

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



FOR THE YEAR ENDED JUNE 30, 2011



COMPREHENSIVE ANNUAL FINANCIAL REPORT

BRADLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2011

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

***DIVISION OF COUNTY AUDIT
JAMES R. ARNETTE
Director***

***CARL LOWE, CGFM
Audit Manager***

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Auditor 4***

***KATHY CLEMENTS, CGFM
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State Auditors***

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

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

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Audit Highlights

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2011.

Results

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

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF COUNTY MAYOR

- ◆ The Emergency Management Department violated the county's credit card policy.
- ◆ The office had deficiencies in the use of Local County Health Services Program grant funds.

OFFICE OF REGISTER

- ◆ Multiple employees operated from the same cash drawer.

OFFICE OF SHERIFF

- ◆ The office did not deposit some funds within three days of collection.
-

OTHER FINDING

- ◆ Duties were not segregated adequately at the Ambulance Service, Probation Service, School Food Service Department, and in the Office of Clerk and Master.
-

BEST PRACTICE

Bradley County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Bradley County.

INTRODUCTORY SECTION

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

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

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

October 31, 2011

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, 2011.

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, the 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, 2011, 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, 2011, 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 and has an approximate land area of 216,230 acres or 338 square miles and serves a population of approximately 99,000. Bradley County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

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 is a growing area of Tennessee despite the economic downturn, which has affected many parts of our country. Businesses as well as individuals recognize the tremendous value the county enjoys in its quality of life as demonstrated in our strong position financially, and our future is bright due to the sound management practices that have enabled the county to maintain solid fund balances and reserves.

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 30 of its total 330 acres remaining for development. The Hiwassee River Industrial Park has approximately 20 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. There are many exciting projects underway for the county. Some of which are as follows:

- Whirlpool Corp. is one of Bradley County's largest tax payers and employers with approximately 1,400 employees. Whirlpool Corp. is nearing completion of its new 1.4 million square foot facility. This will allow Bradley County to retain the current 1,400 jobs, while adding an additional 130 positions.
- Volkswagen has completed its commitment to invest up to \$1 billion for a manufacturing plant in nearby Hamilton County and is currently shipping its first batch of Chattanooga-built Passats around the country. Bradley County, as well as other counties in the area, is benefiting from the approximately 2,000 jobs created by direct employment at the Volkswagen facility, as well as the estimated additional 9,500 jobs that have been and will continue to be created in the region through construction and supplier activity.
- Wacker Chemie AG, a Munich, Germany-based Company, is progressing with its construction of a new facility in Bradley County with an estimated capital investment of \$1.5 billion and initial employment of approximately 750 highly skilled workers. The new facility will produce hyper pure polycrystalline silicon, a key component in photovoltaic for solar energy and semiconductors for the electronics industry.
- Amazon is making plans to open its distribution center for the 2011 holiday season. At peak times of the year, Amazon will employ more than 600 people with a permanent workforce of approximately 250 employees.
- The Industrial Development Board continues to recruit new industries as well as continuing to promote job growth within existing industries.

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.

FINANCIAL POLICIES

Accounting system and internal control. The county's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. The county's day-to-day accounting records are maintained on a cash basis. For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods or services are received. On the accrual basis, revenues are recognized when earned; expenses are recognized when incurred.

In developing the county's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budget control policy. The annual budget serves as the foundation for Bradley County's financial planning and control. All departments of the county are required to submit requests for appropriation to the county mayor on or before the third Wednesday in April of each year. The county mayor then presents the budget requests to the full County Commission for review prior to the fourth Monday in April. The county mayor uses these requests as the starting point for developing a proposed budget. The Finance Committee is required to hold public hearings on the budget requests. The County Commission adopts a final budget by late June or early July each year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations require 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 and Highway/Public Works funds, 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.

Reserve fund policy. It is the objective of the County Commission to maintain a managed budgeted reserve in the various operating funds at a level sufficient for temporary financing of unforeseen emergency needs and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. Sufficient levels of reserves can ensure continued orderly operations and tax structure stability. The percentage is calculated by taking fund balance or working capital as a percent of expenditures or operating expenses and transfers to other funds. These reserves are reviewed annually by the county mayor, director of finance, School Board, and road superintendent.

Revenue policy. The county will charge fees for services where such an approach is permissible by state and federal law and where a group of beneficiaries who can pay such fees is identifiable. New and expanded unrestricted revenue sources should be applied first to support existing programs prior to funding new programs. The county will pursue federal, state, and private grants but will strictly limit financial support of these programs to avoid commitments that continue beyond available funding. The county will continuously seek new revenues and pursue a diverse revenue base to limit the dependence on one or only a few revenue sources. This revenue diversity will shelter the county from short-time fluctuations in any one revenue source.

CAPITAL IMPROVEMENT AND LONG-TERM PLANNING

The purpose of the capital improvements plan is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. Proposed capital projects will be reviewed regarding accurate costing and overall consistency with the county's goals and objectives. Financing sources will then be identified for the highest ranking projects.

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bradley County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This is the sixth year that Bradley County has received this prestigious award.

In addition, the county also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the last three years. In order to qualify for the Distinguished Budget Presentation Award, the county's budget document was judged to be proficient in several categories, including as a policy document, a financial plan and operations guide, and a communications device.

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, Finance Director for Bradley County. Especially important is to recognize the people of the Finance Department and Human Resources Department who helped make this report possible: Rena' Samples, Sharon Sandidge, Renee' Linton, and Tracy Cook. Each contributed to the many daily efforts required to operate our office. For questions concerning any of the information provided, please contact the Finance Office at 155 Broad Street, Cleveland, Tennessee 37311.

Respectfully submitted,



Lynn Burns
Finance Director



D. Gary Davis
County Mayor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Bradley County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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

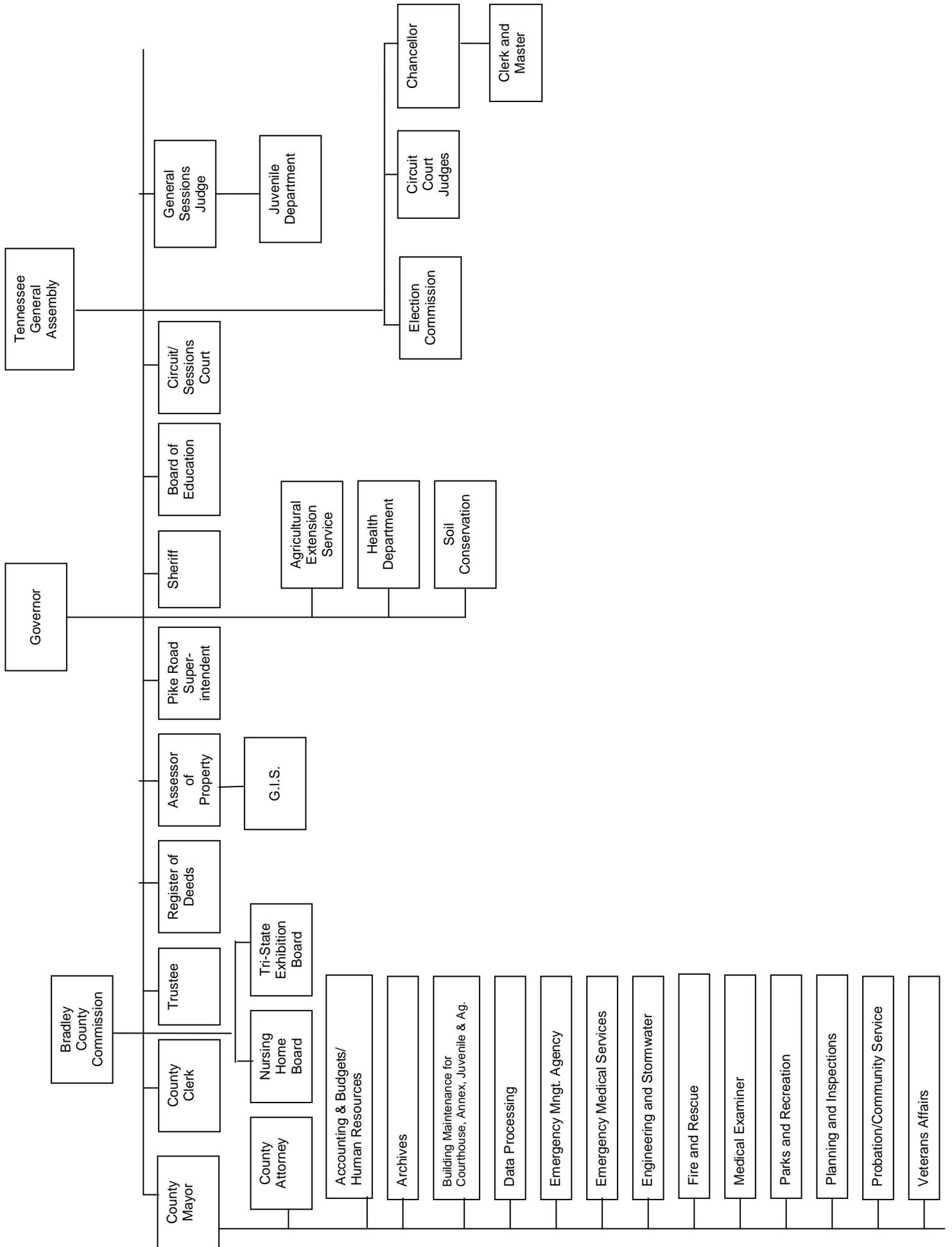


Linda C. Danson

President

Jeffrey R. Enos

Executive Director



Bradley County Officials
June 30, 2011

Officials

County Mayor	D. Gary Davis
Road Superintendent	Tom Collins
Director of Schools	Johnny McDaniel
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	Dina Swafford
Sheriff	James Ruth
Accounting and Budgeting Director	Lynn Burns
Agricultural Extension Director	Kim Frady
Ambulance Service Director	Danny Lawson
County Attorney	Joseph Byrd
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	Terry Caywood
District 1	Ed Elkins
District 2	Louie Alford, Chairman
District 2	Connie Wilson
District 3	Brian Smith
District 3	Jeff Morelock
District 4	J. Adam Lowe
District 4	Cliff Eason
District 5	Bill Ledford
District 5	Jeff Yarber

Bradley County Officials (Cont.)

Board of County Commissioners (Cont.)

District 6	Mel Griffith
District 6	Robert Rominger
District 7	Mark Hall
District 7	Bill Winters

Audit Committee

District 1	Daniel Peterson, Chairman
District 2	Roger Fuller
District 3	Clint Taylor
District 4	Kelvin Bishop
District 5	Vacant
District 6	Curt Duncan
District 7	Dewayne Thompson

Board of Education

Troy Weathers, Chairman	
Richard Baker	Rodney Dillard
Vicki Beaty	David Kelley
Christy Critchfield	Charlie Rose

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

October 31, 2011

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, 2011, 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 6.3 percent and 14.6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2011, 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, 2011, 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 October 31, 2011, 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.

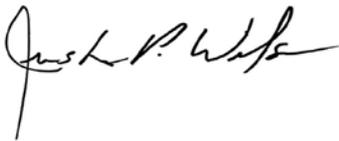
As described in Note V.B., Bradley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24 through 34 and budgetary comparison, pension, and other postemployment benefits information on pages 98 through 106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bradley County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bradley County School Department (a discretely presented component unit), miscellaneous schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of Bradley County's Primary Governmental Activities exceeded its liabilities at the close of the most recent fiscal year by \$21,854,657 (net assets).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$45,817,038. Of this amount, \$15,941,605 is set aside for endowments, \$8,238,839 is restricted with externally enforceable limitations on use, \$20,536,012 is committed by the county's legislative body to a specific fund or use, and \$665,211 is assigned for designated usage.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$435,371 or 1.4 percent of total General Fund expenditures while total fund balance of \$3,332,414 represents 10.6 percent of that same amount. The reserve policy of the county requires a minimum fund balance of at least ten percent, which is within the boundaries of our policy.
- Bradley County's total long-term debt decreased by \$3,101,102 during the current fiscal year. This is primarily a result of the annual scheduled debt reduction payments.

Overview of the Financial Statements

This discussion and analysis is 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 fund categories: governmental, proprietary, and fiduciary.

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 maintains 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, Highway/Public Works, General Debt Service, and the Endowment funds, 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, which 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 \$21,854,657 at the close of the most recent fiscal year.

The Constitution for the State of Tennessee allows only 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, 2011, Bradley County had outstanding debt totaling \$63,742,260 for capital purposes of education (\$43,341,630 for county schools and \$20,400,630 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	
	2011	2010	2011	2010
Current and Other Assets	\$ 74,203,154	\$ 77,649,625	\$ 26,797,300	\$ 30,719,099
Capital Assets	51,758,919	50,563,175	69,111,346	64,891,283
Total Assets	<u>\$ 125,962,073</u>	<u>\$ 128,212,800</u>	<u>\$ 95,908,646</u>	<u>\$ 95,610,382</u>
Long-term Liabilities	\$ 76,055,311	\$ 79,484,926	\$ 3,545,206	\$ 2,985,563
Other Liabilities	28,052,105	27,696,552	18,639,437	18,263,050
Total Liabilities	<u>\$ 104,107,416</u>	<u>\$ 107,181,478</u>	<u>\$ 22,184,643</u>	<u>\$ 21,248,613</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 37,738,186	\$ 35,563,376	\$ 68,712,588	\$ 64,367,319
Restricted	44,215,069	47,311,720	2,422,223	5,330,628
Unrestricted	<u>(60,098,598)</u>	<u>(61,843,774)</u>	<u>2,589,192</u>	<u>4,663,822</u>
Total Net Assets	<u><u>\$ 21,854,657</u></u>	<u><u>\$ 21,031,322</u></u>	<u><u>\$ 73,724,003</u></u>	<u><u>\$ 74,361,769</u></u>

Table 1b

	Bradley Healthcare and Rehabilitation	
	2011	2010
Current and Other Assets	\$ 3,969,484	\$ 3,071,737
Capital Assets	2,665,994	2,700,949
Total Assets	<u>\$ 6,635,478</u>	<u>\$ 5,772,686</u>
Other Liabilities	\$ 943,994	\$ 879,529
Total Liabilities	<u>\$ 943,994</u>	<u>\$ 879,529</u>
Net Assets:		
Invested in Capital Assets	\$ 2,665,994	\$ 2,700,949
Restricted	130,897	129,049
Unrestricted	<u>2,894,593</u>	<u>2,063,159</u>
Total Net Assets	<u><u>\$ 5,691,484</u></u>	<u><u>\$ 4,893,157</u></u>

An additional portion of Bradley County's governmental activities assets (\$44,215,069) 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.

Table 2a

BRADLEY COUNTY'S CHANGES IN NET ASSETS

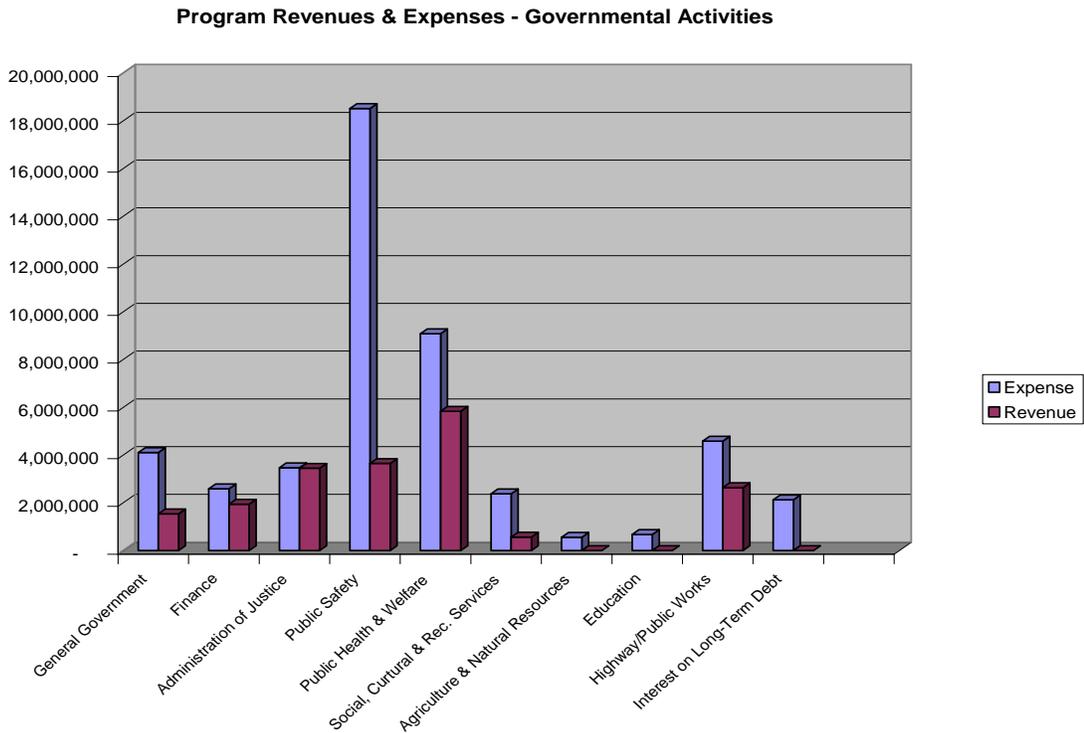
	Bradley County Government		Bradley County School Department	
	2011	2010	2011	2010
Revenues				
Program Revenues:				
Charges for Services	\$ 14,116,319	\$ 13,842,847	\$ 1,900,753	\$ 2,058,534
Operating Grants and Contributions	4,930,583	4,499,218	10,898,241	11,014,788
Capital Grants and Contributions	525,265	1,094,037	13,906	11,897,449
General Revenues:				
Property Taxes	21,180,972	20,820,980	11,657,251	11,555,769
Other Taxes	6,414,385	6,070,886	9,358,840	9,120,822
Grants and Contributions Not Restricted to Specific Programs	1,016,542	987,536	42,375,085	41,798,378
Other	670,559	938,104	34,838	70,281
Total Revenues	\$ 48,854,625	\$ 48,253,608	\$ 76,238,914	\$ 87,516,021
Expenses				
General Government	\$ 4,101,023	\$ 2,669,472	\$ 0	\$ 0
Finance	2,582,911	2,649,529	0	0
Administration of Justice	3,464,029	3,363,566	0	0
Public Safety	18,508,809	19,113,784	0	0
Public Health and Welfare	9,080,206	9,364,256	0	0
Social, Cultural, and Rec. Services	2,374,354	1,940,553	0	0
Agriculture and Natural Resources	552,058	527,160	0	0
Highways/Public Works	4,580,015	4,570,149	0	0
Education	666,796	17,734,346	76,976,180	76,389,171
Interest on Long-term Debt	2,121,089	2,580,564	0	0
Total Expenses	\$ 48,031,290	\$ 64,513,379	\$ 76,976,180	\$ 76,389,171
Increase (Decrease) in Net Assets	\$ 823,335	\$ (16,259,771)	\$ (737,266)	\$ 11,126,850
Net Assets, July 1	21,031,322	35,746,151	74,361,769	63,234,919
Prior-period Adjustment	0	1,544,942	99,500	0
Net Assets, June 30	\$ 21,854,657	\$ 21,031,322	\$ 73,724,003	\$ 74,361,769

Table 2b

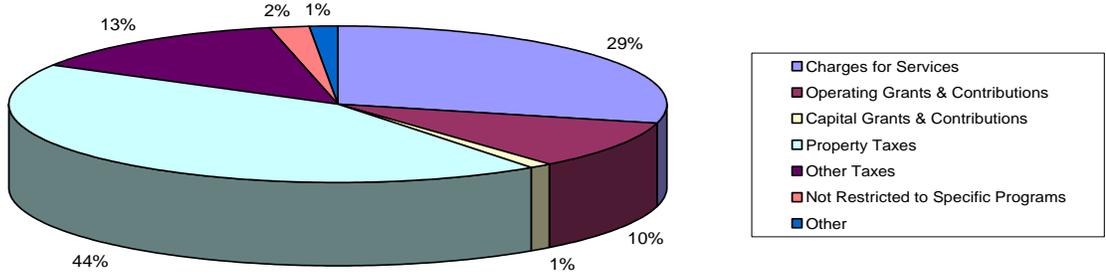
BRADLEY COUNTY'S CHANGES IN NET ASSETS

	Bradley Healthcare and Rehabilitation Center	
	2011	2010
Revenues		
Program Revenues:		
Charges for Services	\$ 12,946,407	\$ 12,169,506
General Revenues:		
Other	49,098	22,379
Total Revenues	<u>\$ 12,995,505</u>	<u>\$ 12,191,885</u>
Expenses		
Other Operations	\$ 12,197,178	\$ 11,632,621
Total Expenses	<u>\$ 12,197,178</u>	<u>\$ 11,632,621</u>
Increase (Decrease) in Net Assets	\$ 798,327	\$ 559,264
Net Assets, July 1	<u>4,893,157</u>	<u>4,333,893</u>
Net Assets, June 30	<u>\$ 5,691,484</u>	<u>\$ 4,893,157</u>

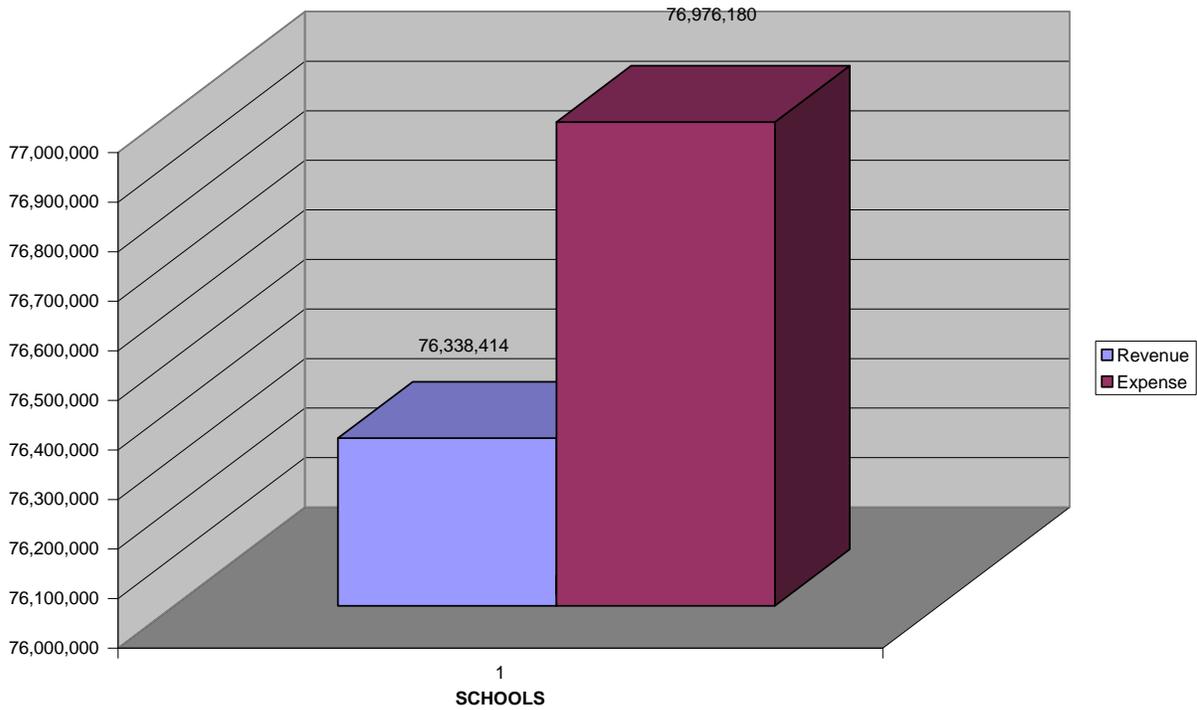
Program Revenues and Expenses – Governmental Activities



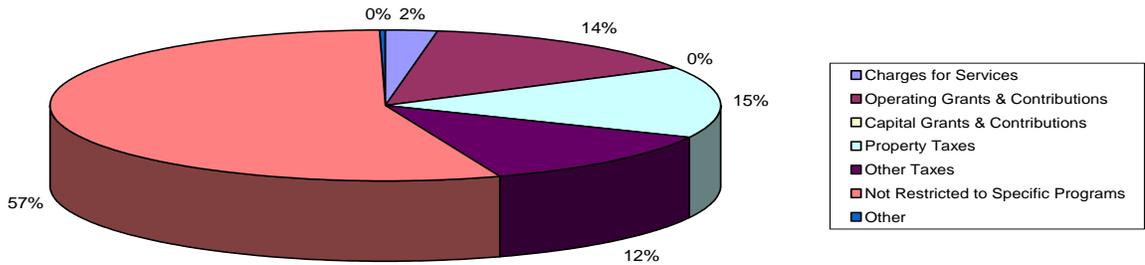
Revenues by Source - Governmental Activities



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 close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$45,817,038. Of this amount, \$15,941,605 is set aside for endowments, \$8,238,839 is restricted with externally enforceable limitations on use, \$20,536,012 is committed by the county's legislative body to a specific fund or use, and \$665,211 is assigned for designated usage.

The General Fund is the chief operating fund of Bradley County. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$435,371 or 1.4 percent of total General Fund expenditures while total fund balance of \$3,332,414 represents 10.6 percent of that same amount. The reserve policy of the county requires a minimum fund balance of at least ten percent, which is within the boundaries of our policy. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures.

The fund balance of Bradley County's General Fund decreased by \$329,477 during the current fiscal year. The key factor was the 64.6 percent reduction in federal funding over 2009/2010. The majority of this funding was ARRA Grants (American Recovery and Reinvestment Act of 2009) which ended June 30, 2011.

The fund balance of the Highway/Public Works Fund increased by \$230,430 during the current fiscal year. This was mainly due to an increase in reimbursements for paving projects.

The General Debt Service Fund had a total fund balance of \$15,529,814 all of which is allocated for the payment of debt service. The \$873,488 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in property tax funding.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$1,502,051 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$31,476
- Increases allocated to Finance - \$10,487
- Increases allocated to Administration of Justice - \$179,583
- Increases allocated to Public Safety - \$952,622
- Increases allocated to Public Health and Welfare - \$162,816
- Decreases allocated to Social, Cultural, and Recreational - \$2,301
- Increases allocated to Agriculture and Natural Resources - \$31,932
- Increases allocated to Other Operations - \$135,436

All of this increase was funded out of miscellaneous increases in various charges for services, grant proceeds, and insurance recovery.

The General Purpose School Fund had an increase in allocations totaling \$4,282,601, which consisted mostly of additional state and federal dollars and insurance recovery received.

Capital Assets and Debt Administration

Capital assets. The investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Bradley County's investment in capital assets for its governmental activities as of June 30, 2011, totaled \$37,738,186 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totaled \$68,712,588 (net of accumulated depreciation and related debt). Related debt for schools is carried in governmental activities.

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

- Purchasing and Equipment for five vehicles – Sheriff’s Department at \$180,500
- Purchasing Ambulance Rechassis – Ambulance at \$149,091
- Purchasing 12 Lead Monitors – Ambulance at \$136,777
- Lighting Project – Parks and Recreation at \$235,365
- New Park Construction – Parks and Recreation at \$260,762
- Road and Bridge Projects – Road Department at \$704,841
- Community Development – Wacker at \$902,200
- Community Development – Whirlpool at \$178,761

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

Long-term Debt

Table 3

BRADLEY COUNTY				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Notes	\$ 72,144	\$ 142,140	\$ 0	\$ 214,284
Bonds	0	11,993,670	5,556,330	17,550,000
Other Loans	14,002,740	31,347,960	14,844,300	60,195,000
Compensated Absences	1,263,077	0	0	1,263,077
Other Postemployment Benefits	1,065,424	3,275,390	0	4,340,814
Capital Leases	64,530	256,618	0	321,148
Total Long-term Debt	\$ 16,467,915	\$ 47,015,778	\$ 20,400,630	\$ 83,884,323

At the end of the current fiscal year, Bradley County and the discretely presented Bradley County School Department had total long-term debt outstanding of \$83,884,323. This amount comprises debt backed by the full faith and credit of the government. Bradley County’s and the discretely presented Bradley County School Department’s total debt decreased by \$3,226,308 (not including compensated absences and other postemployment benefits) 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.G. of this report provides additional information regarding capital leases, and Note IV.H. provides additional information regarding general obligation bonds, notes, and other loans.

Bradley County maintains an Aa2 rating from Moody’s and AA- from Standard and Poor’s for general obligation debt.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the county as of June 30, 2011, was nine percent, which had remained level over the past year. The state's average unemployment rate is 9.8 percent and the national average is 9.2 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2011-12 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$45,817,038. Of this amount, \$15,941,605 is set aside for endowments, \$8,238,839 is restricted with externally enforceable limitations on use, \$20,536,012 is committed by the county's legislative body to a specific fund or use, and \$665,211 is assigned for designated usage. Unassigned fund balance for the General Fund is \$435,371 or 1.4 percent of total General Fund expenditures while total fund balance of \$3,332,414 represents 10.6 percent of projected expenditures. The reserve policy of the county requires a minimum fund balance of at least ten percent, which is within the boundaries of our policy.

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 Finance Office at 155 Broad Street, Cleveland, Tennessee 37311.

BASIC FINANCIAL STATEMENTS

Exhibit A

Bradley County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 377,371	\$ 3,980	\$ 3,042,640
Equity in Pooled Cash and Investments	42,670,580	9,713,127	0
Investments	749,985	0	0
Deferred Outflow - Interest Rate Swap	2,765,849	0	0
Accounts Receivable	7,893,826	0	1,049,416
Allowance for Uncollectibles	(4,203,431)	0	(161,504)
Due from Other Governments	1,711,253	5,266,482	0
Inventories	0	0	36,392
Property Taxes Receivable	22,584,595	12,351,126	0
Allowance for Uncollectible Property Taxes	(1,077,317)	(537,415)	0
Prepaid Items	0	0	2,540
Notes Receivable - Long-term	34,004	0	0
Deferred Charges - Debt Issuance Costs	696,439	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,948,505	1,294,715	1,250
Construction in Progress	295,611	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	19,296,888	67,568,302	2,200,176
Infrastructure	22,867,496	0	0
Other Capital Assets	3,350,419	248,329	464,568
Total Assets	<u>\$ 125,962,073</u>	<u>\$ 95,908,646</u>	<u>\$ 6,635,478</u>

<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 1,050,759	\$ 244,528
Accrued Payroll	0	5,968,535	529,717
Payroll Deductions Payable	6,633	0	0
Contracts Payable	84,040	0	0
Accrued Interest Payable	166,251	3,079	0
Derivative - Interest Rate Swap	2,765,849	0	0
Other Current Liabilities	0	0	88,505
Other Long-term Liabilities	0	0	81,244
Unearned Revenue - Current Property Taxes	20,770,983	11,488,122	0
Noncurrent Liabilities:			
Due Within One Year	4,258,349	128,942	0
Due in More Than One Year	76,055,311	3,545,206	0
Total Liabilities	<u>\$ 104,107,416</u>	<u>\$ 22,184,643</u>	<u>\$ 943,994</u>

<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 37,738,186	\$ 68,712,588	\$ 0
Invested in Capital Assets	0	0	2,665,994
Restricted for:			
General Purposes	1,916,795	37,772	0
Law Library	20,391	0	0
Public Library	197,653	0	0

(Continued)

Exhibit A

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

	Primary Government <u>Governmental</u> Activities	Component Units	
		<u>Bradley</u> County School Department	<u>Bradley</u> Healthcare and Rehabilitation Center
<u>NET ASSETS (CONT.)</u>			
Restricted for (Cont.):			
Solid Waste/Sanitation	\$ 356,471	\$ 0	\$ 0
Drug Control	444,612	0	0
Agri-Business	90,574	0	0
Special Purpose Fire Tax	1,588,843	0	0
Veterans Nursing Home	17,748	0	0
Highway/Public Works	2,381,041	0	0
Debt Service	15,464,832	0	0
Capital Projects	5,237,906	21,018	0
Health, Wellness, and Quality of Life:			
Expendable	556,598	0	0
Nonexpendable	15,941,605	0	0
School Federal Projects	0	955,160	0
Central Cafeteria	0	1,408,273	0
Other Purposes	0	0	130,897
Unrestricted	<u>(60,098,598)</u>	<u>2,589,192</u>	<u>2,894,593</u>
Total Net Assets	<u>\$ 21,854,657</u>	<u>\$ 73,724,003</u>	<u>\$ 5,691,484</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, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues			Government Primary		Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center			
Primary Government:										
Governmental Activities:										
General Government	\$ 4,101,023	\$ 1,182,462	\$ 20,238	\$ 327,278	\$ (2,571,045)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,582,911	1,934,359	0	0	(648,552)	0	0	0	0	0
Administration of Justice	3,464,029	3,368,454	73,668	0	(21,907)	0	0	0	0	0
Public Safety	18,508,809	2,815,912	725,645	102,010	(14,865,242)	0	0	0	0	0
Public Health and Welfare	9,080,206	4,559,478	1,266,384	0	(3,254,344)	0	0	0	0	0
Social, Cultural, and Recreational Services	2,374,354	245,372	302,860	13,267	(1,812,855)	0	0	0	0	0
Agriculture and Natural Resources	552,058	0	0	0	(552,058)	0	0	0	0	0
Highways/Public Works	4,580,015	10,282	2,541,788	82,710	(1,945,235)	0	0	0	0	0
Education (Payments for the benefit of component unit)	666,796	0	0	0	(666,796)	0	0	0	0	0
Interest on Long-term Debt	2,121,089	0	0	0	(2,121,089)	0	0	0	0	0
Total Governmental Activities	\$ 48,031,290	\$ 14,116,319	\$ 4,930,583	\$ 525,265	\$ (28,459,123)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 48,031,290	\$ 14,116,319	\$ 4,930,583	\$ 525,265	\$ (28,459,123)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bradley County School Department	\$ 76,976,180	\$ 1,900,753	\$ 10,898,241	\$ 13,906	\$ 0	\$ (64,163,280)	\$ 0	\$ 0	\$ 0	\$ 0
Bradley Healthcare and Rehabilitation Center	12,197,178	12,946,407	0	0	0	0	0	0	0	749,229
Total Component Units	\$ 89,173,358	\$ 14,847,160	\$ 10,898,241	\$ 13,906	\$ 0	\$ (64,163,280)	\$ 0	\$ 0	\$ 0	\$ 749,229

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Program Revenues		Primary Government	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
					Bradley Healthcare and Rehabilitation Center
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes		\$	16,557,371	\$	11,657,251
Property Taxes Levied for Debt Service			4,623,601		0
Local Option Sales Taxes			4,086,378		9,353,851
Hotel/Motel Tax			593,808		0
Litigation Tax - General			311,287		0
Litigation Tax - Special Purpose			56,290		0
Litigation Tax - Jail, Workhouse, or Courthouse			72,364		0
Business Tax			963,762		0
Wholesale Beer Tax			327,285		0
Interstate Telecommunications Tax			3,211		4,989
Grants and Contributions Not Restricted to Specific Programs			1,016,542		37,000
Unrestricted Investment Income			497,460		15,507
Miscellaneous Refunds			173,099		19,331
Total General Revenues		\$	29,282,458	\$	63,426,014
Extraordinary Item (1)		\$	0	\$	99,500
Change in Net Assets		\$	823,335	\$	(637,766)
Net Assets, July 1, 2010			21,031,322		74,361,769
Net Assets, June 30, 2011		\$	21,854,657	\$	73,724,003
					5,691,484

(1) Proceeds from the insurance carrier for the relocation of students and resumption of operations of Blue Springs and Michigan Avenue Elementary schools following a tornado on April 27, 2011.

