

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



**FOR THE YEAR ENDED JUNE 30, 2012**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BRADLEY COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2012**

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

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

**CARL LOWE, CGFM  
Audit Manager**

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

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JESSICA COX, CPA, CGFM  
AMY HEWITT, CPA, CFE  
JENI PALADENI  
State Auditors**

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

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

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## BRADLEY COUNTY, TENNESSEE

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# ***Audit Highlights***

Comprehensive Annual Financial Report  
Bradley County, Tennessee  
For the Year Ended June 30, 2012

## ***Scope***

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2012.

## ***Results***

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

Our audit resulted in three 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 Fire and Rescue Department violated the county's credit card policy.
- 

### **OFFICE OF SHERIFF**

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

### **AMBULANCE SERVICE AND THE OFFICES OF CLERK AND MASTER AND PROBATE COURT CLERK**

- ◆ Duties were not segregated adequately.
-

## **BEST PRACTICE**

Bradley County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government 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.

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# INTRODUCTORY SECTION

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

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

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

November 14, 2012

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, 2012.

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, Division of Local Government 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, 2012, 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, 2012, 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 101,300. 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 42,300. There are many exciting projects underway for the county. Some of which are as follows:

- Whirlpool Corporation is one of Bradley County's largest tax payers and employers with approximately 1,400 employees. Whirlpool Corporation has completed its new 1.4 million square foot facility. This has allowed 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 opened its distribution center over the 2011 holiday season. At peak times of the year, Amazon will employ more than 600 people with a permanent workforce of approximately 400 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.

**Fund balance policy.** It is the objective of the County Commission to maintain a managed budgeted unassigned fund balance 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 unassigned fund balance can ensure continued orderly operations and tax structure stability. The percentage is calculated by taking unassigned fund balance or working capital as a percent of expenditures or operating expenses and transfers to other funds. These unassigned fund balances 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, 2011. This is the seventh 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 four years. 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` Munn, 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,

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

Lynn Burns  
Finance Director

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

D. Gary Davis  
County Mayor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bradley County  
Tennessee

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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.

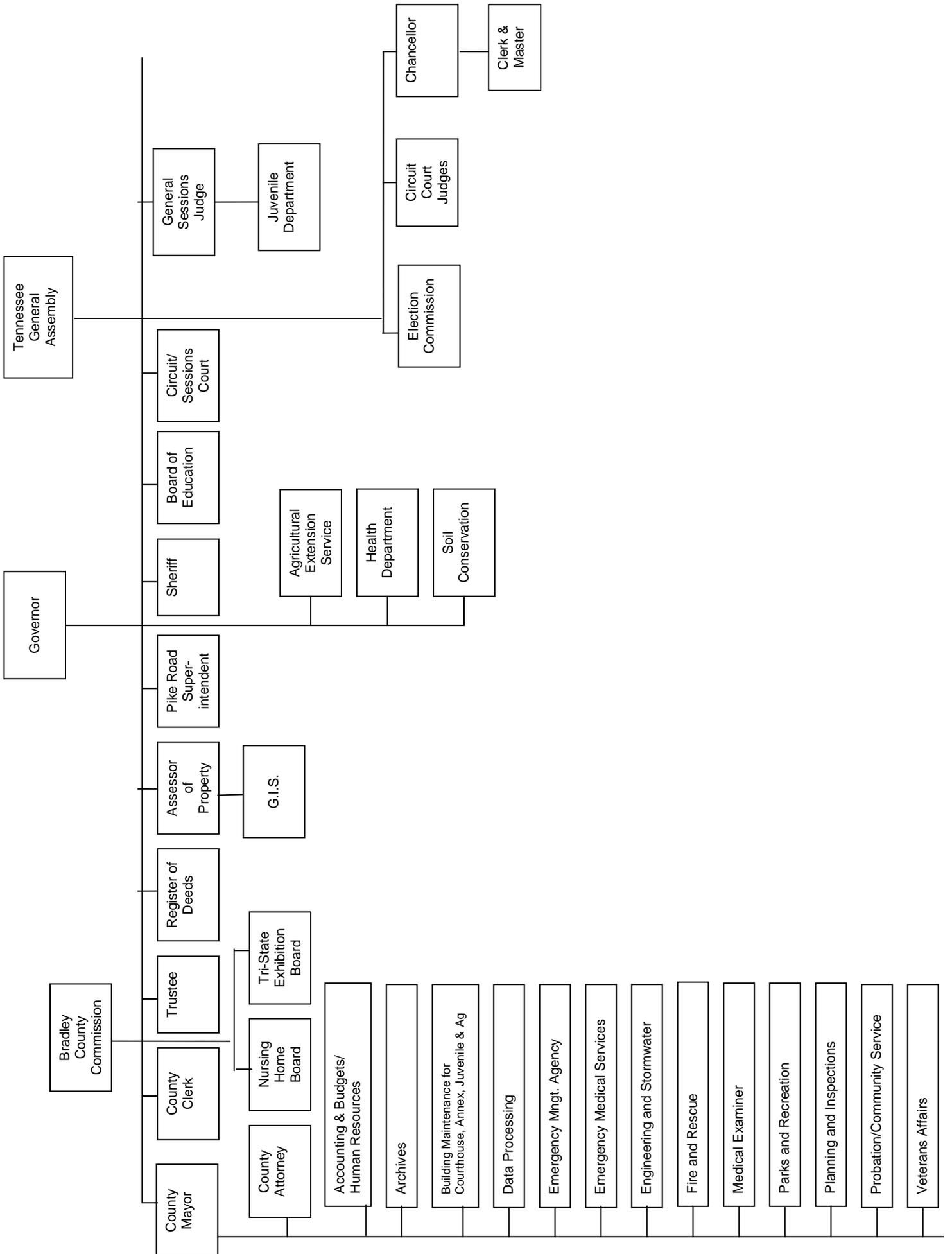


*Christopher P. Moivell*

President

*Jeffrey R. Emsw*

Executive Director



# Bradley County Officials

## June 30, 2012

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### 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	Crystal Freiberg
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.)

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### **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	Vacant
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**

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

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## FINANCIAL SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

November 14, 2012

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, 2012, 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 5.87 percent and 13.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2012, 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, 2012, and the respective changes in financial position thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012, 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.

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 fluid and cursive, with a long vertical stroke extending downwards from the end.

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, 2012. 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 \$24,836,861 (net assets).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$45,725,896. Of this amount, \$16,493,179 is set aside for endowments, \$8,590,535 is restricted with externally enforceable limitations on use, \$18,847,933 is committed by county's legislative body to a specific fund or use, and \$593,276 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,200,973 or 3.7 percent of total General Fund expenditures while total fund balance of \$4,337,857 represents 13.4 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 \$3,517,021 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 \$24,836,861 at the close of the most recent fiscal year.

The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bradley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by Bradley County Government.

As of June 30, 2012, Bradley County had outstanding debt totaling \$60,860,321 for capital purposes of education (\$42,249,410 for county schools and \$18,610,911 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	
	2012	2011	2012	2011
Current and Other Assets	\$ 76,233,522	\$ 74,203,154	\$ 29,172,419	\$ 30,719,099
Capital Assets	51,510,061	51,758,919	68,289,395	64,891,283
Total Assets	<u>\$ 127,743,583</u>	<u>\$ 125,962,073</u>	<u>\$ 97,461,814</u>	<u>\$ 95,610,382</u>
Long-term Liabilities	\$ 72,875,678	\$ 76,055,311	\$ 5,004,026	\$ 2,985,563
Other Liabilities	30,031,044	28,052,105	18,851,135	18,263,050
Total Liabilities	<u>\$ 102,906,722</u>	<u>\$ 104,107,416</u>	<u>\$ 23,855,161</u>	<u>\$ 21,248,613</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 38,223,003	\$ 37,738,186	\$ 67,784,079	\$ 64,367,319
Restricted	43,150,279	44,215,069	2,203,240	5,330,628
Unrestricted	<u>(56,536,421)</u>	<u>(60,098,598)</u>	<u>3,619,334</u>	<u>4,663,822</u>
Total Net Assets	<u>\$ 24,836,861</u>	<u>\$ 21,854,657</u>	<u>\$ 73,606,653</u>	<u>\$ 74,361,769</u>

Table 1b

**BRADLEY COUNTY'S NET ASSETS**

	Bradley Healthcare and Rehabilitation	
	2012	2011
Current and Other Assets	\$ 3,626,223	\$ 3,969,484
Capital Assets	2,448,760	2,665,994
Total Assets	<u>\$ 6,074,983</u>	<u>\$ 6,635,478</u>
Long-term Liabilities	\$ 0	\$ 0
Other Liabilities	1,000,824	943,994
Total Liabilities	<u>\$ 1,000,824</u>	<u>\$ 943,994</u>
Net Assets:		
Invested in Capital Assets	\$ 2,448,760	\$ 2,665,994
Restricted	132,743	130,897
Unrestricted	<u>2,492,656</u>	<u>2,894,593</u>
Total Net Assets	<u>\$ 5,074,159</u>	<u>\$ 5,691,484</u>

An additional portion of Bradley County's governmental activities assets (\$43,150,279) represents resources that are subject to external restrictions on how they may be used.

Table 2a

## BRADLEY COUNTY'S CHANGES IN NET ASSETS

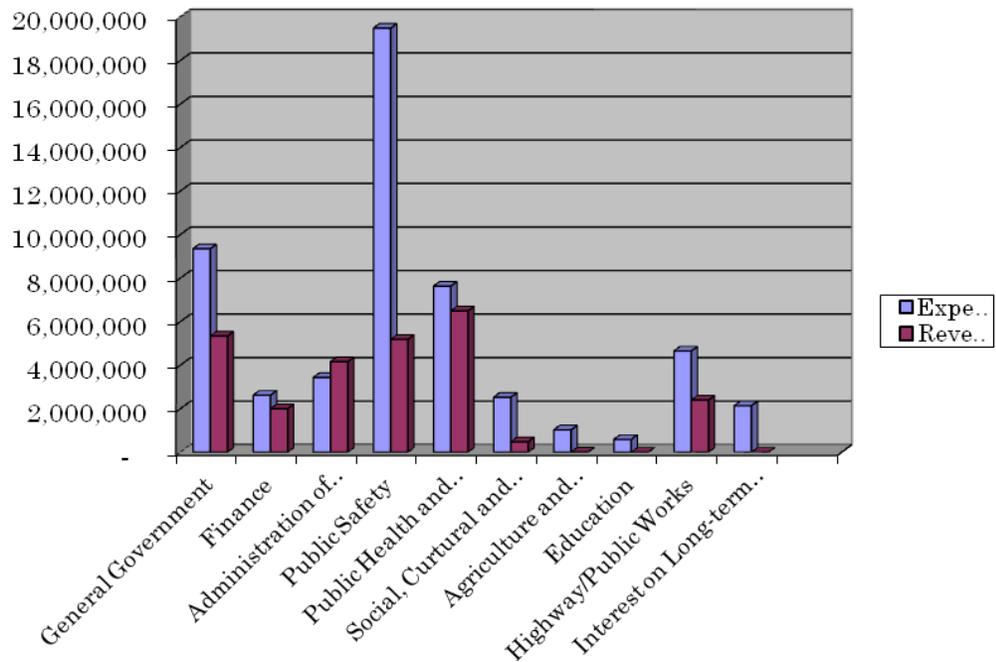
	Bradley County Government		Bradley County School Department	
	2012	2011	2012	2011
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 14,047,232	\$ 14,047,232	\$ 2,190,518	\$ 2,190,518
Charges for Services	\$ 14,802,985	\$ 14,116,319	\$ 2,109,608	\$ 1,900,753
Operating Grants and Contributions	6,405,791	4,930,583	13,111,464	10,898,241
Capital Grants and Contributions	4,858,831	525,265	0	13,906
General Revenues:				
Property Taxes	21,216,472	21,180,972	11,692,391	11,657,251
Other Taxes	7,396,235	6,414,385	10,425,373	9,358,840
Grants and Contributions not Restricted to Specific Programs	1,122,283	1,016,542	42,514,979	42,375,085
Other	591,244	670,559	50,349	34,838
Total Revenues	\$ 56,393,841	\$ 48,854,625	\$ 79,904,164	\$ 76,238,914
<b>Expenses</b>				
General Government	\$ 9,353,024	\$ 4,101,023	\$ 0	\$ 0
Finance	2,614,986	2,582,911	0	0
Administration of Justice	3,434,737	3,464,029	0	0
Public Safety	19,485,932	18,508,809	0	0
Public Health and Welfare	7,633,085	9,080,206	0	0
Social, Cultural, and Rec. Services	2,529,067	2,374,354	0	0
Agriculture and Natural Resources	1,028,690	552,058	0	0
Highways/Public Works	4,650,587	4,580,015	0	0
Education	586,923	666,796	80,736,790	76,976,180
Interest on Long-term Debt	2,135,600	2,121,089	0	0
Other Debt Service	0	0	0	0
Total Expenses	\$ 53,452,631	\$ 48,031,290	\$ 80,736,790	\$ 76,976,180
Insurance Recovery	\$ 6,028	\$ 0	\$ 715,276	\$ 0
Extraordinary Item	0	0	0	99,500
Increase (Decrease) in Net Assets	\$ 2,947,238	\$ 823,335	\$ (117,350)	\$ (637,766)
Net Assets, July 1	21,854,657	21,031,322	73,724,003	74,361,769
Prior-period Adjustment	34,966	0	0	0
Net Assets, June 30	\$ 24,836,861	\$ 21,854,657	\$ 73,606,653	\$ 73,724,003

Table 2b

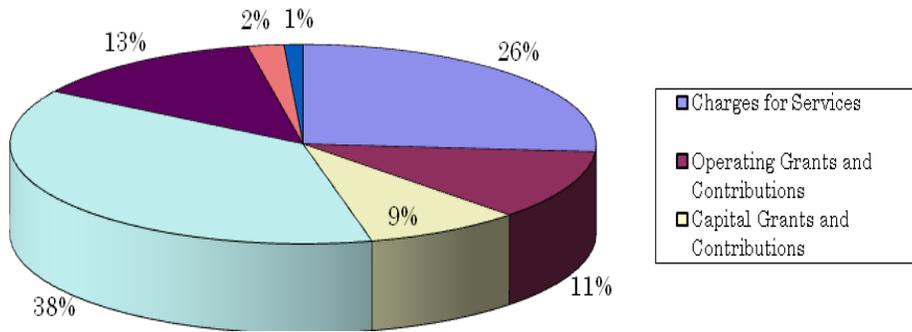
**BRADLEY COUNTY'S CHANGES IN NET ASSETS**

	Bradley Healthcare and Rehabilitation Center	
	2012	2011
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 12,145,721	\$ 12,946,407
General Revenues:		
Other	9,575	49,098
<b>Total Revenues</b>	<b>\$ 12,155,296</b>	<b>\$ 12,995,505</b>
<b>Expenses</b>		
Other Enterprises	\$ 12,772,621	\$ 12,197,178
<b>Total Expenses</b>	<b>\$ 12,772,621</b>	<b>\$ 12,197,178</b>
 Increase (Decrease) in Net Assets	 \$ (617,325)	 \$ 798,327
Net Assets, July 1	5,691,484	4,893,157
 Net Assets, June 30	 \$ 5,074,159	 \$ 5,691,484

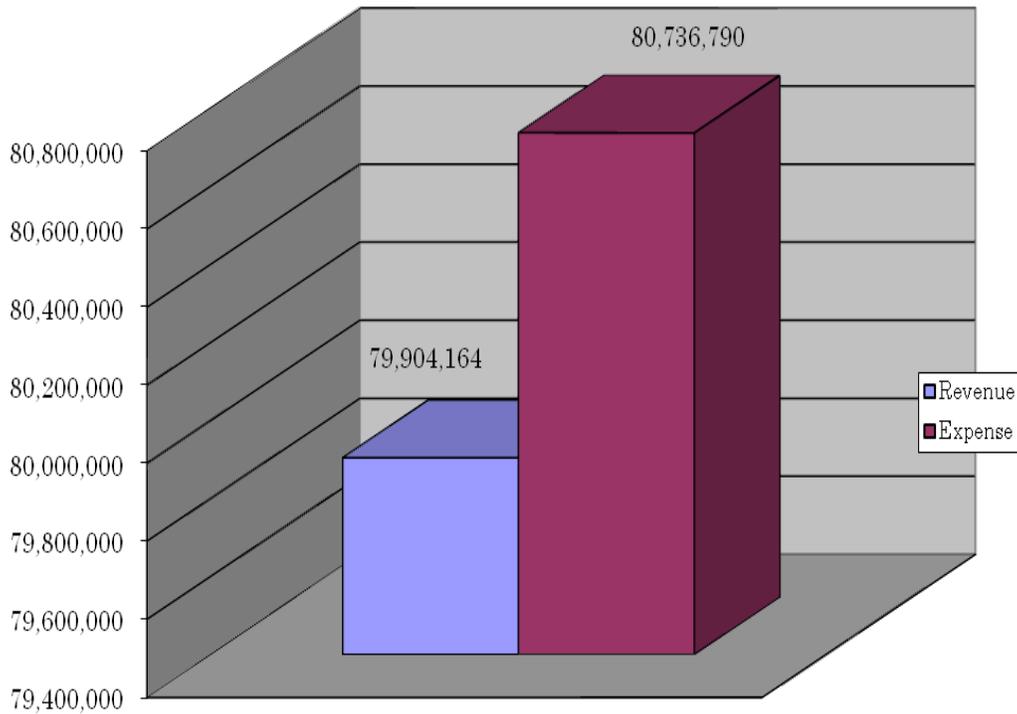
**Program Revenues and Expenses - Governmental Activities**



## Revenues by Source - Governmental Activities

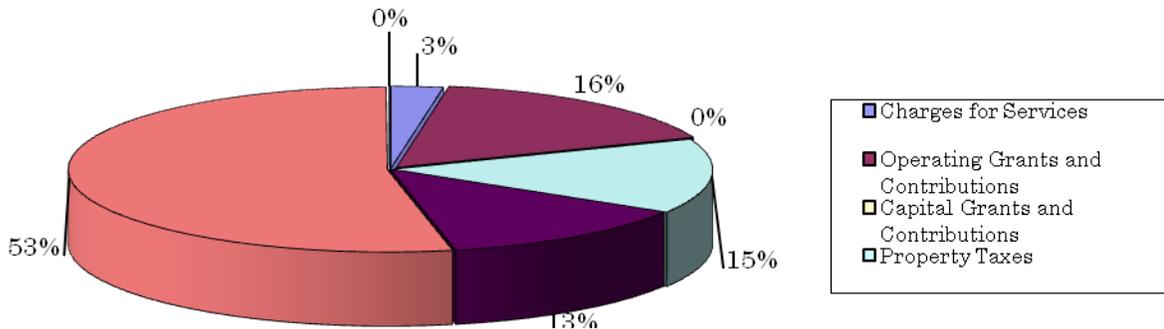


## Program Revenues and Expenses



**SCHOOLS**

## Revenues by Source – Schools



### Financial Analysis of the Government’s Funds

As noted earlier, Bradley County uses fund accounting to ensure and demonstrate compliance with finance-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, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Bradley County has maintained a stabilized financial position despite the economic downturn, which has affected many parts of our country and feels the government’s overall financial position is improving.

As of the close of the current fiscal year, Bradley County’s governmental funds reported combined ending fund balances of \$45,725,896. Of this amount, \$16,493,179 is set aside for endowments, \$8,590,535 is restricted with externally enforceable limitations on use, \$18,847,933 is committed by the county’s legislative body to a specific fund or use, and \$593,276 is assigned by its intended use.

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 \$1,200,973 or 3.7 percent of total General Fund expenditures while total fund balance of \$4,337,857 represents 13.4 percent of that same amount. The fund balance 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 both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of Bradley County's General Fund increased by \$1,005,443 during the current fiscal year. The key factor was the 5.6 percent increase in local taxes over 2010-2011. The majority of this funding was sales tax, hotel/motel tax, and business tax increases.

The fund balance of the Highway/Public Works Fund decreased by \$77,007 during the current fiscal year. This was mainly due to a reduction in state funding as a result of the economic situation.

The General Debt Service Fund has a total fund balance of \$14,136,118, all of which was allocated for the payment of debt service. The \$1,393,696 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 \$1,574,445 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$393,719
- Increases allocated to Finance - \$3,291
- Increases allocated to Administration of Justice - \$149,341
- Increases allocated to Public Safety - \$550,569
- Increases allocated to Public Health and Welfare - \$97,473
- Increases allocated to Social, Cultural, and Recreational - \$42,913
- Increases allocated to Agriculture and Natural Resources - \$46,938
- Increases allocated to Other Operations - \$290,201

The total 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 \$6,171,439, 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, 2012, totaled \$38,223,003 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totaled \$67,784,079 (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 (two vehicles) – Sheriff's Department – \$219,792
- Purchasing Ambulance Rechassis – Ambulance – \$59,481
- Purchasing 12 Lead Monitors – Ambulance – \$85,596
- New Park Construction – Parks and Recreation – \$74,722
- Road and Bridge Projects – Road Department – \$311,596
- Community Development – Wacker – \$50,000
- Community Development – Whirlpool – \$721,239
- Community Development – Benton Pike/Durkee Road Project – \$999,135
- Community Development – Amazon – \$3,113,924

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

<b>BRADLEY COUNTY</b>				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Notes	\$ 48,095	\$ 94,760	\$ 0	\$ 142,855
Bonds	0	11,994,133	5,555,867	17,550,000
Other Loans	13,444,439	30,160,517	13,055,044	56,660,000
Compensated Absences	1,221,461	0	0	1,221,461
Other Postemployment Benefits	1,641,779	4,693,807	0	6,335,586
Capital Leases	0	410,556	0	410,556
<b>Total Long-term Debt</b>	<b>\$ 16,355,774</b>	<b>\$ 47,353,773</b>	<b>\$ 18,610,911</b>	<b>\$ 82,320,458</b>

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 \$82,320,458. 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 \$3,517,021 (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, 2012, was 8.8 percent, which has remained level over the past year. The state's average unemployment rate is 8.4 percent and the national average is nine 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 2012-13 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$45,725,896. Of this amount, \$16,493,179 is set aside for endowments, \$8,590,535 is restricted with externally enforceable limitations on use, \$18,847,933 is committed by the county's legislative body to a specific fund or use, and \$593,276 is assigned by its intended use. Unassigned fund balance for the General Fund is \$1,200,973 or 3.7 percent of total General Fund expenditures while total fund balance of \$4,337,857 represents 13.4 percent of projected expenditures. The fund balance 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.

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Bradley County, Tennessee  
Statement of Net Assets  
June 30, 2012

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<b><u>ASSETS</u></b>			
Cash	\$ 416,719	\$ 24,667	\$ 2,652,388
Equity in Pooled Cash and Investments	43,064,678	14,971,842	0
Deferred Outflow - Interest Rate Swap	4,663,746	0	0
Accounts Receivable	9,049,490	0	1,164,658
Allowance for Uncollectibles	(5,126,463)	0	(224,627)
Due from Other Governments	2,249,112	2,593,067	0
Inventories	0	0	29,839
Property Taxes Receivable	22,360,680	12,138,576	0
Allowance for Uncollectible Property Taxes	(1,122,487)	(555,733)	0
Prepaid Items	0	0	3,965
Notes Receivable - Long-term	33,844	0	0
Deferred Charges - Debt Issuance Costs	644,203	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,948,505	1,610,912	1,250
Construction in Progress	352,311	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	18,562,488	66,267,949	2,030,876
Infrastructure	23,544,464	0	0
Other Capital Assets	3,102,293	410,534	416,634
Total Assets	<u>\$ 127,743,583</u>	<u>\$ 97,461,814</u>	<u>\$ 6,074,983</u>

<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 14,261	\$ 263,019	\$ 213,179
Accrued Payroll	0	6,099,732	618,983
Payroll Deductions Payable	0	970,900	0
Accrued Interest Payable	168,636	2,101	0
Derivative - Interest Rate Swap	4,663,746	0	0
Other Current Liabilities	204,545	0	94,737
Other Long-term Liabilities	0	0	73,925
Unearned Revenue - Current Property Taxes	20,640,196	11,320,286	0
Noncurrent Liabilities:			
Due Within One Year	4,339,660	195,097	0
Due in More Than One Year	72,875,678	5,004,026	0
Total Liabilities	<u>\$ 102,906,722</u>	<u>\$ 23,855,161</u>	<u>\$ 1,000,824</u>

<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	\$ 38,223,003	\$ 67,784,079	\$ 0
Invested in Capital Assets	0	0	2,448,760
Restricted for:			
General Purposes	2,107,591	381,315	0
Law Library	23,587	0	0
Public Library	214,117	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	\$ 977,774	\$ 0	\$ 0
Drug Control	546,882	0	0
Agri-Business	85,152	0	0
Special Purpose Fire Tax	1,835,074	0	0
Veterans Nursing Home	2,054	0	0
Highway/Public Works	2,233,711	0	0
Debt Service	14,042,026	0	0
Capital Projects	4,589,132	0	0
Health, Wellness, and Quality of Life:			
Expendable	704,015	0	0
Nonexpendable	15,789,164	0	0
School Federal Projects	0	324,761	0
Central Cafeteria	0	1,497,164	0
Other Purposes	0	0	132,743
Unrestricted	<u>(56,536,421)</u>	<u>3,619,334</u>	<u>2,492,656</u>
Total Net Assets	<u>\$ 24,836,861</u>	<u>\$ 73,606,653</u>	<u>\$ 5,074,159</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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues			Government			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	\$ 9,353,024	\$ 1,301,060	\$ 82,880	\$ 3,956,411	\$ (4,012,673)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,614,986	1,997,445	0	0	(617,541)	0	0	0	0	0
Administration of Justice	3,434,737	3,779,803	380,433	0	725,499	0	0	0	0	0
Public Safety	19,485,932	3,056,052	2,128,535	0	(14,301,345)	0	0	0	0	0
Public Health and Welfare	7,633,085	4,424,929	1,169,196	901,090	(1,137,870)	0	0	0	0	0
Social, Cultural, and Recreational Services	2,529,067	216,977	263,018	0	(2,049,072)	0	0	0	0	0
Agriculture and Natural Resources	1,028,690	6,375	5,000	0	(1,017,315)	0	0	0	0	0
Highways/Public Works	4,650,587	20,344	2,376,729	1,330	(2,252,184)	0	0	0	0	0
Education (Payments for the benefit of component unit)	586,923	0	0	0	(586,923)	0	0	0	0	0
Interest on Long-term Debt	2,135,600	0	0	0	(2,135,600)	0	0	0	0	0
Total Governmental Activities	\$ 53,452,631	\$ 14,802,985	\$ 6,405,791	\$ 4,858,831	\$ (27,385,024)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 53,452,631	\$ 14,802,985	\$ 6,405,791	\$ 4,858,831	\$ (27,385,024)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bradley County School Department	\$ 80,736,790	\$ 2,109,608	\$ 13,111,464	\$ 0	\$ 0	\$ (65,515,718)	\$ 0	\$ 0	\$ 0	\$ 0
Bradley Healthcare and Rehabilitation Center	12,772,621	12,145,721	0	0	0	0	0	0	0	(626,900)
Total Component Units	\$ 93,509,411	\$ 14,255,329	\$ 13,111,464	\$ 0	\$ 0	\$ (65,515,718)	\$ 0	\$ 0	\$ 0	\$ (626,900)

