Duracell/Gillette	Battery Manufacturer	6	18,153,765	366,706	2	25,900,565	564,632	1.12%	1.91%
Peytons/Kroger	Distribution Center	7	12,904,721	260,675	10	6,315,643	137,681	0.79%	0.47%
Schering-Plough	Foot Products	8	12,734,927	257,246	7	12,942,857	282,154	0.78%	0.96%
Bellsouth Telecom	Phones	9	12,596,526	254,450	6	15,898,052	346,578	0.78%	1.17%
Volunteer Energy Corp	Utility	10	11,810,390	238,570	8	10,918,942	238,033	0.73%	0.81%
Arch Chemicals	Chemical Company		-	-	4	16,695,447	363,961	0.00%	1.23%
Crown American	Shopping Malls				9	8,102,202	176,628	0.00%	0.60%
								11.97%	12.20%

Source: Bradley County Property Assessor

(1) Due to the implementation of GASB Statement 34 in fiscal year 2003, the oldest year available is 2003.

Bradley County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2008

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of		Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
						Total Tax Collections to Tax Levy	Delinquent Taxes to Total Tax Levy		
1998	\$24,047,285	\$17,768,380	73.89%	\$6,275,503	\$24,043,883	99.99%	\$3,402	0.01%	
1999	25,085,952	18,330,296	73.07%	6,743,830	25,074,126	99.95%	11,826	0.05%	
2000	27,898,976	21,618,046	77.49%	6,221,702	27,839,748	99.79%	59,228	0.21%	
2001	27,264,450	22,200,622	81.43%	4,745,301	26,945,923	98.83%	318,527	1.17%	
2002	28,959,013	23,303,297	80.47%	4,987,388	28,290,685	97.69%	668,328	2.31%	
2003	29,507,508	24,011,528	81.37%	4,896,567	28,908,095	97.97%	599,413	2.03%	
2004	31,643,573	25,315,685	80.00%	5,684,389	31,000,074	97.97%	643,499	2.03%	
2005	32,809,566	27,035,428	82.40%	5,119,309	32,154,737	98.00%	654,829	2.00%	
2006	36,164,240	29,515,753	81.62%	5,839,655	35,355,408	97.76%	808,832	2.24%	
2007	37,911,893	31,258,204	82.45%	(1)	31,258,203	82.45%	(1)	0.00%	

Sources: Trustee tax collection records and tax rolls, clerk and master tax collection records.

(1) Taxes are current until April 1st of the following year.

Bradley County, Tennessee
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>			Total Government	Percentage of Personal Income	Per Capita (1)
	<u>General Bonded Debt and Other Loans Payable</u>	<u>Capital Leases</u>				
1999	\$11,230,957	\$251,699	\$11,482,656	0.62%	\$146	
2000	29,228,347	154,558	29,382,905	1.38%	334	
2001	47,693,688	146,160	47,839,848	2.24%	544	
2002	57,491,770	0	57,491,770	2.70%	654	
2003	63,797,734	150,928	63,948,662	3.00%	727	
2004	69,774,734	227,610	70,002,344	3.28%	796	
2005	70,493,489	214,857	70,708,346	3.32%	804	
2006	70,920,000	83,866	71,003,866	3.33%	807	
2007	69,448,340	138,162	69,586,502	3.26%	791	
2008	66,725,000	219,074	66,944,074	3.14%	761	

(1) Calculated using information from the U.S. Census Bureau.

Bradley County, Tennessee
Ratio of Net General Obligation Bonded Debt and Other Loans Payable to Assessed Value
and Net General Obligation Bonded Debt and Other Loans Payable Per Capita
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt and Other Loans Payable (2)	Less: Amounts Available in Debt Service Fund	Net Bonded Debt and Other Loans Payable	Assessed Property Value	Ratio of Net Bonded Debt and Other Loans Payable to Assessed Value		Net Bonded Debt and Other Loans Payable Per Capita
					(1) Population	%	
1999	\$11,482,656	\$10,977,729	\$504,927	\$1,103,086,478	0.05	78,830	\$6
2000	29,382,905	13,748,163	15,634,742	1,150,731,758	1.36	87,965	178
2001	47,839,848	18,979,375	28,860,473	1,143,141,254	2.52	87,965	328
2002	57,491,770	22,284,829	35,206,941	1,250,662,845	2.82	87,965	400
2003	69,310,000	25,037,444	44,272,556	1,328,395,114	3.33	87,965	503
2004	69,774,734	27,489,479	42,285,255	1,353,555,399	3.12	87,965	481
2005	70,493,489	30,236,743	40,256,746	1,560,228,560	2.58	87,965	458
2006	70,920,000	23,378,643	47,541,357	1,615,300,489	2.94	87,965	540
2007	69,448,340	15,863,135	53,585,205	1,624,235,927	3.30	87,965	609
2008	66,725,000	15,491,369	51,233,631	1,733,012,580	2.96	87,965	582