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

Exhibit C-1

Bradley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service		Endowment	Other Governmental Funds	
			General	Debt			
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,371	\$ 377,371
Equity in Pooled Cash and Investments	1,810,958	2,170,961	15,463,134	15,657,241	7,568,286	42,670,580	42,670,580
Investments	0	0	0	749,985	0	749,985	749,985
Accounts Receivable	7,699,291	0	0	90,977	103,558	7,893,826	7,893,826
Allowance for Uncollectibles	(4,203,431)	0	0	0	0	(4,203,431)	(4,203,431)
Due from Other Governments	1,239,230	424,750	36,882	0	10,391	1,711,253	1,711,253
Property Taxes Receivable	11,254,563	2,747,827	4,906,059	0	3,676,146	22,584,595	22,584,595
Allowance for Uncollectible Property Taxes	(489,790)	(119,583)	(213,508)	0	(254,436)	(1,077,317)	(1,077,317)
Notes Receivable - Long-term	0	0	0	0	34,004	34,004	34,004
Total Assets	\$ 17,310,821	\$ 5,223,955	\$ 20,192,567	\$ 16,498,203	\$ 11,515,320	\$ 70,740,866	\$ 70,740,866

LIABILITIES AND FUND BALANCES

Liabilities							
Payroll Deductions Payable	\$ 6,633	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,633	\$ 6,633
Contracts Payable	0	84,040	0	0	0	84,040	84,040
Deferred Revenue - Current Property Taxes	10,468,157	2,555,825	4,563,250	0	3,183,751	20,770,983	20,770,983
Deferred Revenue - Delinquent Property Taxes	200,732	49,009	87,503	0	205,405	542,649	542,649
Other Deferred Revenues	3,302,885	203,008	12,000	0	1,630	3,519,523	3,519,523
Total Liabilities	\$ 13,978,407	\$ 2,891,882	\$ 4,662,753	\$ 0	\$ 3,390,786	\$ 24,923,828	\$ 24,923,828
Fund Balances							
Nonspendable:							
Endowments	\$ 0	\$ 0	\$ 0	\$ 15,941,605	\$ 0	\$ 15,941,605	\$ 15,941,605
Restricted:							
Restricted for General Government	1,449,539	0	0	0	0	1,449,539	1,449,539
Restricted for Administration of Justice	440,079	0	0	0	20,391	460,470	460,470
Restricted for Public Safety	21,721	0	0	0	1,777,443	1,799,164	1,799,164
Restricted for Public Health and Welfare	1,176	0	0	0	17,748	18,924	18,924
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	185,374	185,374	185,374

(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 Funds	Governmental Funds	
\$	0	2,332,073	0	0	0	0	2,332,073
	0	0	0	0	1,993,295	0	1,993,295
169,199	0	0	0	0	79,429	0	248,628
0	0	0	0	0	212,957	0	212,957
206,897	0	0	0	0	84,985	0	291,882
5,270	0	0	0	0	0	0	5,270
0	0	0	556,598	0	356,353	0	912,951
40,441	0	0	0	0	90,574	0	131,015
52,113	0	0	0	0	0	0	52,113
0	0	0	0	0	133,990	0	133,990
0	0	15,529,814	0	0	0	0	15,529,814
0	0	0	0	0	3,017,392	0	3,017,392
227,017	0	0	0	0	0	0	227,017
56,540	0	0	0	0	0	0	56,540
21,513	0	0	0	0	0	0	21,513
139,697	0	0	0	0	81,418	0	221,115
20,714	0	0	0	0	118	0	20,832
9,713	0	0	0	0	0	0	9,713
30,905	0	0	0	0	0	0	30,905
4,509	0	0	0	0	0	0	4,509
0	0	0	0	0	73,067	0	73,067
435,371	0	0	0	0	0	0	435,371
<u>\$ 3,332,414</u>	<u>\$ 2,332,073</u>	<u>\$ 15,529,814</u>	<u>\$ 16,498,203</u>	<u>\$ 8,124,534</u>	<u>\$ 8,124,534</u>	<u>\$ 45,817,038</u>	
<u>\$ 17,310,821</u>	<u>\$ 5,223,955</u>	<u>\$ 20,192,567</u>	<u>\$ 16,498,203</u>	<u>\$ 11,515,320</u>	<u>\$ 11,515,320</u>	<u>\$ 70,740,866</u>	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)

Restricted (Cont.):

Restricted for Highways/Public Works	
Restricted for Capital Outlay	
Committed:	
Committed for General Government	
Committed for Finance	
Committed for Administration of Justice	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Social, Cultural, and Recreational Services	
Committed for Other Operations	
Committed for Capital Outlay	
Committed for Debt Service	
Committed for Capital Projects	
Assigned:	
Assigned for General Government	
Assigned for Finance	
Assigned for Administration of Justice	
Assigned for Public Safety	
Assigned for Public Health and Welfare	
Assigned for Social, Cultural, and Recreational Services	
Assigned for Agriculture and Natural Resources	
Assigned for Other Operations	
Assigned for Capital Projects	
Unassigned	

Total Fund Balances

Total Liabilities and Fund Balances

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, 2011

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)		\$ 45,817,038
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 5,948,505	
Add: construction in progress	295,611	
Add: buildings and improvements net of accumulated depreciation	19,296,888	
Add: infrastructure net of accumulated depreciation	22,867,496	
Add: other capital assets net of accumulated depreciation	<u>3,350,419</u>	51,758,919
(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	\$ (17,550,000)	
Less: notes payable	(72,144)	
Less: other loans payable	(60,195,000)	
Less: capital leases payable	(64,530)	
Less: interest accrued on bonds, notes, other loans, and capital leases	(166,251)	
Less: other postemployment benefits liability	(1,065,424)	
Less: compensated absences payable	(1,263,077)	
Less: other deferred revenue - premium on debt	(103,485)	
Add: deferred charges - debt issuance costs	<u>696,439</u>	(79,783,472)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,062,172</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,854,657</u>

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

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		General Debt Service	Endowment	Other Governmental Funds		
		General	Highway			Public Works	Other	
<u>Revenues</u>								
Local Taxes	\$ 16,986,144	\$ 2,634,143	\$ 4,710,678	\$ 0	\$ 3,676,164	\$ 28,007,129		
Licenses and Permits	328,746	0	0	0	0	328,746		
Fines, Forfeitures, and Penalties	588,286	0	0	0	357,996	946,282		
Charges for Current Services	4,613,212	0	0	0	2,077,925	6,691,137		
Other Local Revenues	876,383	370,201	19,934	461,461	385,702	2,113,681		
Fees Received from County Officials	2,280,525	0	0	0	0	2,280,525		
State of Tennessee	3,386,186	2,350,604	148,236	0	114,891	5,999,917		
Federal Government	292,767	0	327,278	0	13,615	633,660		
Other Governments and Citizens Groups	1,679,106	0	0	0	0	1,679,106		
Total Revenues	\$ 31,031,355	\$ 5,354,948	\$ 5,206,126	\$ 461,461	\$ 6,626,293	\$ 48,680,183		
<u>Expenditures</u>								
Current:								
General Government	\$ 2,151,256	\$ 0	\$ 0	\$ 0	\$ 308,869	\$ 2,460,125		
Finance	1,347,208	0	0	0	1,196,087	2,543,295		
Administration of Justice	3,086,732	0	0	0	233,655	3,320,387		
Public Safety	15,688,210	0	0	0	1,744,273	17,432,483		
Public Health and Welfare	6,453,887	0	0	629,426	1,402,575	8,485,888		
Social, Cultural, and Recreational Services	1,025,463	0	0	0	717,684	1,743,147		
Agriculture and Natural Resources	534,679	0	0	0	0	534,679		
Other Operations	1,088,917	0	95,744	0	535,290	1,719,951		
Highways	0	4,737,789	0	0	0	4,737,789		
Debt Service:								
Principal on Debt	0	0	2,989,049	0	0	2,989,049		
Interest on Debt	0	0	2,143,396	0	0	2,143,396		
Other Debt Service	0	0	851,425	0	0	851,425		
Capital Projects	0	386,729	0	0	2,360,408	2,747,137		
Total Expenditures	\$ 31,376,352	\$ 5,124,518	\$ 6,079,614	\$ 629,426	\$ 8,498,841	\$ 51,708,751		

(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		
Excess (Deficiency) of Revenues Over Expenditures	\$ (344,997)	\$ 230,430	\$ (873,488)	\$ (167,965)	\$ (1,872,548)	\$	(3,028,568)
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	\$ 6,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,150
Insurance Recovery	9,370	0	0	0	0	0	9,370
Total Other Financing Sources (Uses)	\$ 15,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	15,520
Net Change in Fund Balances	\$ (329,477)	\$ 230,430	\$ (873,488)	\$ (167,965)	\$ (1,872,548)	\$	(3,013,048)
Fund Balance, July 1, 2010	3,661,891	2,101,643	16,403,302	16,666,168	9,997,082		48,830,086
Fund Balance, June 30, 2011	\$ 3,332,414	\$ 2,332,073	\$ 15,529,814	\$ 16,498,203	\$ 8,124,534	\$	45,817,038

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, 2011

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)		\$ (3,013,048)
(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	\$ 4,567,498	
Less: current-year depreciation expense	<u>(2,780,832)</u>	1,786,666
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 6,952	
Less: loss on disposal of capital assets	(588,504)	
Less: decrease of revenue for the insurance recovery of disposed assets	<u>(9,370)</u>	(590,922)
(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, 2010	\$ (3,893,880)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>4,062,172</u>	168,292
(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.		
Add: change in premium on debt issuance	\$ 9,483	
Add: principal payments on notes	539,049	
Add: principal payments on other loans	2,450,000	
Add: principal payments on capital leases	112,053	
Less: change in deferred debt issuance costs	<u>(52,234)</u>	3,058,351
(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	\$ (60,422)	
Change in other postemployment benefits liability	(547,889)	
Change in accrued interest payable	<u>22,307</u>	(586,004)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 823,335</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,889,222
Equity in Pooled Cash and Investments	1,844,946
Accounts Receivable	168
Due from Other Governments	2,612,892
Property Taxes Receivable	8,186,388
Allowance for Uncollectible Taxes	<u>(473,925)</u>
Total Assets	<u>\$ 17,059,691</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 12,170,469
Due to Litigants, Heirs, and Others	<u>4,889,222</u>
Total Liabilities	<u>\$ 17,059,691</u>

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

BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

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.

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 healthcare 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 Northwest
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. No debt issues were contributed by the county to the School Department during the year ended June 30, 2011.

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.

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

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

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 expenditure for construction and/or renovation and accounts for revenues received by Bradley County that are subsequently contributed to the discretely presented Bradley County School Department and the City of Cleveland School System for construction and renovation projects.

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 type(s):

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

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

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

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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or

higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

2. Receivables and Payables

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

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.59 percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is

the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements.

3. 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>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 40
Bridges	40

4. Compensated Absences

It is the policy of Bradley County’s General and Highway/Public Works funds to permit 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 and Highway/Public Works funds. 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. 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, and its ten month employees to accumulate up to two days earned but unused leave, which will be paid upon retirement, resignation, or termination. However, the policy of the School Department does not allow for 12-month or 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.

5. 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 and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. 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.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$1,916,795, with the primary restrictions being for: (1) courthouse and jail maintenance (\$1,421,947); (2) computer systems for various offices (\$120,050); (3) alcohol and drug treatment (\$83,804); and (4) drug control (\$245,905).

For the discretely presented School Department, the account balance in Restricted for Other Purposes totaling \$37,772 consists of restrictions for career ladder programs.

As of June 30, 2011, Bradley County had \$63,742,260 in outstanding debt for capital purposes for the discretely presented Bradley County School Department and the City of Cleveland's School System. 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 county School Department and the City of Cleveland School System. Therefore, Bradley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

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

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

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) and the Endowment Fund (permanent

fund), which are not budgeted and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2011, Bradley County reported the following significant encumbrances:

Funds	Description	Amount
Major Fund:		
General	Workers Compensation Insurance	\$ 28,854
"	Development Operations	123,747
"	County Building Repairs	41,395
"	Data Processing Repairs and Maintenance	27,454
"	Sheriff's Department Repairs and Maintenance	30,072
"	Jail Repairs and Maintenance	37,128
"	Rescue Squad Repairs and Maintenance	25,846
"	Equipment	25,000
Nonmajor Funds:		
Special Purpose		
Fire Tax	Vehicles and Equipment	61,442
General Capital		
Projects	Equipment	73,067

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

agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2011, Bradley County had the following nonpooled investment carried at fair value for the Endowment Fund:

Investment	Maturity	Fair Value
U.S. Treasury Bill	8-18-11	\$ 749,985

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 investment in the U.S. Treasury Bill was not rated.

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 \$749,985 nonpooled investments in U.S. Treasury Bills represent the entire investments of the primary government’s Endowment Fund.

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/no-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 \$34,004.

C. Derivative Instruments

Primary Government

At June 30, 2011, Bradley County had the following derivative instruments outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$10M Swap Series IV-C-2	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$10,000,000	12-1-06	6-1-20	Pay 4.38% receive 63.5% of LIBOR
\$10M Swap Series IV-G-1	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	10,000,000	12-1-06	6-1-26	Pay 4.45% receive 63.5% of LIBOR

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2011, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2011 financial statements are as follows:

Type	Classification	Changes in Fair Value Amount	Classification	Fair Value at June 30, 2011 Amount	6-30-11 Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred Outflow	\$ 259,608	Debt	\$(1,013,848)	\$ 9,120,000
\$10M Swap - Series IV-G-1	Deferred Outflow	422,247	Debt	(1,752,001)	10,000,000
Totals		<u>\$ 681,855</u>		<u>\$(2,765,849)</u>	<u>\$19,120,000</u>

Derivative Swap Agreement Detail

\$10M Series IV-C-2 Swap:

The Public Building Authority of Bradley County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-C-2 Loan Agreement.

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. The Series IV-C-2 bonds have since been refunded with a portion of the proceeds of the Series E-6-A bonds, and the interest rate swap is now associated with the Series E-6-A bonds.

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 five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$10 million and the original associated variable-rate bonds had a \$10 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-6-A Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement had an effective date of December 1, 2006, and matures on June 1, 2020. As of June 30, 2011, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.380 %
Variable payment from counterparty	% of LIBOR	<u>-1.244</u>
Net interest rate swap payments		3.136 %
Variable-rate bond coupon payments		<u>0.100</u>
Synthetic interest rate on bonds		<u><u>3.236 %</u></u>

Fair value. As of June 30, 2011, the swap had a negative fair value of \$1,013,848. 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, 2011, the county was not exposed to credit risk because the swap had a negative fair value. However, should 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, Morgan Keegan Financial Products (MKFP) was rated "A+" by Standard and Poor's as of June 30, 2011, with its Credit Support Provider, Deutsche Bank, rated Aa3/A+/AA- by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the bond rate increase to above 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.5 percent of LIBOR, then the synthetic rate on the bonds will decrease.

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, 2011, 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		
2012	\$ 485,000	\$ 9,120	\$ 286,006	\$	780,126
2013	510,000	8,635	270,797		789,432
2014	540,000	8,125	254,803		802,928
2015	575,000	7,585	237,868		820,453
2016	615,000	7,010	219,836		841,846
2017-2020	6,395,000	19,820	621,562		7,036,382
Total	\$ 9,120,000	\$ 60,295	\$ 1,890,872	\$	11,071,167

\$10M Series IV-G-1 Swap:

The Public Building Authority of Bradley County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-G-1 Loan Agreement.

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. The Series IV-G-1 bonds have since been refunded with a portion of the proceeds of the Series E-6-A bonds, and the interest rate swap is now associated with the Series E-6-A bonds.

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 had an original notional amount of \$10 million and the original associated variable-rate bonds had a \$10 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-6-A Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement had an effective date of December 1, 2006, and matures on June 1, 2026. As of June 30, 2011, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.450 %
Variable payment from counterparty	% of LIBOR	<u>-1.244</u>
Net interest rate swap payments		3.206 %
Variable-rate bond coupon payments		<u>0.100</u>
		<u><u>3.306 %</u></u>

Fair value. As of June 30, 2011, the swap had a negative fair value of \$1,752,001. 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, 2011, the county was not exposed to credit risk because the swap had a negative fair value. However, should 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, Morgan Keegan Financial Products (MKFP) was rated "A+" by Standard and Poor's as of June 30, 2011, with its Credit Support Provider, Deutsche Bank, rated Aa3/A+/AA- by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the bond rate increase to above 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.5 percent of LIBOR, then the synthetic rate on the bonds will decrease.

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, 2011, 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		
2012	\$ 0	\$ 10,000	\$ 320,604	\$ 330,604	
2013	0	10,000	320,604	330,604	
2014	0	10,000	320,604	330,604	
2015	0	10,000	320,604	330,604	
2016	0	10,000	320,604	330,604	
2017-2021	0	50,000	1,603,018	1,653,018	
2022-2026	10,000,000	38,340	1,229,191	11,267,531	
Total	\$ 10,000,000	\$ 138,340	\$ 4,435,229	\$ 14,573,569	

D. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 5,948,505	\$ 0	\$ 0	\$ 5,948,505
Construction in Progress	258,230	251,975	(214,594)	295,611
Total Capital Assets Not Depreciated	<u>\$ 6,206,735</u>	<u>\$ 251,975</u>	<u>\$ (214,594)</u>	<u>\$ 6,244,116</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 31,541,718	\$ 0	\$ (80,276)	\$ 31,461,442
Infrastructure	29,804,413	3,728,288	(999,112)	32,533,589
Other Capital Assets	13,339,531	808,781	(364,698)	13,783,614
Total Capital Assets Depreciated	<u>\$ 74,685,662</u>	<u>\$ 4,537,069</u>	<u>\$ (1,444,086)</u>	<u>\$ 77,778,645</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 11,356,450	\$ 841,539	\$ (33,435)	\$ 12,164,554
Infrastructure	9,167,435	989,366	(490,708)	9,666,093
Other Capital Assets	9,805,337	949,927	(322,069)	10,433,195
Total Accumulated Depreciation	<u>\$ 30,329,222</u>	<u>\$ 2,780,832</u>	<u>\$ (846,212)</u>	<u>\$ 32,263,842</u>
Total Capital Assets Depreciated, Net	<u>\$ 44,356,440</u>	<u>\$ 1,756,237</u>	<u>\$ (597,874)</u>	<u>\$ 45,514,803</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,563,175</u>	<u>\$ 2,008,212</u>	<u>\$ (812,468)</u>	<u>\$ 51,758,919</u>

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

Governmental Activities:

General Government	\$	74,284
Finance		10,257
Administration of Justice		6,120
Public Safety		1,162,002
Public Health and Welfare		186,080
Social, Cultural, and Recreational Services		108,867
Agriculture and Natural Resources		2,079
Highways/Public Works		1,231,143
Total Depreciation Expense - Governmental Activities	\$	<u>2,780,832</u>

Discretely Presented Bradley County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,294,715	\$ 0	\$ 0	\$ 1,294,715
Construction in Progress	6,872,528	0	(6,872,528)	0
Total Capital Assets Not Depreciated	<u>\$ 8,167,243</u>	<u>\$ 0</u>	<u>\$ (6,872,528)</u>	<u>\$ 1,294,715</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 87,590,773	\$ 13,760,227	\$ 0	\$ 101,351,000
Other Capital Assets	1,155,940	18,800	(11,500)	1,163,240
Total Capital Assets Depreciated	<u>\$ 88,746,713</u>	<u>\$ 13,779,027</u>	<u>\$ (11,500)</u>	<u>\$ 102,514,240</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 31,173,592	\$ 2,609,106	\$ 0	\$ 33,782,698
Other Capital Assets	849,081	73,976	(8,146)	914,911
Total Accumulated Depreciation	<u>\$ 32,022,673</u>	<u>\$ 2,683,082</u>	<u>\$ (8,146)</u>	<u>\$ 34,697,609</u>
Total Capital Assets Depreciated, Net	<u>\$ 56,724,040</u>	<u>\$ 11,095,945</u>	<u>\$ (3,354)</u>	<u>\$ 67,816,631</u>
Governmental Activities Capital Assets, Net	<u>\$ 64,891,283</u>	<u>\$ 11,095,945</u>	<u>\$ (6,875,882)</u>	<u>\$ 69,111,346</u>

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

Governmental Activities:

Instruction	\$ 2,609,106
Support Services	65,556
Operation of Non-Instructional Services	<u>8,420</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,683,082</u></u>

E. Insurance Recoveries

Primary Government

During the year, Bradley County had damage to one of its vehicles. Insurance recovery of \$9,370 was used to repair the damage.

Discretely Presented Bradley County School Department

On April 27, 2011, a tornado damaged Blue Springs and Michigan Avenue elementary schools. No insurance proceeds were received during the year to restore these two schools because it had not been decided if these two schools would be repaired or replaced. However, the insurance company did provide \$99,500 to relocate students and resume operations. This revenue is presented as an extraordinary item in the government-wide financial statements. These two schools were fully depreciated as of June 30, 2011, and their residual value is not material to the government-wide statements.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balance as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 17,962

This balance 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, 2011, consisted of the following amount:

Discretely Presented Bradley County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 47,724

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.

G. Capital Leases

Primary Government

On December 14, 2009, Bradley County entered into a two-year lease-purchase agreement to purchase eight patrol cars. The terms of the agreement require total lease payments of \$173,434 plus interest of 4.65 percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made from the General Fund.

On January 13, 2010, Bradley County entered into a two-year lease-purchase agreement to purchase one patrol car. The terms of the agreement require total lease payments of \$20,302 plus interest of 6.15 percent. Title to the vehicle transfers to Bradley County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Other Capital Assets	\$ 193,736
Less: Accumulated Depreciation	<u>(57,504)</u>
Total	<u><u>\$ 136,232</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30	Governmental Funds
2012	\$ 67,632
Total Minimum Lease Payments	\$ 67,632
Less: Amount Representing Interest	(3,102)
Present Value of Minimum Lease Payments	\$ 64,530

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 from the General Purpose School Fund.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Building and Improvements	\$ 547,182
Less: Accumulated Depreciation	(66,963)
Total	\$ 480,219

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30	Governmental Funds
2012	\$ 93,880
2013	93,880
2014	93,880
Total Minimum Lease Payments	\$ 281,640
Less: Amount Representing Interest	(25,022)
Present Value of Minimum Lease Payments	\$ 256,618

H. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

general obligation bonds and other loans. 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. The general obligation bond, the capital outlay note, and other loans outstanding were issued for original terms of up to 20 years for the bond, eight years for the note, and up to 18 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, 2011, will be retired from the General Debt Service Fund.

The general obligation bond, the capital outlay note, other loans, and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate		Original Amount of Issue	Balance 6-30-11
General Obligation Bond	5 to 5.5	% \$	17,550,000	\$ 17,550,000
Other Loans - Variable Rate	Variable		34,770,000	29,025,000
Other Loans - Synthetic Fixed by Swap	Variable		20,000,000	19,120,000
Other Loans	3 to 4.25		12,050,000	12,050,000
Capital Outlay Note	0		168,340	72,144
Capital Leases	4.65 to 6.15		193,736	64,530

In a prior year, Bradley County, on behalf of the School Department and the City of Cleveland, issued \$17,550,000 of general obligation bonds from the Build America Bonds program. This program allows state and local governments to issue taxable bonds for capital projects and to receive a new direct federal subsidy payment from the U.S. Treasury Department for a portion of their borrowing costs. The American Recovery and Reinvestment Act of 2009 creates the new Build America Bond program, which authorizes state and local governments to issue Build America Bonds as taxable bonds in 2009 and 2011 to finance any capital expenditures for which they otherwise could issue tax-exempt government bonds. State and local governments receive a direct federal subsidy payment for a portion of their borrowing costs on Build America Bonds equal to 35 percent of the total coupon interest paid to investors.

In prior years, Bradley County 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, 2011:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-11	Interest Type	Interest Rates as of 6-30-11	Fee Rates as of 6-30-11
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 12,050,000	Fixed	3 to 4.25 %	.65%
Series VII-A-5	6,560,000	4,940,000	Variable	.1	.706
Series E-6-A:	28,210,000	24,085,000	Variable	.1	1.676
Series IV-C-2	10,000,000	9,120,000	Synthetic Fixed by Swap	3.236	1.676
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by Swap	3.306	1.676
Total		<u>\$ 60,195,000</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2011, including interest payments, other loan fees, and direct federal subsidy are presented in the following tables:

Year Ending June 30	Bond			
	Principal	Interest	Treasury Department Direct Subsidy	Total
2012	\$ 0	\$ 935,080	\$ (327,278)	\$ 607,802
2013	0	935,080	(327,278)	607,802
2014	0	935,080	(327,278)	607,802
2015	0	935,080	(327,278)	607,802
2016	0	935,080	(327,278)	607,802
2017-2021	0	4,675,400	(1,636,390)	3,039,010
2022-2026	8,000,000	3,688,210	(1,290,874)	10,397,336
2027-2029	9,550,000	1,068,285	(373,899)	10,244,386
Total	<u>\$ 17,550,000</u>	<u>\$ 14,107,295</u>	<u>\$ (4,937,553)</u>	<u>\$ 26,719,742</u>

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 24,048	\$ 0	\$ 24,048
2013	24,048	0	24,048
2014	24,048	0	24,048
Total	\$ 72,144	\$ 0	\$ 72,144

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 3,535,000	\$ 409,695	\$ 837,317	\$ 4,782,012
2013	3,695,000	379,480	799,310	4,873,790
2014	3,860,000	347,800	759,666	4,967,466
2015	4,035,000	315,520	717,848	5,068,368
2016	4,280,000	277,485	673,771	5,231,256
2017-2021	24,600,000	755,005	2,582,134	27,937,139
2022-2026	16,190,000	55,485	929,928	17,175,413
Total	\$ 60,195,000	\$ 2,540,470	\$ 7,299,974	\$ 70,035,444

There is \$15,529,814 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$177, based on the 2010 federal census. Debt per capita, including the bond, the note, other loans, and capital leases, totaled \$787, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bond	Note	Other Loans
Balance, July 1, 2010	\$ 17,550,000	\$ 611,193	\$ 62,645,000
Deductions	0	(539,049)	(2,450,000)
Balance, June 30, 2011	\$ 17,550,000	\$ 72,144	\$ 60,195,000
Balance Due Within One Year	\$ 0	\$ 24,048	\$ 3,535,000

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 176,583	\$ 1,202,655	\$ 517,535
Additions	0	1,056,971	611,197
Deductions	(112,053)	(996,549)	(63,308)
Balance, June 30, 2011	\$ 64,530	\$ 1,263,077	\$ 1,065,424
Balance Due Within One Year	\$ 64,530	\$ 634,771	\$ 0

Compensated absences and other postemployment benefits 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, 2011	\$ 80,210,175
Less: Balances Due Within One Year	(4,258,349)
Add: Unamortized Premium on Debt	<u>103,485</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 76,055,311</u>

Discretely Presented Bradley County School Department

Capital Outlay Note

Bradley County issues capital outlay notes on behalf of the School Department to provide funds for 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, 2011, will be retired from the General Purpose School Fund.

The capital outlay note and capital lease outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
Capital Outlay Note	0 %	\$ 331,660	\$ 142,140
Capital Lease	4.8	547,182	256,618

The annual requirements to amortize the note outstanding as of June 30, 2011, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 47,380	\$ 0	\$ 47,380
2013	47,380	0	47,380
2014	47,380	0	47,380
Total	<u>\$ 142,140</u>	<u>\$ 0</u>	<u>\$ 142,140</u>

Debt per capita, including the note and the capital lease, totaled \$4, based on the 2010 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, 2011, was as follows:

Governmental Activities:

	Note	Capital Lease
Balance, July 1, 2010	\$ 189,520	\$ 334,444
Deductions	(47,380)	(77,826)
Balance, June 30, 2011	<u>\$ 142,140</u>	<u>\$ 256,618</u>
Balance Due Within One Year	<u>\$ 47,380</u>	<u>\$ 81,562</u>

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 2,586,805
Additions	1,557,146
Deductions	<u>(868,561)</u>
Balance, June 30, 2011	<u>\$ 3,275,390</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 3,674,148
Less: Balances Due Within One Year	<u>(128,942)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,545,206</u>

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

I. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employee's on-behalf of Bradley County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$3,943. Bradley County has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2011, were \$447,646 and \$52,333, respectively. The School

Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Bradley County issued tax anticipation notes of \$3,000,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax Anticipation Notes	\$ 0	\$ 3,000,000	\$ (3,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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 Casualty 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.

Bradley County participated in the Local Government Group Insurance Fund; however, beginning July 1, 2009, the county decided to provide commercial health insurance coverage to its employees. Settled claims have not exceeded this commercial coverage over the past two fiscal years.

Discretely Presented Bradley County School Department

The 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.

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Bradley County and the Bradley County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Event

On August 15, 2011, the county's General Debt Service Fund issued a \$1,833,827 tax anticipation note to the General Fund for temporary operating funds.

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.

In prior years, a citizen agreed to pay principal and interest on capital projects at various schools in the county to Bradley County until June 1, 2016. In January 2009, this citizen filed for Chapter 11 bankruptcy. This citizen has contributed over \$1,000,000 to the county for these projects since 2005. The county believes there is approximately \$2,000,000 remaining

in pledged amounts on the principal for these projects as of June 30, 2011. We are unable to determine if this citizen will make any other payments on these projects. In the event that no payments are received, the county will make the principal and interest payments for these projects.

E. Changes in Administration

On August 31, 2010, Raymond Swafford left the Office of Register and was succeeded by Dina Swafford, and Tim Gobble left the Office of Sheriff and was succeeded by James Ruth.