(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		Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes		\$		\$	11,692,391	\$	0	
Property Taxes Levied for Debt Service				4,638,965	0		0	
Local Option Sales Taxes				4,549,844	10,425,373		0	
Hotel/Motel Tax				781,520	0		0	
Litigation Tax - General				319,715	0		0	
Litigation Tax - Special Purpose				63,957	0		0	
Litigation Tax - Jail, Workhouse, or Courthouse				95,171	0		0	
Business Tax				1,184,507	0		0	
Wholesale Beer Tax				340,654	0		0	
Interstate Telecommunications Tax				60,867	0		0	
Grants and Contributions Not Restricted to Specific Programs				1,122,283	42,514,979		305	
Unrestricted Investment Income				242,552	20,648		9,270	
Proceeds from the Sale of Equipment				0	6,199		0	
Miscellaneous Refunds				348,692	23,502		0	
Total General Revenues				\$ 30,326,234	\$ 64,683,092	\$	9,575	
Insurance Recovery				\$ 6,028	\$ 715,276	\$	0	
Change in Net Assets				\$ 2,947,238	\$ (117,350)	\$	(617,325)	
Net Assets, July 1, 2011				21,854,657	73,724,003		5,691,484	
Prior-period Adjustment				34,966	0		0	
Net Assets, June 30, 2012				\$ 24,836,861	\$ 73,606,653	\$	5,074,159	

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, 2012

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Governmental Funds		
<b>ASSETS</b>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 416,719	\$ 416,719	\$ 416,719
Equity in Pooled Cash and Investments	2,629,887	2,049,548	14,072,943	16,402,662	7,909,638	43,064,678	43,064,678
Accounts Receivable	8,939,557	11	0	90,517	19,405	9,049,490	9,049,490
Allowance for Uncollectibles	(5,126,463)	0	0	0	0	(5,126,463)	(5,126,463)
Due from Other Governments	1,701,838	396,946	32,705	0	117,623	2,249,112	2,249,112
Due from Other Funds	25,812	0	0	0	0	25,812	25,812
Property Taxes Receivable	11,137,470	2,719,230	4,855,002	0	3,648,978	22,360,680	22,360,680
Allowance for Uncollectible Property Taxes	(509,900)	(124,493)	(222,275)	0	(265,819)	(1,122,487)	(1,122,487)
Notes Receivable - Long-term	0	0	0	0	33,844	33,844	33,844
<b>Total Assets</b>	<b>\$ 18,798,201</b>	<b>\$ 5,041,242</b>	<b>\$ 18,738,375</b>	<b>\$ 16,493,179</b>	<b>\$ 11,880,388</b>	<b>\$ 70,951,385</b>	<b>\$ 70,951,385</b>

LIABILITIES AND FUND BALANCES

<b>Liabilities</b>							
Accounts Payable	\$ 0	\$ 14,261	\$ 0	\$ 0	\$ 0	\$ 14,261	\$ 14,261
Due to Other Funds	0	0	0	0	25,812	25,812	25,812
Deferred Revenue - Current Property Taxes	10,386,666	2,535,920	4,527,713	0	3,189,897	20,640,196	20,640,196
Deferred Revenue - Delinquent Property Taxes	145,771	35,590	63,544	0	159,670	404,575	404,575
Other Deferred Revenues	3,723,362	200,405	11,000	0	1,333	3,936,100	3,936,100
Health Insurance Payments	204,545	0	0	0	0	204,545	204,545
<b>Total Liabilities</b>	<b>\$ 14,460,344</b>	<b>\$ 2,786,176</b>	<b>\$ 4,602,257</b>	<b>\$ 0</b>	<b>\$ 3,376,712</b>	<b>\$ 25,225,489</b>	<b>\$ 25,225,489</b>
<b>Fund Balances</b>							
Nonspendable:	\$ 0	\$ 0	\$ 0	\$ 15,789,164	\$ 0	\$ 15,789,164	\$ 15,789,164
Endowments	1,615,022	0	0	0	0	1,615,022	1,615,022
Restricted:	459,969	0	0	0	23,587	483,556	483,556
Restricted for General Government	28,564	0	0	0	2,173,029	2,201,593	2,201,593
Restricted for Administration of Justice	4,036	0	0	0	2,054	6,090	6,090
Restricted for Public Safety							
Restricted for Public Health and Welfare							

(Continued)

Exhibit C-1

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	
<b>Fund Balances (Cont.)</b>							
Restricted (Cont.):							
Restricted for Social, Cultural, and Recreational Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 204,978	\$ 204,978
Restricted for Highways/Public Works	0	2,255,066	0	0	0	0	2,255,066
Restricted for Capital Outlay	0	0	0	0	1,824,230	0	1,824,230
Committed:							
Committed for General Government	209,216	0	0	0	81,071	0	290,287
Committed for Finance	0	0	0	0	242,986	0	242,986
Committed for Administration of Justice	242,815	0	0	0	66,850	0	309,665
Committed for Public Safety	11,937	0	0	0	0	0	11,937
Committed for Public Health and Welfare	0	0	0	704,015	977,774	0	1,681,789
Committed for Social, Cultural, and Recreational Services	48,566	0	0	0	85,152	0	133,718
Committed for Other Operations	43,175	0	0	0	0	43,175	43,175
Committed for Capital Outlay	0	0	0	0	131,036	0	131,036
Committed for Debt Service	0	0	14,136,118	0	0	0	14,136,118
Committed for Capital Projects	0	0	0	0	2,571,237	0	2,571,237
Assigned:							
Assigned for General Government	177,778	0	0	0	0	0	177,778
Assigned for Finance	65,342	0	0	0	0	0	65,342
Assigned for Administration of Justice	22,744	0	0	0	0	0	22,744
Assigned for Public Safety	132,729	0	0	0	71,631	0	204,360
Assigned for Public Health and Welfare	13,095	0	0	0	0	0	13,095
Assigned for Social, Cultural, and Recreational Services	249	0	0	0	0	0	249
Assigned for Agriculture and Natural Resources	59,915	0	0	0	0	0	59,915
Assigned for Other Operations	1,732	0	0	0	0	0	1,732
Assigned for Capital Projects	0	0	0	0	48,061	0	48,061
Unassigned	1,200,973	0	0	0	0	0	1,200,973
<b>Total Fund Balances</b>	\$ 4,337,857	\$ 2,255,066	\$ 14,136,118	\$ 16,493,179	\$ 8,503,676	\$ 45,725,896	
<b>Total Liabilities and Fund Balances</b>	\$ 18,798,201	\$ 5,041,242	\$ 18,738,375	\$ 16,493,179	\$ 11,880,388	\$ 70,951,385	

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, 2012

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)		\$ 45,725,896
(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	352,311	
Add: buildings and improvements net of accumulated depreciation	18,562,488	
Add: infrastructure net of accumulated depreciation	23,544,464	
Add: other capital assets net of accumulated depreciation	<u>3,102,293</u>	51,510,061
(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	(48,095)	
Less: other loans payable	(56,660,000)	
Less: interest accrued on bonds, notes, and other loans	(168,636)	
Less: other postemployment benefits liability	(1,641,779)	
Less: compensated absences payable	(1,221,461)	
Less: other deferred revenue - premium on debt	(94,003)	
Add: deferred charges - debt issuance costs	<u>644,203</u>	(76,739,771)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,340,675</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 24,836,861</u>

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

Exhibit C-3

Bradley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Governmental Funds		
<u>Revenues</u>							
Local Taxes	\$ 17,988,372	\$ 2,646,087	\$ 4,724,622	\$ 0	\$ 3,662,852	\$ 28,971,933	
Licenses and Permits	661,620	0	0	0	0	661,620	
Fines, Forfeitures, and Penalties	666,439	0	0	0	413,821	1,080,260	
Charges for Current Services	4,596,357	0	0	0	2,030,965	6,627,322	
Other Local Revenues	1,005,675	40,217	0	316,325	1,070,217	2,432,434	
Fees Received from County Officials	2,521,097	0	0	0	0	2,521,097	
State of Tennessee	3,617,726	2,277,989	154,913	0	3,835,771	9,886,399	
Federal Government	921,599	168,525	327,278	0	1,007,388	2,424,790	
Other Governments and Citizens Groups	1,453,348	0	0	0	40,609	1,493,957	
<u>Total Revenues</u>	<u>\$ 33,382,233</u>	<u>\$ 5,132,818</u>	<u>\$ 5,206,813</u>	<u>\$ 316,325</u>	<u>\$ 12,061,623</u>	<u>\$ 56,099,812</u>	
<u>Expenditures</u>							
Current:							
General Government	\$ 2,521,318	\$ 0	\$ 0	\$ 0	\$ 322,478	\$ 2,843,796	
Finance	1,366,738	0	0	0	1,224,505	2,591,243	
Administration of Justice	3,128,965	0	0	0	239,978	3,368,943	
Public Safety	15,954,052	0	0	0	2,406,570	18,360,622	
Public Health and Welfare	6,607,346	0	0	321,349	144,515	7,073,210	
Social, Cultural, and Recreational Services	1,073,015	0	0	0	809,662	1,882,677	
Agriculture and Natural Resources	577,159	0	0	0	0	577,159	
Other Operations	1,148,876	0	98,690	0	5,402,952	6,650,518	
Highways	0	4,834,941	0	0	0	4,934,941	
Debt Service:							
Principal on Debt	0	0	3,559,049	0	0	3,559,049	
Interest on Debt	0	0	2,133,215	0	0	2,133,215	
Other Debt Service	0	0	814,904	0	0	814,904	
Capital Projects	0	274,884	0	0	1,131,821	1,406,705	
<u>Total Expenditures</u>	<u>\$ 32,377,469</u>	<u>\$ 5,209,825</u>	<u>\$ 6,605,858</u>	<u>\$ 321,349</u>	<u>\$ 11,682,481</u>	<u>\$ 56,196,982</u>	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,004,764	\$ (77,007)	\$ (1,399,045)	\$ (5,024)	\$ 379,142	\$ (97,170)	

(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	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,028	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,028
Transfers In	0	0	5,349	0	0	0	5,349
Transfers Out	(5,349)	0	0	0	0	0	(5,349)
Total Other Financing Sources (Uses)	\$ 679	\$ 0	\$ 5,349	\$ 0	\$ 0	\$ 0	\$ 6,028
Net Change in Fund Balances	\$ 1,005,443	\$ (77,007)	\$ (1,393,696)	\$ (5,024)	\$ 379,142	\$ (91,142)	\$ (91,142)
Fund Balance, July 1, 2011	3,332,414	2,332,073	15,529,814	16,498,203	8,124,534	45,817,038	45,817,038
Fund Balance, June 30, 2012	\$ 4,337,857	\$ 2,255,066	\$ 14,136,118	\$ 16,493,179	\$ 8,503,676	\$ 45,725,896	\$ 45,725,896

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, 2012

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)		\$ (91,142)
(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	\$ 2,775,790	
Less: current-year depreciation expense	<u>(2,842,147)</u>	(66,357)
(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	\$ 40,554	
Less: loss on disposal of capital assets	<u>(223,055)</u>	(182,501)
(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, 2011	\$ (4,062,172)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>4,340,675</u>	278,503
(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	\$ 9,482	
Add: principal payments on notes	24,049	
Add: principal payments on other loans	3,535,000	
Add: principal payments on capital leases	64,530	
Less: change in deferred debt issuance costs	<u>(52,236)</u>	3,580,825
(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	\$ 41,616	
Change in other postemployment benefits liability	(611,321)	
Change in accrued interest payable	<u>(2,385)</u>	(572,090)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,947,238</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,953,249
Equity in Pooled Cash and Investments	1,615,996
Accounts Receivable	168
Due from Other Governments	2,677,773
Property Taxes Receivable	8,179,157
Allowance for Uncollectible Taxes	<u>(497,876)</u>
Total Assets	<u>\$ 16,928,467</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 11,975,218
Due to Litigants, Heirs, and Others	<u>4,953,249</u>
Total Liabilities	<u>\$ 16,928,467</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, 2012**

**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. Bradley County issued a \$302,000 capital lease, for energy efficient upgrades and equipment, on behalf of the School Department's General Purpose Fund during the year ended June 30, 2012.

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 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 types:

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

**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. This fund was closed during the year.

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 2.71 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.

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 General Purposes for the primary government consists of various restrictions totaling \$2,107,591, with the primary restrictions being for: (1) courthouse and jail maintenance (\$1,580,562); (2) computer systems for various offices (\$133,496); (3) alcohol and drug treatment (\$64,720); and (4) drug control (\$277,572). For the discretely presented School Department, the account balance in Restricted for General Purposes totaling \$381,315 consists of restrictions for career ladder programs.

As of June 30, 2012, Bradley County had \$60,860,321 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, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission, the county's highest level of decision-making authority has delegated the Budget/Finance Committee as the authorized body to make assignments for the county. The Board of Education, the School Department's highest level of decision-making authority, is authorized to make assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other

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

**7. Minimum Fund Balance Policy**

**Primary Government**

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of unassigned fund balance:

General Fund – Ten percent of current-year expenditures and transfers to other funds.

Highway/Public Works Fund – Six percent of current-year expenditures and transfers to other funds.

Public Library, Agri-Business, and Special Purpose Fire Tax Courthouse Funds – Five percent of current-year expenditures and transfers to other funds.

Debt Service Funds – the county will typically have at least two years of future principal and interest payments as fund balance.

**Discretely Presented Bradley County School Department**

General Purpose and Central Cafeteria funds – Five percent of current-year expenditures and transfers to other funds.

**8. Prior-period Adjustments**

Net assets of Bradley County were restated \$34,966 from the prior year because the liability for other postemployment benefits as of July 1, 2011, was overstated.

**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, 2012, Bradley County reported the following significant encumbrances:

Funds	Description	Amount
Major Fund:		
General	Geographical Systems Operations	\$ 46,595
"	Heating and Air Systems and Supplies	85,011
"	Property Assessor Software	19,840
"	Sheriff's Department Repairs and Maintenance	12,477
"	Jail Equipment	14,237
"	Rescue Squad Equipment	12,387
"	Cannery Repairs	52,970
Nonmajor Funds:		
Drug Control	Communications and Equipment	4,592
Special Purpose		
Fire Tax	Fire Equipment	51,553
General Capital		
Projects	Equipment	6,300
"	Erosion Control	8,838
Community Development/ Industrial Park	County's Matching Share of Project	24,212

#### 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, 2012, Bradley County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Bradley County and the discretely presented Bradley County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	\$	Cost
State Treasurer's Investment Pool	6 to 164	\$	2,035

**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. As of June 30, 2012, Bradley County's investment in the State Treasurer's Investment Pool was unrated.

**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 \$33,844.

**C. Derivative Instruments**

**Primary Government**

At June 30, 2012, 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, 2012, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2012 financial statements are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2012		6-30-12 Notional
	Classification	Amount	Classification	Amount	Amount
<b>Governmental Activities</b>					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred	\$ (488,055)	Debt	\$(1,501,903)	\$ 8,635,000
	Outflow				
\$10M Swap - Series IV-G-1	Deferred	(1,409,842)	Debt	(3,161,843)	10,000,000
	Outflow				
Totals		<u>\$(1,897,897)</u>		<u>\$(4,663,746)</u>	<u>\$18,635,000</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, 2012, 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>-0.616</u>
Net interest rate swap payments		3.764 %
Variable-rate bond coupon payments		<u>0.190</u>
Synthetic interest rate on bonds		<u><u>3.954 %</u></u>

**Fair value.** As of June 30, 2012, the swap had a negative fair value of \$1,501,903. 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, 2012, 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. As of June 30, 2012, the swap counterparty, Deutsche Bank, was rated A2/A+/A+ by Moody's, Standard & 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 swap 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, 2012, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As

rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2013	\$ 510,000	\$ 16,407	\$ 325,026	\$ 851,433
2014	540,000	15,438	305,829	861,267
2015	575,000	14,412	285,503	874,915
2016	615,000	13,319	263,860	892,179
2017	645,000	12,151	240,711	897,862
2018-2020	5,750,000	25,505	505,324	6,280,829
Total	\$ 8,635,000	\$ 97,232	\$ 1,926,253	\$ 10,658,485

**\$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, 2012, 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>-0.616</u>
Net interest rate swap payments		3.834 %
Variable-rate bond coupon payments		<u>0.190</u>
Synthetic interest rate on bonds		<u><u>4.024 %</u></u>

**Fair value.** As of June 30, 2012, the swap had a negative fair value of \$3,161,843. 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, 2012, 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. As of June 30, 2012, the swap counterparty, Deutsche Bank, was rated A2/A+/A+ by Moody's, Standard & 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 swap 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, 2012, 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	Total
	Principal	Interest	Rate Swap Payment	
2013	\$ 0	\$ 19,000	\$ 383,405	\$ 402,405
2014	0	19,000	383,405	402,405
2015	0	19,000	383,405	402,405
2016	0	19,000	383,405	402,405
2017	0	19,000	383,405	402,405
2018-2022	0	95,000	1,917,025	2,012,025
2023-2026	10,000,000	53,846	1,086,570	11,140,416
Total	\$ 10,000,000	\$ 243,846	\$ 4,920,620	\$ 15,164,466

#### D. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

##### Primary Government

##### **Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 5,948,505	\$ 0	\$ 0	\$ 5,948,505
Construction in Progress	295,611	56,700	0	352,311
Total Capital Assets Not Depreciated	\$ 6,244,116	\$ 56,700	\$ 0	\$ 6,300,816
Capital Assets Depreciated:				
Buildings and Improvements	\$ 31,461,442	\$ 116,133	\$ 0	\$ 31,577,575
Infrastructure	32,533,589	1,900,490	(343,612)	34,090,467
Other Capital Assets	13,783,614	743,021	(447,294)	14,079,341
Total Capital Assets Depreciated	\$ 77,778,645	\$ 2,759,644	\$ (790,906)	\$ 79,747,383

**Governmental Activities (Cont):**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciated For: Buildings and Improvements	\$ 12,164,554	\$ 850,533	\$ 0	\$ 13,015,087
Infrastructure	9,666,093	1,078,836	(198,926)	10,546,003
Other Capital Assets	10,433,195	912,778	(368,925)	10,977,048
Total Accumulated Depreciation	<u>\$ 32,263,842</u>	<u>\$ 2,842,147</u>	<u>\$ (567,851)</u>	<u>\$ 34,538,138</u>
Total Capital Assets Depreciated, Net	<u>\$ 45,514,803</u>	<u>\$ (82,503)</u>	<u>\$ (223,055)</u>	<u>\$ 45,209,245</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,758,919</u>	<u>\$ (25,803)</u>	<u>\$ (223,055)</u>	<u>\$ 51,510,061</u>

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

**Governmental Activities:**

General Government	\$ 77,106
Finance	5,712
Administration of Justice	4,815
Public Safety	1,108,951
Public Health and Welfare	225,903
Social, Cultural, and Recreational Services	108,010
Agriculture and Natural Resources	2,079
Highways/Public Works	1,309,571
Total Depreciation Expense - Governmental Activities	<u>\$ 2,842,147</u>

**Discretely Presented Bradley County School Department**

**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,294,715	\$ 316,452	\$ (255)	\$ 1,610,912
Total Capital Assets Not Depreciated	<u>\$ 1,294,715</u>	<u>\$ 316,452</u>	<u>\$ (255)</u>	<u>\$ 1,610,912</u>

**Governmental Activities (Cont.):**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 101,351,000	\$ 1,627,212	\$ (463,208)	\$ 102,515,004
Other Capital Assets	1,163,240	225,344	(130,490)	1,258,094
Total Capital Assets				
Depreciated	\$ 102,514,240	\$ 1,852,556	\$ (593,698)	\$ 103,773,098
Less Accumulated				
Depreciated For:				
Buildings and				
Improvements	\$ 33,782,698	\$ 2,742,851	\$ (278,494)	\$ 36,247,055
Other Capital Assets	914,911	63,139	(130,490)	847,560
Total Accumulated				
Depreciation	\$ 34,697,609	\$ 2,805,990	\$ (408,984)	\$ 37,094,615
Total Capital Assets				
Depreciated, Net	\$ 67,816,631	\$ (953,434)	\$ (184,714)	\$ 66,678,483
Governmental Activities				
Capital Assets, Net	\$ 69,111,346	\$ (636,982)	\$ (184,969)	\$ 68,289,395

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

**Governmental Activities:**

Instruction	\$ 2,762,679
Support Services	39,141
Operation of Non-Instructional Services	4,170
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 2,805,990
	<hr/> <hr/>

**E. Insurance Recoveries****Primary Government**

During the year, Bradley County had damage to one of its vehicles. Insurance recovery of \$6,028 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. An insurance recovery of \$639,302 was received for Blue

Springs Elementary School. Blue Springs elementary was subsequently demolished, except for the gymnasium. The land, which Blue Springs elementary sat on, and the gymnasium were donated to Bradley County. The School Department is in negotiations with its insurance company regarding additional recovery for Blue Springs Elementary School. The School Department is still in the process of deciding if another elementary will be built.

Insurance proceeds of \$769,628 were received for damage to Michigan Avenue Elementary School. These proceeds were used to rebuild the gymnasium and have been capitalized in the financial statements of this report. These two schools were fully depreciated as of July 1, 2011, and their residual value is not material to the government-wide statements. Other school buildings suffered minor damage during the April 2011 tornado. Insurance recovery proceeds of \$75,974 were used to repair those damages.

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

The composition of interfund balance as of June 30, 2012, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 25,812

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, 2012, consisted of the following amounts:

**Primary Government**

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>General</u>
	<u>Fund</u>
General Debt Service Fund	\$ 5,349

**Discretely Presented Bradley County School Department**

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 39,250

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**

**Discretely Presented Bradley County School Department**

On June 18, 2012, the Bradley County School Department entered into a three-year lease-purchase agreement for energy efficient upgrades and equipment for school facilities. The terms of the agreement require total lease payments of \$302,000 plus interest of 4.85 percent. Title to the upgrades and equipment transferred to the School Department immediately upon acceptance of each upgrade or item of equipment. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the upgrades and equipment were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

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	(96,183)
Total	\$ 450,999

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 157,454
2014	157,454
2015	63,574
2016	63,574
Total Minimum Lease Payments	\$ 442,056
Less: Amount Representing Interest	(31,500)
Present Value of Minimum Lease Payments	\$ 410,556

## 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, 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, 2012, will be retired from the General Debt Service Fund.

The general obligation bond, the capital outlay note, and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bond	5 to 5.5 %	6-1-29	\$ 17,550,000	\$ 17,550,000
Other Loans - Variable Rate	Variable	6-1-26	34,770,000	26,895,000
Other Loans - Synthetic Fixed by Swap	Variable	6-1-26	20,000,000	18,635,000
Other Loans	3 to 4.25	6-30-21	12,050,000	11,130,000
Capital Outlay Note	0	6-4-14	168,340	48,095

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 2012 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, 2012:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-12	Interest Type	Interest Rates as of 6-30-12	Fee Rates as of 6-30-12
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 11,130,000	Fixed	3 to 4.25 %	.65%
Series VII-A-5	6,560,000	4,340,000	Variable	.97	.826
Series E-6-A:	28,210,000	22,555,000	Variable	.19	1.676
Series IV-C-2	10,000,000	8,635,000	Synthetic Fixed by Swap	3.954	1.676
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by Swap	4.024	1.676
Total		<u>\$ 56,660,000</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments, other loan fees, and direct federal subsidy are presented in the following tables:

Year Ending June 30	Bonds			
	Principal	Interest	Treasury Department Direct Subsidy	Total
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
2018-2022	0	4,675,400	(1,636,390)	3,039,010
2023-2027	8,000,000	3,279,115	(1,147,691)	10,131,424
2028-2029	9,550,000	542,300	(189,804)	9,902,496
Total	\$ 17,550,000	\$ 13,172,215	\$ (4,610,275)	\$ 26,111,940

Year Ending June 30	Note		
	Principal	Interest	Total
2013	\$ 24,048	\$ 0	\$ 24,048
2014	24,047	0	24,047
Total	\$ 48,095	\$ 0	\$ 48,095

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 3,695,000	\$ 454,309	\$ 804,518	\$ 4,953,827
2014	3,860,000	415,258	764,118	5,039,376
2015	4,035,000	375,199	721,502	5,131,701
2016	4,280,000	328,972	676,585	5,285,557
2017	4,480,000	278,493	629,662	5,388,155
2018-2022	22,540,000	645,122	2,226,732	25,411,854
2023-2026	13,770,000	74,661	658,584	14,503,245
Total	\$ 56,660,000	\$ 2,572,014	\$ 6,481,701	\$ 65,713,715

There is \$14,136,118 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, and other loans, totaled \$750, based on the 2010 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds	Note	Other Loans
Balance, July 1, 2011	\$ 17,550,000	\$ 72,144	\$ 60,195,000
Reductions	0	(24,049)	(3,535,000)
Balance, June 30, 2012	<u>\$ 17,550,000</u>	<u>\$ 48,095</u>	<u>\$ 56,660,000</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 24,048</u>	<u>\$ 3,695,000</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 64,530	\$ 1,263,077	\$ 1,065,424
Prior-period Adjustment	0	0	(34,966)
Additions	0	1,077,607	665,197
Reductions	(64,530)	(1,119,223)	(53,876)
Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 1,221,461</u>	<u>\$ 1,641,779</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 620,612</u>	<u>\$ 0</u>

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, 2012	\$ 77,121,335
Less: Balances Due Within One Year	(4,339,660)
Add: Unamortized Premium on Debt	<u>94,003</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 72,875,678</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, 2012, will be retired from the General Purpose School Fund.

The capital outlay note and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Note	0 %	6-15-14	\$ 331,660	\$ 94,760
Capital Leases	4.8 to 4.85	7-31-15	849,182	410,556

The annual requirements to amortize the note outstanding as of June 30, 2012, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2013	\$ 47,380	\$ 0	\$ 47,380
2014	47,380	0	47,380
Total	\$ 94,760	\$ 0	\$ 94,760

Debt per capita, including the note and the capital leases, totaled \$5, 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, 2012, was as follows:

Governmental Activities:

	Note	Capital Leases
Balance, July 1, 2011	\$ 142,140	\$ 256,618
Additions	0	302,000
Reductions	(47,380)	(148,062)
Balance, June 30, 2012	\$ 94,760	\$ 410,556
Balance Due Within One Year	\$ 47,380	\$ 147,717

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2011	\$ 3,275,390
Additions	2,210,945
Reductions	<u>(792,528)</u>
Balance, June 30, 2012	<u>\$ 4,693,807</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 5,199,123
Less: Balances Due Within One Year	<u>(195,097)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,004,026</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, 2012, were \$519. 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, 2012, were \$373,954 and \$59,018, 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 \$1,833,827 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, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Tax Anticipation Notes	\$ 0	\$ 1,833,827	\$ (1,833,827)	\$ 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 three 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. Subsequent Events**

On September 14, 2012, the county's General Debt Service Fund issued a \$1,800,000 tax anticipation note to the General Fund for temporary operating funds.

On October 30, The Court of Appeals of Tennessee at Knoxville, rendered its opinion on the Bradley County, Tennessee v. The City of Cleveland, Bradley County Chancery Court Docket Number 09-177. This is an action for declaratory judgment pursuant to Section 29-14-101, *Tennessee Code Annotated*, to declare the right, status, and enforceability of a contract (Contract) existing between Bradley County, Tennessee, and the City of Cleveland, Tennessee, regarding sales tax distribution. The appeals court affirmed in part and reversed in part the judgment of the trial court. That part of the judgment upholding the validity of the Contract is affirmed as is part of the judgment holding that the Contract controls distribution of the proceeds of the 1982 tax increase. That part of the judgment holding the city's right under the 2009 county tax increase to the "same amounts" it would have received under its own 2009 increase ended June 30, 2009, is reversed. The city is entitled to receive those proceeds for its 2010 fiscal year, which began July 1, 2009, and ended June 30, 2010. This case does not involve any issue of potential liability to Bradley County as the parties have entered into an Interim Order, which allows the Bradley County Trustee to hold the disputed tax revenue subject to the court's order. These funds are held in the Cities - Sales Tax Litigation Fund, which had a cash balance of \$1,395,720, as of June 30, 2012.

**C. Contingent Liabilities**

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

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, 2012.

We are unable to determine if this citizen will make any other payments on these projects. In the event no payments are received, the county will make the principal and interest payments for these projects.

**D. Landfill Closure and Postclosure Care Costs**

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 \$1,379,179 estimated closure and postclosure costs of the landfill at June 30, 2012, 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 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. 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, 2012, 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, 2012, future principal and interest requirements, which Bradley County would be liable for, were \$5,675,000 and \$5,242,250, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2012.