(1) Information taken from U.S. Census Bureau reports.

(2) Does not include discretely presented Bradley Healthcare and Rehabilitation Center component unit.

Bradley County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds, Notes and Other Loans
As of June 30, 2008

Direct Debt

General Bonded Debt (1)	\$ 450,000	
Note Payable	798,571	
Public Building Authority Loan Agreements (2)	66,275,000	
Less: General Debt Service Fund	<u>(15,491,369)</u>	
Total Direct Debt		\$ 52,032,202

Overlapping Debt

City of Cleveland	<u>\$ 123,320,000</u>	
Total Overlapping Debt		<u>123,320,000</u>

Total Direct and Overlapping Debt \$ 175,352,202

- (1) Amounts include primary government and discretely presented Bradley County School Department debt.
- (2) Sources: Cumberland Securities, Division of Morgan Keegan & Company, Inc., Financial Advisor for Bradley County and the City of Cleveland

Bradley County, Tennessee
Computation of Legal Debt Margin
June 30, 2008

Not Applicable to Bradley County, Tennessee

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

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

Not Applicable to Bradley County, Tennessee

Note: The only revenue bonds issued for Bradley Memorial Hospital were Revenue and Tax Refunding Bonds, which are not included in Bradley County as part of the primary government.

Bradley County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Personal Income	(1) Per Capita Income	(1) Median Age	(1) Education Level in Years of Formal Schooling	(2) County School Enrollment	(3) Average Unemployment Rate
1999	78,830	\$1,863,698,860	\$23,642	34.2	N/A	10,925	3.6%
2000	87,965	2,132,535,495	24,243	35.5	14.4	10,752	3.4%
2001	87,965	2,132,535,495	24,243	35.5	14.4	10,793	3.8%
2002	87,965	2,132,535,495	24,243	35.5	14.4	10,865	4.9%
2003	87,965	2,132,535,495	24,243	35.5	14.4	10,860	5.5%
2004	87,965	2,132,535,495	24,243	35.5	14.4	11,014	5.1%
2005	87,965	2,132,535,495	24,243	35.5	14.4	11,171	5.3%
2006	87,965	2,132,535,495	24,243	35.5	14.4	11,663	5.8%
2007	87,965	2,132,535,495	24,243	35.5	14.4	11,840	5.1%
2008	87,965	2,132,535,495	24,243	35.5	14.4	12,087	6.9%

(1) U.S. Census Bureau.

(2) Weighted Full-time Equivalent Average Daily Attendance - Bradley County Schools.

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

Employer	2008			1999		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Whirlpool Corporation (Maytag)	1,350	1	2.83%	1,777	1	3.93%
Peyton's Southeastern, Inc.	950	2	1.99%	969	2	2.14%
Masterfoods USA (Mars)	800	3	1.68%	783	4	1.73%
Cleveland Chair Company	525	4	1.10%	450	8	1.00%
Duracell	525	5	1.10%	540	6	1.19%
Shering-Plough Healthcare	500	6	1.05%	455	7	1.01%
Jackson Manufacturing Company	465	7	0.98%	432	9	0.96%
Whirlpool Consumer Care	376	8	0.79%	808	3	1.79%
Hardwick Clothes, Inc.	370	9	0.78%	310	12	0.69%
Excel Inc.	350	10	0.73%	-	-	0.00%
Total	6,211		13.03%	6,524		14.43%

Total employment - average annual 2007 47,650
 Total employment - average annual 1999 45,200