F. Landfill Closure and Postclosure Care Cost

Bradley County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

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 the county's landfill during the term of the contract. The term of the 2005 amendment to the contract is the estimated life of the landfill – approximately 55.2 years based on current usage – and the life of additional cells that might be opened in the future. The \$1,219,744 estimated closure and postclosure costs of the landfill at June 30, 2011, 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. This amount is based on estimates of what it would cost to perform all closure and postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. 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, 2011, 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, 2011, future principal and interest requirements, which Bradley County would be liable for, were \$5,765,000 and \$5,516,000, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2011.

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, 2011.

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 Northwest
Cleveland, TN 37312

Hiwassee Utilities Commission
3973 Chatata Valley Road
Charleston, TN 37310

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

H. 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.

I. Retirement Commitments

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.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Bradley County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 13.87 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, 2011, the county’s annual pension cost of \$3,323,275 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 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 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was seven years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$3,323,275	100%	\$0
6-30-10	3,160,453	100	0
6-30-09	3,123,521	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 82.72 percent funded. The actuarial accrued liability for benefits was

\$58 million, and the actuarial value of assets was \$48 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$10 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25 million, and the ratio of the UAAL to the covered payroll was 40.19 percent.

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

The annual required contribution 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. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$3,234,454, \$2,238,374, and \$2,189,217, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Plan Description

Bradley County employees, who retired prior to July 1, 2009, and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)* for teachers and Section 8-27-207, *TCA* for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The 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. Currently, there are no Bradley County retirees' who contribute to their insurance. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$4 to \$464 per month. Bradley County and the School Department recognized expenditures of \$12,627 and \$868,561 respectively, for postemployment health care during the year ended June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 19,000	\$ 1,551,000
Interest on the NPO	1,284	116,406
Adjustment to the ARC	(1,216)	(110,260)
Annual OPEB cost	\$ 19,068	\$ 1,557,146
Amount of contribution	(12,627)	(868,561)
Increase/decrease in NPO	\$ 6,441	\$ 688,585
Net OPEB obligation, 7-1-10	28,525	2,586,805
Net OPEB obligation, 6-30-11	\$ 34,966	\$ 3,275,390

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-09	Local Education Group	\$ 1,510,019	43.10%	\$ 1,707,360
6-30-10	"	1,533,057	42.63	2,586,805
6-30-11	"	1,557,146	55.78	3,275,390
6-30-09	Local Government Group	874,936	10.18	20,105
6-30-10	"	19,048	55.79	28,525
6-30-11	"	19,068	55.79	34,966

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 236,000	\$ 13,800,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 236,000	\$ 13,800,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 0	\$ 41,860,720
UAAL as a % of covered payroll	0%	32.97%

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

Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

Primary Government – Commercial Healthcare Plan

Plan Description

Effective July 1, 2009, Bradley County changed its healthcare from the Local Government Group Plan to a self-insured/commercial healthcare benefits plan administered by Cigna. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured/purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees’ premiums. Eligible employees must earn 25 years of service for a 50 percent county paid subsidy or 30 years of service for a 100 percent county paid subsidy until the age of 65 when they become eligible for Medicare. Employees may continue medical coverage upon retirement with less than 25 years of service; however, such employees would be required to pay the full group premium rate. The retiree’s spouse is eligible while the retiree is eligible for coverage until the spouse’s age of 65. Although a formal written policy is not in place, it is assumed that spouses are eligible to continue coverage until age 65.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Commercial Plan
	<hr/>
ARC	\$ 591,870
Interest on the NPO	22,005
Adjustment to the ARC	(21,746)
Annual OPEB cost	<hr/> \$ 592,129
Less amount of contribution	(50,681)
Increase/decrease in NPO	<hr/> \$ 541,448
Net OPEB obligation, 7-1-10	<hr/> 489,010
Net OPEB obligation, 6-30-11	<hr/> <hr/> \$ 1,030,458

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Commercial	\$ 535,937	8.76%	\$ 489,010
6-30-11	"	592,129	8.56	1,030,458

* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	<u>Primary Government Commercial Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 4,228,003
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,228,003
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 19,046,151
UAAL as a % of covered payroll	22.2%

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

Actuarial Methods and Assumptions

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

In the July 1, 2010, 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 eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. 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 July1, 2009.

K. Termination Benefits

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the 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, 2011, one School Department employee chose to accept the retirement incentive; therefore, the total cost of the cash payments reported in the government-wide Statement of Net Assets by function was \$4,000.

L. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by provisions of Chapter 313, Private Acts of 1951, as amended. This statute provides for the county mayor to serve as purchasing agent and for all purchases exceeding \$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 (the nursing 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 Statement 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 Statement 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 four 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 for which the restricted purpose is related to the nursing center 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 purposes. 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. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the nursing center's deposits may not be returned to it. The nursing center's deposits are made to a local bank that participates in 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 deposits uninsured by the Federal Deposit Insurance Corporation (FDIC). All deposits are either insured by the FDIC or through the pool resulting in no custodial credit risk.

C. Inventories

Inventories consist of the following:

General stores	\$	25,982
Foods and dietary		8,728
Enteral feeding supplies		<u>1,682</u>
Total	\$	<u><u>36,392</u></u>

D. Assets Whose Use Is Limited

Assets whose use is limited are as follows:

Patient trust funds	\$	81,244
Scholarship fund		13,517
Activities fund		1,163
Chapel fund		777
Country store fund		3,413
Endowment fund		<u>112,027</u>
Total	\$	<u>212,141</u>

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

E. Property and Equipment

Property and equipment consist of the following:

	Balance 7-1-10	Increases/ (Decreases)	Balance 6-30-11
Land	\$ 1,250	\$ 0	\$ 1,250
Construction in Progress	0	5,582	5,582
Land Improvements	344,561	35,253	379,814
Buildings	5,401,754	101,322	5,503,076
Fixed Equipment	852,949	22,162	875,111
Major Movable	1,690,453	88,900	1,779,353
Computer Software	43,695	0	43,695
Computer Hardware	111,089	17,078	128,167
Vehicles	106,444	0	106,444
Total	\$ 8,552,195	\$ 270,297	\$ 8,822,492
Less: Accumulated Depreciation	<u>(5,851,246)</u>	<u>(305,252)</u>	<u>(6,156,498)</u>
Property and Equipment, Net	<u>\$ 2,700,949</u>	<u>\$ (34,955)</u>	<u>\$ 2,665,994</u>

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>

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

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.

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, 2011, follows:

Medicare	\$	2,770,802
Medicaid		8,053,918
Other		<u>1,348,660</u>
Gross Patient Service Revenues	\$	12,173,380
Contractual Adjustments and Uncollectible Accounts		<u>618,187</u>
Net Patient Service Revenue	\$	<u><u>12,791,567</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, 2011, were \$266,692 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 \$80,132 at June 30, 2011. There was no unpaid liability at June 30, 2011.

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 2011 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, 2011, which have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2012	\$ 10,104
2013	6,948
2014	6,948
2015	<u>6,948</u>
Total Minimum Lease Payments	<u><u>\$ 30,948</u></u>

Total rental expense for all operating leases was \$26,806 for 2011, and is included in the general services expense classification.

K. Risk Financing and Related Insurance Issues

The nursing center is subject to the risks of torts by its employees; theft, destruction or damage to its fixed assets; business interruptions; errors or omissions; injury or illness of employees while in the course of their employment and acts of nature, 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.

L. Subsequent Events

As required by FASB Statement No. 165 *Subsequent Events*, subsequent events for the nursing center have been evaluated through the financial statements date of issuance.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2011

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 16,986,144	\$ 0	\$ 0	\$ 16,986,144	\$ 16,514,574	\$ 16,795,034	\$ 191,110	
Licenses and Permits	328,746	0	0	328,746	331,300	341,092	(12,346)	
Fines, Forfeitures, and Penalties	588,286	0	0	588,286	485,864	550,171	38,115	
Charges for Current Services	4,613,212	0	0	4,613,212	4,552,504	4,717,530	(104,318)	
Other Local Revenues	876,383	0	0	876,383	581,120	983,039	(106,656)	
Fees Received from County Officials	2,280,525	0	0	2,280,525	1,993,500	2,052,231	228,294	
State of Tennessee	3,386,186	0	0	3,386,186	3,874,137	4,296,038	(909,852)	
Federal Government	292,767	0	0	292,767	557,766	1,032,457	(739,690)	
Other Governments and Citizens Groups	1,679,106	0	0	1,679,106	1,877,207	1,942,775	(263,669)	
Total Revenues	\$ 31,031,355	\$ 0	\$ 0	\$ 31,031,355	\$ 30,767,972	\$ 32,710,367	\$ (1,679,012)	
<u>Expenditures</u>								
<u>General Government</u>								
County Commission	\$ 360,034	(28,000)	6,076	338,110	342,955	345,772	7,662	
Board of Equalization	427	0	0	427	2,500	2,500	2,073	
Beer Board	2,350	0	0	2,350	2,350	2,350	0	
Other Boards and Committees	31,509	0	0	31,509	34,698	34,698	3,189	
County Mayor/Executive	255,454	(2,391)	2,580	255,643	255,962	255,962	319	
Personnel Office	165,964	(45,231)	44,786	165,519	200,509	167,803	2,284	
County Attorney	197,472	(15,792)	5,525	187,205	169,013	189,013	1,808	
Election Commission	290,803	(760)	680	290,723	329,344	329,344	38,621	
Register of Deeds	100,296	(77)	1,126	101,345	71,900	106,822	5,477	
Development	180,169	(69,521)	123,747	234,395	242,360	242,360	7,965	
Planning	193,666	(8)	1,102	194,760	199,851	199,851	5,091	
County Buildings	361,669	(21,755)	41,395	381,309	425,231	425,231	43,922	

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>General Government (Cont.)</u>							
Other Facilities	\$ 5,000	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ 0	0
Other General Administration	6,443	0	0	6,443	0	6,443	0
<u>Finance</u>							
Accounting and Budgeting	174,904	(9,280)	10,219	175,843	175,809	175,849	6
Property Assessor's Office	744,531	(40,891)	14,873	718,513	751,907	756,407	37,894
Reappraisal Program	43,134	(975)	80	42,239	53,207	53,207	10,968
County Trustee's Office	81,205	0	122	81,327	81,575	82,660	1,333
County Clerk's Office	168,412	(545)	3,792	171,659	186,613	191,475	19,816
Data Processing	135,022	(36,922)	27,454	125,554	172,497	172,497	46,943
<u>Administration of Justice</u>							
Circuit Court	73,017	0	0	73,017	0	73,017	0
Circuit Court Clerk	1,204,231	(1,256)	99	1,203,074	1,319,055	1,302,191	99,117
General Sessions Judge	492,963	(339)	2,863	495,487	509,205	509,205	13,718
Drug Court	163,019	(1,500)	1,500	163,019	186,623	186,623	23,604
Chancery Court	49,153	(2,067)	0	47,086	54,848	54,848	7,762
Juvenile Court	621,128	(27,870)	11,050	604,308	584,345	633,413	29,105
Judicial Commissioners	18,934	0	5,900	24,834	35,000	42,800	17,966
Other Administration of Justice	129,255	(491)	1	128,765	110,801	128,775	10
Probation Services	335,032	(414)	101	334,719	297,902	346,490	11,771
<u>Public Safety</u>							
Sheriff's Department	6,499,387	(27,760)	30,072	6,501,699	6,358,259	6,578,864	77,165
Special Patrols	279,157	(1,578)	2,662	280,241	278,454	290,327	10,086
Traffic Control	7,000	0	0	7,000	18,700	18,700	11,700
Administration of the Sexual Offender Registry	4,006	0	0	4,006	5,000	5,000	994

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Jail	\$ 5,695,245	\$ (16,351)	\$ 37,128	\$ 5,716,022	\$ 5,718,944	\$ 5,771,878	\$ 55,856
Correctional Incentive Program Improvements	1,083,851	(41,726)	25,613	1,067,738	1,073,270	1,092,358	24,620
Juvenile Services	64,348	(312)	124	64,160	78,822	95,186	31,026
Work Release Program	335,261	(371)	4,000	338,890	334,108	349,108	10,218
Civil Defense	398,743	(3,201)	3,951	399,493	357,013	416,525	17,032
Rescue Squad	151,645	(24,980)	25,846	152,511	146,250	174,249	21,738
Disaster Relief	118,281	0	0	118,281	0	136,562	18,281
Other Emergency Management	250,632	0	9,589	260,221	0	350,213	89,992
Inspection and Regulation	206,152	0	0	206,152	164,448	206,895	743
County Coroner/Medical Examiner	144,502	(18,222)	711	126,991	127,327	127,352	361
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	390,520	(367)	12,152	402,305	383,363	440,363	38,058
Rabies and Animal Control	325,779	0	0	325,779	325,779	325,779	0
Ambulance/Emergency Medical Services	4,626,210	(16,388)	7,674	4,617,499	4,623,538	4,720,543	103,044
Alcohol and Drug Programs	49,098	(100)	0	48,998	50,178	50,178	1,180
Other Local Health Services	974,095	(2,048)	888	972,935	1,025,800	1,035,611	62,676
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Aid to Dependent Children	0	0	0	0	500	500	500
Other Local Welfare Services	78,865	0	0	78,865	78,865	78,865	0
Waste Pickup	0	0	0	0	1,000	0	0
Other Public Health and Welfare	7,820	0	0	7,820	19,625	19,625	11,805
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0

(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:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Social, Cultural, and Recreational Services (Cont.)</u>								
Senior Citizens Assistance	\$ 94,060	\$ 0	\$ 0	\$ 94,060	\$ 94,060	\$ 94,060	\$ 0	0
Other Social, Cultural, and Recreational Agriculture and Natural Resources	921,903	(16,709)	9,713	914,907	921,427	919,126	4,219	4,219
Agriculture Extension Service	269,102	(6,080)	4,662	267,684	278,308	278,730	11,046	11,046
Soil Conservation	48,111	0	0	48,111	48,311	48,311	200	200
Storm Water Management	217,466	(130)	1,243	218,579	221,582	228,092	9,513	9,513
Other Agriculture and Natural Resources	0	0	25,000	25,000	0	25,000	0	0
<u>Other Operations</u>								
Tourism	161,911	0	0	161,911	155,000	161,911	0	0
Industrial Development	161,911	0	0	161,911	155,000	161,911	0	0
Other Economic and Community Development	16,062	0	0	16,062	9,400	25,000	8,938	8,938
Public Transportation	42,000	0	0	42,000	42,000	42,000	0	0
Veterans' Services	111,171	0	229	111,400	110,965	111,446	46	46
Other Charges	344,913	0	0	344,913	350,000	350,000	5,087	5,087
Contributions to Other Agencies	76,089	0	0	76,089	76,090	76,090	1	1
ARRA Grant No. 1	40,333	(13)	172	40,492	50,851	50,851	10,359	10,359
ARRA Grant No. 2	42,732	(1,000)	0	41,732	51,513	51,513	9,781	9,781
ARRA Grant No. 3	50,212	0	0	50,212	50,829	50,829	617	617
ARRA Grant No. 4	11,108	0	4,108	15,216	0	78,308	63,092	63,092
Miscellaneous	30,475	(3,250)	0	27,225	0	27,225	0	0
Total Expenditures	\$ 3,376,352	\$ (486,668)	\$ 510,608	\$ 31,400,292	\$ 31,046,639	\$ 32,548,690	\$ 1,148,398	\$ 1,148,398
Excess (Deficiency) of Revenues Over Expenditures	\$ (344,997)	\$ 486,668	\$ (510,608)	\$ (368,937)	\$ (278,667)	\$ 161,677	\$ (530,614)	\$ (530,614)

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 6,150	\$ 0	\$ 0	\$ 6,150	\$ 0	\$ 6,150	\$ 0
Insurance Recovery	9,370	0	0	9,370	0	9,370	0
Total Other Financing Sources (Uses)	\$ 15,520	\$ 0	\$ 0	\$ 15,520	\$ 0	\$ 15,520	\$ 0
Net Change in Fund Balance	\$ (329,477)	\$ 486,668	\$ (510,608)	\$ (353,417)	\$ (278,667)	\$ 177,197	\$ (530,614)
Fund Balance, July 1, 2010	3,661,891	(486,668)	0	3,175,223	3,193,103	3,193,103	(17,880)
Fund Balance, June 30, 2011	\$ 3,332,414	\$ 0	\$ (510,608)	\$ 2,821,806	\$ 2,914,436	\$ 3,370,300	\$ (548,494)

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,634,143	\$ 2,598,847	\$ 2,622,947	\$ 11,196
Other Local Revenues	370,201	14,110	330,200	40,001
State of Tennessee	2,350,604	2,382,700	2,378,700	(28,096)
Total Revenues	<u>\$ 5,354,948</u>	<u>\$ 4,995,657</u>	<u>\$ 5,331,847</u>	<u>\$ 23,101</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 436,174	\$ 498,715	\$ 507,865	\$ 71,691
Highway and Bridge Maintenance	2,591,747	3,081,782	2,981,322	389,575
Operation and Maintenance of Equipment	507,065	472,039	521,339	14,274
Quarry Operations	0	100	100	100
Litter and Trash Collection	83,216	89,938	91,938	8,722
Other Charges	156,591	162,720	168,500	11,909
Employee Benefits	703,533	756,087	770,287	66,754
Capital Outlay	259,463	420,750	418,250	158,787
<u>Capital Projects</u>				
Highway and Street Capital Projects	386,729	431,014	438,587	51,858
Total Expenditures	<u>\$ 5,124,518</u>	<u>\$ 5,913,145</u>	<u>\$ 5,898,188</u>	<u>\$ 773,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 230,430</u>	<u>\$ (917,488)</u>	<u>\$ (566,341)</u>	<u>\$ 796,771</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 100	\$ 800	\$ (800)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 800</u>	<u>\$ (800)</u>
Net Change in Fund Balance	\$ 230,430	\$ (917,388)	\$ (565,541)	\$ 795,971
Fund Balance, July 1, 2010	2,101,643	1,702,622	1,702,622	399,021
Fund Balance, June 30, 2011	<u>\$ 2,332,073</u>	<u>\$ 785,234</u>	<u>\$ 1,137,081</u>	<u>\$ 1,194,992</u>

Exhibit E-3

Bradley County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Bradley County School Department
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 48,300	\$ 58,390	\$ 10,090	82.72 %	\$ 25,105	40.19 %
7-1-07	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 went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-4

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT (1)</u>							
Local Government Group	7-1-07	\$ 0	\$ 5,433	\$ 5,433	0	\$ 17,500	31.05 %
"	7-1-09	0	237	237	0	0	0.00
"	7-1-10	0	236	236	0	0	0.00
Commercial *	7-1-10	0	4,228	4,228	0	19,046	22.20
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	13,176	13,176	0	40,551	32.49
"	7-1-09	0	13,750	13,750	0	42,374	32.45
"	7-1-10	0	13,800	13,800	0	41,860	32.97

(1) The primary government switched from the Local Government Group Plan to a Commercial Plan, effective July 1, 2009; however, a few employees still remain with the Local Government Group Plan.

* Data for three actuarial valuations will be presented when available.

BRADLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, 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.

At June 30, 2011, Bradley County reported the following significant encumbrances in the General Fund:

Fund	Description	Amount
General	Workers' Compensation Insurance	\$ 28,854
"	Development Operations	123,747
"	County Building Repairs	41,395
"	Data Processing Repairs and Maintenance	27,454
"	Sheriff's Department Repairs and Maintenance	30,072
"	Jail Repairs and Maintenance	37,128
"	Rescue Squad Repairs and Maintenance	25,846
"	Equipment	25,000

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

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.

Veterans Nursing Home Fund – The Veterans Nursing Home Fund is used to account for contributions and the county’s share of a proposed Veterans Nursing Home.

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

Capital Projects Funds

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

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

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

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 revenues received by Bradley County that are subsequently contributed to the discretely presented Bradley County School Department and the City of Cleveland School System for construction and renovation projects.

Exhibit F-1

Bradley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

Special Revenue Funds									
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri-Business	Special Purpose Fire Tax	Veterans Nursing Home		
\$	0	0	0	0	0	0	0	0	0
	20,391	177,182	261,947	444,612	90,574	1,396,413	17,748		
	0	0	94,524	0	0	0	0		
	0	4,587	0	0	0	0	0		
	0	602,652	0	0	0	1,948,690	0		
	0	(26,227)	0	0	0	(179,258)	0		
	0	0	0	0	0	0	0		
\$	20,391	758,194	356,471	444,612	90,574	3,165,845	17,748		

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
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues
 Total Liabilities

Fund Balances
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Capital Outlay
 Committed:
 Committed for General Government
 Committed for Finance

(Continued)

Exhibit F-1

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

Special Revenue Funds									
Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri-Business	Special Purpose Fire Tax	Veterans Nursing Home			
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
0	0	356,353	0	0	0	0			
0	0	0	0	90,574	0	0			
0	0	0	0	0	0	0			
0	0	0	0	0	0	0			
0	0	0	728	0	80,690	0			
0	0	118	0	0	0	0			
0	0	0	0	0	0	0			
20,391	185,374	356,471	444,612	90,574	1,414,249	17,748			
\$ 20,391	\$ 758,194	\$ 356,471	\$ 444,612	\$ 90,574	\$ 3,165,845	\$ 17,748			

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)
 Committed (Cont.):
 Committed for Administration of Justice
 Committed for Public Health and Welfare
 Committed for Social, Cultural, and Recreational Services
 Committed for Capital Outlay
 Committed for Capital Projects
 Assigned:
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Capital Projects
 Total Fund Balances

Total Liabilities and Fund Balances

Exhibit F-1

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

Special Revenue Funds (Cont.)	Capital Projects Funds						Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Total	
\$ 377,371	\$ 377,371	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,371
0	2,408,867	3,081,603	1,839,280	133,812	104,724	5,159,419	7,568,286
0	94,524	8,856	0	178	0	9,034	103,558
0	4,587	0	5,517	0	287	5,804	10,391
0	2,551,342	0	1,087,818	0	36,986	1,124,804	3,676,146
0	(205,485)	0	(47,341)	0	(1,610)	(48,951)	(254,436)
0	0	0	0	34,004	0	34,004	34,004
\$ 377,371	\$ 5,231,206	\$ 3,090,459	\$ 2,885,274	\$ 167,994	\$ 140,387	\$ 6,284,114	\$ 11,515,320

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

LIABILITIES AND FUND BALANCES

Liabilities
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues
 Total Liabilities

Fund Balances
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Capital Outlay
 Committed:
 Committed for General Government
 Committed for Finance

\$ 0	\$ 2,137,543	\$ 0	\$ 1,011,807	\$ 0	\$ 34,401	\$ 1,046,208	\$ 3,183,751
0	185,343	0	19,402	0	660	20,062	205,405
0	1,530	0	0	0	100	100	1,630
\$ 0	\$ 2,324,416	\$ 0	\$ 1,031,209	\$ 0	\$ 35,161	\$ 1,066,370	\$ 3,390,786
\$ 0	\$ 20,391	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,391
0	1,777,443	0	0	0	0	0	1,777,443
0	17,748	0	0	0	0	0	17,748
0	185,374	0	0	0	0	0	185,374
0	0	0	1,854,065	34,004	105,226	1,993,295	1,993,295
79,429	79,429	0	0	0	0	0	79,429
212,957	212,957	0	0	0	0	0	212,957

(Continued)

Exhibit F-1

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

Special Revenue Funds (Cont.)	Capital Projects Funds							Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Total	
\$ 84,985	\$ 84,985	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,985	
0	356,353	0	0	0	0	0	356,353	
0	90,574	0	0	0	0	0	90,574	
0	0	0	0	133,990	0	0	133,990	
0	0	3,017,392	0	0	0	0	3,017,392	
0	81,418	0	0	0	0	0	81,418	
0	118	0	0	0	0	0	118	
0	0	73,067	0	0	0	0	73,067	
<u>\$ 377,371</u>	<u>\$ 2,906,790</u>	<u>\$ 3,090,459</u>	<u>\$ 1,854,065</u>	<u>\$ 167,994</u>	<u>\$ 105,226</u>	<u>\$ 5,217,744</u>	<u>\$ 8,124,534</u>	
<u>\$ 377,371</u>	<u>\$ 5,231,206</u>	<u>\$ 3,090,459</u>	<u>\$ 2,885,274</u>	<u>\$ 167,994</u>	<u>\$ 140,387</u>	<u>\$ 6,284,114</u>	<u>\$ 11,515,320</u>	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)
Committed (Cont.):
Committed for Administration of Justice
Committed for Public Health and Welfare
Committed for Social, Cultural, and Recreational Services
Committed for Capital Outlay
Committed for Capital Projects
Assigned:
Assigned for Public Safety
Assigned for Public Health and Welfare
Assigned for Capital Projects
Total Fund Balances

Total Liabilities and Fund Balances

Exhibit F-2

Bradley County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds							
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home	
Revenues								
Local Taxes	\$ 421	\$ 577,752	\$ 0	\$ 0	\$ 152,020	\$ 1,808,547	\$ 0	
Fines, Forfeitures, and Penalties	1,215	0	0	356,781	0	0	0	
Charges for Current Services	9,746	0	275,285	0	0	0	0	
Other Local Revenues	0	0	1,265	1,344	33,317	25,000	80	
State of Tennessee	0	18,209	37,941	0	0	11,400	0	
Federal Government	0	0	0	0	0	0	0	
Total Revenues	\$ 11,382	\$ 595,961	\$ 314,491	\$ 358,125	\$ 185,337	\$ 1,844,947	\$ 80	
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Finance	0	0	0	0	0	0	0	
Administration of Justice	0	0	0	0	0	0	0	
Public Safety	0	0	0	307,761	0	1,436,512	0	
Public Health and Welfare	0	0	1,397,575	5,000	0	0	0	
Social, Cultural, and Recreational Services	9,968	564,443	0	0	143,273	0	0	
Other Operations	114	11,722	28,939	3,175	1,465	36,117	0	
Capital Projects	0	0	0	0	0	0	0	
Total Expenditures	\$ 10,082	\$ 576,165	\$ 1,426,514	\$ 315,936	\$ 144,738	\$ 1,472,629	\$ 0	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,300	\$ 19,796	\$ (1,112,023)	\$ 42,189	\$ 40,599	\$ 372,318	\$ 80	
Net Change in Fund Balances	\$ 1,300	\$ 19,796	\$ (1,112,023)	\$ 42,189	\$ 40,599	\$ 372,318	\$ 80	
Fund Balance, July 1, 2010	19,091	165,578	1,468,494	402,423	49,975	1,041,931	17,668	
Fund Balance, June 30, 2011	\$ 20,391	\$ 185,374	\$ 356,471	\$ 444,612	\$ 90,574	\$ 1,414,249	\$ 17,748	

(Continued)

Exhibit F-2

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

	Special Revenue Funds		Capital Projects Funds						Total Nonmajor Governmental Funds
	(Cont.)								
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Total		
<u>Revenues</u>									
Local Taxes	\$ 0	\$ 2,538,740	\$ 0	\$ 1,101,958	\$ 0	\$ 35,466	\$ 1,137,424	\$ 3,676,164	
Fines, Forfeitures, and Penalties	0	357,996	0	0	0	0	0	357,996	
Charges for Current Services	1,792,894	2,077,925	0	0	0	0	0	2,077,925	
Other Local Revenues	0	61,006	322,552	0	2,144	0	324,696	385,702	
State of Tennessee	0	67,550	0	46,223	0	1,118	47,341	114,891	
Federal Government	0	0	0	0	13,615	0	13,615	13,615	
Total Revenues	\$ 1,792,894	\$ 5,103,217	\$ 322,552	\$ 1,148,181	\$ 15,759	\$ 36,584	\$ 1,523,076	\$ 6,626,293	
<u>Expenditures</u>									
Current:									
General Government	\$ 308,869	\$ 308,869	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 308,869	
Finance	1,196,087	1,196,087	0	0	0	0	0	1,196,087	
Administration of Justice	233,655	233,655	0	0	0	0	0	233,655	
Public Safety	0	1,744,273	0	0	0	0	0	1,744,273	
Public Health and Welfare	0	1,402,575	0	0	0	0	0	1,402,575	
Social, Cultural, and Recreational Services	0	717,684	0	0	0	0	0	717,684	
Other Operations	0	81,532	2,452	441,952	8,661	693	453,758	535,290	
Capital Projects	0	0	2,338,318	0	0	22,090	2,360,408	2,360,408	
Total Expenditures	\$ 1,738,611	\$ 5,684,675	\$ 2,340,770	\$ 441,952	\$ 8,661	\$ 22,783	\$ 2,814,166	\$ 8,498,841	
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,283	\$ (581,458)	\$ (2,018,218)	\$ 706,229	\$ 7,098	\$ 13,801	\$ (1,291,090)	\$ (1,872,548)	
Net Change in Fund Balances	\$ 54,283	\$ (581,458)	\$ (2,018,218)	\$ 706,229	\$ 7,098	\$ 13,801	\$ (1,291,090)	\$ (1,872,548)	
Fund Balance, July 1, 2010	323,088	3,488,248	5,108,677	1,147,836	160,896	91,425	6,508,834	9,997,082	
Fund Balance, June 30, 2011	\$ 377,371	\$ 2,906,790	\$ 3,090,459	\$ 1,854,065	\$ 167,994	\$ 105,226	\$ 5,217,744	\$ 8,124,534	

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 421	\$ 500	\$ 500	\$ (79)
Fines, Forfeitures, and Penalties	1,215	3,780	3,780	(2,565)
Charges for Current Services	9,746	10,500	10,500	(754)
Total Revenues	<u>\$ 11,382</u>	<u>\$ 14,780</u>	<u>\$ 14,780</u>	<u>\$ (3,398)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 9,968	\$ 11,160	\$ 11,160	\$ 1,192
<u>Other Operations</u>				
Other Charges	114	150	150	36
Total Expenditures	<u>\$ 10,082</u>	<u>\$ 11,310</u>	<u>\$ 11,310</u>	<u>\$ 1,228</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,300</u>	<u>\$ 3,470</u>	<u>\$ 3,470</u>	<u>\$ (2,170)</u>
Net Change in Fund Balance	\$ 1,300	\$ 3,470	\$ 3,470	(2,170)
Fund Balance, July 1, 2010	19,091	15,833	15,833	3,258
Fund Balance, June 30, 2011	<u>\$ 20,391</u>	<u>\$ 19,303</u>	<u>\$ 19,303</u>	<u>\$ 1,088</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 577,752	\$ 562,004	\$ 562,004	\$ 15,748
State of Tennessee	18,209	10,300	10,300	7,909
Total Revenues	<u>\$ 595,961</u>	<u>\$ 572,304</u>	<u>\$ 572,304</u>	<u>\$ 23,657</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 564,443	\$ 564,443	\$ 564,443	\$ 0
<u>Other Operations</u>				
Other Charges	11,722	11,446	11,722	0
Total Expenditures	<u>\$ 576,165</u>	<u>\$ 575,889</u>	<u>\$ 576,165</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,796</u>	<u>\$ (3,585)</u>	<u>\$ (3,861)</u>	<u>\$ 23,657</u>
Net Change in Fund Balance	\$ 19,796	\$ (3,585)	\$ (3,861)	23,657
Fund Balance, July 1, 2010	<u>165,578</u>	<u>146,797</u>	<u>146,797</u>	<u>18,781</u>
Fund Balance, June 30, 2011	<u>\$ 185,374</u>	<u>\$ 143,212</u>	<u>\$ 142,936</u>	<u>\$ 42,438</u>

Exhibit F-5

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 275,285	\$ 0	\$ 0	\$ 275,285	\$ 250,000	\$ 250,000	\$ 25,285
Other Local Revenues	1,265	0	0	1,265	100	1,264	1
State of Tennessee	37,941	0	0	37,941	65,000	65,000	(27,059)
Other Governments and Citizens Groups	0	0	0	0	20,000	20,000	(20,000)
Total Revenues	\$ 314,491	\$ 0	\$ 0	\$ 314,491	\$ 335,100	\$ 336,264	\$ (21,773)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Other Waste Collection	\$ 57,037	\$ 0	\$ 0	\$ 57,037	\$ 65,000	\$ 65,000	\$ 7,963
Recycling Center	70,999	(118)	118	70,999	93,789	93,789	22,790
Other Public Health and Welfare	1,269,539	0	0	1,269,539	0	1,403,000	133,461
<u>Other Operations</u>							
Other Charges	2,439	0	0	2,439	3,351	3,351	912
Contributions to Other Agencies	26,500	0	0	26,500	26,500	26,500	0
Total Expenditures	\$ 1,426,514	\$ (118)	\$ 118	\$ 1,426,514	\$ 188,640	\$ 1,591,640	\$ 165,126
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,112,023)	\$ 118	\$ (118)	\$ (1,112,023)	\$ 146,460	\$ (1,255,376)	\$ 143,353
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (1,112,023)	\$ 118	\$ (118)	\$ (1,112,023)	\$ 146,460	\$ (1,255,376)	\$ 143,353
	1,468,494	(118)	0	1,468,376	1,445,246	1,445,246	23,130
Fund Balance, June 30, 2011	\$ 356,471	\$ 0	\$ (118)	\$ 356,353	\$ 1,591,706	\$ 189,870	\$ 166,483