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, 2012.

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

**F. 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.

**G. 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 has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual

covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, the county’s annual pension cost of \$3,442,852 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 entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement 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, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$3,442,852	100%	\$0
6-30-11	3,160,453	100	0
6-30-10	3,323,275	100	0

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 93.39 percent funded. The actuarial accrued liability for benefits was \$66.18 million, and the actuarial value of assets was \$61.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.38 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24.78 million, and the ratio of the UAAL to the covered payroll was 17.67 percent.

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

## SCHOOL TEACHERS

### **Plan Description**

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010 were \$3,321,043, \$3,234,454, and \$2,238,374 respectively, equal to the required contributions for each year.

## **H. 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. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://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 \$0 to \$464 per month. The School Department recognized expenditures of \$792,528 for postemployment health care during the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 0	\$ 2,219,000
Interest on the NPO	0	131,016
Adjustment to the ARC	0	(139,071)
Annual OPEB cost	\$ 0	\$ 2,210,945
Amount of contribution	0	(792,528)
Increase/decrease in NPO	\$ 0	\$ 1,418,417
Net OPEB obligation, 7-1-11	34,966	3,275,390
Prior-period Adjustment*	(34,966)	0
Net OPEB obligation, 6-30-12	\$ 0	\$ 4,693,807

\* - There are two employees who retired prior to July 1, 2009, that are now included under the commercial plan.

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-10	Local Education Group	\$ 1,533,057	42.63%	\$ 2,586,805
6-30-11	"	1,557,146	55.78	3,275,390
6-30-12	"	2,210,945	35.85	4,693,807
6-30-10	Local Government Group	19,048	55.79	28,525
6-30-11	"	19,068	62.22	34,966
6-30-12	"	0	0	0

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 16,790,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 16,790,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 43,379,335
UAAL as a % of covered payroll	38.71%

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 9.25 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with 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
ARC	\$ 664,651
Interest on the NPO	46,371
Adjustment to the ARC	(45,825)
Annual OPEB cost	\$ 665,197
Less amount of contribution*	(53,876)
Increase/decrease in NPO	\$ 611,321
Net OPEB obligation, 7-1-11	1,030,458
Net OPEB obligation, 6-30-12	\$ 1,641,779

\* - Includes employer contribution of \$12,840 for two employees who retired prior to July 1, 2009.

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
6-30-12	"	665,197	8.10	1,641,779

## Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	<u>Primary Government Commercial Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 5,046,455
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,046,455
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 21,248,867
UAAL as a % of covered payroll	23.75%

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

### Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, 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 amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2009.

**I. 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, 2012, no 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 \$0.

**J. 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.

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 area.

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 (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	\$ 20,696
Foods and Dietary	8,152
Enteral Feeding Supplies	<u>991</u>
Total	<u>\$ 29,839</u>

**D. Assets Whose Use Is Limited**

Assets whose use is limited are as follows:

Patient Trust Funds	\$ 73,925
Scholarship Fund	13,570
Activities Fund	1,349
Chapel Fund	1,178
Country Store Fund	4,014
Endowment Fund	<u>112,633</u>
 Total	 <u><u>\$ 206,669</u></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 7-1-11	Increases/ (Decreases)	Balance 6-30-12
Land	\$ 1,250	\$ 0	\$ 1,250
Construction in Progress	5,582	(5,582)	0
Land Improvements	379,814	0	379,814
Buildings	5,503,076	28,245	5,531,321
Fixed Equipment	875,111	40,290	915,401
Major Movable	1,779,353	22,568	1,801,921
Computer Software	43,695	0	43,695
Computer Hardware	128,167	4,818	132,985
Vehicles	106,444	0	106,444
Total	<u>\$ 8,822,492</u>	<u>\$ 90,339</u>	<u>\$ 8,912,831</u>
Less: Accumulated Depreciation	<u>(6,156,498)</u>	<u>(307,573)</u>	<u>(6,464,071)</u>
 Property and Equipment, Net	 <u>\$ 2,665,994</u>	 <u>\$ (217,234)</u>	 <u>\$ 2,448,760</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, 2012, follows:

Medicare	\$	2,565,796
Medicaid		8,057,132
Other		<u>1,387,635</u>
Gross Patient Service Revenues	\$	12,010,563
Contractual Adjustments and Uncollectible Accounts		<u>47,848</u>
Net Patient Service Revenue	\$	<u><u>12,058,411</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, 2012, were \$293,765 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 \$88,754 at June 30, 2012. There was no unpaid liability at June 30, 2012.

**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 2012 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, 2012, which have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2013	\$ 8,544
2014	<u>7,214</u>
Total Minimum Lease Payments	<u>\$ 15,758</u>

Total rental expense for all operating leases was \$25,832 for 2012 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**

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 17,938,372	\$ 0	\$ 0	\$ 17,938,372	\$ 16,971,828	\$ 17,602,135	\$ 336,237
Licenses and Permits	661,620	0	0	661,620	432,663	702,720	(41,100)
Fines, Forfeitures, and Penalties	666,439	0	0	666,439	489,542	605,570	60,869
Charges for Current Services	4,596,357	0	0	4,596,357	4,681,618	4,892,921	(296,564)
Other Local Revenues	1,005,675	0	0	1,005,675	671,604	1,181,340	(175,665)
Fees Received from County Officials	2,521,097	0	0	2,521,097	2,014,820	2,299,820	221,277
State of Tennessee	3,617,726	0	0	3,617,726	3,708,709	3,670,261	(52,535)
Federal Government	921,599	0	0	921,599	311,933	1,069,715	(148,116)
Other Governments and Citizens Groups	1,453,348	0	0	1,453,348	1,932,379	1,671,277	(217,929)
Total Revenues	\$ 33,382,233	\$ 0	\$ 0	\$ 33,382,233	\$ 31,215,096	\$ 33,695,759	\$ (313,526)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 328,826	\$ (6,076)	\$ 0	\$ 322,750	\$ 334,673	\$ 335,273	\$ 12,523
Board of Equalization	1,095	0	0	1,095	2,500	2,500	1,405
Beer Board	2,350	0	0	2,350	2,350	2,350	0
Other Boards and Committees	32,343	0	75	32,418	35,300	35,300	2,882
County Mayor/Executive	260,116	(2,580)	1,634	259,170	260,165	260,361	1,191
Personnel Office	221,052	(44,786)	28,038	204,304	202,148	211,326	7,022
County Attorney	169,350	(5,525)	8,290	172,115	189,509	189,509	17,394
Election Commission	280,902	(680)	700	280,922	271,002	292,139	11,217
Register of Deeds	92,805	(1,126)	3,634	95,313	73,644	104,749	9,436
Development	120,647	(123,747)	3,100	0	0	0	0
Planning	229,332	(1,102)	0	228,230	204,358	230,147	1,917
Geographical Information Systems	131,371	0	46,595	177,966	243,616	243,616	65,650

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>General Government (Cont.)</u>							
County Buildings	\$ 646,311	\$ (41,395)	\$ 85,011	\$ 689,927	\$ 426,405	\$ 731,600	\$ 41,673
Other Facilities	4,299	0	701	5,000	5,000	5,000	0
Other General Administration	519	0	0	519	0	519	0
<u>Finance</u>							
Accounting and Budgeting	178,955	(10,219)	7,720	176,456	178,471	178,471	2,015
Property Assessor's Office	716,622	(14,873)	25,567	727,316	759,772	759,708	32,392
Reappraisal Program	42,670	(80)	6,268	48,858	51,921	51,921	3,063
County Trustee's Office	83,580	(122)	0	83,458	83,047	84,362	904
County Clerk's Office	185,376	(3,792)	1,483	183,067	184,713	186,753	3,686
Data Processing	159,535	(27,454)	24,304	156,385	173,809	173,809	17,424
<u>Administration of Justice</u>							
Circuit Court	74,185	0	0	74,185	0	74,185	0
Circuit Court Clerk	1,207,910	(99)	1,519	1,209,330	1,342,478	1,322,422	113,092
General Sessions Judge	509,603	(2,863)	728	507,468	516,316	516,316	8,848
Drug Court	178,675	(1,500)	828	178,003	186,841	186,841	8,838
Chancery Court	48,907	0	46	48,953	49,896	50,718	1,765
Juvenile Court	620,634	(11,050)	5,179	614,763	607,988	638,027	23,264
Judicial Commissioners	27,815	(5,900)	14,002	35,917	30,000	40,000	4,083
Other Administration of Justice	118,091	(1)	393	118,483	115,080	119,064	581
Probation Services	342,285	(101)	49	342,233	309,235	353,602	11,369
Courtroom Security	860	0	0	860	0	6,000	5,140
<u>Public Safety</u>							
Sheriff's Department	6,799,578	(30,072)	30,254	6,799,760	6,581,519	6,946,825	147,065
Special Patrols	258,731	(2,662)	43	256,112	282,694	294,010	37,898

(Continued)

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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Traffic Control	\$ 9,103	\$ 0	\$ 0	\$ 9,103	\$ 18,700	\$ 18,700	\$ 9,597
Administration of the Sexual Offender Registry	13,784	0	0	13,784	4,285	14,285	501
Jail	5,964,107	(37,128)	51,075	5,978,054	6,151,566	6,113,817	135,763
Correctional Incentive Program Improvements	1,063,376	(25,613)	27,319	1,065,082	1,104,024	1,104,024	38,942
Juvenile Services	90,638	(124)	122	90,636	80,581	100,775	10,139
Work Release Program	295,120	(4,000)	685	291,805	334,108	337,187	45,382
Civil Defense	406,485	(3,951)	1,463	403,997	361,864	403,997	0
Rescue Squad	148,203	(25,846)	21,568	143,925	134,250	148,784	4,859
Other Emergency Management	103,251	(9,589)	0	93,662	0	93,662	0
Inspection and Regulation	167,892	0	0	167,892	164,798	167,892	0
County Coroner/Medical Examiner	183,784	(711)	201	183,274	158,274	183,274	0
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	403,343	(12,152)	6,248	397,439	386,105	397,439	0
Rabies and Animal Control	325,000	0	0	325,000	325,000	325,000	0
Ambulance/Emergency Medical Services	4,775,143	(7,674)	806	4,768,275	4,699,117	4,781,135	12,860
Alcohol and Drug Programs	40,603	0	429	41,032	50,000	51,500	10,468
Other Local Health Services	982,116	(888)	1,637	982,865	1,069,939	1,069,939	87,074
General Welfare Assistance	1,000	0	0	1,000	1,500	1,500	500
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
Other Public Health and Welfare	1,276	0	3,974	5,250	19,625	22,246	16,996
<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: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					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
Other Social, Cultural, and Recreational Agriculture and Natural Resources	969,455	(9,713)	249	959,991	917,176	960,089	98
Agriculture Extension Service	233,291	(4,662)	58,024	286,653	291,378	291,378	4,725
Soil Conservation	49,326	0	0	49,326	48,842	49,329	3
Storm Water Management	223,973	(1,243)	1,891	224,621	224,669	224,669	48
Other Agriculture and Natural Resources	70,569	(25,000)	0	45,569	0	46,451	882
<u>Other Operations</u>							
Tourism	221,000	0	0	221,000	155,000	221,000	0
Industrial Development	221,000	0	0	221,000	155,000	221,000	0
Other Economic and Community Development	8,938	0	0	8,938	0	52,113	43,175
Public Transportation	42,000	0	0	42,000	42,000	42,000	0
Veterans' Services	111,008	(229)	1,732	112,511	112,860	112,860	349
Other Charges	360,321	0	0	360,321	350,000	360,321	0
Contributions to Other Agencies	68,251	0	0	68,251	78,259	77,938	9,687
ARRA Grant # 1	172	(172)	0	0	0	0	0
ARRA Grant # 3	39,765	0	0	39,765	19,435	43,210	3,445
ARRA Grant # 7	76,421	(4,108)	0	72,313	0	72,313	0
Total Expenditures	\$ 32,377,469	\$ (510,608)	\$ 473,584	\$ 32,340,445	\$ 31,795,730	\$ 33,370,175	\$ 1,029,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,004,764	\$ 510,608	\$ (473,584)	\$ 1,041,788	\$ (580,634)	\$ 325,584	\$ 716,204

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,028	\$ 0	\$ 0	\$ 6,028	\$ 0	\$ 12,056	\$ (6,028)
Transfers Out	(5,349)	0	0	(5,349)	0	(5,349)	0
Total Other Financing Sources (Uses)	\$ 679	\$ 0	\$ 0	\$ 679	\$ 0	\$ 6,707	\$ (6,028)
Net Change in Fund Balance	\$ 1,005,443	\$ 510,608	\$ (473,584)	\$ 1,042,467	\$ (580,634)	\$ 332,291	\$ 710,176
Fund Balance, July 1, 2011	3,332,414	(510,608)	0	2,821,806	3,861,959	3,861,959	(1,040,153)
Fund Balance, June 30, 2012	\$ 4,337,857	\$ 0	\$ (473,584)	\$ 3,864,273	\$ 3,281,325	\$ 4,194,250	\$ (329,977)

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,646,087	\$ 2,630,307	\$ 2,609,481	\$ 36,606
Other Local Revenues	40,217	14,110	27,759	12,458
State of Tennessee	2,277,989	2,382,700	2,411,612	(133,623)
Federal Government	168,525	0	168,524	1
Total Revenues	<u>\$ 5,132,818</u>	<u>\$ 5,027,117</u>	<u>\$ 5,217,376</u>	<u>\$ (84,558)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 422,163	\$ 504,481	\$ 486,381	\$ 64,218
Highway and Bridge Maintenance	2,783,335	3,111,968	3,158,708	375,373
Operation and Maintenance of Equipment	512,701	481,073	561,873	49,172
Quarry Operations	0	100	100	100
Litter and Trash Collection	105,174	91,011	110,467	5,293
Other Charges	157,129	170,320	170,300	13,171
Employee Benefits	746,725	817,075	802,240	55,515
Capital Outlay	207,714	435,750	450,925	243,211
<u>Capital Projects</u>				
Highway and Street Capital Projects	274,884	269,091	311,596	36,712
Total Expenditures	<u>\$ 5,209,825</u>	<u>\$ 5,880,869</u>	<u>\$ 6,052,590</u>	<u>\$ 842,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (77,007)</u>	<u>\$ (853,752)</u>	<u>\$ (835,214)</u>	<u>\$ 758,207</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 100	\$ 18,575	\$ (18,575)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 18,575</u>	<u>\$ (18,575)</u>
Net Change in Fund Balance	\$ (77,007)	\$ (853,652)	\$ (816,639)	\$ 739,632
Fund Balance, July 1, 2011	<u>2,332,073</u>	<u>1,536,102</u>	<u>1,536,102</u>	<u>795,971</u>
Fund Balance, June 30, 2012	<u>\$ 2,255,066</u>	<u>\$ 682,450</u>	<u>\$ 719,463</u>	<u>\$ 1,535,603</u>

Exhibit E-3

Bradley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Bradley County School Department  
June 30, 2012

(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)
7-1-11	\$ 61,801	\$ 66,178	\$ 4,377	93.39 %	\$ 24,778	17.67 %
7-1-09	48,300	49,997	1,697	96.61	25,105	6.76
7-1-07	43,144	45,187	2,043	95.48	22,057	9.26

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, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
			Accrued Liability (AAL) (b)	\$				
<u>PRIMARY GOVERNMENT (1)</u>								
Local Government Group	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
"	7-1-11	0	5,046		5,046	0	21,249	23.75
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	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
"	7-1-11	0	16,790		16,790	0	43,379	38.71

(1) The primary government switched from the Local Government Group Plan to a Commercial Plan, effective July 1, 2009; however, a few employees still remained with the Local Government Group Plan until July 1, 2010.

\* 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, 2012**

**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, 2012, Bradley County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
Geographical Systems Operations	\$ 46,595
Heating and Air Systems and Supplies	85,011
Property Assessor Software	19,840
Sheriff's Department Repairs and Maintenance	12,477
Jail Equipment	14,237
Rescue Squad Equipment	12,387
Cannery Repairs	52,970

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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

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

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

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

Waterline Extension Projects Fund – The Waterline Extension Projects Fund is used to account for the installation of a waterline extension in the county.

Exhibit F-1

Bradley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

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
	23,587	197,218	942,598	546,882	68,466	1,653,788	2,054		
	0	0	0	0	16,686	0	0		
	0	3,999	35,176	0	0	25,000	0		
	0	596,380	0	0	0	1,939,500	0		
	0	(27,304)	0	0	0	(187,554)	0		
	0	0	0	0	0	0	0		
	23,587	770,293	977,774	546,882	85,152	3,430,734	2,054		

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

Due to Other Funds  
 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

(Continued)

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	0	0	0	0	0			
0	0	977,774	0	0	0	0			
0	0	0	0	85,152	0	0			
0	0	0	0	0	0	0			
0	0	0	0	0	0	0			
0	0	0	5,244	0	66,387	0			
\$ 23,587	\$ 204,978	\$ 977,774	\$ 546,882	\$ 85,152	\$ 1,697,778	\$ 2,054			
\$ 23,587	\$ 770,293	\$ 977,774	\$ 546,882	\$ 85,152	\$ 3,430,734	\$ 2,054			

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)	
Committed (Cont.):	
Committed for Finance	
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 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
	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Total				
\$ 416,719	\$ 416,719	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 416,719	
0	3,434,593	2,592,417	1,622,881	130,286	129,461	0	4,475,045	7,909,638				
0	16,686	2,669	0	50	0	0	2,719	19,405				
0	64,175	0	4,813	700	164	47,771	53,448	117,623				
0	2,535,880	0	1,076,497	0	36,601	0	1,113,098	3,648,978				
0	(214,858)	0	(49,285)	0	(1,676)	0	(50,961)	(265,819)				
0	0	0	0	33,844	0	0	33,844	33,844				
\$ 416,719	\$ 6,253,195	\$ 2,595,086	\$ 2,654,906	\$ 164,880	\$ 164,550	\$ 47,771	\$ 5,627,193	\$ 11,880,388				

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

Due to Other Funds  
 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

81,071

(Continued)

Special Revenue Funds		Capital Projects Funds							Total
(Cont.)		General	Community	HUD	Education	Waterline	Total		
Constituti- onal Officers - Fees	Total	Capital Projects	Development/ Industrial Park	Grant Projects	Capital Projects	Extension Projects	Nonmajor Governmental Funds		
\$ 242,986	\$ 242,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 242,986	
66,850	66,850	0	0	0	0	0	0	66,850	
0	977,774	0	0	0	0	0	0	977,774	
0	85,152	0	0	0	0	0	0	85,152	
0	0	0	0	131,036	0	0	131,036	131,036	
0	0	2,571,237	0	0	0	0	2,571,237	2,571,237	
0	71,631	0	0	0	0	0	0	71,631	
0	0	23,849	24,212	0	0	0	48,061	48,061	
\$ 390,907	\$ 3,929,112	\$ 2,595,086	\$ 1,636,889	\$ 164,880	\$ 129,938	\$ 47,771	\$ 4,574,564	\$ 8,503,676	
\$ 416,719	\$ 6,253,195	\$ 2,595,086	\$ 2,654,906	\$ 164,880	\$ 164,550	\$ 47,771	\$ 5,627,193	\$ 11,880,388	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)

Committed (Cont.):	
Committed for Finance	
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 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, 2012

	Special Revenue Funds							
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home	
<b>Revenues</b>								
Local Taxes	\$ 513	\$ 580,318	\$ 0	\$ 0	\$ 195,380	\$ 1,803,521	\$ 0	
Fines, Forfeitures, and Penalties	1,935	0	0	411,886	0	0	0	
Charges for Current Services	10,373	0	220,090	0	0	5	0	
Other Local Revenues	0	0	37,929	2,259	33,372	45,109	37,137	
State of Tennessee	0	19,029	65,100	0	0	15,000	0	
Federal Government	0	0	839,721	7,954	0	159,713	0	
Other Governments and Citizens Groups	0	0	20,000	0	0	0	0	
<b>Total Revenues</b>	<b>\$ 12,821</b>	<b>\$ 599,347</b>	<b>\$ 1,182,840</b>	<b>\$ 422,099</b>	<b>\$ 228,752</b>	<b>\$ 2,023,348</b>	<b>\$ 37,137</b>	
<b>Expenditures</b>								
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	394,509	308,587	0	1,703,474	0	
Public Health and Welfare	0	0	137,382	7,133	0	0	0	
Social, Cultural, and Recreational Services	9,497	567,943	0	0	232,222	0	0	
Other Operations	128	11,800	29,646	4,109	1,952	36,345	0	
Capital Projects	0	0	0	0	0	0	52,831	
<b>Total Expenditures</b>	<b>\$ 9,625</b>	<b>\$ 579,743</b>	<b>\$ 561,537</b>	<b>\$ 319,829</b>	<b>\$ 234,174</b>	<b>\$ 1,739,819</b>	<b>\$ 52,831</b>	
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,196	\$ 19,604	\$ 621,303	\$ 102,270	\$ (5,422)	\$ 283,529	\$ (15,694)	
Net Change in Fund Balances	\$ 3,196	\$ 19,604	\$ 621,303	\$ 102,270	\$ (5,422)	\$ 283,529	\$ (15,694)	
Fund Balance, July 1, 2011	20,391	185,374	356,471	444,612	90,574	1,414,249	17,748	
<b>Fund Balance, June 30, 2012</b>	<b>\$ 23,587</b>	<b>\$ 204,978</b>	<b>\$ 977,774</b>	<b>\$ 546,882</b>	<b>\$ 85,152</b>	<b>\$ 1,697,778</b>	<b>\$ 2,054</b>	

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)				Capital Projects Funds				Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Total	
<b>Revenues</b>									
Local Taxes	\$ 0	\$ 2,579,732	\$ 0	\$ 1,047,493	\$ 0	\$ 35,627	\$ 0	\$ 1,083,120	\$ 3,662,852
Fines, Forfeitures, and Penalties	0	413,821	0	0	0	0	0	0	413,821
Charges for Current Services	1,800,497	2,030,965	0	0	0	0	0	0	2,030,965
Other Local Revenues	0	155,806	121,276	791,961	1,174	0	0	914,411	1,070,217
State of Tennessee	0	99,129	0	2,834,384	401,090	1,168	500,000	3,736,642	3,835,771
Federal Government	0	1,007,388	0	0	0	0	0	0	1,007,388
Other Governments and Citizens Groups	0	20,000	0	20,609	0	0	0	20,609	40,609
<b>Total Revenues</b>	\$ 1,800,497	\$ 6,306,841	\$ 121,276	\$ 4,694,447	\$ 402,264	\$ 36,795	\$ 500,000	\$ 5,754,782	\$ 12,061,623
<b>Expenditures</b>									
Current:									
General Government	\$ 322,478	\$ 322,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,478
Finance	1,224,505	1,224,505	0	0	0	0	0	0	1,224,505
Administration of Justice	239,978	239,978	0	0	0	0	0	0	239,978
Public Safety	0	2,406,570	0	0	0	0	0	0	2,406,570
Public Health and Welfare	0	144,515	0	0	0	0	0	0	144,515
Social, Cultural, and Recreational Services	0	809,662	0	0	0	0	0	0	809,662
Other Operations	0	83,980	1,275	4,911,623	405,378	696	0	5,318,972	5,402,952
Capital Projects	0	52,831	615,374	0	11,387	452,229	1,078,990	1,131,821	1,131,821
<b>Total Expenditures</b>	\$ 1,786,961	\$ 5,284,519	\$ 616,649	\$ 4,911,623	\$ 405,378	\$ 12,083	\$ 452,229	\$ 6,397,962	\$ 11,682,481
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 13,536	\$ 1,022,322	\$ (495,373)	\$ (217,176)	\$ (3,114)	\$ 24,712	\$ 47,771	\$ (643,180)	\$ 379,142
<b>Net Change in Fund Balances</b>	\$ 13,536	\$ 1,022,322	\$ (495,373)	\$ (217,176)	\$ (3,114)	\$ 24,712	\$ 47,771	\$ (643,180)	\$ 379,142
<b>Fund Balance, July 1, 2011</b>	377,371	2,906,790	3,090,459	1,854,065	167,994	105,226	0	5,217,744	8,124,534
<b>Fund Balance, June 30, 2012</b>	\$ 390,907	\$ 3,929,112	\$ 2,595,086	\$ 1,636,889	\$ 164,880	\$ 129,938	\$ 47,771	\$ 4,574,564	\$ 8,503,676

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 513	\$ 500	\$ 500	\$ 13
Fines, Forfeitures, and Penalties	1,935	1,200	1,200	735
Charges for Current Services	10,373	10,500	10,500	(127)
Total Revenues	<u>\$ 12,821</u>	<u>\$ 12,200</u>	<u>\$ 12,200</u>	<u>\$ 621</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 9,497	\$ 11,160	\$ 11,160	\$ 1,663
<u>Other Operations</u>				
Other Charges	128	150	150	22
Total Expenditures	<u>\$ 9,625</u>	<u>\$ 11,310</u>	<u>\$ 11,310</u>	<u>\$ 1,685</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,196</u>	<u>\$ 890</u>	<u>\$ 890</u>	<u>\$ 2,306</u>
Net Change in Fund Balance	\$ 3,196	\$ 890	\$ 890	\$ 2,306
Fund Balance, July 1, 2011	<u>20,391</u>	<u>22,561</u>	<u>22,561</u>	<u>(2,170)</u>
Fund Balance, June 30, 2012	<u><u>\$ 23,587</u></u>	<u><u>\$ 23,451</u></u>	<u><u>\$ 23,451</u></u>	<u><u>\$ 136</u></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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 580,318	\$ 574,481	\$ 574,481	\$ 5,837
State of Tennessee	19,029	10,700	10,700	8,329
Total Revenues	<u>\$ 599,347</u>	<u>\$ 585,181</u>	<u>\$ 585,181</u>	<u>\$ 14,166</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 567,943	\$ 567,943	\$ 567,943	\$ 0
<u>Other Operations</u>				
Other Charges	11,800	12,000	12,000	200
Total Expenditures	<u>\$ 579,743</u>	<u>\$ 579,943</u>	<u>\$ 579,943</u>	<u>\$ 200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,604</u>	<u>\$ 5,238</u>	<u>\$ 5,238</u>	<u>\$ 14,366</u>
Net Change in Fund Balance	\$ 19,604	\$ 5,238	\$ 5,238	\$ 14,366
Fund Balance, July 1, 2011	<u>185,374</u>	<u>161,839</u>	<u>161,839</u>	<u>23,535</u>
Fund Balance, June 30, 2012	<u>\$ 204,978</u>	<u>\$ 167,077</u>	<u>\$ 167,077</u>	<u>\$ 37,901</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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 220,090	\$ 0	\$ 220,090	\$ 250,000	\$ 250,000	\$ (29,910)
Other Local Revenues	37,929	0	37,929	1,264	33,000	4,929
State of Tennessee	65,100	0	65,100	65,000	65,000	100
Federal Government	839,721	0	839,721	0	839,827	(106)
Other Governments and Citizens Groups	20,000	0	20,000	20,000	20,000	0
Total Revenues	\$ 1,182,840	\$ 0	\$ 1,182,840	\$ 336,264	\$ 1,207,827	\$ (24,987)
<u>Expenditures</u>						
<u>Public Safety</u>						
Disaster Relief	\$ 394,509	\$ 0	\$ 394,509	\$ 0	\$ 395,829	\$ 1,320
<u>Public Health and Welfare</u>						
Other Waste Collection	45,544	0	45,544	65,000	65,000	19,456
Recycling Center	91,838	(118)	91,720	93,789	93,789	2,069
<u>Other Operations</u>						
Other Charges	3,146	0	3,146	3,363	3,363	217
Contributions to Other Agencies	26,500	0	26,500	26,500	26,500	0
Total Expenditures	\$ 561,537	\$ (118)	\$ 561,419	\$ 188,652	\$ 584,481	\$ 23,062
Excess (Deficiency) of Revenues Over Expenditures	\$ 621,303	\$ 118	\$ 621,421	\$ 147,612	\$ 623,346	\$ (1,925)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 621,303	\$ 118	\$ 621,421	\$ 147,612	\$ 623,346	\$ (1,925)
	356,471	(118)	356,353	213,106	213,106	143,247
Fund Balance, June 30, 2012	\$ 977,774	\$ 0	\$ 977,774	\$ 360,718	\$ 836,452	\$ 141,322