Sources: Chamber of Commerce
 Tennessee Department of Labor

Bradley County, Tennessee
Full-Time Employees by Function
Last Ten Years

Function:	Employees as of June 30,									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	41	41	41	40	39	38	45	38	38	44
Finance	41	36	38	40	42	40	39	42	46	47
Administration of Justice	52	48	47	55	47	55	58	55	59	60
Public Safety	128	144	150	158	161	230	245	272	244	239
Health and Welfare	47	49	53	55	61	74	97	83	86	89
Agriculture and Natural Resources	4	3	2	3	2	3	3	2	6	7
Other	1	2	2	1	2	2	1	2	2	3
Road and Bridge	52	53	53	54	49	50	54	53	54	56
Total	369	382	392	414	412	502	552	557	543	555
COMPONENT UNIT:										
Education	837	857	867	884	884	896	912	922	945	972

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

FUNCTION	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>General Government</u>										
Registered Voters	N/A	N/A	N/A	N/A	N/A	51,384	51,388	53,188	55,412	57,766
Building Permits Issued	690	687	709	833	725	545	608	827	831	820
<u>Public Safety</u>										
Number of warrants served	N/A	3,002	4,435	3,707						
Fire Dept - Call Volume	N/A	N/A	660	640	491	622	528	-	-	-
Rescue Service - Call Volume	N/A	975	924	693	491	659	744	-	-	-
Fire/Rescue Service - Call Volume*	-	-	-	-	-	-	-	1,150	702	777
<u>Public Health</u>										
Ambulance- Call Volume	13,323	13,840	14,302	14,266	15,281	16,924	17,995	18,000	18,515	18,500
Response Time -avg. minutes	N/A	6.0	N/A	6.0	N/A	6.4	6.6	6.6	6.6	6.6
<u>Road & Bridge</u>										
Street Resurfaced (miles)	N/A	61.9	45.5	56.2						

N/A= Information is not available for this period.
* Fire and Rescue combined services.

Bradley County, Tennessee
Capital Assets by Function
Last Ten Fiscal Years

FUNCTION	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Highways and Streets										
Number of Miles	N/A	N/A	N/A	N/A	N/A	738	739	744	749	759
Number of Roads	N/A	1,248	1,251							
Traffic Signals	N/A	N/A	N/A	N/A	N/A	6	6	6	6	6
Public Safety										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	6	6	6	6	6	7	7	7	7	7
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	213	213	213	213	213	213	213	213	213	213
Dispatch Station										
Ambulance Stations	2	2	2	2	3	3	3	3	3	3
Number of Ambulance Units	8	9	9	10	10	10	10	10	10	11
Health Department Facilities	1	1	1	1	1	1	1	1	1	1

Facilities and Services Not Included in the Primary Government

Education:	Director of Schools, Appointed	
Form of Administration		
Number of Employees *	837	857
Elementary Schools	10	10
Middle Schools	2	2
High Schools	1	1
K-12 School	1	1
Alternative School	1	1

N/A - Information is not available for this period.

* Does not include Cafeteria Workers or Substitute Teachers

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

November 21, 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, 2008, which collectively comprise Bradley County's basic financial statements and have issued our report thereon dated November 21, 2008. Our report was 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: 08.01, 08.02, 08.04, 08.05, 08.06, and 08.08.

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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item: 08.03.

We consider item 08.07 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". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 21, 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, 2008. 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, 2008.

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, 2008, and have issued our report thereon dated November 21, 2008. 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" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu

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Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2008

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:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 282,038 (11)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	569,702
National School Lunch Program	10.555	N/A	1,740,338 (11)
Total U.S. Department of Agriculture			\$ 2,592,078
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	HM0308	\$ 285,384
Total U.S. Department of Housing and Urban Development			\$ 285,384
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Incentive Block Grants	16.523	GG-07-12750-00	\$ 9,833
Enforcing Underage Drinking Laws Programs	16.727	Z-08-073505-00	30,179
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1356	27,944
Total U.S. Department of Justice			\$ 67,956
U.S. Department of Labor:			
Passed-through State Department of Education:			
Incentive Grants - WIA Section 503	17.267	RC8/ABX	\$ 25,000
Total U.S. Department of Labor			\$ 25,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(3)	\$ 22,547
Total U.S. Department of Transportation			\$ 22,547
U.S. Department of Education:			
Direct Programs:			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Q184L050439	\$ 2,640,000
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	971,996
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,711,375
Special Education - Preschool Grants	84.173	N/A	77,666
Career and Technical Education -- Basic Grants to States	84.048	N/A	139,217
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	31,809
Twenty-First Century Community Learning Centers	84.287	192-07-02-002	148,113
State Grants for Innovative Programs	84.298	(2)	13,998
Education Technology State Grants	84.318	(5)	105,809
English Language Acquisition Grants	84.365	(2)	19,588
Improving Teacher Quality State Grants	84.367	N/A	320,434
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	201,165
Passed-through Bradley/Cleveland Public Education Foundation:			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Q184L050439	237,781
Total U.S. Department of Education			\$ 6,618,951
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z-08-201046-00	\$ 1,773
Total U.S. Elections Assistance Commission:			\$ 1,773