Exhibit F-6

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 356,781	\$ 0	\$ 0	\$ 356,781	\$ 85,000	\$ 325,675	\$ 31,106
Other Local Revenues	1,344	0	0	1,344	2,000	3,256	(1,912)
Total Revenues	\$ 358,125	\$ 0	\$ 0	\$ 358,125	\$ 87,000	\$ 328,931	\$ 29,194
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 28,168	\$ (5)	\$ 600	\$ 28,763	\$ 21,500	\$ 40,756	\$ 11,993
Drug Enforcement	279,593	(128)	128	279,593	413,996	411,796	132,203
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	5,000	(1)	0	4,999	10,000	5,000	1
<u>Other Operations</u>							
Other Charges	3,175	0	0	3,175	1,000	3,200	25
Total Expenditures	\$ 315,936	\$ (134)	\$ 728	\$ 316,530	\$ 446,496	\$ 460,752	\$ 144,222
Excess (Deficiency) of Revenues Over Expenditures	\$ 42,189	\$ 134	\$ (728)	\$ 41,595	\$ (359,496)	\$ (131,821)	\$ 173,416
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 42,189	\$ 134	\$ (728)	\$ 41,595	\$ (359,496)	\$ (131,821)	\$ 173,416
	402,423	(134)	0	402,289	359,838	359,838	42,451
Fund Balance, June 30, 2011	\$ 444,612	\$ 0	\$ (728)	\$ 443,884	\$ 342	\$ 228,017	\$ 215,867

Exhibit F-7

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Agri-Business Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 152,020	\$ 150,000	\$ 150,000	\$ 2,020
Other Local Revenues	33,317	33,262	33,262	55
Total Revenues	<u>\$ 185,337</u>	<u>\$ 183,262</u>	<u>\$ 183,262</u>	<u>\$ 2,075</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 143,273	\$ 180,887	\$ 180,887	\$ 37,614
<u>Other Operations</u>				
Other Charges	1,465	1,833	1,833	368
Total Expenditures	<u>\$ 144,738</u>	<u>\$ 182,720</u>	<u>\$ 182,720</u>	<u>\$ 37,982</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 40,599</u>	<u>\$ 542</u>	<u>\$ 542</u>	<u>\$ 40,057</u>
Net Change in Fund Balance	\$ 40,599	\$ 542	\$ 542	\$ 40,057
Fund Balance, July 1, 2010	<u>49,975</u>	<u>44,978</u>	<u>44,978</u>	<u>4,997</u>
Fund Balance, June 30, 2011	<u>\$ 90,574</u>	<u>\$ 45,520</u>	<u>\$ 45,520</u>	<u>\$ 45,054</u>

Exhibit F-8

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,808,547	\$ 0	\$ 0	\$ 1,808,547	\$ 1,682,960	\$ 1,750,740	\$ 57,807
Other Local Revenues	25,000	0	0	25,000	25,000	25,000	0
State of Tennessee	11,400	0	0	11,400	0	11,400	0
Total Revenues	\$ 1,844,947	\$ 0	\$ 0	\$ 1,844,947	\$ 1,707,960	\$ 1,787,140	\$ 57,807
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 1,436,512	(80,477)	\$ 80,690	\$ 1,436,725	\$ 1,645,888	\$ 1,656,488	\$ 219,763
<u>Other Operations</u>							
Other Charges	36,117	0	0	36,117	35,359	38,000	1,883
Total Expenditures	\$ 1,472,629	(80,477)	\$ 80,690	\$ 1,472,842	\$ 1,681,197	\$ 1,694,488	\$ 221,646
Excess (Deficiency) of Revenues Over Expenditures	\$ 372,318	\$ 80,477	(80,690)	\$ 372,105	\$ 26,763	\$ 92,652	\$ 279,453
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 372,318	\$ 80,477	(80,690)	\$ 372,105	\$ 26,763	\$ 92,652	\$ 279,453
	1,041,931	(80,477)	0	961,454	1,004,444	1,004,444	(42,990)
Fund Balance, June 30, 2011	\$ 1,414,249	\$ 0	(80,690)	\$ 1,333,559	\$ 1,031,207	\$ 1,097,096	\$ 236,463

Exhibit F-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Veterans Nursing Home Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 80	\$ 0	\$ 80	\$ 0
Total Revenues	\$ 80	\$ 0	\$ 80	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 80	\$ 0	\$ 80	\$ 0
Net Change in Fund Balance	\$ 80	\$ 0	\$ 80	\$ 0
Fund Balance, July 1, 2010	17,668	17,668	17,668	0
Fund Balance, June 30, 2011	\$ 17,748	\$ 17,668	\$ 17,748	\$ 0

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,710,678	\$ 4,696,900	\$ 4,741,400	\$ (30,722)
Other Local Revenues	19,934	13,267	19,934	0
State of Tennessee	148,236	143,900	143,900	4,336
Federal Government	327,278	0	327,278	0
Total Revenues	\$ 5,206,126	\$ 4,854,067	\$ 5,232,512	\$ (26,386)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 95,744	\$ 108,654	\$ 108,654	\$ 12,910
<u>Principal on Debt</u>				
General Government	865,421	873,526	865,421	0
Education	2,123,628	2,181,008	2,123,628	0
<u>Interest on Debt</u>				
General Government	245,754	500,000	331,851	86,097
Education	1,897,642	2,100,000	2,021,843	124,201
<u>Other Debt Service</u>				
General Government	250,163	75,000	251,895	1,732
Education	601,262	200,000	614,795	13,533
Total Expenditures	\$ 6,079,614	\$ 6,038,188	\$ 6,318,087	\$ 238,473
Excess (Deficiency) of Revenues Over Expenditures	\$ (873,488)	\$ (1,184,121)	\$ (1,085,575)	\$ 212,087
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 453,630	\$ 406,250	\$ (406,250)
Total Other Financing Sources (Uses)	\$ 0	\$ 453,630	\$ 406,250	\$ (406,250)
Net Change in Fund Balance	\$ (873,488)	\$ (730,491)	\$ (679,325)	\$ (194,163)
Fund Balance, July 1, 2010	16,403,302	16,145,806	16,145,806	257,496
Fund Balance, June 30, 2011	\$ 15,529,814	\$ 15,415,315	\$ 15,466,481	\$ 63,333

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.

Cities - Sales Tax in Litigation Fund – The Cities - Sales Tax in Litigation Fund is used to account for a sales tax levy dedicated to education in Bradley County. The City of Cleveland has asked that some of this levy be distributed to the city school system based on the average daily attendance basis. The county trustee is distributing this additional sales tax levy to the county's school system, based on the county's average daily attendance basis, and putting what would be the city school system's share, based on the city's average daily attendance basis, into this fund. This matter is currently in litigation.

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.

City School ADA – Build America Bonds Fund – The City School ADA - Build America Bonds Fund is used to account for the city school system's share of Build America Bonds issued 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 when they are needed.

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

Exhibit H-1

Bradley County, Tennessee
Combining Statement of Assets and Liabilities
All Agency Funds
June 30, 2011

	Agency Funds							Total
	Cities - Sales Tax	Cities - Sales Tax In Litigation	Inside Urban Fringe Area Fire Tax	City School ADA - Cleveland	City School ADA - Build America Bonds	Constitu- tional Officers - Agency		
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,889,222	\$ 4,889,222
Equity in Pooled Cash and Investments	0	853,266	122,736	16,126	852,818	0	1,844,946	1,844,946
Accounts Receivable	0	168	0	0	0	0	168	168
Due from Other Governments	1,681,961	85,025	0	845,906	0	0	2,612,892	2,612,892
Property Taxes Receivable	0	0	2,186,027	6,000,361	0	0	8,186,388	8,186,388
Allowance for Uncollectible Property Taxes	0	0	(212,810)	(261,115)	0	0	(473,925)	(473,925)
Total Assets	\$ 1,681,961	\$ 938,459	\$ 2,095,953	\$ 6,601,278	\$ 852,818	\$ 4,889,222	\$ 17,059,691	\$ 17,059,691
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 1,681,961	\$ 938,459	\$ 2,095,953	\$ 6,601,278	\$ 852,818	\$ 0	\$ 12,170,469	\$ 12,170,469
Due to Litigants, Heirs, and Others	0	0	0	0	0	4,889,222	4,889,222	4,889,222
Total Liabilities	\$ 1,681,961	\$ 938,459	\$ 2,095,953	\$ 6,601,278	\$ 852,818	\$ 4,889,222	\$ 17,059,691	\$ 17,059,691

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,312,933	\$ 9,312,933	\$ 0
Due from Other Governments	1,569,514	1,681,961	1,569,514	1,681,961
Total Assets	\$ 1,569,514	\$ 10,994,894	\$ 10,882,447	\$ 1,681,961
<u>Liabilities</u>				
Cash Overdraft	\$ 7,393	\$ 0	\$ 7,393	\$ 0
Due to Other Taxing Units	1,562,121	10,994,894	10,875,054	1,681,961
Total Liabilities	\$ 1,569,514	\$ 10,994,894	\$ 10,882,447	\$ 1,681,961
<u>Cities - Sales Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 376,751	\$ 476,515	\$ 0	\$ 853,266
Accounts Receivable	110	168	110	168
Due from Other Governments	36,544	85,025	36,544	85,025
Total Assets	\$ 413,405	\$ 561,708	\$ 36,654	\$ 938,459
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 413,405	\$ 561,708	\$ 36,654	\$ 938,459
Total Liabilities	\$ 413,405	\$ 561,708	\$ 36,654	\$ 938,459
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 47,947	\$ 1,935,598	\$ 1,860,809	\$ 122,736
Taxes Receivable	2,216,505	2,186,027	2,216,505	2,186,027
Allowance for Uncollectible Taxes	(191,133)	(212,810)	(191,133)	(212,810)
Total Assets	\$ 2,073,319	\$ 3,908,815	\$ 3,886,181	\$ 2,095,953
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,073,319	\$ 3,908,815	\$ 3,886,181	\$ 2,095,953
Total Liabilities	\$ 2,073,319	\$ 3,908,815	\$ 3,886,181	\$ 2,095,953

(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>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 19,117	\$ 10,298,334	\$ 10,301,325	\$ 16,126
Due from Other Governments	767,337	845,906	767,337	845,906
Due from Other Funds	290	0	290	0
Taxes Receivable	5,859,743	6,000,361	5,859,743	6,000,361
Allowance for Uncollectible Taxes	(229,893)	(261,115)	(229,893)	(261,115)
Total Assets	\$ 6,416,594	\$ 16,883,486	\$ 16,698,802	\$ 6,601,278
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,416,594	\$ 16,883,486	\$ 16,698,802	\$ 6,601,278
Total Liabilities	\$ 6,416,594	\$ 16,883,486	\$ 16,698,802	\$ 6,601,278
<u>City School ADA - Build America Bonds Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,325,667	\$ 88,593	\$ 3,561,442	\$ 852,818
Total Assets	\$ 4,325,667	\$ 88,593	\$ 3,561,442	\$ 852,818
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,325,667	\$ 88,593	\$ 3,561,442	\$ 852,818
Total Liabilities	\$ 4,325,667	\$ 88,593	\$ 3,561,442	\$ 852,818
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 4,892,584	\$ 20,943,580	\$ 20,946,942	\$ 4,889,222
Total Assets	\$ 4,892,584	\$ 20,943,580	\$ 20,946,942	\$ 4,889,222
<u>Liabilities</u>				
Due to Other Funds	\$ 290	\$ 0	\$ 290	\$ 0
Due to Litigants, Heirs, and Others	4,892,294	20,943,580	20,946,652	4,889,222
Total Liabilities	\$ 4,892,584	\$ 20,943,580	\$ 20,946,942	\$ 4,889,222

(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>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,892,584	\$ 20,943,580	\$ 20,946,942	\$ 4,889,222
Equity in Pooled Cash and Investments	4,769,482	22,111,973	25,036,509	1,844,946
Accounts Receivable	110	168	110	168
Due from Other Governments	2,373,395	2,612,892	2,373,395	2,612,892
Due from Other Funds	290	0	290	0
Taxes Receivable	8,076,248	8,186,388	8,076,248	8,186,388
Allowance for Uncollectible Taxes	(421,026)	(473,925)	(421,026)	(473,925)
Total Assets	<u>\$ 19,691,083</u>	<u>\$ 53,381,076</u>	<u>\$ 56,012,468</u>	<u>\$ 17,059,691</u>
<u>Liabilities</u>				
Cash Overdraft	\$ 7,393	\$ 0	\$ 7,393	\$ 0
Due to Other Funds	290	0	290	0
Due to Other Taxing Units	14,791,106	32,437,496	35,058,133	12,170,469
Due to Litigants, Heirs, and Others	4,892,294	20,943,580	20,946,652	4,889,222
Total Liabilities	<u>\$ 19,691,083</u>	<u>\$ 53,381,076</u>	<u>\$ 56,012,468</u>	<u>\$ 17,059,691</u>

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, which must be expended on specific education programs.

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

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

Exhibit I-1

Bradley County, Tennessee
Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2011

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	
Governmental Activities:					
Instruction	\$ 48,239,950	\$ 9,341	\$ 4,918,249	\$ 12,906	\$ (43,299,454)
Support Services	21,900,938	4,514	1,673,732	0	(20,222,692)
Operation of Non-Instructional Services	6,835,292	1,886,898	4,306,260	1,000	(641,134)
Total Governmental Activities	\$ 76,976,180	\$ 1,900,753	\$ 10,898,241	\$ 13,906	\$ (64,163,280)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,657,251
Local Option Sales Taxes					9,353,851
Interstate Telecommunications Tax					4,989
Grants and Contributions Not Restricted to Specific Programs					42,375,085
Unrestricted Investment Earnings					15,507
Miscellaneous					19,331
Total General Revenues					\$ 63,426,014
Extraordinary Item (1)					\$ 99,500
Change in Net Assets					\$ (637,766)
Net Assets, July 1, 2010					74,361,769
Net Assets, June 30, 2011					\$ 73,724,003

(1) Proceeds from the insurance carrier for the relocation of students and resumption of operations of Blue Springs and Michigan Avenue Elementary schools following a tornado on April 27, 2011.

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,980	\$ 3,980
Equity in Pooled Cash and Investments	8,119,108	1,594,019	9,713,127
Due from Other Governments	3,958,352	1,308,130	5,266,482
Due from Other Funds	17,962	0	17,962
Property Taxes Receivable	12,351,126	0	12,351,126
Allowance for Uncollectible Property Taxes	(537,415)	0	(537,415)
Total Assets	<u>\$ 23,909,133</u>	<u>\$ 2,906,129</u>	<u>\$ 26,815,262</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 1,050,759	\$ 0	\$ 1,050,759
Accrued Payroll	5,464,819	503,716	5,968,535
Due to Other Funds	0	17,962	17,962
Deferred Revenue - Current Property Taxes	11,488,122	0	11,488,122
Deferred Revenue - Delinquent Property Taxes	220,363	0	220,363
Other Deferred Revenues	781,000	0	781,000
Total Liabilities	<u>\$ 19,005,063</u>	<u>\$ 521,678</u>	<u>\$ 19,526,741</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 37,772	\$ 2,084,451	\$ 2,122,223
Committed:			
Committed for Education	0	300,000	300,000
Unassigned	4,866,298	0	4,866,298
Total Fund Balances	<u>\$ 4,904,070</u>	<u>\$ 2,384,451</u>	<u>\$ 7,288,521</u>
Total Liabilities and Fund Balances	<u>\$ 23,909,133</u>	<u>\$ 2,906,129</u>	<u>\$ 26,815,262</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, 2011

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)		\$ 7,288,521	
(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: buildings and improvements net of accumulated depreciation	67,568,302		
Add: other capital assets net of accumulated depreciation	<u>248,329</u>	69,111,346	
(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	\$ (142,140)		
Less: capital lease payable	(256,618)		
Less: other postemployment benefits liability	(3,275,390)		
Less: accrued interest on capital lease	<u>(3,079)</u>	(3,677,227)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,001,363</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 73,724,003</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, 2011

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 21,228,032	\$ 0	\$ 21,228,032
Licenses and Permits	5,130	0	5,130
Charges for Current Services	12,964	1,886,898	1,899,862
Other Local Revenues	43,868	13,621	57,489
State of Tennessee	42,978,500	0	42,978,500
Federal Government	1,771,584	8,386,668	10,158,252
Total Revenues	<u>\$ 66,040,078</u>	<u>\$ 10,287,187</u>	<u>\$ 76,327,265</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 41,815,240	\$ 3,012,524	\$ 44,827,764
Support Services	19,869,471	1,999,479	21,868,950
Operation of Non-Instructional Services	1,766,775	5,033,818	6,800,593
Capital Outlay	4,044,312	0	4,044,312
Capital Projects	0	3,095,533	3,095,533
Total Expenditures	<u>\$ 67,495,798</u>	<u>\$ 13,141,354</u>	<u>\$ 80,637,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,455,720)</u>	<u>\$ (2,854,167)</u>	<u>\$ (4,309,887)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 99,500	\$ 0	\$ 99,500
Transfers In	47,724	0	47,724
Transfers Out	0	(47,724)	(47,724)
Total Other Financing Sources (Uses)	<u>\$ 147,224</u>	<u>\$ (47,724)</u>	<u>\$ 99,500</u>
Net Change in Fund Balances	\$ (1,308,496)	\$ (2,901,891)	\$ (4,210,387)
Fund Balance, July 1, 2010	<u>6,212,566</u>	<u>5,286,342</u>	<u>11,498,908</u>
Fund Balance, June 30, 2011	<u>\$ 4,904,070</u>	<u>\$ 2,384,451</u>	<u>\$ 7,288,521</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, 2011

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)		\$ (4,210,387)
(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	\$ 6,906,499	
Less: current-year depreciation expense	<u>(2,683,082)</u>	4,223,417
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-in, and donations) is to decrease net assets:		
Less: loss on disposal of capital asset		(3,354)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$ (1,086,360)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>1,001,363</u>	(84,997)
(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.		
Add: principal payments on note	\$ 47,380	
Add: principal payments on capital lease	<u>77,826</u>	125,206
(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 other postemployment benefits liability	\$ (688,585)	
Change in accrued interest on capital lease	<u>934</u>	<u>(687,651)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (637,766)</u>

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2011

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 3,980	\$ 3,980	\$ 0	\$ 3,980
Equity in Pooled Cash and Investments	307,160	1,265,841	1,573,001	21,018	1,594,019
Due from Other Governments	1,169,678	138,452	1,308,130	0	1,308,130
Total Assets	\$ 1,476,838	\$ 1,408,273	\$ 2,885,111	\$ 21,018	\$ 2,906,129
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accrued Payroll	\$ 503,716	\$ 0	\$ 503,716	\$ 0	\$ 503,716
Due to Other Funds	17,962	0	17,962	0	17,962
Total Liabilities	\$ 521,678	\$ 0	\$ 521,678	\$ 0	\$ 521,678
<u>Fund Balances</u>					
<u>Restricted:</u>					
Restricted for Education	\$ 655,160	\$ 1,408,273	\$ 2,063,433	\$ 21,018	\$ 2,084,451
<u>Committed:</u>					
Committed for Education	300,000	0	300,000	0	300,000
Total Fund Balances	\$ 955,160	\$ 1,408,273	\$ 2,363,433	\$ 21,018	\$ 2,384,451
Total Liabilities and Fund Balances	\$ 1,476,838	\$ 1,408,273	\$ 2,885,111	\$ 21,018	\$ 2,906,129

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, 2011

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,886,898	\$ 1,886,898	\$ 0	\$ 1,886,898
Other Local Revenues	0	10,850	10,850	2,771	13,621
Federal Government	5,507,055	2,879,613	8,386,668	0	8,386,668
Total Revenues	\$ 5,507,055	\$ 4,777,361	\$ 10,284,416	\$ 2,771	\$ 10,287,187
<u>Expenditures</u>					
Current:					
Instruction	\$ 3,012,524	\$ 0	\$ 3,012,524	\$ 0	\$ 3,012,524
Support Services	1,999,479	0	1,999,479	0	1,999,479
Operation of Non-Instructional Services	0	5,033,818	5,033,818	0	5,033,818
Capital Projects	0	0	0	3,095,533	3,095,533
Total Expenditures	\$ 5,012,003	\$ 5,033,818	\$ 10,045,821	\$ 3,095,533	\$ 13,141,354
Excess (Deficiency) of Revenues Over Expenditures	\$ 495,052	\$ (256,457)	\$ 238,595	\$ (3,092,762)	\$ (2,854,167)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (47,724)	\$ 0	\$ (47,724)	\$ 0	\$ (47,724)
Total Other Financing Sources (Uses)	\$ (47,724)	\$ 0	\$ (47,724)	\$ 0	\$ (47,724)
Net Change in Fund Balances	\$ 447,328	\$ (256,457)	\$ 190,871	\$ (3,092,762)	\$ (2,901,891)
Fund Balance, July 1, 2010	507,832	1,664,730	2,172,562	3,113,780	5,286,342
Fund Balance, June 30, 2011	\$ 955,160	\$ 1,408,273	\$ 2,363,433	\$ 21,018	\$ 2,384,451

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 21,228,032	\$ 0	\$ 21,228,032	\$ 20,596,500	\$ 20,596,500	\$ 631,532
Licenses and Permits	5,130	0	5,130	5,000	5,000	130
Charges for Current Services	12,964	0	12,964	18,000	18,000	(5,036)
Other Local Revenues	43,868	0	43,868	75,000	75,000	(31,132)
State of Tennessee	42,978,500	0	42,978,500	40,390,000	42,483,833	494,667
Federal Government	1,771,584	0	1,771,584	283,000	2,372,268	(600,684)
<u>Total Revenues</u>	<u>\$ 66,040,078</u>	<u>\$ 0</u>	<u>\$ 66,040,078</u>	<u>\$ 61,367,500</u>	<u>\$ 65,550,601</u>	<u>\$ 489,477</u>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 36,806,718	\$ 0	\$ 36,806,718	\$ 36,930,651	\$ 37,107,445	\$ 300,727
Special Education Program	2,276,816	0	2,276,816	2,279,600	2,279,600	2,784
Vocational Education Program	2,528,816	0	2,528,816	2,540,350	2,540,350	11,534
Adult Education Program	202,890	0	202,890	180,000	215,000	12,110
<u>Support Services</u>						
Attendance	125,998	0	125,998	133,900	133,900	7,902
Health Services	785,976	0	785,976	572,000	795,000	9,024
Other Student Support	2,033,919	0	2,033,919	1,784,300	2,386,013	352,094
Regular Instruction Program	2,130,492	0	2,130,492	1,994,500	2,265,772	135,280
Special Education Program	617,688	0	617,688	627,900	627,900	10,212
Vocational Education Program	119,510	0	119,510	119,750	119,750	240
Other Programs	709,557	0	709,557	0	877,634	168,077
Board of Education	744,069	0	744,069	858,450	858,450	114,381
Director of Schools	353,491	0	353,491	358,550	358,550	5,059

(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 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Office of the Principal	\$ 3,470,929	\$ 0	\$ 3,470,929	\$ 3,496,450	\$ 3,496,450	\$ 25,521
Fiscal Services	335,476	0	335,476	337,900	337,900	2,424
Operation of Plant	4,583,884	0	4,583,884	4,789,000	4,789,000	205,116
Maintenance of Plant	1,074,571	0	1,074,571	1,078,100	1,078,100	3,529
Transportation	2,135,299	0	2,135,299	2,150,950	2,150,950	15,651
Central and Other	648,612	0	648,612	596,850	662,318	13,706
<u>Operation of Non-Instructional Services</u>						
Food Service	73,884	0	73,884	78,299	78,299	4,415
Community Services	373,404	0	373,404	0	391,000	17,596
Early Childhood Education	1,319,487	0	1,319,487	0	1,319,487	0
<u>Capital Outlay</u>						
Regular Capital Outlay	4,044,312	(3,283,783)	760,529	500,000	821,233	60,704
Total Expenditures	\$ 67,495,798	\$ (3,283,783)	\$ 64,212,015	\$ 61,407,500	\$ 65,690,101	\$ 1,478,086
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,455,720)	\$ 3,283,783	\$ 1,828,063	\$ (40,000)	\$ (139,500)	\$ 1,967,563
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 99,500	\$ 0	\$ 99,500	\$ 0	\$ 99,500	\$ 0
Transfers In	47,724	0	47,724	40,000	40,000	7,724
Total Other Financing Sources (Uses)	\$ 147,224	\$ 0	\$ 147,224	\$ 40,000	\$ 139,500	\$ 7,724
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (1,308,496)	\$ 3,283,783	\$ 1,975,287	\$ 0	\$ 0	\$ 1,975,287
Fund Balance, June 30, 2011	6,212,566	(3,283,783)	2,928,783	2,412,036	2,412,036	516,747
	\$ 4,904,070	\$ 0	\$ 4,904,070	\$ 2,412,036	\$ 2,412,036	\$ 2,492,034

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,507,055	\$ 6,963,995	\$ 7,088,596	\$ (1,581,541)
Total Revenues	\$ 5,507,055	\$ 6,963,995	\$ 7,088,596	\$ (1,581,541)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 993,606	\$ 1,169,765	\$ 1,142,048	\$ 148,442
Special Education Program	1,906,849	2,801,521	2,748,414	841,565
Vocational Education Program	112,069	25,000	116,507	4,438
<u>Support Services</u>				
Other Student Support	358,285	378,600	411,695	53,410
Regular Instruction Program	633,591	964,900	997,850	364,259
Special Education Program	824,463	1,805,491	1,803,491	979,028
Vocational Education Program	11,004	15,000	15,000	3,996
Transportation	172,136	201,596	252,490	80,354
Total Expenditures	\$ 5,012,003	\$ 7,361,873	\$ 7,487,495	\$ 2,475,492
Excess (Deficiency) of Revenues Over Expenditures	\$ 495,052	\$ (397,878)	\$ (398,899)	\$ 893,951
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (47,724)	\$ (93,004)	\$ (92,314)	\$ 44,590
Total Other Financing Sources (Uses)	\$ (47,724)	\$ (93,004)	\$ (92,314)	\$ 44,590
Net Change in Fund Balance	\$ 447,328	\$ (490,882)	\$ (491,213)	\$ 938,541
Fund Balance, July 1, 2010	507,832	490,882	491,213	16,619
Fund Balance, June 30, 2011	\$ 955,160	\$ 0	\$ 0	\$ 955,160

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,886,898	\$ 2,500,000	\$ 2,500,000	\$ (613,102)
Other Local Revenues	10,850	15,000	15,000	(4,150)
Federal Government	2,879,613	3,120,000	3,325,653	(446,040)
Total Revenues	<u>\$ 4,777,361</u>	<u>\$ 5,635,000</u>	<u>\$ 5,840,653</u>	<u>\$ (1,063,292)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,033,818	\$ 5,635,000	\$ 5,840,653	\$ 806,835
Total Expenditures	<u>\$ 5,033,818</u>	<u>\$ 5,635,000</u>	<u>\$ 5,840,653</u>	<u>\$ 806,835</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (256,457)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (256,457)</u>
Net Change in Fund Balance	\$ (256,457)	\$ 0	\$ 0	\$ (256,457)
Fund Balance, July 1, 2010	<u>1,664,730</u>	<u>1,416,708</u>	<u>1,416,708</u>	<u>248,022</u>
Fund Balance, June 30, 2011	<u>\$ 1,408,273</u>	<u>\$ 1,416,708</u>	<u>\$ 1,416,708</u>	<u>\$ (8,435)</u>

MISCELLANEOUS SCHEDULES

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, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT</u>							
<u>BOND PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Build America Bonds 2009	\$ 17,550,000	5 to 5.55 (1) %	9-10-09	6-1-29	\$ 17,550,000	\$ 0	\$ 17,550,000
Total Bond Payable					<u>\$ 17,550,000</u>	<u>\$ 0</u>	<u>\$ 17,550,000</u>
<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	11-1-10	\$ 275,000	\$ 275,000	\$ 0
Energy Efficiency	168,340	0	6-4-07	6-4-14	96,193	24,049	72,144
Emergency Management Tower	240,000	5	10-15-09	10-15-10	240,000	240,000	0
Total Notes Payable					<u>\$ 611,193</u>	<u>\$ 539,049</u>	<u>\$ 72,144</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Refunding Loan Series VII-A-5	6,560,000	Variable	8-28-08	6-1-18	\$ 5,505,000	\$ 565,000	\$ 4,940,000
Refunding Loan Series V-I-1	12,050,000	3 to 4.25	2-18-09	6-30-21	12,050,000	0	12,050,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	45,090,000	1,885,000	43,205,000
Total Other Loans Payable					<u>\$ 62,645,000</u>	<u>\$ 2,450,000</u>	<u>\$ 60,195,000</u>

(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 7-1-10	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT (CONT.)</u>							
<u>CAPITAL LEASES PAYABLE</u>							
<u>Payable through General Fund</u>							
Patrol Car	\$ 20,060	6.6 %	2-4-09	2-4-11	\$ 6,678	\$ 6,678	0
Patrol Cars	131,519	5	11-25-08	11-25-10	43,802	43,802	0
Patrol Car	20,302	6.15	1-13-10	1-13-12	13,127	6,368	6,759
Patrol Cars	173,434	4.65	12-14-09	12-14-11	112,976	55,205	57,771
Total Capital Leases Payable					\$ 176,583	\$ 112,053	\$ 64,530
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>							
<u>NOTE PAYABLE</u>							
<u>Payable through General Purpose School Fund</u>							
Lighting Project	331,660	0	6-4-07	6-15-14	\$ 189,520	\$ 47,380	\$ 142,140
Total Note Payable					\$ 189,520	\$ 47,380	\$ 142,140
<u>CAPITAL LEASE PAYABLE</u>							
<u>Payable through General Purpose School Fund</u>							
Lighting Project	547,182	4.8	5-18-07	4-1-14	\$ 334,444	\$ 77,826	\$ 256,618
Total Capital Lease Payable					\$ 334,444	\$ 77,826	\$ 256,618

(1) The county receives a direct federal subsidy equal to 35 percent of the total coupon interest paid.

(2) The loan agreements refunded by a portion of this issue were swapped from variable to a synthetic fixed rate by execution of swap agreements.

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	Bonds			Total
	Principal	Interest	Subsidy (1)	
2012	\$ 0	\$ 935,080	\$ (327,278)	\$ 607,802
2013	0	935,080	(327,278)	607,802
2014	0	935,080	(327,278)	607,802
2015	0	935,080	(327,278)	607,802
2016	0	935,080	(327,278)	607,802
2017	0	935,080	(327,278)	607,802
2018	0	935,080	(327,278)	607,802
2019	0	935,080	(327,278)	607,802
2020	0	935,080	(327,278)	607,802
2021	0	935,080	(327,278)	607,802
2022	1,850,000	935,080	(327,278)	2,457,802
2023	1,950,000	842,580	(294,903)	2,497,677
2024	2,050,000	745,275	(260,846)	2,534,429
2025	2,150,000	639,290	(223,752)	2,565,538
2026	0	525,985	(184,095)	341,890
2027	3,050,000	525,985	(184,095)	3,391,890
2028	3,200,000	359,150	(125,702)	3,433,448
2029	3,300,000	183,150	(64,102)	3,419,048
Total	\$ 17,550,000	\$ 14,107,295	\$ (4,937,553)	\$ 26,719,742

(1) The U.S. Treasury Department directly subsidizes this debt.

Year Ending June 30	Notes		Total
	Principal	Interest	
2012	\$ 24,048	\$ 0	\$ 24,048
2013	24,048	0	24,048
2014	24,048	0	24,048
Total	\$ 72,144	\$ 0	\$ 72,144

(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	Other Loans			Total
	Principal	Interest	Other Fees	
2012	\$ 3,535,000	\$ 409,695	\$ 837,317	\$ 4,782,012
2013	3,695,000	379,480	799,310	4,873,790
2014	3,860,000	347,800	759,666	4,967,466
2015	4,035,000	315,520	717,848	5,068,368
2016	4,280,000	277,485	673,771	5,231,256
2017	4,480,000	235,635	627,736	5,343,371
2018	4,685,000	190,640	578,821	5,454,461
2019	4,905,000	147,365	527,325	5,579,690
2020	5,140,000	110,705	459,699	5,710,404
2021	5,390,000	70,660	388,553	5,849,213
2022	2,420,000	16,190	271,344	2,707,534
2023	2,545,000	13,770	230,785	2,789,555
2024	2,680,000	11,225	188,131	2,879,356
2025	2,790,000	8,545	143,214	2,941,759
2026	5,755,000	5,755	96,454	5,857,209
Total	\$ 60,195,000	\$ 2,540,470	\$ 7,299,974	\$ 70,035,444

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2012	\$ 64,530	\$ 3,102	\$ 67,632
Total	\$ 64,530	\$ 3,102	\$ 67,632

(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.)