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 411,886	\$ 0	\$ 0	\$ 411,886	\$ 454,440	\$ 454,440	\$ (42,554)
Other Local Revenues	2,259	0	0	2,259	40,875	42,304	(40,045)
Federal Government	7,954	0	0	7,954	0	7,954	0
Total Revenues	\$ 422,099	\$ 0	\$ 0	\$ 422,099	\$ 495,315	\$ 504,698	\$ (82,599)
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 45,670	(600)	2,163	\$ 47,233	\$ 80,400	\$ 71,829	\$ 24,596
Drug Enforcement	262,917	(128)	3,081	265,870	406,229	419,183	153,313
Public Health and Welfare							
Alcohol and Drug Programs	7,133	0	0	7,133	5,000	10,000	2,867
Other Operations	4,109	0	0	4,109	3,000	5,000	891
Other Charges							
Total Expenditures	\$ 319,829	\$ (728)	\$ 5,244	\$ 324,345	\$ 494,629	\$ 506,012	\$ 181,667
Excess (Deficiency) of Revenues Over Expenditures	\$ 102,270	\$ 728	\$ (5,244)	\$ 97,754	\$ 686	\$ (1,314)	\$ 99,068
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 102,270	\$ 728	\$ (5,244)	\$ 97,754	\$ 686	\$ (1,314)	\$ 99,068
	444,612	(728)	0	443,884	270,602	270,602	173,282
Fund Balance, June 30, 2012	\$ 546,882	\$ 0	\$ (5,244)	\$ 541,638	\$ 271,288	\$ 269,288	\$ 272,350

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 195,380	\$ 150,000	\$ 150,000	\$ 45,380
Other Local Revenues	33,372	33,372	33,372	0
Total Revenues	<u>\$ 228,752</u>	<u>\$ 183,372</u>	<u>\$ 183,372</u>	<u>\$ 45,380</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 232,222	\$ 184,084	\$ 234,818	\$ 2,596
<u>Other Operations</u>				
Other Charges	1,952	1,900	1,952	0
Total Expenditures	<u>\$ 234,174</u>	<u>\$ 185,984</u>	<u>\$ 236,770</u>	<u>\$ 2,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,422)</u>	<u>\$ (2,612)</u>	<u>\$ (53,398)</u>	<u>\$ 47,976</u>
Net Change in Fund Balance	\$ (5,422)	\$ (2,612)	\$ (53,398)	\$ 47,976
Fund Balance, July 1, 2011	<u>90,574</u>	<u>50,517</u>	<u>55,517</u>	<u>35,057</u>
Fund Balance, June 30, 2012	<u>\$ 85,152</u>	<u>\$ 47,905</u>	<u>\$ 2,119</u>	<u>\$ 83,033</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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,803,521	\$ 0	\$ 0	\$ 1,803,521	\$ 1,745,092	\$ 1,784,392	\$ 19,129
Charges for Current Services	5	0	0	5	0	0	5
Other Local Revenues	45,109	0	0	45,109	25,000	44,767	342
State of Tennessee	15,000	0	0	15,000	0	15,000	0
Federal Government	159,713	0	0	159,713	0	159,713	0
Total Revenues	\$ 2,023,348	\$ 0	\$ 0	\$ 2,023,348	\$ 1,770,092	\$ 2,003,872	\$ 19,476
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 1,684,851	\$ (80,690)	\$ 66,387	\$ 1,670,548	\$ 1,726,455	\$ 1,787,028	\$ 116,480
Disaster Relief	18,623	0	0	18,623	0	81,000	62,377
<u>Other Operations</u>							
Other Charges	36,345	0	0	36,345	38,000	38,000	1,655
Total Expenditures	\$ 1,739,819	\$ (80,690)	\$ 66,387	\$ 1,725,516	\$ 1,764,455	\$ 1,906,028	\$ 180,512
Excess (Deficiency) of Revenues Over Expenditures	\$ 283,529	\$ 80,690	\$ (66,387)	\$ 297,832	\$ 5,637	\$ 97,844	\$ 199,988
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 283,529	\$ 80,690	\$ (66,387)	\$ 297,832	\$ 5,637	\$ 97,844	\$ 199,988
	1,414,249	(80,690)	0	1,333,559	1,122,433	1,122,433	211,126
Fund Balance, June 30, 2012	\$ 1,697,778	\$ 0	\$ (66,387)	\$ 1,631,391	\$ 1,128,070	\$ 1,220,277	\$ 411,114

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 37,137	\$ 0	\$ 60,000	\$ (22,863)
Total Revenues	\$ 37,137	\$ 0	\$ 60,000	\$ (22,863)
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 52,831	\$ 0	\$ 60,000	\$ 7,169
Total Expenditures	\$ 52,831	\$ 0	\$ 60,000	\$ 7,169
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,694)	\$ 0	\$ 0	\$ (15,694)
Net Change in Fund Balance	\$ (15,694)	\$ 0	\$ 0	\$ (15,694)
Fund Balance, July 1, 2011	17,748	0	0	17,748
Fund Balance, June 30, 2012	\$ 2,054	\$ 0	\$ 0	\$ 2,054

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,724,622	\$ 4,797,887	\$ 4,863,087	\$ (138,465)
State of Tennessee	154,913	143,900	153,900	1,013
Federal Government	327,278	0	327,278	0
Total Revenues	<u>\$ 5,206,813</u>	<u>\$ 4,941,787</u>	<u>\$ 5,344,265</u>	<u>\$ (137,452)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 98,690	\$ 108,654	\$ 108,654	\$ 9,964
<u>Principal on Debt</u>				
General Government	666,894	666,894	666,894	0
Education	2,892,155	2,939,535	2,892,155	0
<u>Interest on Debt</u>				
General Government	231,861	689,000	489,000	257,139
Education	1,901,354	2,408,000	2,335,080	433,726
<u>Other Debt Service</u>				
General Government	239,368	125,000	325,000	85,632
Education	575,536	300,000	700,000	124,464
Total Expenditures	<u>\$ 6,605,858</u>	<u>\$ 7,237,083</u>	<u>\$ 7,516,783</u>	<u>\$ 910,925</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,399,045)</u>	<u>\$ (2,295,296)</u>	<u>\$ (2,172,518)</u>	<u>\$ 773,473</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 5,349	\$ 203,630	\$ 5,349	\$ 0
Transfers Out	0	0	(1,833,827)	1,833,827
Total Other Financing Sources (Uses)	<u>\$ 5,349</u>	<u>\$ 203,630</u>	<u>\$ (1,828,478)</u>	<u>\$ 1,833,827</u>
Net Change in Fund Balance	\$ (1,393,696)	\$ (2,091,666)	\$ (4,000,996)	\$ 2,607,300
Fund Balance, July 1, 2011	<u>15,529,814</u>	<u>15,723,977</u>	<u>15,723,977</u>	<u>(194,163)</u>
Fund Balance, June 30, 2012	<u>\$ 14,136,118</u>	<u>\$ 13,632,311</u>	<u>\$ 11,722,981</u>	<u>\$ 2,413,137</u>

# Fiduciary Funds

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

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of 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 were remitted to the city school system. This fund was closed during the period.

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, 2012

		Agency Funds							
		Cities -		Inside		City		Constitu- tional Officers - Agency	Total
Cities - Sales Tax	Sales Tax In Litigation	Urban Fringe Area Fire Tax	Urban Fringe Area Fire Tax	School ADA - Cleveland	School ADA - Cleveland				
\$	0	\$	0	\$	0	\$	0	\$	4,953,249
	0	1,395,720	212,543	7,733	0	0	0	0	1,615,996
	0	168	0	0	0	0	0	0	168
	1,714,169	80,121	0	883,483	0	0	0	0	2,677,773
	0	0	2,157,230	6,021,927	0	0	0	0	8,179,157
	0	0	(222,176)	(275,700)	0	0	0	0	(497,876)
	<u>\$ 1,714,169</u>	<u>\$ 1,476,009</u>	<u>\$ 2,147,597</u>	<u>\$ 6,637,443</u>	<u>\$ 4,953,249</u>	<u>\$ 16,928,467</u>			

ASSETS

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

LIABILITIES

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

\$	1,714,169	\$	1,476,009	\$	2,147,597	\$	6,637,443	\$	0	\$	11,975,218
	0	0	0	0	0	0	0	4,953,249	4,953,249		
	<u>\$ 1,714,169</u>	<u>\$ 1,476,009</u>	<u>\$ 2,147,597</u>	<u>\$ 6,637,443</u>	<u>\$ 4,953,249</u>	<u>\$ 16,928,467</u>					

## Exhibit H-2

Bradley County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 10,273,775	\$ 10,273,775	\$ 0
Due from Other Governments	1,681,961	1,714,169	1,681,961	1,714,169
<b>Total Assets</b>	<b>\$ 1,681,961</b>	<b>\$ 11,987,944</b>	<b>\$ 11,955,736</b>	<b>\$ 1,714,169</b>
<u>Liabilities</u>				
Due to Other Taxing Units	1,681,961	11,987,944	11,955,736	1,714,169
<b>Total Liabilities</b>	<b>\$ 1,681,961</b>	<b>\$ 11,987,944</b>	<b>\$ 11,955,736</b>	<b>\$ 1,714,169</b>
<u>Cities - Sales Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 853,266	\$ 542,454	\$ 0	\$ 1,395,720
Accounts Receivable	168	168	168	168
Due from Other Governments	85,025	80,121	85,025	80,121
<b>Total Assets</b>	<b>\$ 938,459</b>	<b>\$ 622,743</b>	<b>\$ 85,193</b>	<b>\$ 1,476,009</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 938,459	\$ 622,743	\$ 85,193	\$ 1,476,009
<b>Total Liabilities</b>	<b>\$ 938,459</b>	<b>\$ 622,743</b>	<b>\$ 85,193</b>	<b>\$ 1,476,009</b>
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 122,736	\$ 1,951,284	\$ 1,861,477	\$ 212,543
Taxes Receivable	2,186,027	2,157,230	2,186,027	2,157,230
Allowance for Uncollectible Taxes	(212,810)	(222,176)	(212,810)	(222,176)
<b>Total Assets</b>	<b>\$ 2,095,953</b>	<b>\$ 3,886,338</b>	<b>\$ 3,834,694</b>	<b>\$ 2,147,597</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,095,953	\$ 3,886,338	\$ 3,834,694	\$ 2,147,597
<b>Total Liabilities</b>	<b>\$ 2,095,953</b>	<b>\$ 3,886,338</b>	<b>\$ 3,834,694</b>	<b>\$ 2,147,597</b>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 16,126	\$ 10,976,338	\$ 10,984,731	\$ 7,733
Due from Other Governments	845,906	883,483	845,906	883,483
Taxes Receivable	6,000,361	6,021,927	6,000,361	6,021,927
Allowance for Uncollectible Taxes	(261,115)	(275,700)	(261,115)	(275,700)
Total Assets	\$ 6,601,278	\$ 17,606,048	\$ 17,569,883	\$ 6,637,443
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,601,278	\$ 17,606,048	\$ 17,569,883	\$ 6,637,443
Total Liabilities	\$ 6,601,278	\$ 17,606,048	\$ 17,569,883	\$ 6,637,443
<u>City School ADA - Build America Bonds Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 852,818	\$ 142	\$ 852,960	\$ 0
Total Assets	\$ 852,818	\$ 142	\$ 852,960	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 852,818	\$ 142	\$ 852,960	\$ 0
Total Liabilities	\$ 852,818	\$ 142	\$ 852,960	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 4,889,222	\$ 20,887,653	\$ 20,823,626	\$ 4,953,249
Total Assets	\$ 4,889,222	\$ 20,887,653	\$ 20,823,626	\$ 4,953,249
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,889,222	\$ 20,887,653	\$ 20,823,626	\$ 4,953,249
Total Liabilities	\$ 4,889,222	\$ 20,887,653	\$ 20,823,626	\$ 4,953,249

(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	\$ 4,889,222	\$ 20,887,653	\$ 20,823,626	\$ 4,953,249
Equity in Pooled Cash and Investments	1,844,946	23,743,993	23,972,943	1,615,996
Accounts Receivable	168	168	168	168
Due from Other Governments	2,612,892	2,677,773	2,612,892	2,677,773
Taxes Receivable	8,186,388	8,179,157	8,186,388	8,179,157
Allowance for Uncollectible Taxes	(473,925)	(497,876)	(473,925)	(497,876)
Total Assets	<u>\$ 17,059,691</u>	<u>\$ 54,990,868</u>	<u>\$ 55,122,092</u>	<u>\$ 16,928,467</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,170,469	\$ 34,103,215	\$ 34,298,466	\$ 11,975,218
Due to Litigants, Heirs, and Others	4,889,222	20,887,653	20,823,626	4,953,249
Total Liabilities	<u>\$ 17,059,691</u>	<u>\$ 54,990,868</u>	<u>\$ 55,122,092</u>	<u>\$ 16,928,467</u>

# Bradley County School Department

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

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

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, 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. This fund was closed during the period.

Exhibit I-1

Bradley County, Tennessee  
Statement of Activities  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 50,781,665	\$ 37,412	\$ 9,799,292	\$ (40,944,961)
Support Services	22,919,057	8,623	0	(22,910,434)
Operation of Non-Instructional Services	7,036,068	2,063,573	3,312,172	(1,660,323)
Total Governmental Activities	\$ 80,736,790	\$ 2,109,608	\$ 13,111,464	\$ (65,515,718)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 11,692,391
Local Option Sales Taxes				10,425,373
Grants and Contributions Not Restricted to Specific Programs				42,514,979
Unrestricted Investment Earnings				20,648
Proceeds from Sale of Equipment				6,199
Miscellaneous				23,502
Total General Revenues				\$ 64,683,092
Insurance Recovery				\$ 715,276
Change in Net Assets				\$ (117,350)
Net Assets, July 1, 2011				73,724,003
Net Assets, June 30, 2012				\$ 73,606,653

Exhibit I-2

Bradley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 24,667	\$ 24,667
Equity in Pooled Cash and Investments	13,007,918	1,963,924	14,971,842
Due from Other Governments	2,293,568	299,499	2,593,067
Property Taxes Receivable	12,138,576	0	12,138,576
Allowance for Uncollectible Property Taxes	(555,733)	0	(555,733)
Total Assets	<u>\$ 26,884,329</u>	<u>\$ 2,288,090</u>	<u>\$ 29,172,419</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 263,019	\$ 0	\$ 263,019
Accrued Payroll	5,670,081	429,651	6,099,732
Payroll Deductions Payable	934,386	36,514	970,900
Deferred Revenue - Current Property Taxes	11,320,286	0	11,320,286
Deferred Revenue - Delinquent Property Taxes	158,872	0	158,872
Other Deferred Revenues	915,769	0	915,769
Total Liabilities	<u>\$ 19,262,413</u>	<u>\$ 466,165</u>	<u>\$ 19,728,578</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 381,315	\$ 1,521,925	\$ 1,903,240
Committed:			
Committed for Education	0	300,000	300,000
Unassigned	7,240,601	0	7,240,601
Total Fund Balances	<u>\$ 7,621,916</u>	<u>\$ 1,821,925</u>	<u>\$ 9,443,841</u>
Total Liabilities and Fund Balances	<u>\$ 26,884,329</u>	<u>\$ 2,288,090</u>	<u>\$ 29,172,419</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, 2012

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)		\$	9,443,841
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Add: land	\$	1,610,912	
Add: buildings and improvements net of accumulated depreciation		66,267,949	
Add: other capital assets net of accumulated depreciation		<u>410,534</u>	68,289,395
(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	\$	(94,760)	
Less: capital lease payable		(410,556)	
Less: other postemployment benefits liability		(4,693,807)	
Less: accrued interest on capital lease		<u>(2,101)</u>	(5,201,224)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,074,641</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>73,606,653</u></u>

Exhibit I-4

Bradley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 22,089,809	\$ 0	\$ 22,089,809
Licenses and Permits	5,184	0	5,184
Charges for Current Services	10,633	2,059,270	2,069,903
Other Local Revenues	132,068	2,701	134,769
State of Tennessee	43,623,711	0	43,623,711
Federal Government	2,317,244	9,584,067	11,901,311
Total Revenues	<u>\$ 68,178,649</u>	<u>\$ 11,646,038</u>	<u>\$ 79,824,687</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 41,271,647	\$ 4,894,941	\$ 46,166,588
Support Services	21,266,313	1,991,744	23,258,057
Operation of Non-Instructional Services	1,807,711	5,261,611	7,069,322
Capital Outlay	2,171,658	0	2,171,658
Capital Projects	0	21,018	21,018
Total Expenditures	<u>\$ 66,517,329</u>	<u>\$ 12,169,314</u>	<u>\$ 78,686,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,661,320</u>	<u>\$ (523,276)</u>	<u>\$ 1,138,044</u>
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 302,000	\$ 0	\$ 302,000
Insurance Recovery	715,276	0	715,276
Transfers In	39,250	0	39,250
Transfers Out	0	(39,250)	(39,250)
Total Other Financing Sources (Uses)	<u>\$ 1,056,526</u>	<u>\$ (39,250)</u>	<u>\$ 1,017,276</u>
Net Change in Fund Balances	\$ 2,717,846	\$ (562,526)	\$ 2,155,320
Fund Balance, July 1, 2011	4,904,070	2,384,451	7,288,521
Fund Balance, June 30, 2012	<u>\$ 7,621,916</u>	<u>\$ 1,821,925</u>	<u>\$ 9,443,841</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, 2012

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,155,320
(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	\$ 2,169,008	
Less: current-year depreciation expense	<u>(2,805,990)</u>	(636,982)
(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 assets		(184,969)
(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, 2011	\$ (1,001,363)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>1,074,641</u>	73,278
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	\$ (302,000)	
Add: principal payments on note	47,380	
Add: principal payments on capital lease	<u>148,062</u>	(106,558)
(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	\$ (1,418,417)	
Change in accrued interest on capital lease	<u>978</u>	<u>(1,417,439)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (117,350)</u>

Exhibit I-6

Bradley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2012

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 24,667	\$ 24,667
Equity in Pooled Cash and Investments	687,792	1,276,132	1,963,924
Due from Other Governments	66,935	232,564	299,499
Total Assets	<u>\$ 754,727</u>	<u>\$ 1,533,363</u>	<u>\$ 2,288,090</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accrued Payroll	\$ 429,651	\$ 0	\$ 429,651
Payroll Deductions Payable	315	36,199	36,514
Total Liabilities	<u>\$ 429,966</u>	<u>\$ 36,199</u>	<u>\$ 466,165</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 24,761	\$ 1,497,164	\$ 1,521,925
Committed:			
Committed for Education	300,000	0	300,000
Total Fund Balances	<u>\$ 324,761</u>	<u>\$ 1,497,164</u>	<u>\$ 1,821,925</u>
Total Liabilities and Fund Balances	<u>\$ 754,727</u>	<u>\$ 1,533,363</u>	<u>\$ 2,288,090</u>

Exhibit I-7

Bradley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

	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	\$ 2,059,270	\$ 2,059,270	\$ 0	\$ 2,059,270
Other Local Revenues	0	2,701	2,701	0	2,701
Federal Government	6,295,536	3,288,531	9,584,067	0	9,584,067
Total Revenues	<u>\$ 6,295,536</u>	<u>\$ 5,350,502</u>	<u>\$ 11,646,038</u>	<u>\$ 0</u>	<u>\$ 11,646,038</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 4,894,941	\$ 0	\$ 4,894,941	\$ 0	\$ 4,894,941
Support Services	1,991,744	0	1,991,744	0	1,991,744
Operation of Non-Instructional Services	0	5,261,611	5,261,611	0	5,261,611
Capital Projects	0	0	0	21,018	21,018
Total Expenditures	<u>\$ 6,886,685</u>	<u>\$ 5,261,611</u>	<u>\$ 12,148,296</u>	<u>\$ 21,018</u>	<u>\$ 12,169,314</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (591,149)</u>	<u>\$ 88,891</u>	<u>\$ (502,258)</u>	<u>\$ (21,018)</u>	<u>\$ (523,276)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (39,250)	\$ 0	\$ (39,250)	\$ 0	\$ (39,250)
Total Other Financing Sources (Uses)	<u>\$ (39,250)</u>	<u>\$ 0</u>	<u>\$ (39,250)</u>	<u>\$ 0</u>	<u>\$ (39,250)</u>
Net Change in Fund Balances	\$ (630,399)	\$ 88,891	\$ (541,508)	\$ (21,018)	\$ (562,526)
Fund Balance, July 1, 2011	955,160	1,408,273	2,363,433	21,018	2,384,451
Fund Balance, June 30, 2012	<u>\$ 324,761</u>	<u>\$ 1,497,164</u>	<u>\$ 1,821,925</u>	<u>\$ 0</u>	<u>\$ 1,821,925</u>

Exhibit I-8

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bradley County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 22,089,809	\$ 21,279,499	\$ 21,429,499	\$ 660,310
Licenses and Permits	5,184	5,000	5,000	184
Charges for Current Services	10,633	17,000	17,000	(6,367)
Other Local Revenues	132,068	30,000	119,506	12,562
State of Tennessee	43,623,711	41,517,000	43,308,427	315,284
Federal Government	2,317,244	340,000	3,048,505	(731,261)
<b>Total Revenues</b>	<b>\$ 68,178,649</b>	<b>\$ 63,188,499</b>	<b>\$ 67,927,937</b>	<b>\$ 250,712</b>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 35,296,123	\$ 36,117,749	\$ 36,243,722	\$ 947,599
Special Education Program	3,192,486	3,199,800	3,199,800	7,314
Vocational Education Program	2,602,027	2,635,650	2,635,650	33,623
Adult Education Program	181,011	200,000	200,000	18,989
<u>Support Services</u>				
Attendance	133,975	138,850	138,850	4,875
Health Services	1,162,509	609,350	1,238,929	76,420
Other Student Support	2,251,392	1,837,600	2,591,190	339,798
Regular Instruction Program	2,298,477	1,941,800	2,479,965	181,488
Special Education Program	645,299	645,300	645,300	1
Vocational Education Program	121,047	123,300	123,300	2,253
Other Programs	641,957	0	810,227	168,270
Board of Education	770,321	841,700	841,700	71,379
Director of Schools	353,156	368,700	368,700	15,544
Office of the Principal	3,638,684	3,667,000	3,667,000	28,316
Fiscal Services	331,751	345,100	345,100	13,349
Operation of Plant	4,891,629	4,944,600	5,136,600	244,971
Maintenance of Plant	1,100,038	1,111,950	1,111,950	11,912
Transportation	2,201,764	2,193,965	2,223,965	22,201
Central and Other	724,314	724,700	724,700	386
<u>Operation of Non-Instructional Services</u>				
Food Service	75,958	81,250	81,250	5,292
Community Services	373,298	0	373,450	152
Early Childhood Education	1,358,455	0	1,358,455	0
<u>Capital Outlay</u>				
Regular Capital Outlay	2,171,658	1,500,135	2,860,135	688,477
<b>Total Expenditures</b>	<b>\$ 66,517,329</b>	<b>\$ 63,228,499</b>	<b>\$ 69,399,938</b>	<b>\$ 2,882,609</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,661,320	\$ (40,000)	\$ (1,472,001)	\$ 3,133,321

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 302,000	\$ 0	\$ 302,000	\$ 0
Insurance Recovery	715,276	0	1,130,000	(414,724)
Transfers In	39,250	40,000	40,000	(750)
Total Other Financing Sources (Uses)	<u>\$ 1,056,526</u>	<u>\$ 40,000</u>	<u>\$ 1,472,000</u>	<u>\$ (415,474)</u>
Net Change in Fund Balance	\$ 2,717,846	\$ 0	\$ (1)	\$ 2,717,847
Fund Balance, July 1, 2011	<u>4,904,070</u>	<u>6,212,566</u>	<u>6,212,566</u>	<u>(1,308,496)</u>
Fund Balance, June 30, 2012	<u>\$ 7,621,916</u>	<u>\$ 6,212,566</u>	<u>\$ 6,212,565</u>	<u>\$ 1,409,351</u>

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,295,536	\$ 7,796,008	\$ 8,178,377	\$ (1,882,841)
Total Revenues	\$ 6,295,536	\$ 7,796,008	\$ 8,178,377	\$ (1,882,841)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,509,948	\$ 3,493,334	\$ 3,538,964	\$ 29,016
Special Education Program	1,269,051	1,827,392	1,806,895	537,844
Vocational Education Program	115,942	95,197	120,831	4,889
<u>Support Services</u>				
Other Student Support	395,560	317,000	421,367	25,807
Regular Instruction Program	549,260	832,397	944,007	394,747
Special Education Program	831,907	1,779,213	1,779,213	947,306
Vocational Education Program	38,066	0	30,000	(8,066)
Transportation	176,951	296,528	296,528	119,577
Total Expenditures	\$ 6,886,685	\$ 8,641,061	\$ 8,937,805	\$ 2,051,120
Excess (Deficiency) of Revenues Over Expenditures	\$ (591,149)	\$ (845,053)	\$ (759,428)	\$ 168,279
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 123,840	\$ 123,840	\$ (123,840)
Transfers Out	(39,250)	(84,563)	(208,352)	169,102
Total Other Financing Sources (Uses)	\$ (39,250)	\$ 39,277	\$ (84,512)	\$ 45,262
Net Change in Fund Balance	\$ (630,399)	\$ (805,776)	\$ (843,940)	\$ 213,541
Fund Balance, July 1, 2011	955,160	955,160	955,160	0
Fund Balance, June 30, 2012	\$ 324,761	\$ 149,384	\$ 111,220	\$ 213,541

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,059,270	\$ 2,450,000	\$ 2,450,000	\$ (390,730)
Other Local Revenues	2,701	15,000	15,000	(12,299)
Federal Government	3,288,531	3,170,000	3,422,694	(134,163)
Total Revenues	<u>\$ 5,350,502</u>	<u>\$ 5,635,000</u>	<u>\$ 5,887,694</u>	<u>\$ (537,192)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,261,611	\$ 5,635,000	\$ 5,887,694	\$ 626,083
Total Expenditures	<u>\$ 5,261,611</u>	<u>\$ 5,635,000</u>	<u>\$ 5,887,694</u>	<u>\$ 626,083</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 88,891</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 88,891</u>
Net Change in Fund Balance	\$ 88,891	\$ 0	\$ 0	\$ 88,891
Fund Balance, July 1, 2011	<u>1,408,273</u>	<u>1,649,730</u>	<u>1,649,730</u>	<u>(241,457)</u>
Fund Balance, June 30, 2012	<u>\$ 1,497,164</u>	<u>\$ 1,649,730</u>	<u>\$ 1,649,730</u>	<u>\$ (152,566)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Bradley County, Tennessee  
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases  
Primary Government and Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<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	\$ 0	\$ 17,550,000
Total Bond Payable					<u>\$ 17,550,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,550,000</u>
<u>NOTE PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Efficiency	168,340	0	6-4-07	6-4-14	\$ 72,144	\$ 0	\$ 24,049	\$ 48,095
Total Note Payable					<u>\$ 72,144</u>	<u>\$ 0</u>	<u>\$ 24,049</u>	<u>\$ 48,095</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	\$ 4,940,000	\$ 0	\$ 600,000	\$ 4,340,000
Refunding Loan Series V-1-1	12,050,000	3 to 4.25	2-18-09	6-30-21	12,050,000	0	920,000	11,130,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	43,205,000	0	2,015,000	41,190,000
Total Other Loans Payable					<u>\$ 60,195,000</u>	<u>\$ 0</u>	<u>\$ 3,535,000</u>	<u>\$ 56,660,000</u>
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Patrol Car	20,302	6.15	1-13-10	1-13-12	\$ 6,759	\$ 0	\$ 6,759	\$ 0
Patrol Cars	173,434	4.65	12-14-09	12-14-11	57,771	0	57,771	0
Total Capital Leases Payable					<u>\$ 64,530</u>	<u>\$ 0</u>	<u>\$ 64,530</u>	<u>\$ 0</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 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
Payable through General Purpose School Fund Lighting Project	\$ 331,660	0 %	6-4-07	6-15-14	\$ 142,140	\$ 0	\$ 47,380	\$ 94,760
Total Note Payable					\$ 142,140	\$ 0	\$ 47,380	\$ 94,760
<u>CAPITAL LEASE PAYABLE</u>								
Payable through General Purpose School Fund Lighting Project	547,182	4.8	5-18-07	4-1-14	\$ 256,618	\$ 0	\$ 81,562	\$ 175,056
Energy Efficient Upgrades and Equipment	302,000	4.85	6-18-12	7-31-15	0	302,000	66,500	235,500
Total Capital Lease Payable					\$ 256,618	\$ 302,000	\$ 148,062	\$ 410,556