(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 Health and Human Services:			
Passed-through State Department of Health:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	(6)	\$ 101,154
Total U.S. Department of Health and Human Services			\$ 101,154
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Programs	97.004	(7)	\$ 38,193
Hazard Mitigation Grant	97.039	GG-05-11608-00	1,598
Homeland Security Grant Program	97.067	(8)	202,537
Total U.S. Department of Homeland Security			\$ 242,328
Total Expenditures of Federal Awards			\$ 9,957,171

State Grants		Contract Number	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 27,787
Local Health Services - State Department of Health	N/A	Z-08-020401-00	902,559
Tobacco Grant - State Department of Health	N/A	GG-08-23355-00	15,789
Family Friends - State Children's Services Commission	N/A	(9)	96,630
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-07-20740-00	677,150
Lottery Education After School Programs - Lottery Commission	N/A	(10)	275,845
Voluntary Pre-K for Tennessee - Lottery Commission	N/A	(2)	1,034,189
Juvenile Services Youth Services Officer - State Commission on Children and Youth	N/A	Z-08-022735-00	9,000
Community Corrections Program - State Board of Probation and Patrol	N/A	Z-08-021324-00	307,353
Courtroom Security Grant - Secretary of State	N/A	(2)	70,359
STOP Grant - State Department of Finance and Administration	N/A	Z-00-001436-01	2,250
Adult Drug Court - State Department of Finance and Administration	N/A	Z-05-025530-00	47,346
Juvenile Drug Court - State Department of Finance and Administration	N/A	Z-05-025536-00	36,330
Tire Recycling Grant - State Department of Environment and Conservation	N/A	Z-08-020198-00	59,717
Litter Program - State Department of Transportation	N/A	Z-08-020971-00	46,707
Safe Schools Act - State Department of Education	N/A	(2)	49,300
Youth Violence and Drug Use Prevention - State Department of Education	N/A	GG-07-12387-00	12,300
Coordinated School Health Improvement - State Department of Education	N/A	GZ8/AAX9	103,552
Regional Users Grant - State Department of Education	N/A	GP 46590 RUGS	4,829
Total State Grants			\$ 3,778,992

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) Z-07-035723-00: \$4,908; Z-08-023697-00: \$17,639
- (4) Z-08-201191-00: \$26,053; Z-08-020762-00: \$175,112
- (5) SACTS: \$75,527; (2): \$11,127; (2): \$19,155.
- (6) GG-07-12623-00: \$83,369; GG-07-21228-00: \$17,785
- (7) GG-06-12181-00: \$31,740; GG-07-20343-00: \$6,453
- (8) Z-05-025135-00: \$54,103; GG-07-20666-00: \$148,434
- (9) GG-07-12585-00: \$8,932; GG-08-21640-00: \$87,698
- (10) Z-07-034307-00: \$95,845; 019-08-3-004: \$180,000
- (11) The total for CFDA 10.555 is \$2,022,376.

Bradley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2007, which have not been corrected.

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.07	238	A central system of accounting, budgeting, and purchasing had not been adopted
07.08	239	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, 2008

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Bradley County is unqualified.
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 no instances of noncompliance that are 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. The written responses of the county mayor, road superintendent, director of schools, 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 08.01 THE COMPUTER-GENERATED ACCOUNTS RECEIVABLE LISTING AT THE AMBULANCE SERVICE WAS NOT ACCURATE
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The computerized billing system utilized by the Ambulance Service provided a detailed listing of patients' accounts receivable; however, we determined that this listing was not accurate. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting. This discrepancy in accounts receivable is the result of an error in the computerized billing system and is a significant deficiency in internal controls that increases the risk of material misstatement in the financial statements. The patients' accounts receivable reflected in the financial statements of this report is the amount that we determined through auditing procedures, and management agrees with this amount.