DISCRETELY PRESENTED BRADLEY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2012	\$ 47,380	\$ 0	\$ 47,380
2013	47,380	0	47,380
2014	47,380	0	47,380
Total	\$ 142,140	\$ 0	\$ 142,140

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2012	\$ 81,562	\$ 12,318	\$ 93,880
2013	85,477	8,403	93,880
2014	89,579	4,301	93,880
Total	\$ 256,618	\$ 25,022	\$ 281,640

Exhibit J-3

Bradley County, Tennessee
Schedule of Investments
June 30, 2011

<u>Description</u>	<u>Amount</u>
<u>Endowment Fund</u>	
U.S. Treasury Bill	<u>\$ 749,985</u>
Total	<u><u>\$ 749,985</u></u>

Exhibit J-4

Bradley County, Tennessee
 Schedule of Notes Receivable
 June 30, 2011

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-11
<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
"	Paula Payne	5,000	5-5-1993	5-5-23	"	3,023
"	Timmie Varner	3,500	10-5-1993	10-5-23	"	1,585
"	Rebecca Young	2,200	4-27-1994	4-27-24	"	1,626
"	Beryl Paul, Jr.	3,600	5-25-1994	5-25-24	"	2,540
"	Donna Yarber	1,800	10-4-1994	10-4-24	"	1,055
"	Robin Sharp	14,700	10-24-1994	10-24-24	"	11,637
"	Patricia Kendrick	2,300	1-17-1995	1-17-25	"	1,770
"	Angela Thornton	1,300	3-2-1995	3-2-25	"	648
"	Kim Swafford	5,000	5-12-1995	5-12-25	"	3,583
"	Yolandia Thomas	2,100	5-22-1995	5-22-25	"	1,826
"	Christine Scott	1,500	5-20-1995	5-20-25	"	1,400

Total

\$ 34,004

Exhibit J-5

Bradley County, Tennessee
Schedule of Transfers
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 47,724
Total Transfers Discretely Presented Bradley County School Department			\$ 47,724

Exhibit J-6

Bradley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 87,547 (1)	\$ 50,000	Auto Owners (Mutual) Insurance
Highway Superintendent	Section 8-24-102, TCA, and County Commission	80,320	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	112,587 (2)	(3)	"
Trustee	Section 8-24-102, TCA, and County Commission	73,017	3,057,500	"
Assessor of Property	Section 8-24-102, TCA, and County Commission	73,017	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, TCA, and County Commission	73,017	50,000	Auto Owners (Mutual) Insurance
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA, and County Commission	73,017	50,000	"
Clerk and Master	Section 8-24-102, TCA, and County Commission	73,017 (4)	50,000	Travelers Casualty and Surety Company of America
Register:				
Raymond Swafford (7-1-10 through 8-31-10)	Section 8-24-102, TCA, and County Commission	12,169	25,000	St. Paul Travelers
Dina Swafford (9-1-10 through 6-30-11)	Section 8-24-102, TCA, and County Commission	60,848	25,000	Auto Owners (Mutual) Insurance
Sheriff:				
Tim Gobble (7-1-10 through 8-31-10)	Section 8-24-102, TCA, and County Commission	16,373	25,000	St. Paul Travelers
James Ruth (9-1-10 through 6-30-11)	Section 8-24-102, TCA, and County Commission	63,947 (5)	25,000	Auto Owners (Mutual) Insurance
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 of \$3,000 as county purchasing agent.
- (2) Does not include a travel allowance of \$12,060, life and disability insurance of \$2,732, career ladder of \$1,000, and retirement reimbursement of \$6,232.
- (3) The director of schools is covered under the school employee dishonesty bond.
- (4) Does not include special commissioner fees of \$7,644.
- (5) Does not include a law enforcement training supplement of \$600.

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds							Veterans Nursing Home
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 10,027,908	\$ 0	\$ 536,983	\$ 0	\$ 0	\$ 0	\$ 1,554,766	\$ 0
Trustee's Collections - Prior Year	282,182	0	17,103	0	0	0	43,461	0
Circuit/Clerk & Master Collections - Prior Years	267,076	0	14,300	0	0	0	172,584	0
Interest and Penalty	59,378	0	3,510	0	0	0	9,230	0
Payments in-Lieu-of Taxes - T.V.A.	7,338	0	393	0	0	0	4,761	0
Payments in-Lieu-of Taxes - Local Utilities	3,406	0	182	0	0	0	2,210	0
Payments in-Lieu-of Taxes - Other	63,412	0	3,480	0	0	0	21,535	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	4,051,978	0	0	0	0	0	0	0
Hotel/Motel Tax	456,061	0	0	0	0	152,020	0	0
Litigation Tax - General	311,287	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	55,869	421	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	72,364	0	0	0	0	0	0	0
Business Tax	963,762	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	33,629	0	1,801	0	0	0	0	0
Wholesale Beer Tax	327,285	0	0	0	0	0	0	0
Interstate Telecommunications Tax	3,209	0	0	0	0	0	0	0
Total Local Taxes	\$ 16,986,144	\$ 421	\$ 577,752	\$ 0	\$ 0	\$ 152,020	\$ 1,808,547	\$ 0
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 213,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>								
Beer Permits	4,220	0	0	0	0	0	0	0
Building Permits	107,887	0	0	0	0	0	0	0
Electrical Permits	1,003	0	0	0	0	0	0	0
Other Permits	2,104	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 328,746	\$ 0	\$ 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	Solid Waste/ Sanitation	Drug Control	Agri-Business	Special Purpose Fire Tax	Veterans Nursing Home		
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 14,505	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	35,706	0	0	0	0	0	0	0	0	0
Drug Control Fines	9,511	0	0	0	34,326	0	0	0	0	0
Jail Fees	1,677	0	0	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	14,890	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	1,394	0	0	0	0	0	0	0	0	0
<u>Criminal Court</u>										
Fines	137,935	1,215	0	0	0	0	0	0	0	0
Officers Costs	144,718	0	0	0	0	0	0	0	0	0
Drug Control Fines	21,211	0	0	0	21,211	0	0	0	0	0
Jail Fees	76,926	0	0	0	0	0	0	0	0	0
DUI Treatment Fines	17,383	0	0	0	0	0	0	0	0	0
Data Entry Fee - Criminal Court	5,822	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	1,963	0	0	0	0	0	0	0	0	0
<u>General Sessions Court</u>										
Fines	3,938	0	0	0	0	0	0	0	0	0
Fines for Littering	1,135	0	0	0	0	0	0	0	0	0
Officers Costs	1,342	0	0	0	0	0	0	0	0	0
Jail Fees	23,856	0	0	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,117	0	0	0	0	0	0	0	0	0
<u>Juvenile Court</u>										
Fines	1,431	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0	0	0	0	0
Victims Assistance Assessments	9,490	0	0	0	0	0	0	0	0	0
<u>Chancery Court</u>										
Officers Costs	144	0	0	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	368	0	0	0	0	0	0	0	0	0
Courtroom Security Fee	90	0	0	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>										
Fines	13,244	0	0	0	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	Solid Waste/ Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Other Courts - In-county (Cont.)</u>								
Drug Court Fees	\$ 37,643	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	1,200	0	0	0	301,244	0	0	0
Other Fines, Forfeitures, and Penalties	641	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 588,286	\$ 1,215	\$ 0	\$ 0	\$ 356,781	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 275,285	\$ 0	\$ 0	\$ 0	\$ 0
Water Treatment Charges	20,400	0	0	0	0	0	0	0
Patient Charges	3,913,782	0	0	0	0	0	0	0
Zoning Studies	750	0	0	0	0	0	0	0
Work Release Charges for Board	9,071	0	0	0	0	0	0	0
Other General Service Charges	35,248	0	0	0	0	0	0	0
Service Charges	3,975	0	0	0	0	0	0	0
<u>Fees</u>								
Subdivision Lot Fees	182	0	0	0	0	0	0	0
Engineer Review Fees	8,058	0	0	0	0	0	0	0
Recreation Fees	136,314	0	0	0	0	0	0	0
Copy Fees	5,810	0	0	0	0	0	0	0
Library Fees	0	9,746	0	0	0	0	0	0
Telephone Commissions	94,914	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0	0
Data Processing Fee - Register	27,532	0	0	0	0	0	0	0
Probation Fees	327,128	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,858	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,590	0	0	0	0	0	0	0
<u>Education Charges</u>								
Community Service Fees - Adults	9,782	0	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	Solid Waste/ Sanitation	Drug Control	Agri-Business	Special Purpose Fire Tax	Veterans Nursing Home
<u>Charges for Current Services (Cont.)</u>								
<u>Other Charges for Services</u>								
Other Charges for Services	\$ 13,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 4,613,212	\$ 9,746	\$ 0	\$ 275,285	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 245,422	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	149,240	0	0	0	0	0	0	0
Sale of Materials and Supplies	1,021	0	0	0	0	0	0	0
Commissary Sales	115,831	0	0	0	0	0	0	0
Sale of Maps	2,128	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	1,265	0	0	0	0
Miscellaneous Refunds	138,418	0	0	0	1,256	0	0	0
<u>Nonrecurring Items</u>								
Sale of Equipment	550	0	0	0	88	0	0	0
Damages Recovered from Individuals	5,200	0	0	0	0	0	0	0
Contributions and Gifts	47,329	0	0	0	0	33,317	25,000	80
<u>Other Local Revenues</u>								
Other Local Revenues	171,244	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 876,383	\$ 0	\$ 0	\$ 1,265	\$ 1,344	\$ 33,317	\$ 25,000	\$ 80
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
Clerk and Master	\$ 195,360	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	63,522	0	0	0	0	0	0	0
Trustee	699,514	0	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>								
Circuit Court Clerk	328,129	0	0	0	0	0	0	0
Criminal Court Clerk	483,149	0	0	0	0	0	0	0
General Sessions Court Clerk	491,153	0	0	0	0	0	0	0
Sheriff	19,698	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,280,525	\$ 0	\$ 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	Solid Waste/ Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home		
<u>State of Tennessee</u>										
<u>General Government Grants</u>										
Juvenile Services Program	\$ 73,668	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	37,941	0	0	0	0	0	0
On-Behalf Contributions for OPEB	3,943	0	0	0	0	0	0	0	0	0
<u>Public Safety Grants</u>										
Drug Control Grants	102,985	0	0	0	0	0	0	0	0	0
Other Public Safety Grants	5,484	0	0	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>										
Health Department Programs	962,875	0	0	0	0	0	0	0	0	0
<u>Public Works Grants</u>										
Bridge Program	0	0	0	0	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0	0	0	0	0
<u>Other State Revenues</u>										
Income Tax	56,759	0	3,039	0	0	0	0	0	0	0
Beer Tax	18,724	0	0	0	0	0	0	0	0	0
Alcoholic Beverage Tax	107,478	0	0	0	0	0	0	0	0	0
Mixed Drink Tax	8,270	0	0	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	283,296	0	15,170	0	0	0	0	0	0	0
Contracted Prisoner Boarding	1,384,928	0	0	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	0
State Shared Sales Tax - Cities	6,943	0	0	0	0	0	0	0	0	0
Other State Grants	293,169	0	0	0	0	0	0	0	0	0
Other State Revenues	62,500	0	0	0	0	0	11,400	0	0	0
Total State of Tennessee	\$ 3,386,186	\$ 0	\$ 18,209	\$ 37,941	\$ 0	\$ 0	\$ 11,400	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>										
<u>Federal Through State</u>										
Civil Defense Reimbursement	\$ 7,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	38,286	0	0	0	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	Solid Waste/ Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home		
<u>Federal Government (Cont.)</u>										
<u>Federal Through State (Cont.)</u>										
Law Enforcement Grants										
ARRA Grant No. 1	\$ 63,724	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ARRA Grant No. 2	39,834	0	0	0	0	0	0	0	0	0
ARRA Grant No. 3	34,154	0	0	0	0	0	0	0	0	0
ARRA Grant No. 4	38,603	0	0	0	0	0	0	0	0	0
Other Federal through State	11,108	0	0	0	0	0	0	0	0	0
Direct Federal Revenue	59,598	0	0	0	0	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	0	0	0	0	0
Total Federal Government	\$ 292,767	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Prisoner Board	\$ 1,359,048	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	320,058	0	0	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,679,106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 31,031,355	\$ 11,382	\$ 595,961	\$ 314,491	\$ 358,125	\$ 185,337	\$ 1,844,947	\$ 80		

(Continued)

Exhibit J-7

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Permanent Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment	Total			
<u>Local Taxes</u>												
<u>County Property Taxes</u>												
Current Property Tax	\$ 0	\$ 2,448,346	\$ 4,371,352	\$ 0	\$ 959,997	\$ 0	\$ 32,966	\$ 0	\$ 19,932,318			
Trustee's Collections - Prior Year	0	77,986	145,414	0	83,504	0	1,050	0	650,700			
Circuit/Clerk & Master Collections - Prior Years	0	65,116	116,399	0	35,104	0	878	0	671,457			
Interest and Penalty	0	15,993	29,576	0	11,464	0	214	0	129,365			
Payments in-Lieu-of Taxes - T.V.A.	0	1,792	3,199	0	709	0	24	0	18,216			
Payments in-Lieu-of Taxes - Local Utilities	0	832	1,485	0	329	0	11	0	8,455			
Payments in-Lieu-of Taxes - Other	0	15,868	28,594	0	7,601	0	212	0	140,702			
<u>County Local Option Taxes</u>												
Local Option Sales Tax	0	0	0	0	0	0	0	0	4,051,978			
Hotel/Motel Tax	0	0	0	0	0	0	0	0	608,081			
Litigation Tax - General	0	0	0	0	0	0	0	0	311,287			
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	0	56,290			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0	72,364			
Business Tax	0	0	0	0	0	0	0	0	963,762			
<u>Statutory Local Taxes</u>												
Bank Excise Tax	0	8,210	14,659	0	3,250	0	111	0	61,660			
Wholesale Beer Tax	0	0	0	0	0	0	0	0	327,285			
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0	3,209			
Total Local Taxes	\$ 0	\$ 2,634,143	\$ 4,710,678	\$ 0	\$ 1,101,958	\$ 0	\$ 35,466	\$ 0	\$ 28,007,129			
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Cable TV Franchise	\$ 0	0	0	0	0	0	0	0	213,532			
<u>Permits</u>												
Beer Permits	0	0	0	0	0	0	0	0	4,220			
Building Permits	0	0	0	0	0	0	0	0	107,887			
Electrical Permits	0	0	0	0	0	0	0	0	1,003			
Other Permits	0	0	0	0	0	0	0	0	2,104			
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 328,746			

(Continued)

Exhibit J-7

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds				Permanent Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment	Fund		
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,505
Officers Costs	0	0	0	0	0	0	0	0	0	0	35,706
Drug Control Fines	0	0	0	0	0	0	0	0	0	0	43,837
Jail Fees	0	0	0	0	0	0	0	0	0	0	1,677
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	0	0	14,890
Courtroom Security Fee	0	0	0	0	0	0	0	0	0	0	1,394
<u>Criminal Court</u>											
Fines	0	0	0	0	0	0	0	0	0	0	139,150
Officers Costs	0	0	0	0	0	0	0	0	0	0	144,718
Drug Control Fines	0	0	0	0	0	0	0	0	0	0	42,422
Jail Fees	0	0	0	0	0	0	0	0	0	0	76,926
DUI Treatment Fines	0	0	0	0	0	0	0	0	0	0	17,383
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	0	0	0	5,822
Courtroom Security Fee	0	0	0	0	0	0	0	0	0	0	1,963
<u>General Sessions Court</u>											
Fines	0	0	0	0	0	0	0	0	0	0	3,938
Fines for Littering	0	0	0	0	0	0	0	0	0	0	1,135
Officers Costs	0	0	0	0	0	0	0	0	0	0	1,342
Jail Fees	0	0	0	0	0	0	0	0	0	0	23,856
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	0	0	10,117
<u>Juvenile Court</u>											
Fines	0	0	0	0	0	0	0	0	0	0	1,431
Courtroom Security Fee	0	0	0	0	0	0	0	0	0	0	6
Victims Assistance Assessments	0	0	0	0	0	0	0	0	0	0	9,490
<u>Chancery Court</u>											
Officers Costs	0	0	0	0	0	0	0	0	0	0	144
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	0	0	368
Courtroom Security Fee	0	0	0	0	0	0	0	0	0	0	90
<u>Other Courts - In-county</u>											
Fines	0	0	0	0	0	0	0	0	0	0	13,244

(Continued)

Exhibit J-7

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Permanent Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>												
<u>Other Courts - In-county (Cont.)</u>												
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,643
<u>Other Fines, Forfeitures, and Penalties</u>												
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	0	0	0	302,444
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	0	0	0	641
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 946,282
<u>Charges for Current Services</u>												
<u>General Service Charges</u>												
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 275,285
Water Treatment Charges	0	0	0	0	0	0	0	0	0	0	0	20,400
Patient Charges	0	0	0	0	0	0	0	0	0	0	0	3,913,782
Zoning Studies	0	0	0	0	0	0	0	0	0	0	0	750
Work Release Charges for Board	0	0	0	0	0	0	0	0	0	0	0	9,071
Other General Service Charges	0	0	0	0	0	0	0	0	0	0	0	35,248
Service Charges	0	0	0	0	0	0	0	0	0	0	0	3,975
<u>Fees</u>												
Subdivision Lot Fees	0	0	0	0	0	0	0	0	0	0	0	182
Engineer Review Fees	0	0	0	0	0	0	0	0	0	0	0	8,058
Recreation Fees	0	0	0	0	0	0	0	0	0	0	0	136,314
Copy Fees	0	0	0	0	0	0	0	0	0	0	0	5,810
Library Fees	0	0	0	0	0	0	0	0	0	0	0	9,746
Telephone Commissions	0	0	0	0	0	0	0	0	0	0	0	94,914
Constitutional Officers' Fees and Commissions	1,785,250	0	0	0	0	0	0	0	0	0	0	1,785,250
Special Commissioner Fees/Special Master Fees	7,644	0	0	0	0	0	0	0	0	0	0	7,644
Data Processing Fee - Register	0	0	0	0	0	0	0	0	0	0	0	27,532
Probation Fees	0	0	0	0	0	0	0	0	0	0	0	327,128
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	0	0	0	1,858
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	0	0	0	4,590
<u>Education Charges</u>												
Community Service Fees - Adults	0	0	0	0	0	0	0	0	0	0	0	9,782

(Continued)

Exhibit J-7

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds				Permanent Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment	Fund	Total
<u>Charges for Current Services (Cont.)</u>										
<u>Other Charges for Services</u>										
Other Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,818
Total Charges for Current Services	\$ 1,792,894	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,691,137
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 0	\$ 0	\$ 6,667	\$ 245,371	\$ 0	\$ 2,144	\$ 0	\$ 195,893	\$ 0	\$ 695,497
Lease/Rentals	0	0	0	0	0	0	0	0	0	149,240
Sale of Materials and Supplies	0	1,774	0	0	0	0	0	0	0	2,795
Commissary Sales	0	0	0	0	0	0	0	0	0	115,831
Sale of Maps	0	0	0	0	0	0	0	0	0	2,128
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0	1,265
Miscellaneous Refunds	0	359,919	0	28,531	0	0	0	265,568	0	793,692
<u>Nonrecurring Items</u>										
Sale of Equipment	0	0	0	0	0	0	0	0	0	638
Damages Recovered from Individuals	0	0	0	0	0	0	0	0	0	5,200
Contributions and Gifts	0	0	13,267	48,650	0	0	0	0	0	167,643
<u>Other Local Revenues</u>										
Other Local Revenues	0	8,508	0	0	0	0	0	0	0	179,752
Total Other Local Revenues	\$ 0	\$ 370,201	\$ 19,934	\$ 322,552	\$ 0	\$ 2,144	\$ 0	\$ 461,461	\$ 0	\$ 2,113,681
<u>Fees Received from County Officials</u>										
<u>Excess Fees</u>										
Clerk and Master	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,360
Register	0	0	0	0	0	0	0	0	0	63,522
Trustee	0	0	0	0	0	0	0	0	0	699,514
<u>Fees in-Lieu-of Salary</u>										
Circuit Court Clerk	0	0	0	0	0	0	0	0	0	328,129
Criminal Court Clerk	0	0	0	0	0	0	0	0	0	483,149
General Sessions Court Clerk	0	0	0	0	0	0	0	0	0	491,153
Sheriff	0	0	0	0	0	0	0	0	0	19,698
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,280,525

(Continued)

Exhibit J-7

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Permanent Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment	Fund				
<u>State of Tennessee</u>													
<u>General Government Grants</u>													
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,668
Solid Waste Grants	0	0	0	0	0	0	0	0	0	0	0	0	37,941
On-Behalf Contributions for OPEB	0	0	0	0	0	0	0	0	0	0	0	0	3,943
<u>Public Safety Grants</u>													
Drug Control Grants	0	0	0	0	0	0	0	0	0	0	0	0	102,985
Other Public Safety Grants	0	0	0	0	0	0	0	0	0	0	0	0	5,484
<u>Health and Welfare Grants</u>													
Health Department Programs	0	0	0	0	0	0	0	0	0	0	0	0	962,875
<u>Public Works Grants</u>													
Bridge Program	0	82,710	0	0	0	0	0	0	0	0	0	0	82,710
Litter Program	0	46,708	0	0	0	0	0	0	0	0	0	0	46,708
<u>Other State Revenues</u>													
Income Tax	0	13,858	24,742	0	5,486	0	187	0	0	0	0	0	104,071
Beer Tax	0	0	0	0	0	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	0	0	0	0	107,478
Mixed Drink Tax	0	0	0	0	0	0	0	0	0	0	0	0	8,270
State Revenue Sharing - T.V.A.	0	69,167	123,494	0	40,737	0	931	0	0	0	0	0	532,795
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	0	0	0	0	1,384,928
Gasoline and Motor Fuel Tax	0	2,067,516	0	0	0	0	0	0	0	0	0	0	2,067,516
Petroleum Special Tax	0	70,645	0	0	0	0	0	0	0	0	0	0	70,645
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	0	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	0	0	0	0	0	0	0	0	0	6,943
Other State Grants	0	0	0	0	0	0	0	0	0	0	0	0	293,169
Other State Revenues	0	0	0	0	0	0	0	0	0	0	0	0	73,900
Total State of Tennessee	\$ 0	\$ 2,350,604	\$ 148,236	\$ 0	\$ 46,223	\$ 0	\$ 1,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,999,917
<u>Federal Government</u>													
<u>Federal Through State</u>													
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,460
Homeland Security Grants	0	0	0	0	0	0	0	0	0	0	0	0	38,286

(Continued)

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Permanent Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment			
Federal Government (Cont.)												
Federal Through State (Cont.)												
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 63,724
ARRA Grant No. 1	0	0	0	0	0	0	0	0	0	0	0	39,834
ARRA Grant No. 2	0	0	0	0	0	0	0	0	0	0	0	34,154
ARRA Grant No. 3	0	0	0	0	0	0	0	0	0	0	0	38,603
ARRA Grant No. 4	0	0	0	0	0	0	0	0	0	0	0	11,108
Other Federal through State	0	0	0	0	0	0	13,615	0	0	0	0	73,213
Direct Federal Revenue												
Tax Credit Bond Rebate	0	0	327,278	0	0	0	0	0	0	0	0	327,278
Total Federal Government	\$ 0	\$ 0	\$ 327,278	\$ 0	\$ 0	\$ 0	\$ 13,615	\$ 0	\$ 0	\$ 0	\$ 0	\$ 633,660
Other Governments and Citizens Groups												
Other Governments												
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,359,048
Contracted Services	0	0	0	0	0	0	0	0	0	0	0	320,058
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,679,106
Total	\$ 1,792,894	\$ 5,354,948	\$ 5,206,126	\$ 322,552	\$ 1,148,181	\$ 15,759	\$ 36,584	\$ 461,461	\$ 48,680,183			

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,907,269	\$ 0	\$ 0	\$ 0	\$ 10,907,269
Trustee's Collections - Prior Year	473,437	0	0	0	473,437
Circuit/Clerk & Master Collections - Prior Years	292,498	0	0	0	292,498
Interest and Penalty	72,044	0	0	0	72,044
Payments in-Lieu-of Taxes - T.V.A.	11,966	0	0	0	11,966
Payments in-Lieu-of Taxes - Local Utilities	3,738	0	0	0	3,738
Payments in-Lieu-of Taxes - Other	71,332	0	0	0	71,332
<u>County Local Option Taxes</u>					
Local Option Sales Tax	9,353,851	0	0	0	9,353,851
<u>Statutory Local Taxes</u>					
Bank Excise Tax	36,908	0	0	0	36,908
Interstate Telecommunications Tax	4,989	0	0	0	4,989
Total Local Taxes	\$ 21,228,032	\$ 0	\$ 0	\$ 0	\$ 21,228,032
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,130	\$ 0	\$ 0	\$ 0	\$ 5,130
Total Licenses and Permits	\$ 5,130	\$ 0	\$ 0	\$ 0	\$ 5,130
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,023,916	\$ 0	\$ 1,023,916
Lunch Payments - Adults	0	0	166,017	0	166,017
Income from Breakfast	0	0	108,903	0	108,903
A la carte Sales	0	0	584,351	0	584,351
TBI Criminal Background Fees	4,514	0	0	0	4,514
<u>Other Charges for Services</u>					
Other Charges for Services	8,450	0	3,711	0	12,161
Total Charges for Current Services	\$ 12,964	\$ 0	\$ 1,886,898	\$ 0	\$ 1,899,862
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 15,507	\$ 0	\$ 4,500	\$ 2,771	\$ 22,778
Miscellaneous Refunds	16,335	0	6,350	0	22,685
<u>Nonrecurring Items</u>					
Contributions and Gifts	11,135	0	0	0	11,135
<u>Other Local Revenues</u>					
Other Local Revenues	891	0	0	0	891
Total Other Local Revenues	\$ 43,868	\$ 0	\$ 10,850	\$ 2,771	\$ 57,489
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 499,979	\$ 0	\$ 0	\$ 0	\$ 499,979
<u>State Education Funds</u>					
Basic Education Program	35,820,078	0	0	0	35,820,078
Basic Education Program - ARRA	3,814,922	0	0	0	3,814,922
Early Childhood Education	1,319,487	0	0	0	1,319,487
School Food Service	53,360	0	0	0	53,360

(Continued)

Exhibit J-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Energy Efficient School Initiative	\$ 177,876	\$ 0	\$ 0	\$ 0	\$ 177,876
Driver Education	35,288	0	0	0	35,288
Other State Education Funds	5,664	0	0	0	5,664
Coordinated School Health - ARRA	95,000	0	0	0	95,000
Internet Connectivity - ARRA	30,223	0	0	0	30,223
Statewide Student Management System (SSMS) - ARRA	25,468	0	0	0	25,468
Career Ladder Program	374,585	0	0	0	374,585
Career Ladder - Extended Contract - ARRA	152,867	0	0	0	152,867
<u>Other State Revenues</u>					
Income Tax	62,465	0	0	0	62,465
State Revenue Sharing - T.V.A.	461,938	0	0	0	461,938
Safe Schools - ARRA	49,300	0	0	0	49,300
Total State of Tennessee	\$ 42,978,500	\$ 0	\$ 0	\$ 0	\$ 42,978,500
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,004,128	\$ 0	\$ 2,004,128
USDA - Commodities	0	0	205,653	0	205,653
Breakfast	0	0	657,549	0	657,549
USDA - Other	0	0	12,283	0	12,283
Adult Education State Grant Program	194,695	0	0	0	194,695
Vocational Education - Basic Grants to States	0	124,601	0	0	124,601
Title I Grants to Local Education Agencies	0	1,583,629	0	0	1,583,629
Special Education - Grants to States	63,625	2,857,513	0	0	2,921,138
Special Education Preschool Grants	0	110,219	0	0	110,219
English Language Acquisition Grants	0	20,712	0	0	20,712
Eisenhower Professional Development State Grants	0	419,920	0	0	419,920
Race to the Top - ARRA	0	385,000	0	0	385,000
Other Federal through State	692,368	5,461	0	0	697,829
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	38,007	0	0	0	38,007
Other Direct Federal Revenue	782,889	0	0	0	782,889
Total Federal Government	\$ 1,771,584	\$ 5,507,055	\$ 2,879,613	\$ 0	\$ 10,158,252
Total	\$ 66,040,078	\$ 5,507,055	\$ 4,777,361	\$ 2,771	\$ 76,327,265

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Part-time Personnel	\$	38,058	
Board and Committee Members Fees		136,622	
Social Security		12,435	
State Retirement		10,611	
Life Insurance		275	
Medical Insurance		48,374	
Audit Services		33,890	
Communication		365	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		166	
Maintenance and Repair Services - Office Equipment		728	
Office Supplies		331	
Other Charges		40,174	
Interest on Notes		6,667	
Other Equipment		1,388	
Other Capital Outlay		28,000	
Total County Commission			\$ 360,034

Board of Equalization

Board and Committee Members Fees	\$	427	
Total Board of Equalization			427

Beer Board

Board and Committee Members Fees	\$	2,350	
Total Beer Board			2,350

Other Boards and Committees

Clerical Personnel	\$	20,000	
Social Security		1,530	
State Retirement		2,774	
Life Insurance		20	
Medical Insurance		6,308	
Communication		5	
Operating Lease Payments		480	
Office Supplies		392	
Total Other Boards and Committees			31,509

County Mayor/Executive

County Official/Administrative Officer	\$	87,547	
Assistant(s)		73,500	

(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.)