(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)	
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	\$ 13,172,215	\$ (4,610,275)	\$ 26,111,940

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 24,048	\$ 0	\$ 24,048
2014	24,047	0	24,047
Total	\$ 48,095	\$ 0	\$ 48,095

(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	
2013	\$ 3,695,000	\$ 454,309	\$ 804,518	\$ 4,953,827
2014	3,860,000	415,258	764,118	5,039,376
2015	4,035,000	375,199	721,502	5,131,701
2016	4,280,000	328,972	676,585	5,285,557
2017	4,480,000	278,493	629,662	5,388,155
2018	4,685,000	224,381	579,811	5,489,192
2019	4,905,000	171,476	527,325	5,603,801
2020	5,140,000	131,185	459,699	5,730,884
2021	5,390,000	87,319	388,553	5,865,872
2022	2,420,000	30,761	271,344	2,722,105
2023	2,545,000	26,163	230,785	2,801,948
2024	2,680,000	21,328	188,131	2,889,459
2025	2,790,000	16,236	143,214	2,949,450
2026	5,755,000	10,934	96,454	5,862,388
Total	\$ 56,660,000	\$ 2,572,014	\$ 6,481,701	\$ 65,713,715

DISCRETELY PRESENTED BRADLEY  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 47,380	\$ 0	\$ 47,380
2014	47,380	0	47,380
Total	\$ 94,760	\$ 0	\$ 94,760

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2013	\$ 147,717	\$ 9,737	\$ 157,454
2014	144,561	12,893	157,454
2015	57,708	5,866	63,574
2016	60,570	3,004	63,574
Total	\$ 410,556	\$ 31,500	\$ 442,056

Exhibit J-3

Bradley County, Tennessee  
Schedule of Notes Receivable  
June 30, 2012

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12
<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	0	3,023
"	Timmie Varner	3,500	10-5-1993	10-5-23	0	1,468
"	Rebecca Young	2,200	4-27-1994	4-27-24	0	1,626
"	Beryl Paul, Jr.	3,600	5-25-1994	5-25-24	0	2,540
"	Donna Yarber	1,800	10-4-1994	10-4-24	0	1,055
"	Robin Sharp	14,700	10-24-1994	10-24-24	0	11,637
"	Patricia Kendrick	2,300	1-17-1995	1-17-25	0	1,770
"	Angela Thornton	1,300	3-2-1995	3-2-25	0	605
"	Kim Swafford	5,000	5-12-1995	5-12-25	0	3,583
"	Yolandia Thomas	2,100	5-22-1995	5-22-25	0	1,826
"	Christine Scott	1,500	5-20-1995	5-20-25	0	1,400

Total

\$ 33,844

Exhibit J-4

Bradley County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Reimbursement	\$ 5,349
Total Transfers Primary Government			<u>\$ 5,349</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 39,250
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 39,250</u>

Exhibit J-5

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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 88,947 (1)	\$ 50,000	Auto Owners (Mutual) Insurance
Highway Superintendent	Section 8-24-102, TCA, and County Commission	81,605 (7)	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	114,839 (2)	(3)	"
Trustee	Section 8-24-102, TCA, and County Commission	74,185 (6)	3,057,500	"
Assessor of Property	Section 8-24-102, TCA, and County Commission	74,185 (6)	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, TCA, and County Commission	74,185 (6)	50,000	Auto Owners (Mutual) Insurance
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA, and County Commission	74,185 (6)	50,000	"
Clerk and Master	Section 8-24-102, TCA, and County Commission	74,185 (4) (6)	50,000	Travelers Casualty and Surety Company of America
Register	Section 8-24-102, TCA, and County Commission	74,185 (6)	25,000	Auto Owners (Mutual) Insurance
Sheriff	Section 8-24-102, TCA, and County Commission	81,605 (5) (7)	25,000	"
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 and salary supplement of \$2,540.
- (2) Does not include a travel allowance of \$12,060, chief officer training supplement of \$1,000, and retirement reimbursement of \$6,345.
- (3) The director of schools is covered under the school employee dishonesty bond.
- (4) Does not include special commissioner fees of \$7,909.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) Includes salary supplement of \$1,971.
- (7) Includes salary supplement of \$2,169.

Exhibit J-6

Bradley County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,030,796	\$ 0	\$ 532,043	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	301,247	0	21,225	0	0	0
Circuit/Clerk & Master Collections - Prior Years	283,399	0	15,175	0	0	0
Interest and Penalty	62,094	0	3,326	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,727	0	360	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	2,447	0	131	0	0	0
Payments in-Lieu-of Taxes - Other	118,810	0	6,362	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,508,447	0	0	0	0	0
Hotel/Motel Tax	586,140	0	0	0	0	195,380
Litigation Tax - General	319,715	0	0	0	0	0
Litigation Tax - Special Purpose	63,444	513	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse Business Tax	95,171	0	0	0	0	0
Statutory Local Taxes	1,184,507	0	0	0	0	0
Bank Excise Tax	31,672	0	1,696	0	0	0
Wholesale Beer Tax	340,654	0	0	0	0	0
Interstate Telecommunications Tax	3,102	0	0	0	0	0
Total Local Taxes	\$ 17,938,372	\$ 513	\$ 580,318	\$ 0	\$ 0	\$ 195,380
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 231,980	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	3,467	0	0	0	0	0
Building Permits	423,240	0	0	0	0	0
Electrical Permits	2	0	0	0	0	0
Other Permits	2,931	0	0	0	0	0
Total Licenses and Permits	\$ 661,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business	
<u>Circuit Court</u>							
Fines	\$ 9,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	48,068	0	0	0	0	0	0
Drug Control Fines	10,408	0	0	0	61,849	0	0
Jail Fees	4,186	0	0	0	0	0	0
Data Entry Fee - Circuit Court	18,532	0	0	0	0	0	0
Courtroom Security Fee	1,781	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	153,331	1,935	0	0	0	0	0
Officers Costs	136,372	0	0	0	0	0	0
Drug Control Fines	19,796	0	0	0	19,995	0	0
Jail Fees	80,289	0	0	0	0	0	0
DUI Treatment Fines	20,123	0	0	0	0	0	0
Data Entry Fee - Criminal Court	7,253	0	0	0	0	0	0
Courtroom Security Fee	114	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	6,557	0	0	0	0	0	0
Fines for Littering	484	0	0	0	0	0	0
Jail Fees	22,272	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,535	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	1,240	0	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0	0
Victims Assistance Assessments	9,550	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	321	0	0	0	0	0	0
Data Entry Fee - Chancery Court	480	0	0	0	0	0	0
Courtroom Security Fee	90	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	15,824	0	0	0	0	0	0
Drug Court Fees	67,584	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Judicial District Drug Program</u>							
Fines	\$ 194	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	20,664	0	0	0	330,042	0	0
Other Fines, Forfeitures, and Penalties	1,534	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 666,439	\$ 1,935	\$ 0	\$ 0	\$ 411,886	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 220,090	\$ 0	\$ 0	\$ 0
Water Treatment Charges	11,675	0	0	0	0	0	0
Patient Charges	3,817,589	0	0	0	0	0	0
Zoning Studies	755	0	0	0	0	0	0
Work Release Charges for Board	6,418	0	0	0	0	0	0
Other General Service Charges	33,643	0	0	0	0	0	0
Service Charges	70,695	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	685	0	0	0	0	0	0
Recreation Fees	126,649	0	0	0	0	0	0
Copy Fees	5,987	0	0	0	0	0	0
Library Fees	0	10,373	0	0	0	0	0
Telephone Commissions	83,938	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0
Data Processing Fee - Register	34,516	0	0	0	0	0	0
Probation Fees	367,267	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,743	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,100	0	0	0	0	0	0
Education Charges							
Community Service Fees - Adults	10,516	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	
<u>Charges for Current Services (Cont.)</u>							
<u>Other Charges for Services</u>							
Other Charges for Services	\$ 19,181	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 4,596,357	\$ 10,373	\$ 0	\$ 220,090	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 121,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	188,498	0	0	0	0	0	0
Sale of Materials and Supplies	1,572	0	0	0	0	0	0
Commissary Sales	116,482	0	0	0	0	0	0
Sale of Maps	2,032	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	37,929	0	0	0
Miscellaneous Refunds	333,166	0	0	0	1,429	0	0
Nonrecurring Items							
Sale of Equipment	2,949	0	0	0	0	0	0
Damages Recovered from Individuals	5,555	0	0	0	830	0	0
Contributions and Gifts	27,460	0	0	0	0	0	33,372
Other Local Revenues							
Other Local Revenues	206,685	0	0	0	0	0	0
Total Other Local Revenues	\$ 1,005,675	\$ 0	\$ 0	\$ 37,929	\$ 2,259	\$ 0	\$ 33,372
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	238,349	0	0	0	0	0	0
Register	82,302	0	0	0	0	0	0
Trustee	730,879	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	478,903	0	0	0	0	0	0
Criminal Court Clerk	533,751	0	0	0	0	0	0
General Sessions Court Clerk	429,618	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business	
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Sheriff	\$ 17,295	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received from County Officials	\$ 2,521,097	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 42,967	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	65,100	0	0	0
On-Behalf Contributions for OPEB	519	0	0	0	0	0	0
Other General Government Grants	0	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Drug Control Grants	85,385	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	952,140	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	49,791	0	2,666	0	0	0	0
Beer Tax	18,421	0	0	0	0	0	0
Alcoholic Beverage Tax	115,769	0	0	0	0	0	0
Mixed Drink Tax	8,094	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	305,581	0	16,363	0	0	0	0
Contracted Prisoner Boarding	1,517,607	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	53,810	0	0	0	0	0	0
State Shared Sales Tax - Cities	6,238	0	0	0	0	0	0
Other State Grants	398,493	0	0	0	0	0	0
Other State Revenues	62,911	0	0	0	0	0	0
Total State of Tennessee	\$ 3,617,726	\$ 0	\$ 19,029	\$ 65,100	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri-Business
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	52,000	0	0	0	0	0
Disaster Relief	539,724	0	0	839,721	0	0
Homeland Security Grants	123,659	0	0	0	0	0
Law Enforcement Grants	31,741	0	0	0	0	0
ARRA Grant # 3	33,950	0	0	0	0	0
Other Federal through State	24,103	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	0
ARRA Grant # 7	76,422	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	7,954	0
<b>Total Federal Government</b>	<b>\$ 921,599</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 839,721</b>	<b>\$ 7,954</b>	<b>\$ 0</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 1,096,444	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	356,904	0	0	20,000	0	0
Total Other Governments and Citizens Groups	\$ 1,453,348	\$ 0	\$ 0	\$ 20,000	\$ 0	\$ 0
<b>Total</b>	<b>\$ 33,382,233</b>	<b>\$ 12,821</b>	<b>\$ 599,347</b>	<b>\$ 1,182,840</b>	<b>\$ 422,099</b>	<b>\$ 228,752</b>

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,531,221	\$ 0	\$ 0	\$ 2,449,055	\$ 4,331,146
Trustee's Collections - Prior Year	56,094	0	0	73,551	173,271
Circuit/Clerk & Master Collections - Prior Years	180,350	0	0	69,193	123,539
Interest and Penalty	8,578	0	0	15,158	27,070
Payments in-Lieu-of Taxes - T.V.A.	4,364	0	0	1,792	2,932
Payments in-Lieu-of Taxes - Local Utilities	1,587	0	0	597	1,067
Payments in-Lieu-of Taxes - Other	21,327	0	0	29,008	51,791
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse Business Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	7,733	13,806
Wholesale Beer Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 1,803,521</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,646,087</b>	<b>\$ 4,724,622</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Permits	0	0	0	0	0
Building Permits	0	0	0	0	0
Electrical Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	0	0	0	0
Officers Costs	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Jail Fees	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Criminal Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Fines for Littering	0	0	0	0	0
Jail Fees	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Judicial District Drug Program</u>					
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Host Agency	0 \$	0 \$	0 \$	0 \$	0
Water Treatment Charges	0	0	0	0	0
Patient Charges	0	0	0	0	0
Zoning Studies	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
Service Charges	0	0	0	0	0
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	0
Recreation Fees	0	0	0	0	0
Copy Fees	5	0	0	0	0
Library Fees	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,792,588	0	0
Special Commissioner Fees/Special Master Fees	0	0	7,909	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0
Education Charges	0	0	0	0	0
Community Service Fees - Adults	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	
<u>Charges for Current Services (Cont.)</u>					
<u>Other Charges for Services</u>					
Other Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Charges for Current Services</b>	<b>\$ 5</b>	<b>\$ 0</b>	<b>\$ 1,800,497</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	10,204	0
Commissary Sales	0	0	0	0	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	19,489	0	0	19,873	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Damages Recovered from Individuals	600	0	0	0	0
Contributions and Gifts	25,020	37,137	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	10,140	0
<b>Total Other Local Revenues</b>	<b>\$ 45,109</b>	<b>\$ 37,137</b>	<b>\$ 0</b>	<b>\$ 40,217</b>	<b>\$ 0</b>
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	0	0	0	0	0
Register	0	0	0	0	0
Trustee	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	
Fees Received from County Officials (Cont.)					
Fees in-Lieu-of Salary (Cont.)					
Sheriff	0 \$	0 \$	0 \$	0 \$	0 \$
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$
State of Tennessee					
General Government Grants					
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$
Solid Waste Grants	0	0	0	0	0
On-Behalf Contributions for OPEB	0	0	0	0	0
Other General Government Grants	0	0	0	0	0
Public Safety Grants					
Drug Control Grants	0	0	0	0	0
Health and Welfare Grants					
Health Department Programs	0	0	0	0	0
Public Works Grants					
Bridge Program	0	0	0	0	0
Litter Program	0	0	0	1,330	0
Other State Revenues	0	0	0	64,956	0
Income Tax					
Beer Tax	0	0	0	12,157	21,705
Alcoholic Beverage Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	74,608	133,208
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,053,532	0
Petroleum Special Tax	0	0	0	71,406	0
Registrar's Salary Supplement	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	15,000	0	0	0	0
Total State of Tennessee	15,000 \$	0 \$	0 \$	2,277,989 \$	154,913

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0
Disaster Relief	159,713	0	0	168,525	0	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
ARRA Grant # 3	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	327,278
ARRA Grant # 7	0	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0
<b>Total Federal Government</b>	<b>\$ 159,713</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 168,525</b>	<b>\$ 0</b>	<b>327,278</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	0	0	0	0	0	0
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<b>Total</b>	<b>\$ 2,023,348</b>	<b>\$ 37,137</b>	<b>\$ 1,800,497</b>	<b>\$ 5,132,818</b>	<b>\$ 5,132,818</b>	<b>5,206,813</b>

(Continued)

Exhibit J-6

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

	Capital Projects Funds						Permanent Fund
	Community			Waterline Extension			
	General Capital Projects	Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Projects	Endowment	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 960,351	\$ 0	\$ 32,664	\$ 0	\$ 0	\$ 19,867,276
Trustee's Collections - Prior Year	0	38,314	0	1,306	0	0	665,008
Circuit/Clerk & Master Collections - Prior Years	0	27,392	0	931	0	0	699,979
Interest and Penalty	0	6,005	0	202	0	0	122,433
Payments in-Lieu-of Taxes - T.V.A.	0	650	0	22	0	0	16,847
Payments in-Lieu-of Taxes - Local Utilities	0	236	0	8	0	0	6,073
Payments in-Lieu-of Taxes - Other	0	11,484	0	390	0	0	239,172
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	4,508,447
Hotel/Motel Tax	0	0	0	0	0	0	781,520
Litigation Tax - General	0	0	0	0	0	0	319,715
Litigation Tax - Special Purpose	0	0	0	0	0	0	63,957
Litigation Tax - Jail, Workhouse, or Courthouse Business Tax	0	0	0	0	0	0	95,171
Statutory Local Taxes							
Bank Excise Tax	0	3,061	0	104	0	0	58,072
Wholesale Beer Tax	0	0	0	0	0	0	340,654
Interstate Telecommunications Tax	0	0	0	0	0	0	3,102
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 1,047,493</b>	<b>\$ 0</b>	<b>\$ 35,627</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 28,971,933</b>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 231,980
Beer Permits	0	0	0	0	0	0	3,467
Building Permits	0	0	0	0	0	0	423,240
Electrical Permits	0	0	0	0	0	0	2
Other Permits	0	0	0	0	0	0	2,931
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 661,620</b>

(Continued)

Exhibit J-6

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

	Capital Projects Funds							Permanent Fund	Total
	Community								
	General Capital Projects	Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Endowment			
<u>Fines, Forfeitures, and Penalties - Circuit Court</u>									
Fines	0	0	0	0	0	0	0	9,855	
Officers Costs	0	0	0	0	0	0	0	48,068	
Drug Control Fines	0	0	0	0	0	0	0	72,257	
Jail Fees	0	0	0	0	0	0	0	4,186	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	18,532	
Courtroom Security Fee	0	0	0	0	0	0	0	1,781	
<u>Criminal Court</u>									
Fines	0	0	0	0	0	0	0	155,266	
Officers Costs	0	0	0	0	0	0	0	136,372	
Drug Control Fines	0	0	0	0	0	0	0	39,791	
Jail Fees	0	0	0	0	0	0	0	80,289	
DUI Treatment Fines	0	0	0	0	0	0	0	20,123	
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	7,253	
Courtroom Security Fee	0	0	0	0	0	0	0	114	
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	6,557	
Fines for Littering	0	0	0	0	0	0	0	484	
Jail Fees	0	0	0	0	0	0	0	22,272	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	9,535	
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	1,240	
Courtroom Security Fee	0	0	0	0	0	0	0	2	
Victims Assistance Assessments	0	0	0	0	0	0	0	9,550	
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	321	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	480	
Courtroom Security Fee	0	0	0	0	0	0	0	90	
<u>Other Courts - In-county</u>									
Fines	0	0	0	0	0	0	0	15,824	
Drug Court Fees	0	0	0	0	0	0	0	67,584	

(Continued)

Exhibit J-6

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

	Capital Projects Funds						Permanent Fund
	Community			Waterline			
	General Capital Projects	Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Extension Projects	Endowment	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Judicial District Drug Program</u>							
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	194
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	350,706
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	1,534
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,080,260
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Surcharge - Host Agency	0	0	0	0	0	0	220,090
Water Treatment Charges	0	0	0	0	0	0	11,675
Patient Charges	0	0	0	0	0	0	3,817,589
Zoning Studies	0	0	0	0	0	0	755
Work Release Charges for Board	0	0	0	0	0	0	6,418
Other General Service Charges	0	0	0	0	0	0	33,643
Service Charges	0	0	0	0	0	0	70,695
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	0	0	685
Recreation Fees	0	0	0	0	0	0	126,649
Copy Fees	0	0	0	0	0	0	5,992
Library Fees	0	0	0	0	0	0	10,373
Telephone Commissions	0	0	0	0	0	0	83,938
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	1,792,588
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	7,909
Data Processing Fee - Register	0	0	0	0	0	0	34,516
Probation Fees	0	0	0	0	0	0	367,267
Data Processing Fee - Sheriff	0	0	0	0	0	0	1,743
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	5,100
Education Charges							
Community Service Fees - Adults	0	0	0	0	0	0	10,516

(Continued)

Exhibit J-6

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

	Capital Projects Funds						Permanent Fund
	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Endowment	
<u>Charges for Current Services (Cont.)</u>							
<u>Other Charges for Services</u>							
Other Charges for Services	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Total Charges for Current Services	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	121,276 \$	0 \$	1,174 \$	0 \$	0 \$	188,472 \$	432,198 \$
Lease/Rentals	0	0	0	0	0	0	188,498
Sale of Materials and Supplies	0	0	0	0	0	0	11,776
Commissary Sales	0	0	0	0	0	0	116,482
Sale of Maps	0	0	0	0	0	0	2,032
Sale of Recycled Materials	0	0	0	0	0	0	37,929
Miscellaneous Refunds	0	0	0	0	0	127,853	501,810
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	2,949
Damages Recovered from Individuals	0	0	0	0	0	0	6,985
Contributions and Gifts	0	791,961	0	0	0	0	914,950
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	216,825
Total Other Local Revenues	121,276 \$	791,961 \$	1,174 \$	0 \$	0 \$	316,325 \$	2,432,434 \$
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	10,000
Clerk and Master	0	0	0	0	0	0	238,349
Register	0	0	0	0	0	0	82,302
Trustee	0	0	0	0	0	0	730,879
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	0	0	0	0	0	0	478,903
Criminal Court Clerk	0	0	0	0	0	0	533,751
General Sessions Court Clerk	0	0	0	0	0	0	429,618

(Continued)

Exhibit J-6

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

	Capital Projects Funds						Permanent Fund
	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Endowment	
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Sheriff	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Solid Waste Grants	0	0	0	0	0	0	42,967
On-Behalf Contributions for OPEB	0	0	0	0	0	0	65,100
Other General Government Grants	0	0	401,090	0	500,000	0	901,090
<u>Public Safety Grants</u>							
Drug Control Grants	0	0	0	0	0	0	85,385
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	952,140
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	1,330
Litter Program	0	0	0	0	0	0	64,956
<u>Other State Revenues</u>							
Income Tax	0	4,813	0	164	0	0	91,296
Beer Tax	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	115,769
Mixed Drink Tax	0	0	0	0	0	0	8,094
State Revenue Sharing - T.V.A.	0	29,536	0	1,004	0	0	560,300
Contracted Prisoner Boarding	0	0	0	0	0	0	1,517,607
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	2,053,532
Petroleum Special Tax	0	0	0	0	0	0	71,406
Registrar's Salary Supplement	0	0	0	0	0	0	53,810
State Shared Sales Tax - Cities	0	0	0	0	0	0	6,238
Other State Grants	0	2,800,035	0	0	0	0	3,198,528
Other State Revenues	0	0	0	0	0	0	77,911
Total State of Tennessee	0 \$	2,834,384 \$	401,090 \$	1,168 \$	500,000 \$	0 \$	9,886,399

(Continued)

Exhibit J-6

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

	Capital Projects Funds						Permanent Fund
	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Waterline Extension Projects	Total	
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA - Other	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	40,000
Civil Defense Reimbursement	0	0	0	0	0	0	52,000
Disaster Relief	0	0	0	0	0	0	1,707,683
Homeland Security Grants	0	0	0	0	0	0	123,659
Law Enforcement Grants	0	0	0	0	0	0	31,741
ARRA Grant # 3	0	0	0	0	0	0	33,950
Other Federal through State	0	0	0	0	0	0	24,103
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	0	0	0	0	327,278
ARRA Grant # 7	0	0	0	0	0	0	76,422
Other Direct Federal Revenue	0	0	0	0	0	0	7,954
<u>Total Federal Government</u>	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,424,790
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,096,444
Contracted Services	0	20,609	0	0	0	0	397,513
<u>Total Other Governments and Citizens Groups</u>	\$ 0 \$	20,609 \$	0 \$	0 \$	0 \$	0 \$	1,493,957
<u>Total</u>	\$ 121,276 \$	4,694,447 \$	402,264 \$	36,795 \$	500,000 \$	316,325 \$	56,099,812

## Exhibit J-7

Bradley County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 Discretely Presented Bradley County School Department  
 For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 10,828,794	\$ 0	\$ 0	\$ 10,828,794
Trustee's Collections - Prior Year	432,026	0	0	432,026
Circuit/Clerk & Master Collections - Prior Years	293,062	0	0	293,062
Interest and Penalty	67,813	0	0	67,813
Payments in-Lieu-of Taxes - T.V.A.	10,968	0	0	10,968
Payments in-Lieu-of Taxes - Local Utilities	2,667	0	0	2,667
Payments in-Lieu-of Taxes - Other	129,520	0	0	129,520
<u>County Local Option Taxes</u>				
Local Option Sales Tax	10,286,604	0	0	10,286,604
<u>Statutory Local Taxes</u>				
Bank Excise Tax	34,519	0	0	34,519
Interstate Telecommunications Tax	3,836	0	0	3,836
<b>Total Local Taxes</b>	<b>\$ 22,089,809</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 22,089,809</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 5,184	\$ 0	\$ 0	\$ 5,184
<b>Total Licenses and Permits</b>	<b>\$ 5,184</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,184</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,132,023	\$ 1,132,023
Lunch Payments - Adults	0	0	177,017	177,017
Income from Breakfast	0	0	119,936	119,936
A la carte Sales	0	0	628,398	628,398
TBI Criminal Background Fees	3,858	0	48	3,906
<u>Other Charges for Services</u>				
Other Charges for Services	6,775	0	1,848	8,623
<b>Total Charges for Current Services</b>	<b>\$ 10,633</b>	<b>\$ 0</b>	<b>\$ 2,059,270</b>	<b>\$ 2,069,903</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 17,947	\$ 0	\$ 2,701	\$ 20,648
Refund of Telecommunication and Internet Fees (E-Rate)	33,506	0	0	33,506
Miscellaneous Refunds	7,161	0	0	7,161
<u>Nonrecurring Items</u>				
Sale of Equipment	6,199	0	0	6,199
Contributions and Gifts	50,750	0	0	50,750
<u>Other Local Revenues</u>				
Other Local Revenues	16,505	0	0	16,505
<b>Total Other Local Revenues</b>	<b>\$ 132,068</b>	<b>\$ 0</b>	<b>\$ 2,701</b>	<b>\$ 134,769</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 432,972	\$ 0	\$ 0	\$ 432,972
<u>State Education Funds</u>				
Basic Education Program	40,502,999	0	0	40,502,999
Early Childhood Education	1,358,455	0	0	1,358,455

(Continued)

Exhibit J-7

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	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 49,340	\$ 0	\$ 0	\$ 49,340
Driver Education	32,498	0	0	32,498
Other State Education Funds	227,196	0	0	227,196
Career Ladder Program	316,447	0	0	316,447
Career Ladder - Extended Contract	151,700	0	0	151,700
<u>Other State Revenues</u>				
Income Tax	53,830	0	0	53,830
State Revenue Sharing - T.V.A.	498,274	0	0	498,274
Total State of Tennessee	\$ 43,623,711	\$ 0	\$ 0	\$ 43,623,711
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,250,788	\$ 2,250,788
USDA - Commodities	0	0	252,694	252,694
Breakfast	0	0	750,852	750,852
USDA - Other	0	0	8,498	8,498
Adult Education State Grant Program	181,330	0	0	181,330
Vocational Education - Basic Grants to States	0	127,497	0	127,497
Title I Grants to Local Education Agencies	0	1,394,783	0	1,394,783
Special Education - Grants to States	110,901	2,017,709	0	2,128,610
Special Education Preschool Grants	0	67,768	0	67,768
English Language Acquisition Grants	0	19,808	0	19,808
Safe and Drug-free Schools - State Grants	373,298	0	0	373,298
Eisenhower Professional Development State Grants	0	239,830	0	239,830
Race-to-the-Top - ARRA	0	299,143	0	299,143
Other Federal through State	40,205	2,128,998	25,699	2,194,902
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	60,459	0	0	60,459
Other Direct Federal Revenue	1,551,051	0	0	1,551,051
Total Federal Government	\$ 2,317,244	\$ 6,295,536	\$ 3,288,531	\$ 11,901,311
Total	\$ 68,178,649	\$ 6,295,536	\$ 5,350,502	\$ 79,824,687