RECOMMENDATION

Officials should work with their software provider to correct the reporting deficiency in the computerized billing system.

**FINDING 08.02 THE AMBULANCE SERVICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The Ambulance Service did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented.

FINDING 08.03 THE PROBATION OFFICE DID NOT ISSUE RECEIPTS FOR SOME COLLECTIONS
(Noncompliance Under Government Auditing Standards)

The Probation Office did not issue receipts for some collections. In-lieu-of issuing receipts, some collections were taken directly to the county Trustee's Office. Section 9-2-103, Tennessee Code Annotated, requires that official prenumbered receipts be issued for all collections. The absence of official prenumbered receipts violates state law and increases the risks of theft.

RECOMMENDATION

Official prenumbered receipts should be issued for all collections as required by state statute.

FINDING 08.04 THE SOFTWARE USED BY THE PROBATION OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following significant deficiencies relating to the office's information system environment were identified:

- A. Users can delete cases and case history at any time, and an audit trail of the deleted information is not maintained. Without an audit trail of system activity, errors and improper changes can occur and go undetected.
- B. Users have the ability to change the computer-generated receipt number and thereby create a gap in receipt numbers or issue duplicate receipt numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated.

Sound business practices dictate that proper application controls be implemented. Because the vendor did not design the system with these controls, inappropriate system activity could occur.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the application that would provide an audit trail for any deletions or changes to cases. Also, the receipt number reset capability should be removed from the system. These controls would help to ensure the reliability and integrity of the information maintained by the system.

OFFICES OF TRUSTEE, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER

FINDING 08.05 **THE OFFICES DID NOT REVIEW SOFTWARE AUDIT LOGS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

The software applications used by the trustee, circuit and general sessions courts clerk, clerk and master, and register generated daily logs that displayed changes made by users. Since these logs provided the only audit trail of these changes, they should be reviewed daily for inappropriate activity. Since management was not aware of their existence, officials did not begin reviewing these logs until several months into the fiscal year. Procedures for reviewing these logs are currently in place.

OFFICE OF REGISTER

FINDING 08.06 **THE REGISTER ALLOWED INDIVIDUALS UNSUPERVISED ACCESS TO THE OFFICE AFTER BUSINESS HOURS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination disclosed that the register did not adequately control access to the office. Individuals who were not office employees had unsupervised access to the office after business hours. Sound business practice dictates that unsupervised access to the office after business hours weakens internal controls over assets. This deficiency is the result of management's decision to allow lawyers and title researchers to have keys to the office to research documents.

RECOMMENDATION

Individuals who are not office employees should not be allowed unsupervised access to the office after business hours.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 08.07 **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. Sound business practice dictates that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

RECOMMENDATION

County officials should consider adopting either 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

As county mayor, road superintendent, and director of schools, we understand this recommendation has been included in our audit for many years, and our County 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 Governmental Accounting Standards Board Statement No. 34, receives excellent bond ratings from both Moody's and Standard and Poors, and is one of only a few counties in Tennessee to have, in prior years, received the prestigious Certificate of Excellence in Financial Reporting. It is obvious that Bradley County's system is operating efficiently and effectively. We see no reason to change.

AUDITOR'S REBUTTAL

The Comptroller's Office has consistently recommended a central system of accounting, budget, and purchasing for all counties in the State of Tennessee to improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system results in decentralization and some duplication of effort.

FINDING 08.08

**DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE
AMBULANCE SERVICE AND 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 at the Ambulance Service and 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. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – SHERIFF

The Bradley County Sheriff's Department agrees that the duties of employees maintaining accounting records are not segregated adequately. As noted in the audit, we have limited resources and management is not completely able to segregate duties among employees to the extent professional audit standards may recommend. This is precisely why I have previously requested additional administrative personnel in my budget. To date, my request has not been authorized by the Commission.

AUDITOR'S REBUTTAL

We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, our professional standards require that we bring this matter to your attention.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal programs.

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BRADLEY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2008

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