Clerical Personnel	\$	21,467	
Social Security		13,105	
State Retirement		25,315	
Life Insurance		82	
Medical Insurance		25,446	
Advertising		500	
Communication		1,100	
Dues and Memberships		1,750	
Travel		1,636	
Tuition		200	
Office Supplies		3,006	
Vehicle and Equipment Insurance		750	
Office Equipment		50	
Total County Mayor/Executive			\$ 255,454

Personnel Office

Supervisor/Director	\$	36,951	
Accountants/Bookkeepers		23,509	
Social Security		4,537	
State Retirement		5,125	
Life Insurance		23	
Medical Insurance		6,992	
Unemployment Compensation		11,804	
Advertising		774	
Dues and Memberships		230	
Maintenance and Repair Services - Office Equipment		3,866	
Travel		259	
Tuition		372	
Office Supplies		7,418	
Periodicals		990	
Testing		7,935	
Excess Risk Insurance		6,001	
Workers' Compensation Insurance		48,893	
Office Equipment		285	
Total Personnel Office			165,964

County Attorney

Assistant(s)	\$	27,019
Part-time Personnel		24,947
Other Salaries and Wages		72,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Social Security	\$	8,837	
State Retirement		13,734	
Life Insurance		40	
Medical Insurance		12,635	
Communication		556	
Data Processing Services		6,824	
Dues and Memberships		645	
Legal Services		28,243	
Office Supplies		1,492	
Furniture and Fixtures		500	
Total County Attorney			\$ 197,472

Election Commission

County Official/Administrative Officer	\$	64,993	
Deputy(ies)		52,155	
Part-time Personnel		17,125	
Board and Committee Members Fees		175	
Election Commission		11,075	
Election Workers		61,155	
Social Security		11,119	
State Retirement		13,486	
Life Insurance		41	
Medical Insurance		12,584	
Accounting Services		7,720	
Advertising		7,424	
Communication		2,219	
Maintenance and Repair Services - Equipment		10,155	
Printing, Stationery, and Forms		7,000	
Travel		5,199	
Office Supplies		3,923	
Other Charges		3,243	
Data Processing Equipment		12	
Total Election Commission			290,803

Register of Deeds

Life Insurance	\$	150	
Medical Insurance		47,031	
Communication		481	
Data Processing Services		33,131	
Maintenance and Repair Services - Equipment		4,105	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Travel	\$	181	
Office Supplies		10,717	
Office Equipment		4,500	
Total Register of Deeds			\$ 100,296

Development

Assistant(s)	\$	38,000	
Supervisor/Director		58,191	
Social Security		7,332	
State Retirement		13,342	
Life Insurance		39	
Medical Insurance		11,675	
Communication		1,224	
Data Processing Services		42,482	
Dues and Memberships		255	
Maintenance and Repair Services - Equipment		3,006	
Travel		750	
Tuition		2,723	
Gasoline		150	
Other Supplies and Materials		300	
Vehicle and Equipment Insurance		700	
Total Development			180,169

Planning

Assistant(s)	\$	99,879	
Clerical Personnel		25,950	
Social Security		9,569	
State Retirement		15,540	
Life Insurance		75	
Medical Insurance		23,061	
Communication		617	
Dues and Memberships		900	
Operating Lease Payments		2,400	
Legal Notices, Recording, and Court Costs		1,500	
Maintenance and Repair Services - Office Equipment		1,733	
Maintenance and Repair Services - Vehicles		805	
Travel		982	
Tuition		1,327	
Other Contracted Services		2,035	
Gasoline		2,200	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Office Supplies	\$	3,441	
Vehicle and Equipment Insurance		<u>1,652</u>	
Total Planning			\$ 193,666

County Buildings

Custodial Personnel	\$	38,000	
Social Security		2,907	
State Retirement		5,271	
Life Insurance		20	
Medical Insurance		6,408	
Communication		26,475	
Postal Charges		110,040	
Travel		350	
Other Contracted Services		24,754	
Custodial Supplies		6,411	
Drugs and Medical Supplies		734	
Utilities		115,000	
Other Supplies and Materials		18,286	
Other Charges		200	
Building Improvements		5,460	
Heating and Air Conditioning Equipment		<u>1,353</u>	
Total County Buildings			361,669

Other Facilities

Maintenance and Repair Services - Buildings	\$	<u>5,000</u>	
Total Other Facilities			5,000

Other General Administration

On-Behalf Payments to OPEB	\$	3,943	
Other Charges		<u>2,500</u>	
Total Other General Administration			6,443

Finance

Accounting and Budgeting

Supervisor/Director	\$	56,129	
Clerical Personnel		58,235	
Social Security		9,452	
State Retirement		17,249	
Life Insurance		61	
Medical Insurance		12,584	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Accounting Services	\$	10,000	
Dues and Memberships		948	
Maintenance and Repair Services - Office Equipment		5,535	
Office Supplies		1,547	
Other Supplies and Materials		3,164	
Total Accounting and Budgeting			\$ 174,904

Property Assessor's Office

County Official/Administrative Officer	\$	73,017	
Paraprofessionals		248,132	
Clerical Personnel		138,739	
Social Security		34,736	
State Retirement		63,846	
Life Insurance		267	
Medical Insurance		78,952	
Communication		222	
Dues and Memberships		2,840	
Maintenance and Repair Services - Office Equipment		1,900	
Maintenance and Repair Services - Vehicles		1,161	
Travel		2,024	
Tuition		1,000	
Other Contracted Services		75,599	
Gasoline		3,750	
Office Supplies		8,723	
Vehicle and Equipment Insurance		3,305	
Workers' Compensation Insurance		340	
Office Equipment		5,978	
Total Property Assessor's Office			744,531

Reappraisal Program

Data Processing Services	\$	38,942	
Postal Charges		4,121	
Other Contracted Services		71	
Total Reappraisal Program			43,134

County Trustee's Office

Life Insurance	\$	161	
Medical Insurance		49,693	
Communication		31	
Dues and Memberships		694	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Travel	\$	1,221	
Other Contracted Services		24,065	
Office Supplies		5,340	
Total County Trustee's Office			\$ 81,205

County Clerk's Office

Life Insurance	\$	418	
Medical Insurance		123,900	
Unemployment Compensation		4,862	
Communication		1,400	
Dues and Memberships		1,284	
Travel		2,639	
Office Supplies		33,909	
Total County Clerk's Office			168,412

Data Processing

Data Processing Personnel	\$	56,274	
Social Security		4,284	
State Retirement		7,805	
Life Insurance		20	
Medical Insurance		6,308	
Communication		16,273	
Data Processing Services		10,428	
Travel		1,200	
Other Contracted Services		19,757	
Office Supplies		65	
Data Processing Equipment		11,564	
Other Equipment		1,044	
Total Data Processing			135,022

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,017	
Total Circuit Court			73,017

Circuit Court Clerk

Assistant(s)	\$	38,362	
Deputy(ies)		684,868	
Other Salaries and Wages		2,304	
Social Security		60,464	

(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.)

State Retirement	\$	109,039	
Life Insurance		620	
Medical Insurance		186,298	
Unemployment Compensation		2,125	
Communication		2,484	
Data Processing Services		32,820	
Dues and Memberships		674	
Custodial Supplies		1,716	
Data Processing Supplies		6,405	
Office Supplies		35,124	
Utilities		25,000	
Data Processing Equipment		15,326	
Office Equipment		602	
Total Circuit Court Clerk			\$ 1,204,231

General Sessions Judge

Judge(s)	\$	292,556	
Clerical Personnel		48,758	
Part-time Personnel		1,500	
Other Salaries and Wages		45,000	
Social Security		24,429	
State Retirement		50,050	
Life Insurance		85	
Medical Insurance		26,673	
Communication		734	
Dues and Memberships		174	
Travel		1,591	
Tuition		820	
Periodicals		113	
Data Processing Equipment		286	
Furniture and Fixtures		194	
Total General Sessions Judge			492,963

Drug Court

Assessment Personnel	\$	50,000	
Social Security		3,825	
State Retirement		6,935	
Life Insurance		21	
Medical Insurance		6,374	
Communication		1,088	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Rentals	\$	1,500	
Travel		4,753	
Other Contracted Services		88,523	
Total Drug Court			\$ 163,019

Chancery Court

Jury and Witness Expense	\$	16	
Life Insurance		102	
Medical Insurance		31,542	
Communication		600	
Dues and Memberships		651	
Maintenance and Repair Services - Office Equipment		10,508	
Travel		808	
Tuition		644	
Office Supplies		4,282	
Total Chancery Court			49,153

Juvenile Court

County Official/Administrative Officer	\$	46,301	
Probation Officer(s)		249,265	
Youth Service Officer(s)		24,503	
Clerical Personnel		31,892	
Part-time Personnel		23,654	
Other Salaries and Wages		19,402	
Social Security		29,330	
State Retirement		48,950	
Life Insurance		177	
Medical Insurance		57,264	
Unemployment Compensation		398	
Communication		11,109	
Maintenance and Repair Services - Office Equipment		10,481	
Maintenance and Repair Services - Vehicles		1,314	
Travel		4,437	
Tuition		1,632	
Other Contracted Services		5,676	
Gasoline		1,400	
Office Supplies		1,135	
Utilities		25,141	
Vehicle and Equipment Insurance		2,500	
Other Charges		1,065	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Data Processing Equipment	\$	972	
Office Equipment		1,750	
Other Capital Outlay		21,380	
Total Juvenile Court			\$ 621,128

Judicial Commissioners

Jury and Witness Expense	\$	11,134	
Evaluation and Testing		7,800	
Total Judicial Commissioners			18,934

Other Administration of Justice

Assistant(s)	\$	27,133	
Supervisor/Director		30,684	
Clerical Personnel		13,638	
Social Security		5,430	
State Retirement		9,911	
Life Insurance		54	
Medical Insurance		16,763	
Communication		344	
Maintenance and Repair Services - Vehicles		533	
Gasoline		2,492	
Office Supplies		400	
Other Supplies and Materials		1,231	
Liability Insurance		5,733	
Vehicle and Equipment Insurance		700	
Workers' Compensation Insurance		340	
Motor Vehicles		13,869	
Total Other Administration of Justice			129,255

Probation Services

Assistant(s)	\$	34,673	
Supervisor/Director		46,565	
Probation Officer(s)		131,171	
Clerical Personnel		7,302	
Social Security		16,668	
State Retirement		25,114	
Life Insurance		145	
Medical Insurance		44,773	
Communication		37	
Contracts with Government Agencies		392	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Maintenance and Repair Services - Buildings	\$	1,982	
Rentals		2,200	
Travel		795	
Tuition		150	
Drug Treatment		8,388	
Other Contracted Services		10,625	
Office Supplies		1,500	
Other Supplies and Materials		2,088	
Other Charges		464	
Total Probation Services			\$ 335,032

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	80,320
Deputy(ies)		3,503,281
Clerical Personnel		136,451
Custodial Personnel		15,439
Part-time Personnel		2,528
Overtime Pay		102,186
Other Salaries and Wages		61,800
Social Security		295,546
State Retirement		508,902
Employee and Dependent Insurance		6,313
Life Insurance		2,023
Medical Insurance		630,526
Unemployment Compensation		2,281
Communication		36,463
Dues and Memberships		2,950
Maintenance and Repair Services - Equipment		36
Maintenance and Repair Services - Vehicles		156,021
Tow-in Services		1,320
Travel		10,619
Tuition		9,232
Other Contracted Services		112,102
Gasoline		390,771
Law Enforcement Supplies		36,130
Office Supplies		10,813
Uniforms		25,590
Other Supplies and Materials		14,469
Building and Contents Insurance		3,327

(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.)

Liability Insurance	\$	47,996	
Vehicle and Equipment Insurance		52,811	
Workers' Compensation Insurance		88,709	
Principal on Capital Leases		112,053	
Interest on Capital Leases		8,757	
Data Processing Equipment		10,885	
Law Enforcement Equipment		18,377	
Motor Vehicles		2,360	
Total Sheriff's Department			\$ 6,499,387

Special Patrols

Deputy(ies)	\$	172,610	
Overtime Pay		16,400	
Social Security		14,283	
State Retirement		26,126	
Life Insurance		129	
Medical Insurance		31,343	
Communication		2,182	
Uniforms		1,714	
Law Enforcement Equipment		14,370	
Total Special Patrols			279,157

Traffic Control

Maintenance and Repair Services - Equipment	\$	6,473	
Utilities		527	
Total Traffic Control			7,000

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	4,006	
Total Administration of the Sexual Offender Registry			4,006

Jail

Deputy(ies)	\$	2,703,505	
Mechanic(s)		65,516	
Clerical Personnel		84,303	
Maintenance Personnel		37,148	
Part-time Personnel		16,500	
Overtime Pay		65,713	
Social Security		224,059	
State Retirement		366,184	

(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	\$	1,821	
Medical Insurance		565,852	
Unemployment Compensation		6,874	
Communication		6,857	
Maintenance and Repair Services - Buildings		51,655	
Maintenance and Repair Services - Equipment		972	
Maintenance and Repair Services - Vehicles		10,524	
Medical and Dental Services		615,458	
Transportation - Other than Students		1,895	
Tuition		480	
Other Contracted Services		22,834	
Custodial Supplies		40,119	
Food Supplies		390,000	
Office Supplies		1,634	
Prisoners Clothing		9,504	
Uniforms		18,682	
Utilities		351,105	
Other Supplies and Materials		13,903	
Specialized Medical Treatment		8,264	
Data Processing Equipment		7,975	
Law Enforcement Equipment		5,909	
Total Jail			\$ 5,695,245

Correctional Incentive Program Improvements

Supervisor/Director	\$	41,009
Salary Supplements		11,497
Guards		551,018
Part-time Personnel		86,230
Overtime Pay		8,992
Social Security		53,221
State Retirement		75,154
Life Insurance		482
Medical Insurance		148,671
Unemployment Compensation		5,116
Communication		6,752
Maintenance and Repair Services - Buildings		5,300
Maintenance and Repair Services - Equipment		7,190
Maintenance and Repair Services - Office Equipment		1,818
Medical and Dental Services		2,280
Travel		1,100

(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.)

Tuition	\$	1,600	
Custodial Supplies		11,718	
Food Supplies		17,742	
Gasoline		4,866	
Office Supplies		3,549	
Prisoners Clothing		1,587	
Utilities		20,936	
Other Supplies and Materials		6,616	
Liability Insurance		4,500	
Other Charges		682	
Data Processing Equipment		576	
Law Enforcement Equipment		1,549	
Office Equipment		2,100	
Total Correctional Incentive Program Improvements			\$ 1,083,851

Juvenile Services

Part-time Personnel	\$	6,480	
Other Salaries and Wages		35,362	
Social Security		3,238	
State Retirement		2,562	
Life Insurance		20	
Medical Insurance		6,244	
Communication		1,071	
Travel		788	
Tuition		2,450	
Other Supplies and Materials		4,363	
Other Charges		300	
Data Processing Equipment		1,470	
Total Juvenile Services			64,348

Work Release Program

Supervisor/Director	\$	50,337	
Probation Officer(s)		85,629	
Clerical Personnel		24,294	
Part-time Personnel		12,625	
Social Security		12,804	
State Retirement		22,196	
Life Insurance		102	
Medical Insurance		31,542	
Accounting Services		1,200	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Communication	\$	5,391	
Evaluation and Testing		6,018	
Maintenance and Repair Services - Equipment		999	
Postal Charges		358	
Printing, Stationery, and Forms		24	
Rentals		18,000	
Travel		13,598	
Tuition		2,976	
Custodial Supplies		1,769	
Office Supplies		2,120	
Periodicals		272	
Utilities		4,204	
Other Supplies and Materials		5,422	
Liability Insurance		6,620	
Other Charges		26,761	
Total Work Release Program			\$ 335,261

Civil Defense

Supervisor/Director	\$	55,167
Accountants/Bookkeepers		29,994
Paraprofessionals		68,000
Overtime Pay		3,793
Social Security		11,949
State Retirement		21,770
Life Insurance		84
Medical Insurance		26,044
Communication		51,144
Contracts with Government Agencies		14,126
Contracts with Other Public Agencies		1,327
Dues and Memberships		1,300
Janitorial Services		1,706
Maintenance and Repair Services - Buildings		1,295
Maintenance and Repair Services - Equipment		1,195
Maintenance and Repair Services - Vehicles		3,974
Travel		2,460
Tuition		2,160
Maintenance and Repair Services - Records		9,532
Gasoline		7,294
Office Supplies		2,528
Uniforms		2,023

(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.)

Utilities	\$	12,201	
Building and Contents Insurance		9,900	
Indirect Cost		42,687	
Vehicle and Equipment Insurance		7,300	
Other Charges		7,790	
Total Civil Defense			\$ 398,743

Rescue Squad

Dues and Memberships	\$	1,000	
Maintenance and Repair Services - Buildings		1,112	
Maintenance and Repair Services - Vehicles		13,544	
Medical and Dental Services		364	
Postal Charges		81	
Printing, Stationery, and Forms		200	
Travel		1,326	
Tuition		4,483	
Custodial Supplies		4,002	
Drugs and Medical Supplies		188	
Food Supplies		691	
Gasoline		11,071	
Instructional Supplies and Materials		2,771	
Office Supplies		800	
Uniforms		2,793	
Utilities		18,000	
Other Supplies and Materials		2,804	
Vehicle and Equipment Insurance		24,876	
Other Charges		23,835	
Building Improvements		1,744	
Other Equipment		23,988	
Other Capital Outlay		11,972	
Total Rescue Squad			151,645

Disaster Relief

Overtime Pay	\$	93,465	
Social Security		7,282	
State Retirement		12,283	
Other Charges		5,251	
Total Disaster Relief			118,281

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Contracts with Government Agencies	\$ 250,632	
Total Other Emergency Management		\$ 250,632

Inspection and Regulation

Investigator(s)	\$ 18,000	
Social Security	1,363	
State Retirement	2,497	
Legal Services	29,376	
Other Contracted Services	10,000	
Building and Contents Insurance	39,596	
Liability Insurance	105,320	
Total Inspection and Regulation		206,152

County Coroner/Medical Examiner

Medical Personnel	\$ 12,999	
Overtime Pay	27,213	
Social Security	2,971	
State Retirement	3,773	
Communication	829	
Maintenance and Repair Services - Vehicles	1,000	
Medical and Dental Services	82,484	
Pauper Burials	750	
Postal Charges	100	
Printing, Stationery, and Forms	215	
Travel	1,000	
Drugs and Medical Supplies	3,640	
Gasoline	4,395	
Office Supplies	400	
Uniforms	189	
Vehicle and Equipment Insurance	1,500	
In Service/Staff Development	350	
Data Processing Equipment	694	
Total County Coroner/Medical Examiner		144,502

Other Public Safety

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

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	61,501	
Custodial Personnel		29,359	
Social Security		6,720	
State Retirement		8,467	
Life Insurance		87	
Medical Insurance		27,040	
Communication		6,312	
Maintenance and Repair Services - Buildings		2,449	
Rentals		1,000	
Travel		7,713	
Tuition		40	
Custodial Supplies		2,099	
Drugs and Medical Supplies		2,239	
Office Supplies		5,390	
Utilities		25,932	
Other Supplies and Materials		375	
Other Charges		185,244	
Other Capital Outlay		18,553	
Total Local Health Center			\$ 390,520

Rabies and Animal Control

Contracts with Government Agencies	\$	325,779	
Total Rabies and Animal Control			325,779

Ambulance/Emergency Medical Services

Supervisor/Director	\$	59,446	
Accountants/Bookkeepers		106,999	
Paraprofessionals		2,135,941	
Part-time Personnel		500,000	
Overtime Pay		205,285	
Social Security		225,263	
State Retirement		328,941	
Life Insurance		1,180	
Medical Insurance		354,199	
Communication		18,443	
Dues and Memberships		330	
Laundry Service		14,797	
Licenses		4,820	
Maintenance and Repair Services - Buildings		2,831	
Maintenance and Repair Services - Equipment		2,146	

(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.)

Maintenance and Repair Services - Vehicles	\$	156,039	
Travel		1,658	
Tuition		2,174	
Custodial Supplies		3,721	
Drugs and Medical Supplies		140,839	
Gasoline		172,554	
Office Supplies		17,552	
Uniforms		10,870	
Utilities		25,267	
Other Supplies and Materials		8,136	
Vehicle and Equipment Insurance		12,362	
Workers' Compensation Insurance		92,500	
Data Processing Equipment		6,256	
Office Equipment		3,653	
Other Equipment		12,008	
Total Ambulance/Emergency Medical Services			\$ 4,626,210

Alcohol and Drug Programs

Other Salaries and Wages	\$	33,280	
Social Security		2,525	
State Retirement		4,616	
Life Insurance		20	
Medical Insurance		6,195	
Travel		968	
Other Supplies and Materials		1,494	
Total Alcohol and Drug Programs			49,098

Other Local Health Services

Medical Personnel	\$	103,002	
Paraprofessionals		115,930	
Clerical Personnel		439,322	
Part-time Personnel		20,816	
Social Security		51,647	
State Retirement		75,051	
Life Insurance		494	
Medical Insurance		126,628	
Unemployment Compensation		9,811	
Contracts with Government Agencies		9,250	
Postal Charges		578	
Travel		16,638	

(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.)

Office Supplies	\$ 4,928	
Total Other Local Health Services		\$ 974,095

General Welfare Assistance

Contributions	\$ 1,500	
Total General Welfare Assistance		1,500

Other Local Welfare Services

Contracts with Government Agencies	\$ 78,865	
Total Other Local Welfare Services		78,865

Other Public Health and Welfare

Office Supplies	\$ 5,056	
Other Supplies and Materials	2,764	
Total Other Public Health and Welfare		7,820

Social, Cultural, and Recreational Services

Adult Activities

Contracts with Government Agencies	\$ 9,500	
Total Adult Activities		9,500

Senior Citizens Assistance

Contracts with Other Public Agencies	\$ 2,500	
Contributions	91,560	
Total Senior Citizens Assistance		94,060

Other Social, Cultural, and Recreational

Assistant(s)	\$ 71,448
Supervisor/Director	50,000
Foremen	28,407
Clerical Personnel	20,030
Cafeteria Personnel	28,637
Maintenance Personnel	90,341
Temporary Personnel	14,052
Overtime Pay	1,000
Other Salaries and Wages	14,386
Social Security	25,152
State Retirement	36,775
Life Insurance	184
Medical Insurance	44,378

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Unemployment Compensation	\$	729	
Communication		4,834	
Maintenance and Repair Services - Buildings		80,831	
Travel		1,536	
Food Supplies		62,669	
Gasoline		12,286	
Office Supplies		3,151	
Uniforms		2,500	
Utilities		113,711	
Other Supplies and Materials		201,455	
Vehicle and Equipment Insurance		1,000	
Workers' Compensation Insurance		4,924	
Other Equipment		9	
Other Capital Outlay		7,478	
Total Other Social, Cultural, and Recreational			\$ 921,903

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	19,529	
Part-time Personnel		15,424	
Other Salaries and Wages		155,947	
Board and Committee Members Fees		395	
Social Security		9,752	
Extension Service Medicare		916	
State Retirement		18,804	
Life Insurance		20	
Medical Insurance		25,594	
Other Fringe Benefits		870	
Communication		2,056	
Contracts with Government Agencies		3,943	
Dues and Memberships		430	
Maintenance and Repair Services - Buildings		4,631	
Travel		3,000	
Office Supplies		2,369	
Utilities		5,000	
Other Charges		422	
Total Agriculture Extension Service			269,102

Soil Conservation

Contracts with Government Agencies	\$	40,111	
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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.)

Soil Conservation (Cont.)

Other Charges	\$ 8,000	
Total Soil Conservation		\$ 48,111

Storm Water Management

Assistant(s)	\$ 65,132	
Supervisor/Director	57,311	
Part-time Personnel	10,894	
Social Security	10,086	
State Retirement	14,165	
Life Insurance	56	
Medical Insurance	17,275	
Unemployment Compensation	510	
Advertising	1,464	
Communication	5	
Data Processing Services	2,883	
Dues and Memberships	150	
Evaluation and Testing	12,116	
Legal Notices, Recording, and Court Costs	492	
Maintenance and Repair Services - Vehicles	450	
Travel	2,999	
Tuition	2,000	
Permits	3,500	
Other Contracted Services	9,851	
Gasoline	2,300	
Instructional Supplies and Materials	1,432	
Office Supplies	1,200	
Periodicals	100	
Testing	300	
Other Supplies and Materials	145	
Vehicle and Equipment Insurance	500	
Other Charges	150	
Total Storm Water Management		217,466

Other Operations

Tourism

Contributions	\$ 161,911	
Total Tourism		161,911

Industrial Development

Contributions	\$ 161,911	
Total Industrial Development		161,911

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Charges	\$ 16,062	
Total Other Economic and Community Development		\$ 16,062

Public Transportation

Matching Share	\$ 42,000	
Total Public Transportation		42,000

Veterans' Services

Assistant(s)	\$ 25,200	
Supervisor/Director	30,040	
Clerical Personnel	21,782	
Social Security	5,812	
State Retirement	10,684	
Life Insurance	61	
Medical Insurance	12,617	
Communication	672	
Dues and Memberships	100	
Travel	1,847	
Other Contracted Services	830	
Office Supplies	1,203	
Other Supplies and Materials	323	
Total Veterans' Services		111,171

Other Charges

Trustee's Commission	\$ 344,913	
Total Other Charges		344,913

Contributions to Other Agencies

Contributions	\$ 52,324	
Dues and Memberships	23,765	
Total Contributions to Other Agencies		76,089

ARRA Grant No. 1

Other Salaries and Wages	\$ 25,407	
Social Security	1,910	
State Retirement	2,022	
Life Insurance	10	
Medical Insurance	3,096	
Communication	364	
Rentals	4,340	

(Continued)

Exhibit J-9

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant No. 1 (Cont.)

Travel	\$	714	
Other Supplies and Materials		<u>2,470</u>	
Total ARRA Grant No. 1			\$ 40,333

ARRA Grant No. 2

Other Salaries and Wages	\$	26,000	
Social Security		1,967	
State Retirement		3,506	
Life Insurance		21	
Medical Insurance		6,309	
Communication		129	
Printing, Stationery, and Forms		500	
Travel		3,800	
Office Supplies		<u>500</u>	
Total ARRA Grant No. 2			42,732

ARRA Grant No. 3

Deputy(ies)	\$	35,600	
Social Security		2,683	
State Retirement		4,938	
Life Insurance		18	
Medical Insurance		5,467	
Workers' Compensation Insurance		<u>1,506</u>	
Total ARRA Grant No. 3			50,212

ARRA Grant No. 4

Heating and Air Conditioning Equipment	\$	<u>11,108</u>	
Total ARRA Grant No. 4			11,108

Miscellaneous

Other Charges	\$	<u>30,475</u>	
Total Miscellaneous			<u>30,475</u>

Total General Fund \$ 31,376,352

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	<u>9,968</u>	
Total Libraries			\$ 9,968

(Continued)

Exhibit J-9

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

<u>Law Library Fund (Cont.)</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 114		
Total Other Charges	<u>114</u>	\$ 114	
Total Law Library Fund			\$ 10,082
<u>Public Library Fund</u>			
<u>Social, Cultural, and Recreational Services</u>			
<u>Libraries</u>			
Library Books/Media	\$ 564,443		
Total Libraries		\$ 564,443	
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 11,722		
Total Other Charges	<u>11,722</u>	<u>11,722</u>	
Total Public Library Fund			576,165
<u>Solid Waste/Sanitation Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Waste Collection</u>			
Other Contracted Services	\$ 57,037		
Total Other Waste Collection		\$ 57,037	
<u>Recycling Center</u>			
Maintenance Personnel	\$ 13,448		
Social Security	1,029		
Other Contracted Services	54,286		
Other Supplies and Materials	<u>2,236</u>		
Total Recycling Center		70,999	
<u>Other Public Health and Welfare</u>			
Other Contracted Services	\$ 1,269,539		
Total Other Public Health and Welfare		1,269,539	
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 2,439		
Total Other Charges		2,439	

(Continued)

Exhibit J-9

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 26,500	
Total Contributions to Other Agencies	<u>26,500</u>	\$ 26,500

Total Solid Waste/Sanitation Fund \$ 1,426,514

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$ 4,972	
Tow-in Services	280	
Travel	10,352	
Tuition	1,850	
Uniforms	300	
Law Enforcement Equipment	<u>10,414</u>	
Total Sheriff's Department		\$ 28,168

Drug Enforcement

Investigator(s)	\$ 125,790	
Clerical Personnel	16,413	
Overtime Pay	13,689	
Social Security	11,803	
State Retirement	17,805	
Life Insurance	75	
Medical Insurance	23,012	
Communication	10,704	
Confidential Drug Enforcement Payments	20,000	
Other Contracted Services	28,077	
Other Supplies and Materials	<u>12,225</u>	
Total Drug Enforcement		279,593

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$ 5,000	
Total Alcohol and Drug Programs		5,000

Other Operations

Other Charges

Trustee's Commission	\$ 3,175	
Total Other Charges		<u>3,175</u>

Total Drug Control Fund 315,936

(Continued)

Exhibit J-9

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

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	45,243	
Supervisor/Director		19,495	
Clerical Personnel		31,072	
Social Security		7,266	
State Retirement		12,557	
Life Insurance		63	
Medical Insurance		13,381	
Utilities		8,782	
Building and Contents Insurance		4,664	
Vehicle and Equipment Insurance		750	
Total Other Social, Cultural, and Recreational			\$ 143,273

Other Operations

Other Charges

Trustee's Commission	\$	1,465	
Total Other Charges			1,465

Total Agri-Business Fund \$ 144,738

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$	48,000
Investigator(s)		27,692
Captain(s)		54,891
Lieutenant(s)		103,840
Paraprofessionals		271,065
Truck Drivers		127,683
Clerical Personnel		25,846
Educational Incentive - Other County Employees		11,400
Overtime Pay		80,527
Social Security		56,580
State Retirement		89,752
Life Insurance		475
Medical Insurance		146,826
Communication		26,250
Laundry Service		7,442
Maintenance and Repair Services - Buildings		13,945
Maintenance and Repair Services - Vehicles		38,470
Medical and Dental Services		2,468

(Continued)

Exhibit J-9

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

Special Purpose Fire Tax Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Travel	\$	5,488	
Tuition		9,131	
Other Contracted Services		25,153	
Custodial Supplies		3,969	
Gasoline		42,119	
Office Supplies		2,886	
Uniforms		24,665	
Utilities		51,990	
Other Supplies and Materials		29,753	
Building and Contents Insurance		2,400	
Liability Insurance		3,400	
Vehicle and Equipment Insurance		19,000	
Workers' Compensation Insurance		26,872	
Other Equipment		26,188	
Other Capital Outlay		30,346	
Total Fire Prevention and Control			\$ 1,436,512

Other Operations

Other Charges

Trustee's Commission	\$	36,117	
Total Other Charges			36,117

Total Special Purpose Fire Tax Fund \$ 1,472,629

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	308,869	
Total Register of Deeds			\$ 308,869

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	371,177	
Total County Trustee's Office			371,177

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	824,910	
Total County Clerk's Office			824,910

(Continued)

Exhibit J-9

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	6,100	
Constitutional Officers' Operating Expenses		<u>226,011</u>	
Total Chancery Court	\$		232,111

Probate Court

Special Commissioner Fees/Special Master Fees	\$	<u>1,544</u>	
Total Probate Court			<u>1,544</u>

Total Constitutional Officers - Fees Fund \$ 1,738,611

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	80,320	
Assistant(s)		49,505	
Supervisor/Director		36,767	
Accountants/Bookkeepers		26,129	
Dispatchers/Radio Operators		29,266	
Overtime Pay		7,505	
Other Salaries and Wages		171,629	
Data Processing Services		6,489	
Dues and Memberships		3,736	
Legal Notices, Recording, and Court Costs		824	
Maintenance and Repair Services - Office Equipment		1,037	
Travel		2,488	
Office Supplies		5,877	
Other Charges		100	
Communication Equipment		8,925	
Office Equipment		<u>5,577</u>	
Total Administration	\$		436,174

Highway and Bridge Maintenance

Foremen	\$	30,072	
Equipment Operators		307,880	
Truck Drivers		189,587	
Laborers		315,920	
Overtime Pay		36,571	
Rentals		3,873	
Other Contracted Services		15,066	
Asphalt - Hot Mix		1,388,502	

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Asphalt - Liquid	\$	31,715	
Concrete		4,325	
Crushed Stone		77,784	
Fertilizer, Lime, and Seed		1,671	
General Construction Materials		48,340	
Pipe - Metal		30,046	
Road Signs		54,801	
Salt		38,912	
Sand		1,242	
Small Tools		10,640	
Wood Products		1,588	
Other Supplies and Materials		3,212	
Total Highway and Bridge Maintenance			\$ 2,591,747

Operation and Maintenance of Equipment

Foremen	\$	33,396	
Mechanic(s)		93,105	
Overtime Pay		3,543	
Laundry Service		15,523	
Other Contracted Services		65	
Diesel Fuel		149,101	
Equipment and Machinery Parts		108,402	
Garage Supplies		16,563	
Gasoline		46,396	
Lubricants		10,773	
Propane Gas		3,790	
Small Tools		3,300	
Tires and Tubes		22,508	
Other Supplies and Materials		600	
Total Operation and Maintenance of Equipment			507,065

Litter and Trash Collection

Truck Drivers	\$	24,993	
Guards		29,452	
Other Salaries and Wages		6,500	
Other Contracted Services		1,566	
Other Supplies and Materials		20,705	
Total Litter and Trash Collection			83,216

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	5,701	
Electricity		10,422	
Water and Sewer		1,186	
Liability Insurance		64,369	
Trustee's Commission		74,913	
Total Other Charges			\$ 156,591

Employee Benefits

Social Security	\$	112,437	
State Retirement		193,770	
Employee and Dependent Insurance		6,312	
Life Insurance		1,142	
Medical Insurance		346,140	
Unemployment Compensation		1,296	
Workers' Compensation Insurance		42,436	
Total Employee Benefits			703,533

Capital Outlay

Engineering Services	\$	13,507	
Bridge Construction		84,040	
Building Improvements		4,691	
Other Equipment		157,225	
Total Capital Outlay			259,463

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	56,758	
Truck Drivers		45,966	
Laborers		71,705	
Overtime Pay		3,435	
Social Security		11,507	
State Retirement		21,070	
Rentals		103	
Other Contracted Services		143	
Concrete		5,547	
Crushed Stone		29,901	
Diesel Fuel		8,500	
Equipment and Machinery Parts		6,000	
General Construction Materials		2,492	
Pipe - Metal		8,221	

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects (Cont.)