Exhibit J-8

Bradley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Part-time Personnel	\$	37,488	
Board and Committee Members Fees		136,841	
Social Security		13,190	
State Retirement		10,484	
Life Insurance		286	
Medical Insurance		51,937	
Audit Services		36,700	
Communication		365	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		407	
Maintenance and Repair Services - Office Equipment		744	
Office Supplies		469	
Other Charges		36,517	
Other Equipment		<u>1,448</u>	
Total County Commission			\$ 328,826

Board of Equalization

Board and Committee Members Fees	\$	<u>1,095</u>	
Total Board of Equalization			1,095

Beer Board

Board and Committee Members Fees	\$	<u>2,350</u>	
Total Beer Board			2,350

Other Boards and Committees

Clerical Personnel	\$	20,320	
Social Security		1,562	
State Retirement		2,811	
Life Insurance		20	
Medical Insurance		6,424	
Communication		5	
Operating Lease Payments		480	
Office Supplies		<u>721</u>	
Total Other Boards and Committees			32,343

County Mayor/Executive

County Official/Administrative Officer	\$	88,947	
Assistant(s)		74,676	
Clerical Personnel		21,810	
Social Security		13,326	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

State Retirement	\$	25,720	
Life Insurance		82	
Medical Insurance		25,745	
Advertising		696	
Communication		984	
Dues and Memberships		1,750	
Travel		2,141	
Tuition		125	
Office Supplies		3,001	
Periodicals		100	
Vehicle and Equipment Insurance		1,013	
Total County Mayor/Executive			\$ 260,116

Personnel Office

Supervisor/Director	\$	37,542	
Accountants/Bookkeepers		25,359	
Social Security		4,691	
State Retirement		6,669	
Life Insurance		39	
Medical Insurance		12,314	
Unemployment Compensation		64,859	
Advertising		2,430	
Dues and Memberships		567	
Maintenance and Repair Services - Office Equipment		4,806	
Travel		351	
Tuition		1,359	
Office Supplies		8,331	
Periodicals		1,468	
Testing		6,320	
Workers' Compensation Insurance		42,428	
In Service/Staff Development		1,284	
Office Equipment		235	
Total Personnel Office			221,052

County Attorney

Assistant(s)	\$	28,550
Paraprofessionals		26,661
Other Salaries and Wages		68,542
Social Security		8,800
State Retirement		10,479

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Life Insurance	\$	53	
Medical Insurance		16,641	
Communication		7	
Data Processing Services		5,443	
Dues and Memberships		150	
Legal Services		3,000	
Office Supplies		1,024	
Total County Attorney			\$ 169,350

Election Commission

County Official/Administrative Officer	\$	65,956	
Deputy(ies)		53,816	
Part-time Personnel		7,958	
Election Commission		9,025	
Election Workers		29,769	
Social Security		10,095	
State Retirement		14,946	
Life Insurance		58	
Medical Insurance		18,242	
Accounting Services		3,300	
Advertising		3,500	
Communication		950	
Maintenance and Repair Services - Equipment		11,481	
Postal Charges		702	
Printing, Stationery, and Forms		6,075	
Travel		7,455	
Office Supplies		4,406	
Other Charges		4,098	
Other Equipment		29,070	
Total Election Commission			280,902

Register of Deeds

Life Insurance	\$	143	
Medical Insurance		44,352	
Communication		399	
Data Processing Services		29,050	
Maintenance and Repair Services - Equipment		4,835	
Travel		643	
Office Supplies		8,883	
Office Equipment		4,500	
Total Register of Deeds			92,805

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Development

Contracts with Government Agencies	\$	77,400	
Data Processing Services		293	
Maintenance and Repair Services - Equipment		2,125	
Travel		1,607	
Tuition		3,905	
Other Contracted Services		33,417	
Other Supplies and Materials		900	
Data Processing Equipment		1,000	
Total Development			\$ 120,647

Planning

Assistant(s)	\$	103,333	
Clerical Personnel		26,366	
Social Security		9,827	
State Retirement		17,989	
Life Insurance		77	
Medical Insurance		24,310	
Communication		1,250	
Dues and Memberships		900	
Operating Lease Payments		2,400	
Legal Notices, Recording, and Court Costs		3,500	
Maintenance and Repair Services - Office Equipment		2,067	
Maintenance and Repair Services - Vehicles		400	
Travel		1,018	
Tuition		1,873	
Other Contracted Services		965	
Gasoline		2,140	
Office Supplies		3,553	
Vehicle and Equipment Insurance		1,620	
Workers' Compensation Insurance		4,321	
Motor Vehicles		21,423	
Total Planning			229,332

Geographical Information Systems

Assistant(s)	\$	38,710	
Supervisor/Director		59,122	
Social Security		6,974	
State Retirement		13,569	
Life Insurance		41	
Medical Insurance		12,955	
Total Geographical Information Systems			131,371

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	40,038	
Social Security		3,174	
State Retirement		5,553	
Life Insurance		20	
Medical Insurance		9,907	
Communication		21,435	
Maintenance and Repair Services - Office Equipment		16	
Postal Charges		111,838	
Travel		700	
Other Contracted Services		27,911	
Custodial Supplies		8,772	
Drugs and Medical Supplies		1,009	
Utilities		115,000	
Other Supplies and Materials		17,764	
Liability Claims		213,173	
Other Charges		59	
Building Improvements		69,173	
Heating and Air Conditioning Equipment		769	
Total County Buildings			\$ 646,311

Other Facilities

Maintenance and Repair Services - Buildings	\$	4,299	
Total Other Facilities			4,299

Other General Administration

On-Behalf Payments to OPEB	\$	519	
Total Other General Administration			519

Finance

Accounting and Budgeting

Supervisor/Director	\$	57,027	
Clerical Personnel		58,667	
Social Security		9,654	
State Retirement		17,434	
Life Insurance		61	
Medical Insurance		11,452	
Accounting Services		10,000	
Dues and Memberships		2,620	
Maintenance and Repair Services - Office Equipment		4,923	
Office Supplies		4,267	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Supplies and Materials	\$ 2,850	
Total Accounting and Budgeting		\$ 178,955

Property Assessor's Office

County Official/Administrative Officer	\$ 74,185	
Paraprofessionals	252,101	
Clerical Personnel	134,863	
Social Security	34,839	
State Retirement	64,042	
Life Insurance	265	
Medical Insurance	83,455	
Communication	205	
Dues and Memberships	2,686	
Maintenance and Repair Services - Office Equipment	1,859	
Maintenance and Repair Services - Vehicles	2,574	
Travel	2,628	
Tuition	817	
Other Contracted Services	43,020	
Gasoline	4,700	
Office Supplies	7,630	
Vehicle and Equipment Insurance	3,241	
Workers' Compensation Insurance	340	
Principal on Capital Leases	<u>3,172</u>	
Total Property Assessor's Office		716,622

Reappraisal Program

Data Processing Services	\$ 37,943	
Postal Charges	4,695	
Other Contracted Services	<u>32</u>	
Total Reappraisal Program		42,670

County Trustee's Office

Life Insurance	\$ 163	
Medical Insurance	51,395	
Communication	22	
Dues and Memberships	794	
Travel	2,621	
Tuition	510	
Other Contracted Services	23,070	
Office Supplies	<u>5,005</u>	
Total County Trustee's Office		83,580

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

Life Insurance	\$	406	
Medical Insurance		127,475	
Communication		1,400	
Dues and Memberships		999	
Travel		4,029	
Tuition		1,174	
Office Supplies		46,893	
Office Equipment		3,000	
Total County Clerk's Office			\$ 185,376

Data Processing

Data Processing Personnel	\$	57,174	
Social Security		4,352	
State Retirement		7,766	
Life Insurance		20	
Medical Insurance		6,424	
Communication		15,578	
Data Processing Services		18,953	
Travel		1,200	
Other Contracted Services		26,480	
Office Supplies		98	
Data Processing Equipment		21,490	
Total Data Processing			159,535

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	74,185	
Total Circuit Court			74,185

Circuit Court Clerk

Assistant(s)	\$	41,282	
Deputy(ies)		702,538	
Social Security		61,621	
State Retirement		109,020	
Life Insurance		607	
Medical Insurance		184,738	
Communication		2,818	
Data Processing Services		34,748	
Dues and Memberships		833	
Custodial Supplies		2,495	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Data Processing Supplies	\$	5,731	
Office Supplies		30,899	
Utilities		25,000	
Data Processing Equipment		3,036	
Office Equipment		2,544	
Total Circuit Court Clerk			\$ 1,207,910

General Sessions Judge

Judge(s)	\$	297,238	
Clerical Personnel		50,948	
Part-time Personnel		1,800	
Other Salaries and Wages		45,720	
Social Security		25,131	
State Retirement		54,635	
Life Insurance		85	
Medical Insurance		27,019	
Communication		334	
Dues and Memberships		266	
Travel		2,140	
Tuition		930	
Office Supplies		731	
Periodicals		2,506	
Data Processing Equipment		120	
Total General Sessions Judge			509,603

Drug Court

Assessment Personnel	\$	50,000	
Social Security		3,781	
State Retirement		6,879	
Life Insurance		20	
Medical Insurance		6,310	
Communication		1,098	
Rentals		1,322	
Travel		4,450	
Other Contracted Services		104,446	
Office Supplies		369	
Total Drug Court			178,675

Chancery Court

Jury and Witness Expense	\$	16	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Life Insurance	\$	102	
Medical Insurance		32,122	
Communication		575	
Dues and Memberships		654	
Maintenance and Repair Services - Office Equipment		9,136	
Travel		990	
Tuition		514	
Office Supplies		4,798	
Total Chancery Court			\$ 48,907

Juvenile Court

County Official/Administrative Officer	\$	47,041	
Probation Officer(s)		253,642	
Youth Service Officer(s)		18,850	
Clerical Personnel		32,381	
Part-time Personnel		21,541	
Other Salaries and Wages		24,417	
Social Security		30,400	
State Retirement		49,730	
Life Insurance		168	
Medical Insurance		52,794	
Communication		13,253	
Maintenance and Repair Services - Buildings		8,560	
Maintenance and Repair Services - Office Equipment		7,702	
Maintenance and Repair Services - Vehicles		1,602	
Medical and Dental Services		18	
Travel		5,672	
Tuition		460	
Other Contracted Services		4,854	
Gasoline		2,000	
Office Supplies		1,821	
Utilities		25,719	
Vehicle and Equipment Insurance		2,800	
Other Charges		1,282	
Data Processing Equipment		148	
Heating and Air Conditioning Equipment		13,779	
Total Juvenile Court			620,634

Judicial Commissioners

Jury and Witness Expense	\$	27,815	
Total Judicial Commissioners			27,815

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Assistant(s)	\$	27,567	
Supervisor/Director		31,174	
Clerical Personnel		13,856	
Social Security		5,523	
State Retirement		10,069	
Life Insurance		54	
Medical Insurance		17,100	
Communication		337	
Maintenance and Repair Services - Vehicles		300	
Gasoline		2,831	
Office Supplies		323	
Utilities		1,070	
Other Supplies and Materials		1,125	
Liability Insurance		5,198	
Vehicle and Equipment Insurance		1,013	
Workers' Compensation Insurance		551	
Total Other Administration of Justice			\$ 118,091

Probation Services

Assistant(s)	\$	34,292	
Supervisor/Director		47,310	
Probation Officer(s)		132,599	
Clerical Personnel		5,692	
Social Security		16,794	
State Retirement		27,529	
Life Insurance		150	
Medical Insurance		46,950	
Communication		21	
Contracts with Government Agencies		1,750	
Rentals		2,400	
Travel		809	
Tuition		220	
Drug Treatment		7,476	
Other Contracted Services		13,310	
Office Supplies		1,815	
Other Supplies and Materials		2,683	
Other Charges		485	
Total Probation Services			342,285

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Other Supplies and Materials	\$ 860	
Total Courtroom Security		\$ 860

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 81,605	
Deputy(ies)	3,597,108	
Clerical Personnel	142,705	
Custodial Personnel	15,846	
Part-time Personnel	3,129	
Overtime Pay	132,273	
Other Salaries and Wages	62,400	
Social Security	310,165	
State Retirement	537,020	
Employee and Dependent Insurance	5,884	
Life Insurance	2,218	
Medical Insurance	635,824	
Communication	38,755	
Confidential Drug Enforcement Payments	3,000	
Dues and Memberships	515	
Maintenance and Repair Services - Vehicles	186,439	
Tow-in Services	2,515	
Travel	20,433	
Tuition	19,497	
Other Contracted Services	120,808	
Gasoline	436,923	
Law Enforcement Supplies	28,833	
Office Supplies	12,083	
Uniforms	35,390	
Other Supplies and Materials	9,977	
Liability Insurance	49,691	
Vehicle and Equipment Insurance	45,370	
Workers' Compensation Insurance	88,579	
Principal on Capital Leases	64,530	
Interest on Capital Leases	3,102	
Data Processing Equipment	76,115	
Law Enforcement Equipment	30,846	
Total Sheriff's Department		6,799,578

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols

Deputy(ies)	\$	148,469	
Overtime Pay		19,302	
Social Security		12,667	
State Retirement		23,392	
Life Insurance		123	
Medical Insurance		26,713	
Communication		2,156	
Uniforms		5,427	
Law Enforcement Equipment		20,482	
Total Special Patrols			\$ 258,731

Traffic Control

Maintenance and Repair Services - Equipment	\$	8,264	
Utilities		839	
Total Traffic Control			9,103

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	13,784	
Total Administration of the Sexual Offender Registry			13,784

Jail

Deputy(ies)	\$	2,850,419	
Mechanic(s)		66,564	
Clerical Personnel		99,066	
Maintenance Personnel		37,733	
Part-time Personnel		17,060	
Overtime Pay		73,412	
Social Security		231,394	
State Retirement		381,973	
Life Insurance		1,798	
Medical Insurance		576,754	
Communication		6,370	
Maintenance and Repair Services - Buildings		49,913	
Maintenance and Repair Services - Vehicles		358	
Medical and Dental Services		639,045	
Travel		13,876	
Tuition		1,180	
Other Contracted Services		24,101	
Custodial Supplies		46,459	
Food Supplies		390,000	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Office Supplies	\$	9,724	
Prisoners Clothing		23,976	
Uniforms		18,588	
Utilities		353,150	
Other Supplies and Materials		9,143	
Specialized Medical Treatment		11,190	
Data Processing Equipment		16,780	
Law Enforcement Equipment		12,703	
Other Capital Outlay		1,378	
Total Jail			\$ 5,964,107

Correctional Incentive Program Improvements

Supervisor/Director	\$	38,668	
Salary Supplements		1,331	
Guards		555,589	
Part-time Personnel		105,271	
Overtime Pay		16,128	
Social Security		54,138	
State Retirement		69,288	
Life Insurance		454	
Medical Insurance		142,475	
Communication		7,550	
Maintenance and Repair Services - Buildings		4,746	
Maintenance and Repair Services - Equipment		4,555	
Maintenance and Repair Services - Office Equipment		1,490	
Medical and Dental Services		798	
Travel		920	
Tuition		1,874	
Custodial Supplies		10,963	
Food Supplies		15,150	
Gasoline		2,809	
Office Supplies		2,500	
Prisoners Clothing		4,629	
Utilities		18,041	
Other Supplies and Materials		2,367	
Other Charges		1,642	
Total Correctional Incentive Program Improvements			1,063,376

Juvenile Services

Part-time Personnel	\$	21,398	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Other Salaries and Wages	\$	46,868	
Social Security		5,189	
State Retirement		4,818	
Life Insurance		19	
Medical Insurance		5,991	
Communication		1,050	
Travel		1,172	
Other Supplies and Materials		3,960	
Other Charges		173	
Total Juvenile Services			\$ 90,638

Work Release Program

Supervisor/Director	\$	49,923	
Probation Officer(s)		77,948	
Clerical Personnel		24,195	
Part-time Personnel		11,545	
Social Security		12,051	
State Retirement		21,091	
Life Insurance		94	
Medical Insurance		29,447	
Accounting Services		1,800	
Communication		4,967	
Evaluation and Testing		4,070	
Maintenance and Repair Services - Equipment		706	
Postal Charges		284	
Printing, Stationery, and Forms		317	
Rentals		18,000	
Travel		11,245	
Tuition		3,652	
Custodial Supplies		332	
Office Supplies		2,479	
Periodicals		411	
Utilities		4,313	
Other Supplies and Materials		118	
Liability Insurance		6,925	
Other Charges		7,207	
Data Processing Equipment		2,000	
Total Work Release Program			295,120

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	56,049	
Accountants/Bookkeepers		30,474	
Paraprofessionals		68,066	
Overtime Pay		5,072	
Social Security		12,172	
State Retirement		20,175	
Life Insurance		78	
Medical Insurance		24,612	
Communication		20,979	
Contracts with Government Agencies		18,844	
Contracts with Other Public Agencies		2,373	
Dues and Memberships		793	
Janitorial Services		1,000	
Maintenance and Repair Services - Buildings		1,913	
Maintenance and Repair Services - Equipment		1,675	
Maintenance and Repair Services - Vehicles		22,096	
Travel		2,473	
Tuition		4,453	
Maintenance and Repair Services - Records		8,138	
Gasoline		11,141	
Office Supplies		2,847	
Uniforms		4,997	
Utilities		14,630	
Building and Contents Insurance		9,900	
Indirect Cost		44,530	
Vehicle and Equipment Insurance		10,537	
Other Charges		6,468	
Total Civil Defense			\$ 406,485

Rescue Squad

Dues and Memberships	\$	949
Maintenance and Repair Services - Buildings		9,827
Maintenance and Repair Services - Office Equipment		921
Maintenance and Repair Services - Vehicles		11,931
Medical and Dental Services		5,300
Printing, Stationery, and Forms		180
Travel		1,500
Tuition		2,979
Custodial Supplies		2,191
Drugs and Medical Supplies		3,800

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Food Supplies	\$	881	
Gasoline		12,717	
Office Supplies		797	
Utilities		17,742	
Other Supplies and Materials		2,997	
Vehicle and Equipment Insurance		33,469	
Other Charges		15,418	
Building Improvements		450	
Other Equipment		24,154	
Total Rescue Squad			\$ 148,203

Other Emergency Management

Contracts with Government Agencies	\$	103,251	
Total Other Emergency Management			103,251

Inspection and Regulation

Investigator(s)	\$	18,888	
Social Security		1,445	
State Retirement		2,620	
Liability Insurance		144,939	
Total Inspection and Regulation			167,892

County Coroner/Medical Examiner

Medical Personnel	\$	13,000	
Part-time Personnel		20,000	
Overtime Pay		32,976	
Social Security		4,801	
State Retirement		9,098	
Communication		739	
Maintenance and Repair Services - Vehicles		1,500	
Medical and Dental Services		89,933	
Pauper Burials		1,250	
Printing, Stationery, and Forms		300	
Travel		700	
Drugs and Medical Supplies		2,867	
Gasoline		3,000	
Office Supplies		400	
Uniforms		767	
Other Supplies and Materials		23	
Vehicle and Equipment Insurance		1,500	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

In Service/Staff Development	\$	930	
Total County Coroner/Medical Examiner			\$ 183,784

Other Public Safety

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

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	61,918	
Custodial Personnel		29,681	
Social Security		6,805	
State Retirement		10,448	
Life Insurance		84	
Medical Insurance		26,500	
Communication		6,258	
Maintenance and Repair Services - Buildings		3,450	
Rentals		1,000	
Travel		6,812	
Tuition		1,160	
Custodial Supplies		5,464	
Drugs and Medical Supplies		4,064	
Office Supplies		4,566	
Utilities		25,932	
Other Supplies and Materials		2,425	
Other Charges		185,294	
Other Capital Outlay		21,482	
Total Local Health Center			403,343

Rabies and Animal Control

Contracts with Government Agencies	\$	325,000	
Total Rabies and Animal Control			325,000

Ambulance/Emergency Medical Services

Supervisor/Director	\$	60,423	
Accountants/Bookkeepers		106,485	
Paraprofessionals		2,325,475	
Part-time Personnel		470,000	
Overtime Pay		155,000	
Social Security		232,409	

(Continued)

Exhibit J-8

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.)

State Retirement	\$	346,715	
Life Insurance		1,181	
Medical Insurance		359,234	
Communication		21,382	
Dues and Memberships		330	
Laundry Service		16,092	
Maintenance and Repair Services - Buildings		1,000	
Maintenance and Repair Services - Equipment		2,966	
Maintenance and Repair Services - Vehicles		202,109	
Travel		1,542	
Tuition		6,506	
Custodial Supplies		4,039	
Drugs and Medical Supplies		130,000	
Gasoline		165,754	
Office Supplies		14,042	
Uniforms		6,279	
Utilities		27,248	
Other Supplies and Materials		5,911	
Vehicle and Equipment Insurance		12,153	
Workers' Compensation Insurance		92,500	
Data Processing Equipment		6,100	
Heating and Air Conditioning Equipment		1,800	
Office Equipment		364	
Other Equipment		104	
Total Ambulance/Emergency Medical Services			\$ 4,775,143

Alcohol and Drug Programs

Other Salaries and Wages	\$	26,143	
Social Security		1,984	
State Retirement		3,626	
Life Insurance		16	
Medical Insurance		4,901	
Communication		375	
Travel		852	
Other Supplies and Materials		1,635	
Other Charges		1,071	
Total Alcohol and Drug Programs			40,603

Other Local Health Services

Medical Personnel	\$	104,648	
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(Continued)

Exhibit J-8

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.)

Paraprofessionals	\$	571,177	
Part-time Personnel		14,412	
Social Security		51,451	
State Retirement		79,287	
Life Insurance		441	
Medical Insurance		131,970	
Other Fringe Benefits		805	
Contracts with Government Agencies		16	
Travel		23,724	
Office Supplies		4,185	
Total Other Local Health Services			\$ 982,116

General Welfare Assistance

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

Other Local Welfare Services

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

Other Public Health and Welfare

Office Supplies	\$	1,276	
Total Other Public Health and Welfare			1,276

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)	\$	72,591	
Supervisor/Director		50,800	
Foremen		28,861	
Clerical Personnel		20,350	
Cafeteria Personnel		22,761	

(Continued)

Exhibit J-8

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.)

Maintenance Personnel	\$	92,281	
Temporary Personnel		5,424	
Overtime Pay		549	
Other Salaries and Wages		38,875	
Social Security		25,130	
State Retirement		36,818	
Life Insurance		184	
Medical Insurance		45,238	
Communication		4,046	
Maintenance and Repair Services - Buildings		81,676	
Maintenance and Repair Services - Equipment		34,182	
Maintenance and Repair Services - Vehicles		2,185	
Travel		1,700	
Food Supplies		54,459	
Gasoline		13,000	
Office Supplies		2,491	
Uniforms		2,500	
Utilities		93,987	
Other Supplies and Materials		230,261	
Vehicle and Equipment Insurance		1,013	
Workers' Compensation Insurance		4,658	
Other Capital Outlay		3,435	
Total Other Social, Cultural, and Recreational			\$ 969,455

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	19,842
Part-time Personnel		15,818
Other Salaries and Wages		135,840
Social Security		9,221
State Retirement		17,286
Life Insurance		20
Medical Insurance		15,903
Other Fringe Benefits		333
Communication		2,293
Contracts with Government Agencies		2,289
Dues and Memberships		140
Maintenance and Repair Services - Buildings		3,078
Travel		3,000
Office Supplies		2,002

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Utilities	\$ 6,226	
Total Agriculture Extension Service		\$ 233,291

Soil Conservation

Contracts with Government Agencies	\$ 40,926	
Contracts with Other Public Agencies	400	
Other Charges	8,000	
Total Soil Conservation		49,326

Storm Water Management

Assistant(s)	\$ 69,087	
Supervisor/Director	58,228	
Part-time Personnel	10,522	
Social Security	10,275	
State Retirement	17,736	
Life Insurance	69	
Medical Insurance	20,659	
Advertising	1,488	
Communication	25	
Data Processing Services	3,080	
Dues and Memberships	150	
Evaluation and Testing	12,714	
Legal Notices, Recording, and Court Costs	693	
Maintenance and Repair Services - Vehicles	500	
Travel	3,000	
Tuition	2,000	
Permits	3,500	
Other Contracted Services	3,304	
Gasoline	2,000	
Instructional Supplies and Materials	1,629	
Office Supplies	1,200	
Periodicals	100	
Testing	1,081	
Vehicle and Equipment Insurance	810	
Other Charges	123	
Total Storm Water Management		223,973

Other Agriculture and Natural Resources

Other Capital Outlay	\$ 70,569	
Total Other Agriculture and Natural Resources		70,569

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 221,000	
Total Tourism		\$ 221,000

Industrial Development

Contributions	\$ 221,000	
Total Industrial Development		221,000

Other Economic and Community Development

Other Charges	\$ 8,938	
Total Other Economic and Community Development		8,938

Public Transportation

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

Veterans' Services

Assistant(s)	\$ 25,603	
Supervisor/Director	30,520	
Clerical Personnel	22,136	
Social Security	5,659	
State Retirement	10,855	
Life Insurance	61	
Medical Insurance	12,849	
Communication	341	
Dues and Memberships	50	
Operating Lease Payments	928	
Travel	1,135	
Office Supplies	796	
Periodicals	75	
Total Veterans' Services		111,008

Other Charges

Trustee's Commission	\$ 360,321	
Total Other Charges		360,321

Contributions to Other Agencies

Contributions	\$ 42,825	
Dues and Memberships	25,426	
Total Contributions to Other Agencies		68,251

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 1

Travel	\$ 172	
Total ARRA Grant # 1		\$ 172

ARRA Grant # 3

Deputy(ies)	\$ 28,360	
Social Security	2,151	
State Retirement	3,933	
Life Insurance	12	
Medical Insurance	3,803	
Workers' Compensation Insurance	1,506	
Total ARRA Grant # 3		39,765

ARRA Grant # 7

Heating and Air Conditioning Equipment	\$ 76,421	
Total ARRA Grant # 7		76,421

Total General Fund		\$ 32,377,469
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Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 9,497	
Total Libraries		\$ 9,497

Other Operations

Other Charges

Trustee's Commission	\$ 128	
Total Other Charges		128

Total Law Library Fund		9,625
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Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 567,943	
Total Libraries		\$ 567,943

Other Operations

Other Charges

Trustee's Commission	\$ 11,800	
Total Other Charges		11,800

Total Public Library Fund		579,743
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(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund

Public Safety

Disaster Relief

Other Contracted Services	\$ 390,522	
Other Charges	3,987	
Total Disaster Relief		\$ 394,509

Public Health and Welfare

Other Waste Collection

Other Contracted Services	\$ 45,544	
Total Other Waste Collection		45,544

Recycling Center

Maintenance Personnel	\$ 15,453	
Social Security	1,182	
Other Contracted Services	72,800	
Utilities	140	
Other Supplies and Materials	2,263	
Total Recycling Center		91,838

Other Operations

Other Charges

Trustee's Commission	\$ 3,146	
Total Other Charges		3,146

Contributions to Other Agencies

Contributions	\$ 26,500	
Total Contributions to Other Agencies		26,500

Total Solid Waste/Sanitation Fund \$ 561,537

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$ 5,048	
Tow-in Services	545	
Travel	11,662	
Tuition	1,315	
Uniforms	849	
Law Enforcement Equipment	9,377	
Motor Vehicles	16,874	
Total Sheriff's Department		\$ 45,670

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Investigator(s)	\$	112,034	
Overtime Pay		27,125	
Social Security		10,553	
State Retirement		19,939	
Life Insurance		62	
Medical Insurance		18,780	
Communication		8,466	
Confidential Drug Enforcement Payments		30,000	
Other Contracted Services		29,136	
Uniforms		128	
Other Supplies and Materials		6,694	
Total Drug Enforcement			\$ 262,917

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	7,133	
Total Alcohol and Drug Programs			7,133

Other Operations

Other Charges

Trustee's Commission	\$	4,109	
Total Other Charges			4,109

Total Drug Control Fund \$ 319,829

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	49,798	
Assistant(s)		23,317	
Supervisor/Director		21,458	
Clerical Personnel		24,016	
Social Security		9,175	
State Retirement		16,636	
Life Insurance		82	
Medical Insurance		18,097	
Utilities		12,728	
Building and Contents Insurance		5,332	
Vehicle and Equipment Insurance		750	
Workers' Compensation Insurance		100	

(Continued)

Exhibit J-8

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

Agri-Business Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Other Charges	\$ 50,733	
Total Other Social, Cultural, and Recreational		\$ 232,222

Other Operations

Other Charges

Trustee's Commission	\$ 1,952	
Total Other Charges		<u>1,952</u>

Total Agri-Business Fund		\$ 234,174
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Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$ 53,040
Investigator(s)	24,039
Captain(s)	60,420
Lieutenant(s)	110,835
Paraprofessionals	309,975
Truck Drivers	127,422
Clerical Personnel	28,560
Educational Incentive - Other County Employees	15,600
Overtime Pay	81,529
Social Security	60,762
State Retirement	110,397
Life Insurance	539
Medical Insurance	170,244
Communication	22,628
Laundry Service	2,382
Maintenance and Repair Services - Buildings	35,984
Maintenance and Repair Services - Vehicles	45,175
Medical and Dental Services	2,091
Travel	5,179
Tuition	3,500
Other Contracted Services	31,919
Custodial Supplies	3,995
Gasoline	50,943
Office Supplies	2,676
Uniforms	121
Utilities	45,890
Other Supplies and Materials	29,799

(Continued)

Exhibit J-8

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.)