Small Tools	\$	515	
Workers' Compensation Insurance		5,875	
Bridge Construction		88,749	
Other Equipment		20,242	
Total Highway and Street Capital Projects			\$ 386,729

Total Highway/Public Works Fund \$ 5,124,518

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$	95,744	
Total Other Charges			\$ 95,744

Principal on Debt

General Government

Principal on Notes	\$	264,049	
Principal on Other Loans		601,372	
Total General Government			865,421

Education

Principal on Notes	\$	275,000	
Principal on Other Loans		1,848,628	
Total Education			2,123,628

Interest on Debt

General Government

Interest on Notes	\$	8,746	
Interest on Other Loans		237,008	
Total General Government			245,754

Education

Interest on Bonds	\$	935,080	
Interest on Notes		4,785	
Interest on Other Loans		957,777	
Total Education			1,897,642

Other Debt Service

General Government

Other Debt Service	\$	250,163	
Total General Government			250,163

(Continued)

Exhibit J-9

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Other Debt Service (Cont.)</u>		
<u>Education</u>		
Other Debt Service	\$ 601,262	
Total Education		\$ 601,262
Total General Debt Service Fund		\$ 6,079,614
<u>General Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 2,452	
Total Other Charges		\$ 2,452
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Motor Vehicles	\$ 19,975	
Office Equipment	1,963	
Total General Administration Projects		21,938
<u>Public Safety Projects</u>		
Law Enforcement Equipment	\$ 69,550	
Motor Vehicles	114,510	
Total Public Safety Projects		184,060
<u>Public Health and Welfare Projects</u>		
Data Processing Equipment	\$ 5,601	
Motor Vehicles	177,116	
Other Equipment	151,669	
Total Public Health and Welfare Projects		334,386
<u>Social, Cultural, and Recreation Projects</u>		
Other Equipment	\$ 236,179	
Other Capital Outlay	238,734	
Total Social, Cultural, and Recreation Projects		474,913
<u>Other General Government Projects</u>		
Other Capital Outlay	\$ 895,950	
Total Other General Government Projects		895,950
<u>Highway and Street Capital Projects</u>		
Highway Construction	\$ 427,071	
Total Highway and Street Capital Projects		427,071
Total General Capital Projects Fund		2,340,770

(Continued)

Exhibit J-9

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

<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Water and Sewer	\$	239,460	
Other Charges		174,111	
Site Development		<u>6,250</u>	
Total Industrial Development			\$ 419,821
<u>Other Charges</u>			
Trustee's Commission	\$	<u>22,131</u>	
Total Other Charges			<u>22,131</u>
Total Community Development/Industrial Park Fund			\$ 441,952
<u>HUD Grant Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Economic and Community Development</u>			
Other Construction	\$	<u>8,640</u>	
Total Other Economic and Community Development			\$ 8,640
<u>Other Charges</u>			
Trustee's Commission	\$	<u>21</u>	
Total Other Charges			<u>21</u>
Total HUD Grant Projects Fund			8,661
<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	<u>693</u>	
Total Other Charges			\$ 693
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contracts with Other School Systems	\$	<u>22,090</u>	
Total Education Capital Projects			<u>22,090</u>
Total Education Capital Projects Fund			22,783
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$	<u>629,426</u>	
Total Other Public Health and Welfare			<u>\$ 629,426</u>
Total Endowment Fund			<u>629,426</u>
Total Governmental Funds - Primary Government			<u>\$ 51,708,751</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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 25,216,960	
Career Ladder Program	234,425	
Career Ladder Extended Contracts	139,992	
Homebound Teachers	55,400	
Educational Assistants	890,518	
Other Salaries and Wages	78,788	
Non-certified Substitute Teachers	312,332	
Social Security	1,610,693	
State Retirement	2,409,045	
Life Insurance	26,010	
Medical Insurance	3,432,563	
Employer Medicare	378,796	
Other Fringe Benefits	318,915	
Operating Lease Payments	4,800	
Maintenance and Repair Services - Equipment	89,882	
Other Contracted Services	176,095	
Instructional Supplies and Materials	389,840	
Textbooks	783,141	
Other Supplies and Materials	31,871	
Fee Waivers	88,005	
Other Charges	30,020	
Regular Instruction Equipment	108,627	
Total Regular Instruction Program		\$ 36,806,718

Special Education Program

Teachers	\$ 1,211,784
Career Ladder Program	16,000
Educational Assistants	113,067
Speech Pathologist	175,286
Other Salaries and Wages	86,953
Non-certified Substitute Teachers	10,864
Social Security	96,546
State Retirement	154,233
Life Insurance	1,768
Medical Insurance	244,922
Employer Medicare	22,579
Other Contracted Services	53,785
Instructional Supplies and Materials	21,305
Other Supplies and Materials	54,536

(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	\$ 13,188	
Total Special Education Program		\$ 2,276,816

Vocational Education Program

Teachers	\$ 1,838,822	
Career Ladder Program	7,000	
Non-certified Substitute Teachers	16,464	
Social Security	111,307	
State Retirement	167,047	
Life Insurance	1,807	
Medical Insurance	256,702	
Employer Medicare	26,031	
Maintenance and Repair Services - Equipment	10,980	
Travel	825	
Instructional Supplies and Materials	80,000	
Vocational Instruction Equipment	11,831	
Total Vocational Education Program		2,528,816

Adult Education Program

Teachers	\$ 32,324	
Other Salaries and Wages	98,574	
Social Security	8,059	
State Retirement	8,175	
Life Insurance	92	
Medical Insurance	11,554	
Employer Medicare	1,885	
Travel	3,588	
Instructional Supplies and Materials	10,108	
Other Supplies and Materials	3,402	
Other Charges	25,129	
Total Adult Education Program		202,890

Support Services

Attendance

Supervisor/Director	\$ 37,715
Career Ladder Program	1,000
Clerical Personnel	52,229
Social Security	5,338
State Retirement	10,748

(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.)

Life Insurance	\$	108	
Medical Insurance		15,077	
Employer Medicare		1,248	
Travel		1,271	
Other Supplies and Materials		1,264	
Total Attendance			\$ 125,998

Health Services

Medical Personnel	\$	330,623	
Other Salaries and Wages		71,283	
Social Security		24,206	
State Retirement		46,797	
Life Insurance		505	
Medical Insurance		69,188	
Employer Medicare		5,640	
Travel		7,028	
Other Contracted Services		82,788	
Drugs and Medical Supplies		5,294	
Other Supplies and Materials		103,856	
Other Charges		758	
Health Equipment		38,010	
Total Health Services			785,976

Other Student Support

Career Ladder Program	\$	10,000	
Guidance Personnel		1,100,660	
Other Salaries and Wages		390,065	
Social Security		90,056	
State Retirement		139,886	
Life Insurance		1,381	
Medical Insurance		168,157	
Employer Medicare		21,091	
Communication		1,142	
Evaluation and Testing		64,783	
Travel		46,698	
Total Other Student Support			2,033,919

Regular Instruction Program

Supervisor/Director	\$	159,490	
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(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Program	\$	12,000	
Librarians		757,599	
Materials Supervisor		24,044	
Secretary(ies)		49,042	
Educational Assistants		162,300	
Other Salaries and Wages		126,007	
Social Security		75,590	
State Retirement		111,534	
Life Insurance		1,149	
Medical Insurance		152,208	
Employer Medicare		18,190	
Communication		2,056	
Maintenance and Repair Services - Equipment		4,205	
Travel		17,112	
Other Contracted Services		133,349	
Instructional Supplies and Materials		3,265	
Library Books/Media		316,156	
Other Supplies and Materials		1,824	
Other Equipment		3,372	
Total Regular Instruction Program			\$ 2,130,492

Special Education Program

Supervisor/Director	\$	82,449	
Career Ladder Program		8,300	
Psychological Personnel		214,533	
Secretary(ies)		32,695	
Other Salaries and Wages		137,155	
Social Security		27,222	
State Retirement		41,995	
Life Insurance		302	
Medical Insurance		35,926	
Employer Medicare		6,780	
Travel		23,275	
Other Supplies and Materials		1,897	
In Service/Staff Development		5,159	
Total Special Education Program			617,688

Vocational Education Program

Supervisor/Director	\$	62,533	
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(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.)

Secretary(ies)	\$	23,965	
Social Security		5,261	
State Retirement		8,983	
Life Insurance		86	
Medical Insurance		11,495	
Employer Medicare		1,230	
Travel		3,471	
Other Supplies and Materials		1,783	
Other Charges		703	
Total Vocational Education Program			\$ 119,510

Other Programs

On-Behalf Payments to OPEB	\$	499,979	
Other Contracted Services		209,578	
Total Other Programs			709,557

Board of Education

Board and Committee Members Fees	\$	19,700	
Social Security		874	
State Retirement		1,914	
Unemployment Compensation		37,571	
Employer Medicare		286	
Audit Services		26,225	
Dues and Memberships		8,107	
Legal Services		31,904	
Travel		8,605	
Other Contracted Services		6,500	
Liability Insurance		88,444	
Premiums on Corporate Surety Bonds		4,405	
Trustee's Commission		322,401	
Workers' Compensation Insurance		173,493	
Criminal Investigation of Applicants - TBI		12,048	
Refund to Applicant for Criminal Investigation		1,592	
Total Board of Education			744,069

Director of Schools

County Official/Administrative Officer	\$	112,587	
Career Ladder Program		1,000	
Secretary(ies)		70,067	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Salaries and Wages	\$	5,365	
Social Security		11,045	
State Retirement		27,322	
Life Insurance		130	
Medical Insurance		25,743	
Employer Medicare		2,845	
Other Fringe Benefits		14,792	
Communication		40,051	
Dues and Memberships		4,426	
Postal Charges		8,000	
Travel		6,538	
Office Supplies		3,417	
Other Charges		12,384	
Administration Equipment		7,779	
Total Director of Schools			\$ 353,491

Office of the Principal

Principals	\$	1,249,135	
Career Ladder Program		18,700	
Assistant Principals		705,578	
Secretary(ies)		668,657	
Social Security		154,826	
State Retirement		271,361	
Life Insurance		2,418	
Medical Insurance		355,082	
Employer Medicare		36,184	
Dues and Memberships		8,800	
Travel		188	
Total Office of the Principal			3,470,929

Fiscal Services

Supervisor/Director	\$	79,343	
Career Ladder Program		3,000	
Accountants/Bookkeepers		157,193	
Social Security		13,555	
State Retirement		31,429	
Life Insurance		216	
Medical Insurance		22,029	
Employer Medicare		3,354	

(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.)

Data Processing Services	\$	9,005	
Dues and Memberships		155	
Travel		1,290	
Other Contracted Services		4,415	
Data Processing Supplies		3,095	
Office Supplies		4,311	
Administration Equipment		3,086	
Total Fiscal Services			\$ 335,476

Operation of Plant

Supervisor/Director	\$	66,187	
Guards		10,660	
Custodial Personnel		501,817	
Social Security		35,016	
State Retirement		73,731	
Life Insurance		1,084	
Medical Insurance		135,596	
Employer Medicare		8,164	
Janitorial Services		626,985	
Maintenance and Repair Services - Equipment		32,030	
Rentals		1,476	
Travel		11,507	
Disposal Fees		31,151	
Other Contracted Services		24,792	
Custodial Supplies		100,657	
Electricity		1,875,848	
Fuel Oil		144,390	
Natural Gas		223,305	
Water and Sewer		261,983	
Boiler Insurance		14,454	
Building and Contents Insurance		259,639	
Other Charges		2,152	
Principal on Notes		47,380	
Principal on Capital Leases		77,826	
Interest on Capital Leases		16,054	
Total Operation of Plant			4,583,884

Maintenance of Plant

Supervisor/Director	\$	57,372	
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(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.)

Maintenance Personnel	\$	432,174	
Other Salaries and Wages		8,668	
Social Security		30,243	
State Retirement		68,500	
Life Insurance		567	
Medical Insurance		65,117	
Employer Medicare		7,073	
Other Contracted Services		17,788	
Other Supplies and Materials		355,266	
Other Charges		6,233	
Maintenance Equipment		25,570	
Total Maintenance of Plant			\$ 1,074,571

Transportation

Supervisor/Director	\$	37,715	
Clerical Personnel		32,030	
Social Security		3,946	
State Retirement		7,856	
Life Insurance		65	
Medical Insurance		9,570	
Employer Medicare		923	
Communication		3,278	
Contracts with Vehicle Owners		1,784,945	
Maintenance and Repair Services - Vehicles		87,082	
Medical and Dental Services		3,615	
Gasoline		78,378	
Other Supplies and Materials		3,416	
Vehicle and Equipment Insurance		79,333	
Other Charges		1,724	
Transportation Equipment		1,423	
Total Transportation			2,135,299

Central and Other

Supervisor/Director	\$	75,431	
Data Processing Personnel		166,740	
Social Security		14,400	
State Retirement		29,953	
Life Insurance		259	
Medical Insurance		35,380	

(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.)

Employer Medicare	\$	3,368	
Maintenance and Repair Services - Equipment		40,747	
Travel		11,914	
Other Contracted Services		267,587	
Other Charges		2,833	
Total Central and Other			\$ 648,612

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	49,020	
Social Security		3,025	
State Retirement		6,799	
Life Insurance		3,043	
Medical Insurance		5,507	
Employer Medicare		707	
Travel		2,472	
Other Contracted Services		1,800	
Other Supplies and Materials		203	
Food Service Equipment		1,308	
Total Food Service			73,884

Community Services

Other Salaries and Wages	\$	253,207	
Social Security		15,660	
State Retirement		8,491	
Employer Medicare		3,662	
Maintenance and Repair Services - Equipment		3,935	
Printing, Stationery, and Forms		3,050	
Travel		5,103	
Other Contracted Services		43,890	
Instructional Supplies and Materials		19,610	
Utilities		11,000	
Other Charges		5,796	
Total Community Services			373,404

Early Childhood Education

Contracts with Other Public Agencies	\$	1,319,487	
Total Early Childhood Education			1,319,487

(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

Other Salaries and Wages	\$	3,000	
Social Security		186	
State Retirement		416	
Employer Medicare		44	
Consultants		12,972	
Building Construction		3,639,252	
Building Improvements		205,063	
Other Capital Outlay		183,379	
Total Regular Capital Outlay			\$ 4,044,312

Total General Purpose School Fund \$ 67,495,798

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	566,064	
Educational Assistants		141,195	
Certified Substitute Teachers		3,808	
Non-certified Substitute Teachers		8,316	
Social Security		43,376	
State Retirement		53,615	
Life Insurance		423	
Medical Insurance		53,426	
Employer Medicare		10,258	
Other Contracted Services		1,897	
Instructional Supplies and Materials		56,103	
Other Supplies and Materials		597	
Other Charges		35,102	
Regular Instruction Equipment		19,426	
Total Regular Instruction Program			\$ 993,606

Special Education Program

Teachers	\$	712,128
Educational Assistants		459,878
Social Security		64,673
State Retirement		120,204
Life Insurance		1,896
Medical Insurance		244,694
Employer Medicare		16,281

(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.)

Special Education Program (Cont.)

Other Contracted Services	\$	197,173	
Instructional Supplies and Materials		41,904	
Other Supplies and Materials		15,916	
Special Education Equipment		32,102	
Total Special Education Program			\$ 1,906,849

Vocational Education Program

Other Salaries and Wages	\$	1,285	
Social Security		80	
State Retirement		116	
Employer Medicare		19	
Other Supplies and Materials		8,615	
Other Charges		20,527	
Vocational Instruction Equipment		81,427	
Total Vocational Education Program			112,069

Support Services

Other Student Support

Other Salaries and Wages	\$	201,995	
Social Security		11,860	
State Retirement		18,171	
Life Insurance		173	
Medical Insurance		28,167	
Employer Medicare		2,774	
Evaluation and Testing		49,980	
Travel		29,892	
Other Contracted Services		750	
Instructional Supplies and Materials		8	
In Service/Staff Development		2,418	
Other Charges		12,097	
Total Other Student Support			358,285

Regular Instruction Program

Supervisor/Director	\$	56,103	
Secretary(ies)		16,347	
Educational Assistants		13,938	
Other Salaries and Wages		172,524	
Social Security		13,011	
State Retirement		23,539	

(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.)

Regular Instruction Program (Cont.)

Life Insurance	\$	186	
Medical Insurance		25,632	
Employer Medicare		3,641	
Consultants		12,062	
Travel		10,275	
Other Contracted Services		59,912	
Other Supplies and Materials		6,738	
In Service/Staff Development		116,413	
Other Charges		103,270	
Total Regular Instruction Program			\$ 633,591

Special Education Program

Psychological Personnel	\$	127,554	
Secretary(ies)		93,295	
Other Salaries and Wages		364,129	
Social Security		34,193	
State Retirement		55,688	
Life Insurance		603	
Medical Insurance		83,841	
Employer Medicare		8,061	
Travel		25,545	
In Service/Staff Development		11,799	
Other Equipment		19,755	
Total Special Education Program			824,463

Vocational Education Program

Travel	\$	8,022	
In Service/Staff Development		2,982	
Total Vocational Education Program			11,004

Transportation

Bus Drivers	\$	110,218	
Social Security		6,112	
State Retirement		1,323	
Employer Medicare		1,598	
Transportation Equipment		52,885	
Total Transportation			172,136

Total School Federal Projects Fund \$ 5,012,003

(Continued)

Exhibit J-10

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 1,703,777	
Part-time Personnel	473	
Social Security	102,608	
State Retirement	164,722	
Medical Insurance	370,537	
Unemployment Compensation	942	
Employer Medicare	23,997	
Communication	2,679	
Dues and Memberships	877	
Freight Expenses	726	
Maintenance and Repair Services - Equipment	75,231	
Pest Control	3,606	
Travel	3,624	
Permits	2,640	
Other Contracted Services	98,028	
Food Preparation Supplies	13,796	
Food Supplies	1,923,439	
Ice	31,897	
Uniforms	16,201	
In-Service/Staff Development	4,274	
USDA - Commodities	205,653	
Other Supplies and Materials	149,579	
Refunds	1,355	
Criminal Investigation of Applicants - TBI	1,152	
Refund to Applicant for Criminal Investigation	192	
Other Charges	9,541	
Food Service Equipment	122,272	
Total Food Service		\$ 5,033,818
Total Central Cafeteria Fund		\$ 5,033,818

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 26,397	
Engineering Services	3,520	
Building Construction	2,506,978	
Furniture and Fixtures	154,623	
Regular Instruction Equipment	381,646	
Other Capital Outlay	22,369	
Total Education Capital Projects		\$ 3,095,533
Total Education Capital Projects Fund		3,095,533

Total Governmental Funds - Bradley County School Department \$ 80,637,152

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, 2011

	Cities - Sales Tax Fund	Cities - Sales Tax In Litigation Fund	Inside Urban Fringe Area Fire Tax Fund	City School ADA - Build America Bonds Fund	Total
<u>Cash Receipts</u>					
Current Property Taxes	\$ 0	\$ 0	\$ 1,664,664	\$ 5,294,690	\$ 6,959,354
Trustee's Collections - Prior Years	0	0	52,926	228,818	281,744
Circuit/Clerk and Master Collections - Prior Years	0	0	209,213	142,563	351,776
Interest and Penalty	0	0	8,710	34,785	43,495
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,816	1,816
Payments in-Lieu-of Taxes - Other	0	85	34,646	34,646	34,731
Local Option Sales Taxes	9,312,933	475,087	0	4,510,763	14,298,783
Bank Excise Taxes	0	0	0	17,926	17,926
Interstate Telecommunications Taxes	0	0	0	2,685	2,685
Marriage Licenses	0	0	0	2,522	2,522
Investment Income	0	1,428	0	0	90,021
Other Local Revenue	0	0	0	400	400
Income Taxes	0	0	0	0	26,720
Total Cash Receipts	\$ 9,312,933	\$ 476,515	\$ 1,935,598	\$ 10,298,334	\$ 22,111,973
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 9,304,749	\$ 0	\$ 1,822,200	\$ 10,186,585	\$ 24,874,976
Trustee's Commission	791	0	38,609	114,740	154,140
Total Cash Disbursements	\$ 9,305,540	\$ 0	\$ 1,860,809	\$ 10,301,325	\$ 25,029,116
Excess of Cash Receipts Over (Under)					
Cash Disbursements	\$ 7,393	\$ 476,515	\$ 74,789	\$ (2,991)	\$ (2,917,143)
Cash Balance/(Cash Overdraft), July 1, 2010	(7,393)	376,751	47,947	19,117	4,762,089
Cash Balance, June 30, 2011	\$ 0	\$ 853,266	\$ 122,736	\$ 16,126	\$ 1,844,946

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	216-223
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-9	224-227
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	228-232
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	233-234
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	235-237

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

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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 33,908,244	\$ 35,563,376	\$ 37,738,186
Restricted	-	39,973,104	41,614,984	42,970,084	34,951,549	39,753,370	42,966,130	47,257,104	47,311,720	44,215,069
Unrestricted	-	10,891,277	(41,727,595)	(40,725,118)	(42,581,355)	(43,983,997)	(43,735,761)	(45,419,197)	(61,843,774)	(60,098,598)
Total Governmental Activities Net Assets	\$ -	\$ 8,680,557	\$ 9,363,216	\$ 15,820,113	\$ 11,087,675	\$ 27,628,334	\$ 32,449,361	\$ 35,746,151	\$ 21,031,322	\$ 21,854,657
COMPONENT UNIT - Bradley County Schools (Notes 3,4)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ 44,963,624	\$ 47,542,470	\$ 48,899,874	\$ 50,590,530	\$ 54,255,402	\$ 59,362,230	\$ 57,653,540	\$ 64,367,319	\$ 68,712,588
Restricted	-	1,670,614	2,105,867	1,947,027	5,099,663	8,705,026	2,011,620	2,562,295	5,330,628	2,422,223
Unrestricted	-	4,396,465	4,348,355	4,850,978	6,184,512	3,672,066	4,018,520	3,019,084	4,663,822	2,589,192
Total Governmental Activities Net Assets	\$ -	\$ 51,030,703	\$ 53,996,692	\$ 55,697,879	\$ 61,874,705	\$ 66,632,494	\$ 65,392,370	\$ 63,234,919	\$ 74,361,769	\$ 73,724,003

Notes:

- (1) GASB Statement No. 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.

Table 2

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 2,965,034	\$ 2,669,472	\$ 4,101,023
Finance	-	1,719,385	1,822,956	2,076,420	2,105,013	2,438,416	2,553,721	2,694,642	2,649,529	2,582,911
Administration of Justice	-	1,954,308	2,113,955	2,484,384	2,484,104	2,544,591	3,006,547	3,263,202	3,363,566	3,464,029
Public Safety	-	8,672,534	11,403,020	13,838,185	16,179,741	17,148,071	18,391,569	19,093,684	19,113,784	18,508,809
Public Health and Welfare	-	3,670,897	4,127,341	4,388,121	5,071,634	5,670,024	6,323,493	7,343,966	9,364,256	9,080,206
Social, Cultural, and Recreational Services	-	1,269,906	1,268,703	1,310,346	1,428,944	1,725,312	1,932,805	1,879,865	1,940,553	2,374,354
Agriculture and Natural Resources	-	273,696	332,175	391,320	412,796	441,046	442,092	547,161	527,160	652,058
Other Operations	-	1,620,484	3,090,443	1,432,033	1,599,541	3,314,102	2,241,926	1,580,426	-	4,580,015
Highways/Public Works	-	3,818,551	3,568,583	3,492,535	3,761,715	3,853,649	3,951,114	4,474,498	17,734,346	666,796
Education (Payments to Component Unit)	-	344,153	4,000,000	1,411,489	11,346,511	-	-	-	2,580,564	2,121,089
Interest on Long-term Debt	-	2,928,254	2,754,922	2,895,248	3,494,212	3,008,201	3,251,113	2,274,490	-	-
Other Debt Service	-	3,129	159,926	183,324	174,032	6,062,980	559,551	82,624	-	-
Total Governmental Activities Expenses	\$ -	\$ 28,474,512	\$ 36,968,298	\$ 36,411,412	\$ 50,701,717	\$ 49,316,164	\$ 45,471,208	\$ 46,199,594	\$ 64,513,379	\$ 48,031,290
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	\$ 1,269,440	\$ 1,148,994	\$ 1,182,462
Finance	-	1,803,508	1,968,160	1,989,391	1,893,208	1,898,211	1,917,636	1,892,561	1,863,399	1,934,359
Administration of Justice	-	1,995,752	3,563,622	2,466,699	2,762,591	3,961,169	3,338,330	3,238,156	3,209,615	3,368,454
Public Safety	-	687,703	525,568	2,351,215	1,318,278	2,868,159	3,289,619	3,331,211	2,957,830	2,815,912
Public Health and Welfare	-	2,323,178	2,748,781	3,035,866	3,433,555	3,617,068	3,809,439	4,294,395	4,391,421	4,559,478
Social, Cultural, and Recreational Services	-	-	-	2,913	154,874	144,459	144,459	143,499	256,213	245,372
Other Operations	-	-	-	-	-	11,614	18,337	16,512	-	-
Highways/Public Works	-	-	-	-	-	16,299	2,236	40,662	15,375	10,282
Operating Grants and Contributions	-	3,522,586	3,714,851	5,232,274	7,548,175	6,382,194	6,288,479	5,112,467	4,499,218	4,930,583
Capital Grants and Contributions	-	2,812,620	1,283,377	2,526,651	1,747,863	2,766,433	1,128,994	1,514,697	1,094,037	525,265
Total Governmental Activities Program Revenues	\$ -	\$ 14,221,919	\$ 14,920,186	\$ 18,696,146	\$ 19,995,508	\$ 23,195,859	\$ 21,201,154	\$ 20,853,600	\$ 19,436,102	\$ 19,572,167

(Continued)

Table 2

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue Governmental Activities	\$ -	\$ (14,252,593)	\$ (22,048,112)	\$ (17,715,266)	\$ (30,706,209)	\$ (26,120,305)	\$ (24,270,054)	\$ (25,345,994)	\$ (45,077,277)	\$ (28,459,123)
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	\$ 15,484,098	\$ 16,081,162	\$ 16,557,371
Property Tax Levied for Debt Services	-	5,754,591	5,930,474	6,171,066	6,463,692	4,700,428	4,784,882	4,860,844	4,739,818	4,623,601
Sales Tax	-	3,023,941	3,276,430	3,470,426	3,516,343	3,671,047	3,680,185	3,607,649	3,791,246	4,086,378
Other Local Taxes	-	1,960,856	2,017,125	2,216,994	2,205,635	2,398,407	2,531,841	2,363,217	2,279,640	2,328,007
Unrestricted Grants and Contributions	-	984,293	716,556	480,296	894,447	868,050	909,566	1,034,691	987,536	1,016,542
Investment Earnings	-	431,722	308,312	770,396	1,196,114	2,082,608	1,583,986	1,007,863	705,170	497,460
Proceeds from Hospital Sale	-	-	-	-	-	15,000,000	-	-	-	-
Miscellaneous	-	307,085	117,340	265,881	161,287	120,302	296,445	284,422	232,934	173,099
Total Governmental Activities	\$ -	\$ 22,824,262	\$ 22,740,771	\$ 24,212,163	\$ 25,973,771	\$ 42,660,964	\$ 29,091,081	\$ 28,642,784	\$ 28,817,506	\$ 29,282,458
Change in Net Assets	\$ -	\$ 8,571,669	\$ 692,659	\$ 6,496,897	\$ (4,732,438)	\$ 16,540,659	\$ 4,821,027	\$ 3,296,790	\$ (16,259,771)	\$ 823,335

Notes:

- (1) Bradley County Government does not engage in any business-type activities.
- (2) GASB Statement No. 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ -	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003	\$ 73,773,002	\$ 76,389,171	\$ 76,976,180
Total Governmental Activities Expenses	\$ -	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003	\$ 73,773,002	\$ 76,389,171	\$ 76,976,180
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	\$ 2,193,408	\$ 2,058,534	\$ 1,900,753
Operating Grants and Contributions	-	6,038,159	5,657,588	6,512,203	1,789,366	9,055,821	10,028,336	10,608,929	11,014,788	10,898,241
Capital Grants and Contributions	-	141,892	4,058,059	1,411,489	4,408,270	5,945,318	400,000	9,200	11,897,449	13,906
Total Governmental Activities Program Revenues	\$ -	\$ 7,866,627	\$ 11,535,384	\$ 9,859,990	\$ 15,535,211	\$ 17,191,657	\$ 12,594,238	\$ 12,811,537	\$ 24,970,771	\$ 12,812,900
Net (Expense)/Revenue Governmental Activities	\$ -	\$ (41,034,793)	\$ (39,459,507)	\$ (44,474,023)	\$ (43,920,483)	\$ (48,276,211)	\$ (59,167,775)	\$ (60,961,465)	\$ (51,418,400)	\$ (64,163,280)
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	\$ 11,451,060	\$ 11,555,769	\$ 11,657,251
Sales Tax	-	6,378,550	6,960,299	7,194,986	7,815,657	7,948,465	8,025,284	7,695,742	9,115,681	9,353,851
Other Local Taxes	-	16,434	70,647	8,862	10,698	10,783	7,399	7,196	5,141	4,989
Unrestricted Grants and Contributions	-	24,271,342	25,411,252	28,466,791	31,042,436	33,631,203	38,492,083	39,497,842	41,798,378	42,375,085
Investment Earnings	-	181,478	140,437	414,341	444,794	438,669	207,630	80,902	21,309	15,507
Sale of Land/Equipment	-	-	-	-	2,671	-	-	-	-	-
Miscellaneous	-	248,532	85,699	153,224	90,180	9,677	26,109	71,272	48,972	118,831
Total Governmental Activities	\$ -	\$ 40,590,819	\$ 42,425,496	\$ 46,175,207	\$ 50,097,313	\$ 53,034,000	\$ 57,927,651	\$ 58,804,014	\$ 62,545,250	\$ 63,525,514
Change in Net Assets	\$ -	\$ (443,974)	\$ 2,965,989	\$ 1,701,184	\$ 6,176,830	\$ 4,757,789	\$ (1,240,124)	\$ (2,157,451)	\$ 11,126,850	\$ (637,766)

Notes:

- (1) Bradley County Schools do not engage in any business-type activities.
- (2) GASB Statement No. 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
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
2009	15,484,098	11,451,060	4,860,844	3,607,649	7,695,742	2,363,217	7,196	45,469,806
2010	16,081,162	11,555,769	4,739,818	3,791,246	9,115,681	2,279,640	5,141	47,568,457
2011	16,557,371	11,657,251	4,623,601	4,086,378	9,353,851	2,328,007	4,989	48,611,448

(1) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 217,245	\$ 527,261	\$ 871,562	\$ 1,432,595	\$ 1,319,054	\$ 1,638,349	\$ 2,014,095	\$ 2,210,967	\$ 2,571,493	\$ -
Restricted	-	-	-	-	-	-	-	-	-	1,912,515
Committed	-	-	-	-	-	-	-	-	-	473,920
Assigned	-	-	-	-	-	-	-	-	-	510,608
Unreserved	4,019,608	5,301,308	5,128,454	5,525,501	5,812,612	6,481,745	5,506,673	3,251,967	1,090,398	435,371
Total General Fund	\$ 4,236,853	\$ 5,828,569	\$ 6,000,016	\$ 6,958,096	\$ 7,131,666	\$ 8,120,094	\$ 7,520,768	\$ 5,462,934	\$ 3,661,891	\$ 3,332,414
All Other Governmental Funds										
Reserved	\$ 10,971,570	\$ 16,892,679	\$ 15,960,394	\$ 11,931,266	\$ 9,788,944	\$ 15,285,240	\$ 19,043,509	\$ 16,362,968	\$ 16,902,676	\$ -
Nonexpendable: Endowments	-	-	-	-	-	-	-	-	-	15,941,605
Restricted	-	-	-	-	-	-	-	-	-	6,326,324
Committed	-	-	-	-	-	-	-	-	-	20,062,092
Assigned	-	-	-	-	-	-	-	-	-	154,603
Unreserved, Reported in:										
Special Revenue Funds	3,285,407	3,694,780	3,447,443	4,089,594	3,785,800	4,978,832	2,153,228	6,361,629	5,509,162	-
Debt Service	22,284,829	25,037,444	27,489,479	30,236,743	23,378,643	15,863,135	15,491,369	16,250,237	16,403,302	-
Capital Projects Funds	(11,215,567)	(1,922,250)	(1,245,961)	57,776	647,544	2,019,770	3,844,417	5,252,317	5,800,499	-
Permanent Funds	-	-	-	-	-	180,534	902,262	1,050,585	552,556	-
Total All Other Governmental Funds	\$ 25,326,239	\$ 43,702,653	\$ 45,651,355	\$ 46,315,379	\$ 37,600,931	\$ 38,327,511	\$ 41,434,785	\$ 45,277,736	\$ 45,168,195	\$ 12,484,624
COMPONENT UNIT - Bradley County Schools										
General Purpose School Fund										
Reserved	\$ 300,680	\$ 74,174	\$ 236,048	\$ 491,047	\$ 381,419	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069	\$ -
Unreserved	3,323,309	3,464,636	3,560,605	4,104,647	5,298,683	2,933,392	3,777,927	3,892,469	2,884,497	-
Restricted	-	-	-	-	-	-	-	-	-	37,772
Unassigned	-	-	-	-	-	-	-	-	-	4,866,298
Total General Purpose School Fund	\$ 3,623,989	\$ 3,538,810	\$ 3,796,653	\$ 4,595,694	\$ 5,680,102	\$ 5,300,214	\$ 4,780,871	\$ 4,982,916	\$ 6,212,566	\$ 4,904,070
All Other School Funds										
Reserved	\$ 505,385	\$ 747,657	\$ 1,756,224	\$ 617,026	\$ 3,421,028	\$ 399,481	\$ 264,450	\$ 193,276	\$ 3,356,743	\$ -
Unreserved, Reported in:										
Special Revenue Funds	-	654,683	655,781	726,961	820,498	1,024,770	884,550	1,278,572	1,525,227	-
Capital Projects Funds	-	194,100	(542,186)	111,993	476,718	5,596,972	47,190	(141,068)	404,372	-
Restricted	-	-	-	-	-	-	-	-	-	2,084,451
Committed	-	-	-	-	-	-	-	-	-	300,000
Total All Other Governmental Funds	\$ 505,385	\$ 1,596,440	\$ 1,869,819	\$ 1,455,980	\$ 4,718,244	\$ 7,021,223	\$ 1,196,190	\$ 1,330,780	\$ 5,286,342	\$ 2,384,451

Table 5

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 36,010,247	\$ 37,398,729	\$ 38,549,381	\$ 40,124,087	\$ 42,288,329	\$ 43,952,491	\$ 45,396,522	\$ 45,746,185	\$ 47,922,945	\$ 49,235,161
Licenses and Permits	357,549	349,992	492,751	274,184	446,892	420,076	375,282	370,507	289,502	333,876
Fines and Forfeitures	433,250	684,843	1,923,364	850,300	981,503	1,708,360	899,921	939,523	698,858	946,282
Charges for Service	5,274,325	5,801,881	6,669,710	4,162,521	7,228,248	7,917,495	8,309,819	8,688,053	8,525,735	8,590,999
Other Local Revenue	4,421,545	2,200,042	1,942,191	4,966,528	3,231,818	4,480,890	3,834,682	2,731,501	1,787,429	2,171,170
Fees from Co. Officials	1,689,308	1,686,576	1,819,737	2,356,183	2,638,050	2,802,077	2,663,595	2,372,484	2,371,732	2,280,925
State Revenues	27,891,688	29,342,005	30,885,536	33,831,809	36,477,847	40,220,513	46,631,671	47,496,661	47,214,998	48,978,417
Federal Revenues	4,713,483	7,729,067	5,134,084	7,519,916	8,588,643	9,752,341	9,450,761	10,499,822	12,398,840	10,791,912
Other Govt/Citizens	59,690	203,246	4,125,778	3,343,277	8,048,630	7,739,516	2,265,503	1,845,536	13,932,987	1,679,106
Total Revenues	\$ 80,851,085	\$ 85,396,381	\$ 91,542,532	\$ 97,428,805	\$ 109,929,960	\$ 118,993,759	\$ 119,827,756	\$ 120,670,272	\$ 135,143,026	\$ 125,007,448
Expenditures										
General Government	\$ 17,949,421	\$ 1,901,747	\$ 1,906,354	\$ 2,157,169	\$ 2,324,856	\$ 2,672,688	\$ 2,641,085	\$ 2,798,129	\$ 2,428,206	\$ 2,460,125
Finance	-	915,926	951,626	1,133,907	1,110,913	1,244,702	2,496,405	2,656,901	2,603,230	2,543,295
Admin. of Justice	-	1,666,688	1,921,028	2,184,430	2,303,979	2,436,540	2,950,648	3,159,898	3,304,685	3,320,387
Public Safety	-	8,660,884	10,400,622	12,937,106	13,850,301	14,432,014	17,022,376	18,539,695	19,219,974	17,432,483
Public Health/Welfare	-	3,576,501	3,960,429	4,391,716	4,976,180	5,405,862	6,038,452	6,512,537	6,361,336	7,856,462
Social, Cultural/Rec.	-	706,305	664,082	688,662	726,262	971,630	1,788,106	1,756,229	1,788,784	1,743,147
Agriculture and Natural Resource	-	271,944	345,364	388,227	411,087	438,400	431,756	530,839	519,283	534,679
Other Operations	-	1,281,011	1,179,183	731,473	1,327,793	904,690	2,199,133	1,565,101	2,590,590	1,719,951
Special Revenues	3,008,886	2,587,554	4,187,344	3,916,478	3,899,970	4,216,420	-	-	-	-
Highways and Bridges	4,403,118	4,568,442	4,578,910	4,842,271	4,947,495	4,272,383	4,545,887	4,297,183	5,089,706	4,737,789
Education	45,448,792	48,520,790	50,110,321	53,660,469	58,200,686	65,052,012	70,646,423	70,854,287	73,360,474	77,541,619
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	2,570,000	2,705,000	2,905,000	2,980,000	13,275,000	2,455,000	2,209,049	2,344,049	2,424,049	2,989,049
Interest	2,838,148	2,894,084	2,745,975	2,937,025	3,425,476	3,111,707	3,289,519	2,449,760	2,444,072	2,143,396
Other Charges/Operations	208,418	119,937	280,454	446,585	302,141	8,497,361	553,259	699,144	453,094	851,425
Endowment	-	-	-	-	-	923,104	-	198,460	232,428	629,426
Capital Projects-General	3,356,965	8,707,116	7,085,812	3,086,881	12,532,566	982,833	1,179,342	828,613	18,436,805	2,747,137
Cap Assets Pur/Depr. Exp - Primary	-	-	-	-	-	-	-	(191,374)	1,461,421	-
Miscellaneous Transactions	-	-	-	-	-	-	-	(47,333)	(93,530)	-
Involving Capital Assets - Primary	-	-	-	-	-	-	-	188,258	8,631,899	3,095,533
Capital Projects-Schools	5,418,021	380,630	3,456,345	2,038,514	2,674,190	3,884,236	5,952,703	6,592,137	6,592,137	-
Cap Assets Pur /Depr. Exp - Schools	\$ 85,201,769	\$ 89,464,559	\$ 96,678,849	\$ 98,520,913	\$ 126,288,895	\$ 121,901,582	\$ 123,944,143	\$ 117,283,445	\$ 157,848,643	\$ 132,345,903
Excess of Revenues over (under) Expenditures	\$ (4,350,684)	\$ (4,068,178)	\$ (5,136,317)	\$ (1,092,108)	\$ (16,358,935)	\$ (2,907,823)	\$ (4,116,387)	\$ 3,386,827	\$ (22,705,617)	\$ (7,338,455)

(Continued)

Table 5

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
Transfers in	\$ 2,405,607	\$ 2,575,539	\$ 210,353	\$ 433,710	\$ 627,644	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724
Transfers out	(2,405,607)	(2,575,539)	(210,353)	(433,710)	(627,644)	(510,416)	(308,693)	(302,483)	(942,147)	(47,724)
Bond Proceeds	-	-	-	-	-	-	-	-	17,550,000	-
Note Proceeds	6,092,800	8,300,734	7,542,000	2,923,755	12,146,511	500,000	-	-	240,000	-
Proceeds on Refunded Bonds	-	-	-	-	-	-	-	66,820,000	-	-
Payments to Refunded Bond Escrow	-	-	-	-	-	(9,705,000)	-	(66,275,000)	-	-
Premiums on Debt Issued	-	-	-	-	-	-	-	103,984	21,601	-
Proceeds Capitalized Lease	-	231,121	244,860	215,659	18,219	750,922	233,252	151,579	193,736	-
Insurance Recovery	-	-	-	-	-	-	41,057	-	1,4880	108,870
Proceeds on Sale of Assets	-	-	-	-	-	-	-	-	-	6,150
Proceeds on Sale of Hospital	-	-	-	-	-	15,000,000	-	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	-	5,650	-	-	-
TOTAL OTHER SOURCES	\$ 6,092,800	\$ 8,531,855	\$ 7,786,860	\$ 3,139,414	\$ 12,164,730	\$ 6,545,922	\$ 279,959	\$ 800,563	\$ 18,020,217	\$ 115,020
Net Change in Fund Balances	\$ 1,742,116	\$ 4,463,677	\$ 2,650,543	\$ 2,047,306	\$ (4,194,205)	\$ 3,638,099	\$ (3,836,428)	\$ 4,187,390	\$ (4,685,400)	\$ (7,223,435)
Debt Service as a Percentage of Noncapital Expenditures	7.3%	7.1%	6.9%	6.8%	15.3%	12.0%	5.2%	4.8%	3.8%	4.7%

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
2002	\$ 24,727,554	\$ 9,177,251	\$ 419,377	\$ 556,462	\$ 733,968	\$ 3	\$ 167,370	\$ 206,304	\$ 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	37,398,729
2004	26,265,305	10,155,593	471,160	474,242	746,486	-	151,586	265,667	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	40,124,087
2006	28,586,707	11,245,000	597,302	475,737	852,262	495	240,264	271,405	19,157	42,288,329
2007	29,708,133	11,591,512	616,369	566,666	893,300	-	261,124	296,363	19,024	43,952,491
2008	30,910,991	11,626,969	651,328	619,392	952,355	-	315,712	306,527	13,248	45,396,522
2009	31,742,278	11,427,206	573,095	529,261	945,678	-	207,492	307,622	13,553	45,746,185
2010	32,658,281	12,746,012	566,769	509,877	901,288	-	231,498	300,090	9,130	47,922,945
2011	33,383,497	13,405,829	608,081	439,941	963,762	-	98,568	327,285	8,198	49,235,161

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	Tax 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	
2002	2001	2.37	\$ 4,004,121,900	\$ 1,132,894,080	\$ 395,138,236	\$ 118,541,569	\$ 159,655,984	\$ 79,827,992	\$ 4,558,916,120	\$ 1,331,203,641	29.20
2003	2002	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	2003	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	2004	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	2005	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	2006	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	2007	2.02	5,239,053,700	1,496,126,215	701,160,400	194,673,317	104,067,588	52,033,794	6,044,281,688	1,742,833,326	28.83
2009	2008	2.02	5,333,059,000	1,519,689,940	701,160,400	184,852,571	99,164,485	54,540,522	6,133,383,885	1,759,083,033	28.68
2010	2009	1.79	6,183,241,600	1,760,820,220	709,176,752	212,753,182	108,653,195	59,759,257	7,001,071,547	2,033,332,659	29.04
2011	2010	1.79	6,162,210,702	1,754,580,595	680,745,702	204,223,716	108,668,296	59,767,562	6,951,624,700	2,018,571,873	29.04

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2010	2011	City of Cleveland	City of Charleston
Bradley Co Gen Fund	\$ 0.5694	\$ 0.0315	\$ 0.1522	\$ 0.7694	\$ 0.3791	\$ 0.5284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.65	\$ 0.47
Bradley Co Public Library	0.0283	0.0283	0.1366	0.6918	0.3385	0.4240	-	-	-	-	-	-	-	1.65	0.57
Bradley Co Pike Road	0.1430	0.1430	0.1430	0.6972	0.3331	0.4240	-	-	-	-	-	-	-	1.65	0.57
Bradley Co County Schools	0.6989	0.6989	0.1430	0.6989	0.3277	0.4277	-	-	-	-	-	-	-	1.65	0.48
Bradley Co City Schools	0.6411	0.6411	0.1325	0.6411	0.3101	0.3929	-	-	-	-	-	-	-	1.65	0.48
Bradley Co Capital Projects	0.2786	0.2786	0.1427	0.6529	0.2999	0.2786	0.1000	-	-	-	-	-	-	1.65	0.48
Bradley Co Edu Cap Projects	0.2786	0.2786	0.1427	0.6495	0.3014	0.2786	0.1000	0.0019	-	-	-	-	-	1.65	0.48
Bradley Co Community Development	0.2786	0.2786	0.1427	0.6503	0.3006	0.2786	0.1000	0.0019	-	-	-	-	-	1.65	0.48
Bradley Co Fire O/S Fringe	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Bradley Co Fire I/S Fringe	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Total Bradley County Direct Rate	2.43	2.43	2.18	2.18	2.18	2.18	2.02	2.02	2.02	2.02	1.79	1.79	1.79	1.49	0.42
Bradley Co Community Development	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Bradley Co Fire O/S Fringe	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Bradley Co Fire I/S Fringe	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41

Source: Bradley County Assessor of Property

Table 8

Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2011

Taxpayer	Type of Business	2010			2003 (1)			Percentage of Total Taxes Levied	Tax Liability	Percentage of Total Taxes Levied
		Rank	Assessed Valuation	Tax Liability	Rank	Assessed Valuation	Tax Liability			
Community Health Systems	Hospitals	1	\$35,545,407	\$643,974		\$	0	0	0.00%	
Mars-Inc.	Candies, Cookies	2	34,530,039	618,778	3	22,629,565	493,325		1.67%	
Life Care Centers	Nursing Homes	3	22,160,768	397,121		0	0		0.00%	
Duracell/Gillette	Battery Manufacturer	4	20,164,728	361,352	2	25,900,565	564,632		1.91%	
Olin Mathieson	Chemical Company	5	20,073,908	359,724	5	16,445,112	358,503		1.21%	
Volunteer Energy Corp	Utility	6	17,028,842	305,157	8	10,918,942	238,033		0.81%	
Maytag/Whirlpool	Appliance Manufacturer	7	26,896,711	281,977	1	29,233,725	637,295		2.16%	
Arch Chemicals	Chemical Company	8	14,694,794	263,331	4	16,695,447	363,961		1.23%	
Schering-Plough	Foot Products	9	14,386,554	257,807	7	12,942,857	282,154		0.96%	
Bellsouth Telecom	Phones	10	12,743,233	228,359	6	15,898,052	346,578		1.17%	
								<u>10.59%</u>		<u>11.13%</u>

Source: Bradley County Property Assessor

(1) Due to the implementation of GASB Statement No. 34 in fiscal year 2003, the oldest year available is 2003.

Table 9

Bradley County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2011

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2001	\$ 27,264,450	\$ 22,200,622	81.43%	\$ 5,062,904	\$ 27,263,526	100.00%	\$ 924	0.00%
2002	28,959,013	23,303,297	80.47	5,619,809	28,923,106	99.88	35,907	0.12
2003	29,507,508	24,011,528	81.37	5,487,410	29,498,938	99.97	8,570	0.03
2004	31,643,573	25,315,685	80.00	6,292,298	31,607,983	99.89	35,590	0.11
2005	32,809,566	27,035,428	82.40	5,763,245	32,798,673	99.97	10,893	0.03
2006	36,164,240	29,515,753	81.62	5,839,655	35,355,408	97.76	16,537	0.05
2007	37,911,893	32,852,346	86.65	4,351,353	37,203,699	98.13	140,556	0.37
2008	38,914,534	36,393,488	93.52	1,708,881	38,102,369	97.91	379,473	0.98
2009	38,969,734	30,591,121	78.50	2,088,092	32,679,213	83.86	669,556	1.72
2010	40,098,446	37,607,631	93.79	(1)	37,607,630	93.79	(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.

Table 10

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

Fiscal Year	Governmental Activities							Percentage of Personal Income	Per Capita (1)
	General Bonded Debt	Notes	Loans Payable	Capital Leases	Total Government	Income	Capita (1)		
2002	\$ 2,740,000	\$ 650,000	\$ 54,172,000	\$ -	\$ 57,562,000	2.70%	\$ 654		
2003	2,400,000	565,000	61,397,734	150,928	64,513,662	3.03	733		
2004	2,045,000	475,000	67,729,734	227,610	70,477,344	3.30	801		
2005	1,675,000	980,000	68,818,489	214,857	71,688,346	3.36	815		
2006	1,285,000	815,000	69,635,000	83,866	71,818,866	3.37	816		
2007	875,000	583,340	67,990,000	138,162	69,586,502	3.26	791		
2008	450,000	514,291	66,275,000	219,074	67,458,365	3.16	767		
2009	-	445,242	64,995,000	176,075	65,616,317	3.08	746		
2010	17,550,000	611,193	62,645,000	176,583	80,982,776	3.80	921		
2011	17,550,000	72,144	60,195,000	64,530	77,881,674	3.65	787		

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

Table 11

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 (2)	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
						Assessed Value	Population (1)	
2002	\$ 2,740,000	\$ 54,172,000	\$ 22,284,829	\$ 34,627,171	\$ 1,331,203,641	2.60	87,965	\$ 394
2003	2,400,000	61,397,734	25,037,444	38,760,290	1,426,230,586	2.72	87,965	441
2004	2,045,000	67,729,734	27,489,479	42,285,255	1,430,489,785	2.96	87,965	481
2005	1,675,000	68,818,489	30,236,743	40,256,746	1,615,300,489	2.49	87,965	458
2006	1,285,000	69,635,000	23,378,643	47,541,357	1,684,782,571	2.82	87,965	540
2007	875,000	67,990,000	15,863,135	53,001,865	1,685,029,701	3.15	87,965	603
2008	450,000	66,275,000	15,491,369	51,233,631	1,742,833,326	2.94	87,965	582
2009	-	64,995,000	16,250,237	48,744,763	1,759,083,033	2.77	87,965	554
2010	17,550,000	62,645,000	16,403,302	63,791,698	2,033,332,659	3.14	87,965	725
2011	17,550,000	60,195,000	15,529,814	62,215,186	2,018,571,873	3.08	98,963	629

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

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

Table 12
Bradley County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds, Notes and Other Loans
As of June 30, 2011

Direct Debt

General Bonded Debt (1)	\$ 17,550,000	
Note Payable	72,144	
Public Building Authority Loan Agreements	60,195,000	
Less: General Debt Service Fund	<u>(15,529,814)</u>	
Total Direct Debt		\$ 62,287,330

Overlapping Debt

City of Cleveland (2)	<u>\$ 70,299,716</u>	
Total Overlapping Debt		<u>70,299,716</u>

Total Direct and Overlapping Debt \$ 132,587,046

(1) Amount includes 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.

Table 13
Bradley County, Tennessee
Computation of Legal Debt Margin
June 30, 2011

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.

Table 14
Bradley County, Tennessee
Pledged-Revenue Coverage
Last Ten Fiscal Years

Not Applicable to Bradley County, Tennessee

Table 15
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
2002	87,965	\$ 2,132,535,495	\$ 24,243	35.5	14.4	10,865	5.5%
2003	87,965	2,132,535,495	24,243	35.5	14.4	10,860	5.1
2004	87,965	2,132,535,495	24,243	35.5	14.4	11,014	5.3
2005	87,965	2,132,535,495	24,243	35.5	14.4	11,171	5.8
2006	87,965	2,132,535,495	24,243	35.5	14.4	11,663	5.1
2007	87,965	2,132,535,495	24,243	35.5	14.4	11,840	6.9
2008	87,965	2,132,535,495	24,243	35.5	14.4	12,087	8.7
2009	87,965	2,132,535,495	24,243	35.5	14.4	12,190	9.9
2010	87,965	2,132,535,495	24,243	35.5	14.4	12,190	9.0
2011	98,963	2,082,775,298	21,046	38.2	15.9	12,207	9.0

(1) U.S. Census Bureau.

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

(3) Tennessee Department of Labor and Workforce Development.

Table 16

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

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Whirlpool Corporation (Maytag)	1,400	1	3.54%	2,200	1	6.28%
SkyRidge Medical Center	1,175	2	2.97	-	-	0.00
Bradley County Schools	1,100	3	2.78	642	-	1.83
Peyton's Southeastern, Inc.	950	4	2.40	1,200	2	3.43
Wal-Mart	780	5	1.97	350	-	1.00
Cleveland City Schools	650	6	1.64	357	-	1.02
Bradley County Government	630	7	1.59	372	-	1.06
Lee University	625	8	1.58	500	-	1.43
Jackson Furniture Industries	530	9	1.34	475	9	1.36
Merck Consumer Care	500	10	1.26	500	8	1.43
Total	8,340		<u>21.08%</u>	6,596		<u>18.83%</u>

Total employment - average annual 2010 39,569
 Total employment - average annual 2001 35,034

Sources: Chamber of Commerce
 Tennessee Department of Labor

Table 17
Bradley County, Tennessee
Full-time Employees by Function
Last Ten Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function:										
General Government	40	39	38	45	38	38	44	58	51	51
Finance	40	42	40	39	42	46	47	47	48	48
Administration of Justice	55	47	55	58	55	59	60	61	64	64
Public Safety	158	161	230	245	272	244	239	240	296	296
Health and Welfare	55	61	74	97	83	86	89	91	123	127
Social, Cultural, and Recreational	8	9	10	10	10	8	10	9	10	10
Agriculture and Natural Resources	3	2	3	3	2	6	7	20	19	18
Other	1	2	2	1	2	2	3	3	3	3
Road and Bridge	54	49	50	54	53	54	56	59	59	59
Total (1)	414	412	502	552	557	543	555	588	673	676
Component Unit:										
Education (2)	884	884	896	912	922	945	972	1,100	1,112	1,114

(1) Bradley County Human Resource Department
(2) Bradley County Schools

Table 18

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

Function:	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>General Government</u>										
Registered Voters (1)	N/A	N/A	51,384	51,388	53,188	55,412	57,766	55,774	55,500	60,201
Building Permits Issued (2)	833	725	545	608	831	647	457	365	325	324
<u>Public Safety</u>										
Number of warrants (Civil and Criminal) served (3)	N/A	N/A	N/A	N/A	3,002	4,435	3,707	12,198	8,200	9,000
Fire Dept - Call Volume	640	491	622	528	-	-	-	-	-	-
Rescue Service - Call Volume	693	491	659	744	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	-	-	-	-	1,150	702	777	678	1,302	1,265
<u>Public Health</u> (5)										
Ambulance- Call Volume	14,266	15,281	16,924	17,995	18,000	18,515	18,500	20,400	19,500	20,000
Response Time -avg. minutes	6.0	N/A	6.4	6.6	6.6	6.6	6.6	6.0	6.0	6.0
<u>Road and Bridge</u> (6)										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	61.9	45.5	56.2	21.8	25.0	25.0

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

*Fire and Rescue combined services.

- (1) Bradley County Election Commission
- (2) Bradley County Building Inspector's Office
- (3) Bradley County Circuit Court Clerk
- (4) Bradley County Fire/Rescue Department
- (5) Bradley County Emergency Medical Services
- (6) Bradley County Road Department

Table 19

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

Function:	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Highways and Streets (1)										
Number of Miles	N/A	N/A	738	739	744	749	759	759	759	759
Number of Roads	N/A	N/A	N/A	N/A	N/A	1,248	1,251	1,253	1,253	1,253
Traffic Signals	N/A	N/A	6	6	6	6	6	5	5	6
Public Safety (2)										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	6	6	7	7	7	7	7	8	8	8
Health and Welfare (2)										
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	3	3	3	3	3	3	5	5	5
Number of Ambulance Units	10	10	10	10	10	10	11	12	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
Facilities and Services Not Included in the Primary Government										
Education (3)										
Form of Administration	Director of Schools, Appointed									
Number of Employees *	884	884	896	912	922	945	1,110	1,100	1,112	1,114
Elementary Schools	11	11	11	11	11	11	11	11	12	12
Middle Schools	2	2	2	2	2	2	2	2	2	2
High Schools	0	0	2	2	2	2	2	2	2	2
K-12 School	0	0	0	0	0	0	0	0	0	0
Alternative School	1	1	1	1	1	1	1	1	1	1

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

* Does not include cafeteria workers or substitute teachers.

(1) Bradley County Road Department

(2) Bradley County Fixed Asset's Department

(3) Bradley County Schools

SINGLE AUDIT SECTION



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

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

October 31, 2011

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, 2011, which collectively comprise Bradley County's basic financial statements and have issued our report thereon dated October 31, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.03 and 11.05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bradley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items; 11.01, 11.02, and 11.04.

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 the responses.

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, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-1402
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 31, 2011

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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, 2011.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bradley County's internal control over compliance.

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

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

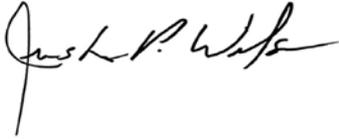
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2011, and have issued our report thereon dated October 31, 2011. 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 the responses.

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, 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

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	\$ 205,653 (7)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	657,549
National School Lunch Program	10.555	N/A	2,016,411 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-32973-00	57,000
Total U.S. Department of Agriculture			<u>\$ 2,936,613</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-09-05	\$ 13,615
Total U.S. Department of Housing and Urban Development			<u>\$ 13,615</u>
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0244	\$ 31,948
Passed-through City of Cleveland, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	12,171
Passed-through City of Knoxville, Tennessee:			
Recovery Act - Internet Crimes Against Children Task Force Program (ICAC)	16.800	C-10-0084	38,603
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	(3)	102,985
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)	16.803	(4)	73,988
Program/Grants to States and Territories			<u>259,695</u>
Total U.S. Department of Justice			<u>\$ 259,695</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	DG-10-28726-00	\$ 19,605
Total U.S. Department of Transportation			<u>\$ 19,605</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Recovery Act - Energy Efficiency Conservation Block Grant	81.128	GG-11-33208-00	\$ 11,108
Total U.S. Department of Energy			<u>\$ 11,108</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	S215-L-100-61	\$ 745,559
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(5)	180,732
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,320,376
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,139,721
Special Education - Preschool Grants	84.173	N/A	60,506
Special Education - Grants to States, Recovery Act	84.391	H391A090052	753,736
Special Education - Preschool Grants, Recovery Act	84.392	H392A090095	42,875
Career and Technical Education - Basic Grants to States	84.048	N/A	124,601
Twenty-first Century Community Learning Centers	84.287	192-10-1-002	368,765
Education Technology State Grants	84.318	(2)	19,424

(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 Education (Cont.):			
Passed-through State Department of Education (Cont.):			
English Language Acquisition Grants	84.365	(2)	\$ 17,452
Improving Teacher Quality State Grants	84.367	N/A	329,045
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	S394A090043A	3,814,922
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A090043	602,858
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	S395A100032	329,579
Total U.S. Department of Education			<u>\$ 10,850,151</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Temporary Assistance for Needy Families, Recovery Act	93.558	(2)	\$ 73,603
Total U.S. Department of Health and Human Services			<u>\$ 73,603</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GG-10-309965-00	\$ 59,598
Emergency Management Performance Grants	97.042	34101-0000003983	7,460
Homeland Security Grant Program	97.067	(6)	38,286
Total U.S. Department of Homeland Security			<u>\$ 105,344</u>
Total Expenditures of Federal Awards			<u>\$ 14,269,734</u>
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG-11-32125-00	\$ 905,875
Child Safety Seat Grant - State Department of Health	N/A	GG-08-23355-00	5,484
Custody Prevention Services - State Department of Children's Services	N/A	GG-11-32252-00	64,668
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	GG-00-32003-00	293,169
Tire Recycling Grant - State Department of Environment and Conservation	N/A	Z-08-212969-00	37,941
Litter Program - State Department of Transportation	N/A	(2)	46,708
Early Childhood Education Pilot/State - Lottery Commission	N/A	(2)	1,319,487
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	177,876
ConnecTN - State Department of Education	N/A	(2)	5,664
Total State Grants			<u>\$ 2,865,872</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-05-025530-00: \$50,000; Z-05-025536-00: \$52,985.
- (4) 3637: \$39,834; 3638: \$34,154.
- (5) Z-10-218490-00: \$151,589; DOL-ELC-1011: \$29,143.
- (6) GG-08-24131-00: \$7,872; 34101-467: \$30,414.
- (7) The total for CFDA No. 10.555 is \$2,222,064.

Bradley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.04	254	The office did not deposit some funds within three days of collection

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	255	Duties were not segregated adequately at the Ambulance Service, Probation Service, School Food Service, and in the Office of Clerk and Master

BRADLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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 deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were 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 were required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Title I Grants to Local Educational Agencies (CFDA No. 84.010); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); Funds for the Improvement of Education (CFDA No. 84.215); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$428,092 threshold was used to distinguish between Type A and Type B federal programs.
9. Bradley County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The county mayor, emergency management director, ambulance service director, probation services director, road superintendent, director of schools, and register provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE EMERGENCY MANAGEMENT DEPARTMENT VIOLATED THE COUNTY'S CREDIT CARD POLICY** (Noncompliance Under *Government Auditing Standards*)

Several Emergency Management Department expenses were paid by credit card in violation of the county's credit card policy. In November 1996, the Bradley County Commission revised its credit card policy. The revised policy emphasized that county credit cards should be used mainly for out-of-town travel expenses and discouraged its use for other purchases. Our review of credit card records of the Emergency Management Department for the year ended June 30, 2011, noted that credit card charges totaling \$15,755 were made for hardware supplies and parts, communication equipment and repairs, electronics, auto repairs and parts, office supplies and equipment, various charges at local department stores, meals, as well as payments of various monthly utilities. Some of these charges had no supporting documentation. We also, noted several charges were for meals purchased within the county, which is contrary to the policy that allow employees to charge meals only for out-of-town travel. These violations of the county's credit card policy are the result of a lack of management oversight, which could result in unauthorized purchases.

RECOMMENDATION

The Emergency Management Department should comply with the county's credit card policy. All credit card purchases should be supported with adequate documentation. Management should monitor credit card purchases.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND EMERGENCY MANAGEMENT DIRECTOR

The following actions have been taken to correct this finding: (1) distributed a copy of the credit card policy to all emergency management staff, (2) conducted a meeting/training session with staff on acceptable use of county-issued credit cards, (3) staff using credit cards will be responsible for the correct supporting documentation of any purchase, and (4) failing to retain and correctly submit documentation will result in disciplinary action as per current personnel policy.

FINDING 11.02 THE OFFICE HAD DEFICIENCIES IN THE USE OF LOCAL COUNTY HEALTH SERVICES PROGRAM GRANT FUNDS
(Noncompliance Under *Government Auditing Standards*)

On April 1, 2011, the State of Tennessee, Department of Health, Office of Internal Audit released a monitoring report on the Local County Health Services Program in Bradley County for the period July 1, 2010, through September 30, 2010. The results of that monitoring disclosed that the office exceeded the grant's budget line-item amount for capital purchases by more than the allowable variance of 20 percent. Capital purchases as of September 30, 2010, were \$25,358 while the budget only allowed \$13,800. The actual capital purchases equated to an 84 percent variance over the budget.

This report, along with management's responses and corrective action plans, may be obtained from the state Department of Health, Office of Internal Audit, 11th Floor, Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Bradley County Health Department received notice that they would have available to them additional funds for purchasing generators. According to the director of the Local Health Department, some paperwork was not completed until after the fiscal year end of September 30, 2010, resulting in the discrepancy. The Local Health Department will make sure that in the future, all paperwork is submitted and its receipt verified before the project proceeds.

OFFICE OF REGISTER

FINDING 11.03 MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the office. Sound internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of each day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the register would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets.

RECOMMENDATION

The register should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – REGISTER

We are in the process of implementing procedures to correct this finding. The day the finding was reported, we contacted our computer vendor, and effective October 1, 2011, the office will operate with four separate cash drawers. This will accommodate all receipting employees, insuring each employee works from their own cash drawer.

OFFICE OF SHERIFF

FINDING 11.04 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION** (Noncompliance Under *Government Auditing Standards*)

In some instances, the office did not deposit funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

OTHER FINDING AND RECOMMENDATION

FINDING 11.05 **DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE AMBULANCE SERVICE, PROBATION SERVICE, SCHOOL FOOD SERVICE DEPARTMENT, AND IN THE OFFICE OF CLERK AND MASTER** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees at the Ambulance Service, Probation Service, School Food Service Department, and in the Office of Clerk and Master. 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 management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR, AMBULANCE SERVICE DIRECTOR, AND PROBATION SERVICES DIRECTOR

The Ambulance Service does not have sufficient staff to be able to segregate all of their duties due to volume and time restraints.

Probation Services feel they have indeed segregated their probationer reporting and payments. We have included many steps to prevent future deficiencies. The Probation Services director did not speak with the auditors this year and would have explained the additional steps he had implemented to segregate this function if he had been given the opportunity.

AUDITOR'S COMMENT

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

Auditors did not speak with the Probation Services director the day of our examination of the Probation Service because he was not in the office; however, we did interview employees responsible for maintaining accounting records who were also involved in receipting, depositing, and/or disbursing funds. We also observed and tested the Probation Service's internal control system, including their segregation of duties. We determined, based on our inquiries, observations, and testing, that the internal control system, including the segregation of duties, had a higher than acceptable risk of unauthorized transactions. We have discussed with management additional procedures that could be implemented to reduce this risk.

BEST PRACTICE

BRADLEY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Bradley County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate 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. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Bradley County. Therefore, we recommend the adoption of 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.

MANAGEMENT'S RESPONSE – 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 Government Finance Officers Association "Certificate of Excellence in Financial Reporting" and the "Distinguished Budget Presentation Award." It is obvious that Bradley County's system is operating efficiently and effectively. We request that this "Best Practice" be excluded from our audit.

AUDITOR'S COMMENT

The Comptroller's Office has consistently recommended a central system of accounting, budgeting, 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.

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

There were no findings and questioned costs for federal programs.

BRADLEY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011

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

Office of Director of Schools – Summary Schedule of Prior-Year's Findings

FINDINGS 10.03 and 10.07

Bradley County schools refrained from making purchases from any expired bids during fiscal year 2011.