Building and Contents Insurance	\$	1,811	
Liability Insurance		3,781	
Vehicle and Equipment Insurance		21,065	
Workers' Compensation Insurance		58,720	
Law Enforcement Equipment		2,500	
Other Equipment		85,113	
Other Capital Outlay		<u>76,217</u>	
Total Fire Prevention and Control	\$		1,684,851

Disaster Relief

Other Contracted Services	\$	<u>18,623</u>	
Total Disaster Relief			18,623

Other Operations

Other Charges

Trustee's Commission	\$	<u>36,345</u>	
Total Other Charges			<u>36,345</u>

Total Special Purpose Fire Tax Fund \$ 1,739,819

Veterans Nursing Home Fund

Capital Projects

Other General Government Projects

Site Development	\$	<u>52,831</u>	
Total Other General Government Projects			<u>\$ 52,831</u>

Total Veterans Nursing Home Fund 52,831

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	<u>322,478</u>	
Total Register of Deeds	\$		322,478

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>381,003</u>	
Total County Trustee's Office			381,003

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund (Cont.)

Finance (Cont.)

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 843,502	
Total County Clerk's Office		\$ 843,502

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 5,739	
Constitutional Officers' Operating Expenses	232,069	
Total Chancery Court		237,808

Probate Court

Special Commissioner Fees/Special Master Fees	\$ 2,170	
Total Probate Court		2,170

Total Constitutional Officers - Fees Fund \$ 1,786,961

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 81,605	
Assistant(s)	50,803	
Supervisor/Director	39,107	
Accountants/Bookkeepers	28,592	
Dispatchers/Radio Operators	31,307	
Overtime Pay	3,212	
Other Salaries and Wages	157,246	
Data Processing Services	10,242	
Dues and Memberships	3,736	
Legal Notices, Recording, and Court Costs	500	
Maintenance and Repair Services - Office Equipment	931	
Travel	1,546	
Office Supplies	4,702	
Communication Equipment	3,763	
Office Equipment	4,871	
Total Administration		\$ 422,163

Highway and Bridge Maintenance

Foremen	\$ 31,030
Equipment Operators	332,975
Truck Drivers	192,908
Laborers	308,244

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Overtime Pay	\$	18,562	
Rentals		6,015	
Other Contracted Services		4,140	
Asphalt - Hot Mix		1,574,090	
Asphalt - Liquid		45,086	
Concrete		4,546	
Crushed Stone		59,050	
Fertilizer, Lime, and Seed		1,485	
General Construction Materials		57,142	
Pipe - Metal		71,120	
Road Signs		56,570	
Salt		13,261	
Sand		258	
Small Tools		963	
Wood Products		458	
Other Supplies and Materials		5,432	
Total Highway and Bridge Maintenance			\$ 2,783,335

Operation and Maintenance of Equipment

Foremen	\$	35,075	
Mechanic(s)		91,458	
Overtime Pay		730	
Laundry Service		16,763	
Other Contracted Services		95	
Diesel Fuel		164,893	
Equipment and Machinery Parts		88,094	
Garage Supplies		16,775	
Gasoline		62,245	
Lubricants		6,815	
Propane Gas		2,838	
Small Tools		2,110	
Tires and Tubes		23,751	
Other Supplies and Materials		1,059	
Total Operation and Maintenance of Equipment			512,701

Litter and Trash Collection

Truck Drivers	\$	29,380	
Guards		31,086	
Other Salaries and Wages		6,750	
Other Contracted Services		2,077	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Other Supplies and Materials	\$ 35,881	
Total Litter and Trash Collection		\$ 105,174

Other Charges

Communication	\$ 6,379	
Electricity	11,318	
Water and Sewer	1,142	
Liability Insurance	63,126	
Trustee's Commission	75,164	
Total Other Charges		157,129

Employee Benefits

Social Security	\$ 125,625	
State Retirement	218,753	
Employee and Dependent Insurance	6,422	
Life Insurance	1,149	
Medical Insurance	356,577	
Unemployment Compensation	288	
Workers' Compensation Insurance	37,911	
Total Employee Benefits		746,725

Capital Outlay

Engineering Services	\$ 11,950	
Building Improvements	23,291	
Other Equipment	172,473	
Total Capital Outlay		207,714

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$ 60,969
Truck Drivers	47,121
Laborers	90,382
Overtime Pay	1,294
Rentals	822
Other Contracted Services	72
Concrete	8,704
Crushed Stone	15,843
Diesel Fuel	17,124
Equipment and Machinery Parts	17,747
General Construction Materials	1,079

(Continued)

Exhibit J-8

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.)

Pipe - Metal	\$	13,339	
Small Tools		388	
Total Highway and Street Capital Projects			\$ 274,884

Total Highway/Public Works Fund \$ 5,209,825

General Debt Service Fund

Other Operations

Other Charges

Accounting Services	\$	2,500	
Trustee's Commission		96,190	
Total Other Charges			\$ 98,690

Principal on Debt

General Government

Principal on Notes	\$	24,049	
Principal on Other Loans		642,845	
Total General Government			666,894

Education

Principal on Other Loans	\$	2,892,155	
Total Education			2,892,155

Interest on Debt

General Government

Interest on Other Loans	\$	231,861	
Total General Government			231,861

Education

Interest on Bonds	\$	935,080	
Interest on Other Loans		966,274	
Total Education			1,901,354

Other Debt Service

General Government

Other Debt Service	\$	239,368	
Total General Government			239,368

Education

Other Debt Service	\$	575,536	
Total Education			575,536

Total General Debt Service Fund 6,605,858

(Continued)

Exhibit J-8

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

General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 1,275	
Total Other Charges		\$ 1,275

Capital Projects

General Administration Projects

Heating and Air Conditioning Equipment	\$ 16,315	
Total General Administration Projects		16,315

Public Safety Projects

Law Enforcement Equipment	\$ 91,333	
Maintenance Equipment	23,893	
Motor Vehicles	112,397	
Other Capital Outlay	15,310	
Total Public Safety Projects		242,933

Public Health and Welfare Projects

Motor Vehicles	\$ 156,364	
Other Equipment	88,315	
Total Public Health and Welfare Projects		244,679

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 104,032	
Total Social, Cultural, and Recreation Projects		104,032

Highway and Street Capital Projects

Highway Construction	\$ 7,415	
Total Highway and Street Capital Projects		7,415

Total General Capital Projects Fund \$ 616,649

Community Development/Industrial Park Fund

Other Operations

Industrial Development

Matching Share	\$ 35,788	
Other Charges	721,239	
Highway Construction	74,437	
Right-of-Way	999,135	
Site Development	43,750	
Other Capital Outlay	3,015,969	
Total Industrial Development		\$ 4,890,318

(Continued)

Exhibit J-8

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

<u>Community Development/Industrial Park Fund (Cont.)</u>			
<u>Other Operations (Cont.)</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 21,305		
Total Other Charges		\$ 21,305	
Total Community Development/Industrial Park Fund			\$ 4,911,623
<u>HUD Grant Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Economic and Community Development</u>			
Other Construction	\$ 405,365		
Total Other Economic and Community Development		\$ 405,365	
<u>Other Charges</u>			
Trustee's Commission	\$ 13		
Total Other Charges		13	
Total HUD Grant Projects Fund			405,378
<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 696		
Total Other Charges		\$ 696	
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contracts with Other School Systems	\$ 11,387		
Total Education Capital Projects		11,387	
Total Education Capital Projects Fund			12,083
<u>Waterline Extension Projects Fund</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Other Construction	\$ 452,229		
Total Other General Government Projects		\$ 452,229	
Total Waterline Extension Fund			452,229
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$ 321,349		
Total Other Public Health and Welfare		\$ 321,349	
Total Endowment Fund			321,349
Total Governmental Funds - Primary Government			<u>\$ 56,196,982</u>

Exhibit J-9

Bradley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 23,529,917	
Career Ladder Program	216,030	
Career Ladder Extended Contracts	136,400	
Homebound Teachers	56,510	
Educational Assistants	946,750	
Other Salaries and Wages	75,001	
Non-certified Substitute Teachers	359,224	
Social Security	1,631,847	
State Retirement	2,435,455	
Life Insurance	25,795	
Medical Insurance	3,494,029	
Employer Medicare	384,439	
Other Fringe Benefits	303,825	
Operating Lease Payments	5,100	
Maintenance and Repair Services - Equipment	83,658	
Other Contracted Services	88,044	
Instructional Supplies and Materials	350,254	
Textbooks	893,030	
Other Supplies and Materials	43,613	
Fee Waivers	90,995	
Other Charges	19,196	
Regular Instruction Equipment	127,011	
Total Regular Instruction Program		\$ 35,296,123

Special Education Program

Teachers	\$ 1,792,698
Career Ladder Program	14,500
Educational Assistants	133,398
Speech Pathologist	185,305
Other Salaries and Wages	97,575
Non-certified Substitute Teachers	12,768
Social Security	132,213
State Retirement	211,798
Life Insurance	2,553
Medical Insurance	344,665
Employer Medicare	30,921
Other Contracted Services	94,970
Instructional Supplies and Materials	73,294
Other Supplies and Materials	42,498

(Continued)

Exhibit J-9

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	\$	16,883	
Special Education Equipment		6,447	
Total Special Education Program			\$ 3,192,486

Vocational Education Program

Teachers	\$	1,862,278	
Career Ladder Program		7,000	
Non-certified Substitute Teachers		14,896	
Social Security		111,780	
State Retirement		168,769	
Life Insurance		1,776	
Medical Insurance		262,646	
Employer Medicare		26,073	
Maintenance and Repair Services - Equipment		11,004	
Instructional Supplies and Materials		80,800	
Vocational Instruction Equipment		55,005	
Total Vocational Education Program			2,602,027

Adult Education Program

Teachers	\$	22,127	
Other Salaries and Wages		109,230	
Social Security		8,079	
State Retirement		8,117	
Life Insurance		86	
Medical Insurance		11,794	
Employer Medicare		1,890	
Travel		3,097	
Instructional Supplies and Materials		6,147	
Other Charges		10,444	
Total Adult Education Program			181,011

Support Services

Attendance

Supervisor/Director	\$	38,471	
Career Ladder Program		1,000	
Clerical Personnel		54,805	
Social Security		5,501	
State Retirement		11,174	
Life Insurance		108	

(Continued)

Exhibit J-9

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.)

Medical Insurance	\$	15,932	
Employer Medicare		1,286	
Travel		2,437	
Other Supplies and Materials		1,453	
Attendance Equipment		1,808	
Total Attendance			\$ 133,975

Health Services

Medical Personnel	\$	365,250	
Other Salaries and Wages		125,203	
Social Security		29,747	
State Retirement		53,701	
Life Insurance		549	
Medical Insurance		69,126	
Employer Medicare		6,957	
Travel		7,911	
Other Contracted Services		4,699	
Drugs and Medical Supplies		6,062	
Other Supplies and Materials		52,977	
Other Charges		2,205	
Other Equipment		438,122	
Total Health Services			1,162,509

Other Student Support

Career Ladder Program	\$	10,000	
Guidance Personnel		1,110,758	
Other Salaries and Wages		492,978	
Social Security		96,634	
State Retirement		149,817	
Life Insurance		1,382	
Medical Insurance		179,108	
Employer Medicare		22,629	
Communication		638	
Evaluation and Testing		80,043	
Travel		107,405	
Total Other Student Support			2,251,392

Regular Instruction Program

Supervisor/Director	\$	162,680	
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(Continued)

Exhibit J-9

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		762,884	
Materials Supervisor		20,808	
Secretary(ies)		50,025	
Educational Assistants		167,309	
Other Salaries and Wages		202,527	
Social Security		82,841	
State Retirement		122,051	
Life Insurance		1,166	
Medical Insurance		150,903	
Employer Medicare		19,397	
Communication		2,885	
Maintenance and Repair Services - Equipment		1,681	
Travel		22,850	
Other Contracted Services		213,642	
Instructional Supplies and Materials		11,232	
Library Books/Media		279,865	
Other Supplies and Materials		4,741	
In Service/Staff Development		3,175	
Other Equipment		3,815	
Total Regular Instruction Program			\$ 2,298,477

Special Education Program

Supervisor/Director	\$	84,010	
Career Ladder Program		7,800	
Psychological Personnel		194,904	
Secretary(ies)		33,350	
Other Salaries and Wages		147,698	
Social Security		27,283	
State Retirement		42,203	
Life Insurance		328	
Medical Insurance		42,027	
Employer Medicare		6,869	
Travel		10,103	
Other Supplies and Materials		43,045	
In Service/Staff Development		5,679	
Total Special Education Program			645,299

(Continued)

Exhibit J-9

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

Supervisor/Director	\$	64,821	
Secretary(ies)		23,025	
Social Security		5,360	
State Retirement		9,059	
Life Insurance		86	
Medical Insurance		11,494	
Employer Medicare		1,254	
Travel		4,001	
Other Supplies and Materials		1,108	
Other Charges		839	
Total Vocational Education Program			\$ 121,047

Other Programs

On-Behalf Payments to OPEB	\$	432,972	
Other Contracted Services		208,985	
Total Other Programs			641,957

Board of Education

Board and Committee Members Fees	\$	18,200	
Social Security		763	
State Retirement		1,706	
Unemployment Compensation		43,637	
Employer Medicare		264	
Audit Services		27,000	
Dues and Memberships		8,108	
Legal Services		22,621	
Travel		9,738	
Other Contracted Services		3,250	
Liability Insurance		92,389	
Premiums on Corporate Surety Bonds		4,738	
Trustee's Commission		329,849	
Workers' Compensation Insurance		188,943	
Criminal Investigation of Applicants - TBI		8,100	
Refund to Applicant for Criminal Investigation		1,980	
Other Charges		9,035	
Total Board of Education			770,321

Director of Schools

County Official/Administrative Officer	\$	114,839	
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(Continued)

Exhibit J-9

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.)

Career Ladder Program	\$	1,000	
Secretary(ies)		69,415	
Other Salaries and Wages		5,438	
Social Security		10,790	
State Retirement		27,548	
Life Insurance		130	
Medical Insurance		29,241	
Employer Medicare		2,800	
Other Fringe Benefits		14,792	
Communication		40,173	
Dues and Memberships		5,469	
Postal Charges		8,040	
Travel		5,718	
Office Supplies		2,119	
Other Charges		14,466	
Administration Equipment		1,178	
Total Director of Schools			\$ 353,156

Office of the Principal

Principals	\$	1,333,671	
Career Ladder Program		18,000	
Assistant Principals		717,543	
Secretary(ies)		696,035	
Social Security		161,974	
State Retirement		283,959	
Life Insurance		2,467	
Medical Insurance		369,513	
Employer Medicare		37,881	
Dues and Memberships		16,095	
Travel		1,546	
Total Office of the Principal			3,638,684

Fiscal Services

Supervisor/Director	\$	80,932
Career Ladder Program		3,000
Accountants/Bookkeepers		152,610
Social Security		13,881
State Retirement		31,969
Life Insurance		207

(Continued)

Exhibit J-9

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.)

Medical Insurance	\$	22,029	
Employer Medicare		3,327	
Data Processing Services		9,308	
Dues and Memberships		556	
Travel		1,528	
Other Contracted Services		4,273	
Data Processing Supplies		5,654	
Office Supplies		958	
Administration Equipment		1,519	
Total Fiscal Services			\$ 331,751

Operation of Plant

Supervisor/Director	\$	68,572
Guards		11,264
Custodial Personnel		493,529
Social Security		34,605
State Retirement		73,047
Life Insurance		1,041
Medical Insurance		138,694
Employer Medicare		8,093
Communication		1,624
Janitorial Services		634,397
Operating Lease Payments		500
Maintenance and Repair Services - Equipment		36,955
Rentals		1,476
Travel		11,028
Disposal Fees		39,585
Other Contracted Services		58,447
Custodial Supplies		105,056
Electricity		1,758,389
Fuel Oil		104,909
Natural Gas		165,579
Water and Sewer		271,972
Other Supplies and Materials		342
Boiler Insurance		15,161
Building and Contents Insurance		271,238
Other Charges		829
Principal on Notes		47,380
Principal on Capital Leases		148,062

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Interest on Capital Leases	\$	12,318	
Plant Operation Equipment		<u>377,537</u>	
Total Operation of Plant	\$		4,891,629

Maintenance of Plant

Supervisor/Director	\$	59,052	
Maintenance Personnel		441,461	
Other Salaries and Wages		27,096	
Social Security		31,640	
State Retirement		70,795	
Life Insurance		575	
Medical Insurance		76,272	
Employer Medicare		7,400	
Other Contracted Services		24,793	
Other Supplies and Materials		352,874	
Other Charges		<u>8,080</u>	
Total Maintenance of Plant			1,100,038

Transportation

Supervisor/Director	\$	38,471	
Clerical Personnel		32,915	
Social Security		4,071	
State Retirement		8,047	
Life Insurance		65	
Medical Insurance		10,059	
Employer Medicare		952	
Communication		3,633	
Contracts with Vehicle Owners		1,819,328	
Maintenance and Repair Services - Vehicles		76,296	
Medical and Dental Services		3,783	
Other Contracted Services		1,081	
Gasoline		90,175	
Other Supplies and Materials		894	
Vehicle and Equipment Insurance		85,283	
Other Charges		3,991	
Transportation Equipment		<u>22,720</u>	
Total Transportation			2,201,764

(Continued)

Exhibit J-9

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

Supervisor/Director	\$	76,942	
Data Processing Personnel		167,988	
Social Security		14,479	
State Retirement		30,263	
Life Insurance		259	
Medical Insurance		34,586	
Employer Medicare		3,386	
Communication		5,872	
Maintenance and Repair Services - Equipment		86,348	
Travel		8,678	
Other Contracted Services		295,024	
Other Supplies and Materials		203	
Other Charges		286	
Total Central and Other			\$ 724,314

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	51,012	
Social Security		3,148	
State Retirement		7,075	
Life Insurance		3,341	
Medical Insurance		5,747	
Employer Medicare		736	
Travel		1,568	
Other Contracted Services		1,800	
Other Supplies and Materials		619	
Other Charges		144	
Food Service Equipment		768	
Total Food Service			75,958

Community Services

Other Salaries and Wages	\$	257,329	
Social Security		15,913	
State Retirement		9,077	
Employer Medicare		3,722	
Maintenance and Repair Services - Equipment		3,041	
Travel		4,002	
Other Contracted Services		52,232	
Instructional Supplies and Materials		7,324	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Utilities	\$ 18,000	
Other Charges	2,658	
Total Community Services		\$ 373,298

Early Childhood Education

Contracts with Other Public Agencies	\$ 1,358,455	
Total Early Childhood Education		1,358,455

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$ 1,000	
Social Security	61	
State Retirement	139	
Employer Medicare	14	
Architects	150,250	
Other Contracted Services	520	
Building Construction	11,895	
Building Improvements	663,327	
Land	261,259	
Regular Instruction Equipment	4,855	
Other Capital Outlay	1,078,338	
Total Regular Capital Outlay		2,171,658

Total General Purpose School Fund \$ 66,517,329

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,718,099
Educational Assistants	154,955
Non-certified Substitute Teachers	9,184
Social Security	45,233
State Retirement	54,532
Life Insurance	562
Medical Insurance	68,521
Employer Medicare	10,718
Instructional Supplies and Materials	119,080
Other Supplies and Materials	80,453
Other Charges	41,626

(Continued)

Exhibit J-9

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.)

Regular Instruction Program (Cont.)

Regular Instruction Equipment	\$ 206,985	
Total Regular Instruction Program		\$ 3,509,948

Special Education Program

Teachers	\$ 180,567	
Educational Assistants	482,597	
Social Security	36,266	
State Retirement	77,516	
Life Insurance	1,391	
Medical Insurance	200,118	
Employer Medicare	9,019	
Other Contracted Services	198,764	
Instructional Supplies and Materials	4,201	
Other Supplies and Materials	3,083	
Special Education Equipment	75,529	
Total Special Education Program		1,269,051

Vocational Education Program

Other Salaries and Wages	\$ 1,285	
Social Security	80	
State Retirement	116	
Employer Medicare	19	
Other Supplies and Materials	13,907	
Other Charges	20,111	
Vocational Instruction Equipment	80,424	
Total Vocational Education Program		115,942

Support Services

Other Student Support

Other Salaries and Wages	\$ 204,310	
Social Security	11,924	
State Retirement	18,490	
Life Insurance	173	
Medical Insurance	23,521	
Employer Medicare	2,789	
Evaluation and Testing	102,686	
Travel	30,703	
In Service/Staff Development	964	
Total Other Student Support		395,560

(Continued)

Exhibit J-9

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

Supervisor/Director	\$	60,940	
Secretary(ies)		16,675	
Educational Assistants		14,194	
Other Salaries and Wages		190,973	
Social Security		14,452	
State Retirement		25,336	
Life Insurance		259	
Medical Insurance		37,606	
Employer Medicare		3,911	
Consultants		4,339	
Travel		27,284	
Other Contracted Services		30,397	
Other Supplies and Materials		3,049	
In Service/Staff Development		55,845	
Other Charges		64,000	
Total Regular Instruction Program			\$ 549,260

Special Education Program

Psychological Personnel	\$	129,078	
Secretary(ies)		94,084	
Other Salaries and Wages		385,576	
Social Security		35,047	
State Retirement		55,246	
Life Insurance		566	
Medical Insurance		77,306	
Employer Medicare		8,341	
Travel		31,788	
In Service/Staff Development		14,875	
Total Special Education Program			831,907

Vocational Education Program

Travel	\$	18,465	
In Service/Staff Development		19,601	
Total Vocational Education Program			38,066

Transportation

Bus Drivers	\$	112,177	
Social Security		6,304	
State Retirement		1,341	

(Continued)

Exhibit J-9

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.)

Transportation (Cont.)

Employer Medicare	\$	1,627	
Transportation Equipment		<u>55,502</u>	
Total Transportation			<u>\$ 176,951</u>

Total School Federal Projects Fund \$ 6,886,685

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,840,845	
In-Service Training		2,651	
Social Security		110,236	
State Retirement		180,121	
Medical Insurance		390,325	
Unemployment Compensation		7,224	
Employer Medicare		25,782	
Communication		2,497	
Dues and Memberships		759	
Freight Expenses		612	
Maintenance and Repair Services - Equipment		84,107	
Pest Control		3,144	
Travel		3,510	
Permits		1,000	
Other Contracted Services		77,734	
Food Preparation Supplies		34,092	
Food Supplies		1,981,055	
Ice		37,954	
Uniforms		13,394	
USDA - Commodities		252,694	
Other Supplies and Materials		127,560	
Refunds		606	
Criminal Investigation of Applicants - TBI		990	
Refund to Applicant for Criminal Investigation		48	
Other Charges		8,329	
Food Service Equipment		<u>74,342</u>	
Total Food Service			<u>\$ 5,261,611</u>

Total Central Cafeteria Fund 5,261,611

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Furniture and Fixtures	\$	4,073	
Regular Instruction Equipment		13,376	
Other Capital Outlay		<u>3,569</u>	
Total Education Capital Projects			<u>\$ 21,018</u>

Total Education Capital Projects Fund 21,018

Total Governmental Funds - Bradley County School Department \$ 78,686,643

Bradley County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2012

	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	\$ 1,669,713	\$ 5,372,203	\$ 7,041,916
Trustee's Collections - Prior Years	0	0	55,270	213,990	269,260
Circuit/Clerk and Master Collections - Prior Years	0	0	217,494	153,467	370,961
Interest and Penalty	0	0	8,764	33,437	42,201
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,323	1,323
Payments in-Lieu-of Taxes - Other	0	0	43	64,209	64,252
Local Option Sales Taxes	10,273,775	540,629	0	5,084,720	15,899,124
Bank Excise Taxes	0	0	0	17,125	17,125
Interstate Telecommunications Taxes	0	0	0	1,971	1,971
Marriage Licenses	0	0	0	2,845	2,845
Investment Income	0	1,825	0	0	1,967
Other Local Revenue	0	0	0	142	142
Income Taxes	0	0	0	185	185
Total Cash Receipts	\$ 10,273,775	\$ 542,454	\$ 1,951,284	\$ 10,976,338	\$ 23,743,993
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 10,273,034	\$ 0	\$ 1,822,200	\$ 10,867,698	\$ 23,815,892
Trustee's Commission	741	0	39,277	117,033	157,051
Total Cash Disbursements	\$ 10,273,775	\$ 0	\$ 1,861,477	\$ 10,984,731	\$ 23,972,943
Excess of Cash Receipts Over (Under)	\$ 0	\$ 542,454	\$ 89,807	\$ (8,393)	\$ (228,950)
Cash Disbursements	0	853,266	122,736	852,818	1,844,946
Cash Balance, July 1, 2011					
Cash Balance, June 30, 2012	\$ 0	\$ 1,395,720	\$ 212,543	\$ 7,733	\$ 1,615,996

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## STATISTICAL SECTION

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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
<b>Financial Trends:</b>		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5	219-226
<b>Revenue Capacity:</b>		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-9	227-230
<b>Debt Capacity:</b>		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	10-14	231-235
<b>Demographic and Economic Information:</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	15-16	236-237
<b>Operating Information:</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	17-19	238-240

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  
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PRIMARY GOVERNMENT (Note 1)</b>										
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	\$ 38,223,003
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	43,150,279
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)	(56,536,421)
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	\$ 24,836,861

**COMPONENT UNIT - Bradley County Schools (Notes 2,3)**

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	\$ 67,784,079
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	2,203,240
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	3,619,334
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	\$ 73,606,653

**Notes:**

- (1) Bradley County Government does not engage in any business-type activities.
- (2) 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.
- (3) 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  
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>EXPENSES (Note 1)</b>										
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	\$ 2,689,472	\$ 4,101,023	\$ 9,353,024
Finance	1,719,385	1,822,856	2,076,420	2,105,013	2,438,416	2,553,721	2,694,642	2,649,529	2,582,911	2,614,986
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	3,434,737
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	19,485,932
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	7,633,085
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	2,529,067
Agriculture and Natural Resources	273,696	332,175	391,320	412,796	441,046	442,092	547,161	527,160	552,058	1,028,690
Other Operations	1,620,484	3,090,443	1,432,033	1,599,541	3,314,102	2,241,926	1,580,426	-	-	4,650,587
Highways/Public Works	3,818,551	3,568,583	3,492,535	3,761,715	3,853,649	3,951,114	4,474,498	4,570,149	666,796	586,923
Education (Payments to Component Unit)	344,153	4,000,000	1,411,489	11,346,511	-	-	-	17,734,346	-	-
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	2,580,564	2,121,089	2,135,600
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	\$ 53,452,631
<b>PROGRAM REVENUES</b>										
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	\$ 1,301,060
Finance	1,805,508	1,968,160	1,989,391	1,893,208	1,898,211	1,917,636	1,892,561	1,863,399	1,934,359	1,997,445
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	3,779,803
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	3,056,052
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	4,424,929
Social, Cultural, and Recreational Services	-	-	-	2,913	154,874	144,459	143,499	256,213	245,372	216,977
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	6,375
Other Operations	-	-	-	11,614	11,614	18,337	16,512	-	-	-
Highways/Public Works	-	-	-	16,299	16,299	2,236	40,662	15,375	10,282	20,344
Operating Grants and Contributions	3,522,586	3,714,851	5,222,274	7,548,175	6,382,194	6,288,479	5,112,467	4,499,218	4,930,583	6,405,791
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	4,858,831
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	\$ 26,067,607

(Continued)

Table 2

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	\$ (27,385,024)
<b>General Revenues and Other Changes in Net Assets</b>										
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	\$ 16,577,507
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	4,638,965
Sales Tax	3,028,941	3,276,430	3,470,426	3,516,343	3,671,047	3,680,185	3,607,649	3,791,246	4,086,378	4,549,844
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	2,846,391
Unrestricted Grants and Contributions	984,293	716,556	480,296	894,447	868,050	909,566	1,034,691	987,536	1,016,542	1,122,283
Investment Earnings	431,722	308,312	770,396	1,196,114	2,082,608	1,583,986	1,007,863	705,170	497,460	242,552
Proceeds from Hospital Sale	-	-	-	-	15,000,000	-	-	-	-	-
Insurance Recovery	-	-	-	-	-	-	-	-	-	6,028
Miscellaneous	307,085	117,340	265,881	161,287	120,302	296,445	284,422	232,934	173,099	348,692
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	\$ 30,332,262
<b>Change in Net Assets</b>	\$ 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	\$ 2,917,238

Notes:

(1) Bradley County Government does not engage in any business-type activities.

Table 2a

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>EXPENSES (Note 1)</b>										
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	\$ 80,736,790
<b>PRIMARY GOVERNMENT:</b> (Note 1)	\$ 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	\$ 80,736,790
<b>PROGRAM REVENUES</b>										
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	\$ 2,109,608
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	13,111,464
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	\$ 12,594,228	\$ 12,811,537	\$ 24,970,771	\$ 12,812,900	\$ 15,221,072
Component Unit - Bradley County Schools (Notes 2,3)										
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)	\$ (65,515,718)
<b>General Revenues and Other Changes in Net Assets</b>										
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	\$ 11,692,391
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	10,425,373
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	42,514,979
Investment Earnings	181,478	140,437	414,341	444,794	438,669	207,630	80,902	21,309	15,507	20,648
Sale of Land/Equipment	-	-	-	2,671	-	-	-	-	-	6,199
Miscellaneous	248,532	85,699	153,224	90,180	9,677	26,109	71,272	48,972	118,831	23,502
Insurance Recovery	-	-	-	-	-	-	-	-	-	715,276
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	\$ 65,398,368
<b>Change in Net Assets</b>	\$ (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)	\$ (117,350)

**Notes:**  
(1) Bradley County Schools do not engage in any business-type activities.

Table 3

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

Fiscal Year	Property Tax for General Purposes	Property Tax for Bradley Co. Schools	Sales Tax - Primary Government	Sales Tax - Bradley Co. Schools	Other Local Tax - Primary Govt.	Other Local Tax - Bradley Co. Schools	Total
2003	\$ 10,356,774	\$ 9,494,483	\$ 3,028,941	\$ 6,378,550	\$ 1,960,856	\$ 16,434	\$ 31,236,038
2004	10,374,534	9,757,162	3,276,430	6,960,299	2,017,125	70,647	32,456,197
2005	10,837,104	9,937,003	3,470,426	7,194,986	2,216,994	8,862	33,665,375
2006	11,536,253	10,690,877	3,516,343	7,815,657	2,205,635	10,698	35,775,463
2007	13,820,122	10,995,203	3,671,047	7,948,465	2,398,407	10,783	38,844,027
2008	15,304,176	11,169,146	3,680,185	8,025,284	2,531,841	7,399	40,718,031
2009	15,484,098	11,451,060	3,607,649	7,695,742	2,363,217	7,196	40,608,962
2010	16,081,162	11,555,769	3,791,246	9,115,681	2,279,640	5,141	42,828,639
2011	16,557,371	11,657,251	4,086,378	9,353,851	2,328,007	4,989	43,987,847
2012	16,577,507	11,692,391	4,549,844	10,425,373	2,846,391	-	46,091,506

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PRIMARY GOVERNMENT</b>										
Reserved	\$ 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	2,107,591
Committed	-	-	-	-	-	-	-	-	473,920	555,709
Assigned	-	-	-	-	-	-	-	-	510,608	473,584
Unreserved/Unassigned	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	1,200,973
Total General Fund	\$ 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	\$ 4,337,857
Reserved	\$ 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	16,493,179
Restricted	-	-	-	-	-	-	-	-	6,326,324	6,482,944
Committed	-	-	-	-	-	-	-	-	20,062,092	18,292,224
Assigned	-	-	-	-	-	-	-	-	154,603	119,692
Unreserved, Reported in:										
Special Revenue Funds	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	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	(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	\$ 43,702,653	\$ 45,651,355	\$ 46,315,379	\$ 37,600,931	\$ 38,327,511	\$ 41,434,785	\$ 45,277,736	\$ 45,168,195	\$ 42,484,624	\$ 41,388,039
<b>COMPONENT UNIT - Bradley</b>										
<b>County Schools</b>										
General Purpose School Fund										
Reserved	\$ 74,174	\$ 236,048	\$ 491,047	\$ 381,419	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069	\$ -	\$ -
Unreserved	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	381,315
Unassigned	-	-	-	-	-	-	-	-	4,866,298	7,240,601
Total General Purpose School Fund	\$ 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	\$ 7,621,916
All Other School Funds										
Reserved	\$ 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	1,521,925
Committed	-	-	-	-	-	-	-	-	300,000	300,000
Total All Other Governmental Funds	\$ 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	\$ 1,821,925

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 37,398,729	\$ 38,549,981	\$ 40,124,087	\$ 42,288,329	\$ 43,952,491	\$ 45,396,522	\$ 45,746,185	\$ 47,922,945	\$ 49,235,161	\$ 51,061,742
Licenses and Permits	349,992	492,751	274,184	446,892	420,076	375,282	370,507	289,502	333,876	666,804
Fines and Forfeitures	684,843	1,923,364	850,300	981,503	1,708,360	899,921	939,523	698,858	946,282	1,080,260
Charges for Service	5,801,881	6,669,710	4,162,521	7,228,248	7,917,495	8,309,818	8,668,053	8,525,735	8,590,999	8,697,225
Other Local Revenue	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	2,567,203
Fees from Co. Officials	1,686,576	1,819,757	2,356,183	2,638,050	2,802,077	2,663,595	2,372,484	2,371,732	2,280,525	2,521,097
State Revenues	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	53,510,110
Federal Revenues	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	14,326,101
Other Govt/Citizens	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	1,493,957
Total Revenues	\$ 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	\$ 135,924,499
<b>Expenditures</b>										
General Government	\$ 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	\$ 2,843,796
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	2,591,243
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	3,368,943
Public Safety	8,660,884	10,400,622	12,337,106	13,850,301	14,432,014	17,022,376	18,539,695	19,219,974	17,432,483	18,360,622
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	6,751,861
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	1,882,677
Agriculture & Natural Resources	271,944	345,364	388,227	411,087	438,400	431,756	530,839	519,283	534,679	577,159
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	6,650,518
Special Revenues	2,587,554	4,187,344	3,916,478	3,899,970	4,216,420	4,545,887	4,267,183	5,089,706	4,737,789	4,934,941
Highways & Bridges	4,568,442	4,578,910	4,842,271	4,947,495	4,272,383	4,545,887	4,267,183	5,089,706	4,737,789	4,934,941
Education	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	76,493,967
Debt Service										
Principal	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	3,559,049
Interest	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	2,133,215
Other Charges/Operations	119,937	280,454	446,585	302,141	8,497,361	553,259	699,144	453,094	851,425	814,904
Endowment	-	-	-	-	923,104	-	198,460	232,428	629,426	321,349
Capital Projects-General	8,707,116	7,085,812	3,086,881	12,532,366	982,833	1,179,342	828,613	18,436,805	2,747,137	1,406,705
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	3,065,533	2,192,676
Capital Projects-Schools	380,630	3,456,345	2,038,514	2,674,190	3,884,236	5,952,703	188,258	8,631,899	-	-
Cap Assets Pur /Depr. Exp - Schools	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	134,883,625
Excess of Revenues over (under) Expenditures	\$ (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)	\$ 1,040,874

(Continued)

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 2,575,539	\$ 210,353	\$ 433,710	\$ 627,644	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724	\$ 44,599
Transfers Out	(2,575,539)	(210,353)	(433,710)	(627,644)	(510,416)	(308,693)	(302,483)	(942,147)	(47,724)	(44,599)
Bond Proceeds	-	-	-	-	-	-	-	17,550,000	-	-
Note Proceeds	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	-	-	-	-	-	-	(66,275,000)	-	-	-
Premiums on Debt Issued	-	-	-	-	(9,705,000)	-	-	-	-	-
Proceeds Capitalized Lease	231,121	244,860	215,659	18,219	750,922	233,252	151,579	193,736	108,870	302,000
Insurance Recovery	-	-	-	-	-	41,057	-	14,880	6,150	721,304
Proceeds on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Proceeds on Sale of Hospital	-	-	-	-	15,000,000	-	-	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	5,650	-	-	-	-
<b>TOTAL OTHER SOURCES</b>	<b>\$ 8,531,855</b>	<b>\$ 7,756,860</b>	<b>\$ 3,139,414</b>	<b>\$ 12,164,730</b>	<b>\$ 6,545,922</b>	<b>\$ 279,959</b>	<b>\$ 800,563</b>	<b>\$ 18,020,217</b>	<b>\$ 115,020</b>	<b>\$ 1,023,304</b>
Net Change in Fund Balances	\$ 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)	\$ 2,064,178

Debt Service as a Percentage of Noncapital Expenditures 7.0% 6.6% 6.3% 15.0% 4.8% 4.7% 4.2% 3.5% 4.1% 4.3%

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
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	475,757	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	47,923,945
2011	33,383,497	13,405,829	608,081	439,941	963,762	-	98,568	327,285	8,198	49,235,161
2012	33,381,638	14,795,051	781,520	478,843	1,184,507	-	92,591	340,654	6,938	51,061,742

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 Assessed	Ratio of Total Assessed Value To Total Estimated Actual Value	
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed			
2003	2002	\$ 2.18	\$ 4,117,433,300	\$ 1,167,628,385	\$ 599,464,775	\$ 179,839,539	\$ 157,525,324	\$ 157,525,324	\$ 4,874,423,399	\$ 1,504,993,248	30.88
2004	2003	2.18	4,218,292,800	1,197,359,520	591,189,504	154,367,603	157,525,324	-	4,967,007,628	1,351,727,123	27.21
2005	2004	2.02	4,813,051,600	1,367,157,130	643,760,090	193,128,027	110,030,664	-	5,566,842,354	1,670,315,821	30.00
2006	2005	2.02	5,020,566,900	1,429,562,610	648,911,057	194,673,307	-	-	5,669,477,957	1,624,235,917	28.65
2007	2006	2.02	5,669,477,400	1,429,569,410	648,910,500	194,673,317	-	-	6,318,387,900	1,624,242,727	25.71
2008	2007	2.02	5,239,053,700	1,496,126,215	701,160,400	194,673,317	-	-	5,940,214,100	1,690,799,532	28.46
2009	2008	2.02	5,333,059,000	1,519,689,940	701,160,400	184,852,571	99,164,485	99,164,485	6,133,383,885	1,803,706,996	29.41
2010	2009	1.79	6,183,241,600	1,760,820,220	709,176,752	212,753,182	108,653,195	108,653,195	7,001,071,547	2,082,226,597	29.74
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
2012	2011	1.79	6,253,300,000	1,786,343,575	722,568,000	215,179,703	113,197,366	62,258,551	7,089,065,366	2,063,781,829	29.11

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  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year Ending June 30	Bradley Co Gen Fund	Bradley Co Public Library	Bradley Co Pike Road	Bradley Co County Schools	Cleveland City Schools	Bradley Co Debt Service	Bradley Co Capital Projects	Bradley Co Edu Cap Projects	Bradley Co Community Development	Total Bradley County Direct Rate	Bradley Co Fire O/S Fringe	Bradley Co Fire I/S Fringe	City of Cleveland	City of Charleston
2003	0.5698	0.0283	0.1366	0.6918	0.3385	0.4240	-	-	-	2.18	0.19	0.51	1.65	0.57
2004	0.5544	0.0283	0.1430	0.6972	0.3331	0.4240	-	-	-	2.18	0.13	0.51	1.65	0.57
2005	0.5544	0.0283	0.1430	0.6989	0.3277	0.4277	-	-	-	2.18	0.13	0.51	1.65	0.48
2006	0.5137	0.0262	0.1325	0.6411	0.3101	0.3929	-	-	-	2.02	0.12	0.46	1.65	0.48
2007	0.5147	0.0312	0.1427	0.6529	0.2999	0.2786	0.1000	-	-	2.02	0.12	0.46	1.65	0.48
2008	0.5147	0.0312	0.1427	0.6495	0.3014	0.2760	0.1000	0.0019	-	2.02	0.39	0.46	1.65	0.48
2009	0.5147	0.0312	0.1427	0.6503	0.3006	0.2786	0.1000	0.0019	-	2.02	0.39	0.46	1.65	0.48
2010	0.4570	0.0277	0.1263	0.5740	0.2695	0.2355	-	0.0017	0.1003	1.79	0.34	0.41	1.49	0.42
2011	0.4570	0.0277	0.1263	0.5740	0.2695	0.2355	-	0.0017	0.1003	1.79	0.34	0.41	1.49	0.42
2012	0.4570	0.0277	0.1263	0.5740	0.2695	0.2355	-	0.0017	0.1003	1.79	0.34	0.41	1.49	0.42

Source: Bradley County Assessor of Property

Table 8

Bradley County, Tennessee  
Principal Taxpayers  
For the Fiscal Year Ended June 30, 2012

Taxpayer	Type of Business	2011		2003 (1)			Percentage of Total Taxes Levied	Assessed Valuation	Tax Liability	Percentage of Total Taxes Levied
		Rank	Tax Liability	Rank	Assessed Valuation	Tax Liability				
Life Care Centers	Nursing Homes	1	\$ 864,780		\$ -	-			0.00%	
Community Health Systems	Hospitals	2	643,363		-	-			0.00%	
Mars, Inc.	Candies, Cookies	3	567,979	3	22,629,565	493,325			1.67%	
Whirlpool	Appliance Manufacturer	4	477,532	1	29,233,725	637,295			2.16%	
Olin Mathieson	Chemical Company	5	371,893	5	16,445,112	358,503			1.21%	
Duracell/Gillette	Battery Manufacturer	6	361,352	2	25,900,565	564,632			1.91%	
Volunteer Energy Coop	Utility	7	305,157	8	10,918,942	238,033			0.81%	
Schering-Plough	Foot Products	8	260,047	7	12,942,857	282,154			0.96%	
Arch Chemicals	Chemical Company	9	246,916	4	16,695,447	363,961			1.23%	
Bellsouth Telecom	Phones	10	228,359	6	15,898,052	346,578			1.17%	
				9.44%				11.13%		

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, 2012

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Delinquent Tax Collections	Total Tax Collections	Ratio of		Outstanding Delinquent Taxes	Bankruptcies	Ratio of Uncollected Taxes to Total Tax Levy
					Total Tax Collections to Tax Levy	Total Tax Collections to Delinquent Taxes			
2002	\$ 28,959,013	\$ 23,303,297	\$ 5,618,885	\$ 28,922,182	99.87%	\$ 36,831	-	0.13%	
2003	29,507,508	24,011,528	5,487,410	29,498,938	99.97	8,570	-	0.03	
2004	31,643,573	25,315,685	6,292,298	31,607,983	99.89	35,590	-	0.11	
2005	32,809,566	27,035,428	5,763,245	32,798,673	99.97	10,893	-	0.03	
2006	36,164,240	29,515,753	5,839,655	35,355,408	97.76	16,537	-	0.05	
2007	37,911,893	32,852,346	4,351,353	37,203,699	98.13	140,556	-	0.37	
2008	38,914,534	36,393,488	1,708,881	38,102,369	97.91	379,473	-	0.98	
2009	38,969,734	30,591,121	2,088,092	32,679,213	83.86	669,556	-	1.72	
2010	40,098,446	37,607,631	2,148,571	39,756,202	99.15	342,244	-	0.85	
2011	39,987,186	37,619,625	(1)	37,619,624	94.08	(1)	\$27,182	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	Other Loans Payable	Capital Leases	Total Government				
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	214,284	60,195,000	321,148	78,280,432		3.65	791	
2012	17,550,000	142,855	56,660,000	410,556	74,763,411		2.87	738	

(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)	Variable Rate 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	Population (1)
2003	\$ 2,400,000	\$ 61,397,734	\$ 25,037,444	\$ 38,760,290	\$ 1,426,230,586	2.72%	\$ 441
2004	2,045,000	67,729,734	27,489,479	42,285,255	1,430,489,785	2.96	481
2005	1,675,000	68,818,489	30,236,743	40,256,746	1,615,300,489	2.49	458
2006	1,285,000	69,635,000	23,378,643	47,541,357	1,684,782,571	2.82	540
2007	875,000	67,990,000	15,863,135	53,001,865	1,685,029,701	3.15	603
2008	450,000	66,275,000	15,491,369	51,233,631	1,742,833,326	2.94	582
2009	-	64,995,000	16,250,237	48,744,763	1,759,083,033	2.77	554
2010	17,550,000	62,645,000	16,403,302	63,791,698	2,033,332,659	3.14	725
2011	17,550,000	60,195,000	15,529,814	62,215,186	2,018,571,873	3.08	629
2012	17,550,000	56,660,000	14,136,118	60,073,882	2,063,781,829	2.91	593

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

(2) Direct general government debt. Does not include discretely presented Bradley Healthcare & Rehabilitation Center component unit.

Table 12

Bradley County, Tennessee  
Direct and Overlapping Debt  
General Obligation Bonds, Notes and Other Loans  
As of June 30, 2012

**Direct Debt**

General Bonded Debt (1)	\$ 17,550,000	
Notes Payable	142,855	
Public Building Authority Loan Agreements	56,660,000	
Capital Leases Payable	<u>410,556</u>	
 Total Direct Debt		 \$ 74,763,411

**Overlapping Debt**

	<u>\$ -</u>	
 Total Overlapping Debt		 <u>-</u>

**Total Direct and Overlapping Debt** \$ 74,763,411

(1) Amount includes Primary Government and discretely presented Bradley County School Department.

Table 13

Bradley County, Tennessee  
Computation of Legal Debt Margin  
June 30, 2012

**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
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
2012	101,300	2,122,162,572	21,444	37.7	16.4	12,100	8.8

(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

Employer	2011			2002		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Whirlpool Corporation (Maytag)	1,386	1	3.54%	2,200	1	6.28%
Peyton's Southeastern, Inc.	979	2	2.40	1,200	2	3.43
SkyRidge Medical Center	922	3	2.97	-	-	0.00
Bradley County Schools	820	4	2.78	642	-	1.83
Cleveland City Schools	664	5	1.64	357	-	1.02
Wal-Mart	640	6	1.97	350	-	1.00
Bradley County Government	625	7	1.59	372	-	1.06
Merck Consumer Care	537	8	1.26	500	8	1.43
Lee University	501	9	1.58	500	-	1.43
Mars Chocolate North America	495	10	1.34	475	9	1.36
<b>Total</b>	<b>7,569</b>		<b>21.08%</b>	<b>6,596</b>		<b>18.83%</b>

Total Employment - Average Annual 2011 42,299  
Total Employment - Average Annual 2002 34,418

Sources: Chamber of Commerce  
Tennessee Department of Labor

Table 17

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

	<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>2012</u>
<b>Function:</b>										
General Government	39	38	45	38	38	44	58	51	51	47
Finance	42	40	39	42	46	47	47	48	48	46
Administration of Justice	47	55	58	55	59	60	61	64	64	64
Public Safety	161	230	245	272	244	239	240	296	296	305
Health and Welfare	61	74	97	83	86	89	91	123	127	123
Social, Cultural, and Recreational	9	10	10	10	8	10	9	10	10	10
Agriculture and Natural Resources	2	3	3	2	6	7	20	19	18	20
Other	2	2	1	2	2	3	3	3	3	3
Road and Bridge	49	50	54	53	54	56	59	59	59	59
<b>Total (1)</b>	<b>412</b>	<b>502</b>	<b>552</b>	<b>557</b>	<b>543</b>	<b>555</b>	<b>588</b>	<b>673</b>	<b>676</b>	<b>677</b>
<b>Component Unit:</b>										
Education (2)	884	896	912	922	1,100	1,100	953	953	953	953

(1) Bradley County Human Resources Department

(2) Bradley County Schools

Table 18

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

Function:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Registered Voters (1)	N/A	51,384	51,388	53,188	55,412	57,766	55,774	55,500	60,201	58,000
Building Permits Issued (2)	725	545	608	831	647	457	365	325	324	338
<b>Public Safety</b>										
Number of warrants (Civil and Criminal) served (3)	N/A	N/A	N/A	3,002	4,435	3,707	12,198	8,200	9,000	9,250
Fire Dept - Call Volume	491	622	528	-	-	-	-	-	-	-
Rescue Service - Call Volume	491	659	744	-	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	-	-	-	1,150	702	777	678	1,302	1,265	1,300
<b>Public Health (5)</b>										
Ambulance- Call Volume	15,281	16,924	17,995	18,000	18,515	18,500	20,400	19,500	20,000	2,200
Response Time - Avg. Minutes	N/A	6.4	6.6	6.6	6.6	6.6	6	6	6	6
<b>Road and Bridge (6)</b>										
	N/A	N/A	N/A	61.9	45.5	56.2	21.8	25	25	25

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:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Highways and Streets (1)</b>										
Number of Miles	N/A	738	739	744	749	759	759	759	759	759
Number of Roads	N/A	N/A	N/A	N/A	1,248	1,251	1,253	1,253	1,253	1,253
Traffic Signals	N/A	6	6	6	6	6	5	5	6	6
<b>Public Safety (2)</b>										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	6	7	7	7	7	7	8	8	8	10
<b>Health and Welfare (2)</b>										
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	3	3	3	3	3	3	5	5	5	5
Number of Ambulance Units	10	10	10	10	10	11	12	12	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<b>Facilities and Services Not Included in the Primary Government</b>										
<b>Education (3)</b>										
Number of Employees *	884	896	912	922	1,100	1,110	953	953	953	960
Elementary Schools	11	11	11	11	11	11	11	12	12	12
Middle Schools	2	2	2	2	2	2	2	2	2	2
High Schools	0	2	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

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## **SINGLE AUDIT SECTION**

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

November 14, 2012

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, 2012, which collectively comprise Bradley County's basic financial statements and have issued our report thereon dated November 14, 2012. 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

The management of Bradley County is responsible for establishing and maintaining effective 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 a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting: 12.03. 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; 12.01 and 12.02.

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

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

Independent Auditor's Report

November 14, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Bradley County's compliance 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, 2012. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### 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 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, 2012, and have issued our report thereon dated November 14, 2012. 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 written in a cursive style 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, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Rural Business Enterprise Grants	10.769	48-006-626000501	\$ 40,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	252,694 (8)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	750,852
National School Lunch Program	10.555	N/A	2,259,286 (8)
Total U.S. Department of Agriculture			<u>\$ 3,302,832</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-09-05	\$ 401,090
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/States Program	14.228	GG-11-34946-00	452,229
Total U.S. Department of Housing and Urban Development			<u>\$ 853,319</u>
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJBX-2602	\$ 25,996
Passed-through City of Cleveland, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	21,211
Passed-through City of Knoxville, Tennessee:			
Recovery Act - Internet Crimes Against Children Task Force Program (ICAC)	16.800	C-10-0084	33,950
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	(3)	85,385
Total U.S. Department of Justice			<u>\$ 166,542</u>
U.S. Department of Labor and Employment:			
Passed-through State Department of Labor and Workforce Development:			
Workforce Investment Act (WIA) National Emergency Grants	17.277	(2)	\$ 31,957
Total U.S. Department of Labor and Employment			<u>\$ 31,957</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(4)	\$ 5,745
Total U.S. Department of Transportation			<u>\$ 5,745</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Recovery Act - Energy Efficiency Conservation Block Grant Program (EECBG)	81.128	GG-11-33208-00	\$ 76,422
Total U.S. Department of Energy			<u>\$ 76,422</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	S215-L-100-61	\$ 1,551,051
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	181,330
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,721,355
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,322,602
Special Education - Preschool Grants	84.173	N/A	81,973
Career and Technical Education - Basic Grants to States	84.048	N/A	127,497
Twenty-first Century Community Learning Centers	84.287	(2)	373,298

(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)	\$ 23,639
Improving Teacher Quality State Grants	84.367	N/A	293,569
State Fiscal Stabilization Fund (SFSS) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	S395A100032	337,203
Education Jobs Program	84.410	(2)	2,128,998
Total U.S. Department of Education			<u>\$ 9,142,515</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	(2)	\$ 20,000
Total U.S. Department of Health and Human Services			<u>\$ 20,000</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(5)	\$ 1,777,690
Emergency Management Performance Grants	97.042	34101-48011	52,000
Homeland Security Grant Program	97.067	(6)	123,659
Total U.S. Department of Homeland Security			<u>\$ 1,953,349</u>
Total Expenditures of Federal Awards			<u>\$ 15,552,681</u>

State Grants		Contract Number	
Local Health Services - State Department of Health	N/A	Z-12-43739-00	\$ 952,140
Certified Voting Equipment Grant - State Department of Elections	N/A	(2)	29,070
Custody Prevention Services - State Department of Children's Services	N/A	GG-12-35226-00	33,967
Juvenile Services Youth Services Officer - State Commission on Children and Youth	N/A	GG-10-30113-01	9,000
Community Corrections Program - State Board of Probation and Patrol	N/A	GG-11-32003-00	337,466
Tire Recycling Grant - State Department of Environment and Conservation	N/A	(7)	65,100
Litter Program - State Department of Transportation	N/A	(2)	64,956
Early Childhood Education Pilot/State - Lottery Commission	N/A	(2)	1,358,455
Industrial Access Road Serving Amazon.com - State Department of Transportation	N/A	06-LPLM-S3-026	600,035
Fasttrack Infrastructure Development - Department of Economic and Community Development	N/A	GG-1237042	2,200,000
Total State Grants			<u>\$ 5,650,189</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-05-025530-02: \$50,000; Z-05-025536-00: \$35,385.
- (4) Z-10-219948-00: \$750; Z-12-GH035-00: \$4,995.
- (5) GG-10-309965-00: \$24,103; 011-99011-00: \$1,753,587.
- (6) 34101-5685: \$43,429; 34101-9331: \$28,925; 34101-0467: \$51,305.
- (7) Z-08-212969-02: \$30,461; DG-12-355171-00: \$34,639.
- (8) Total for CFDA No. 10.555 is \$2,511,980.

Bradley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*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, 2011, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.01	249	A county department violated the county's credit card policy

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.04	251	The office did not deposit some funds within three days of collection

**AMBULANCE SERVICE, SCHOOL FOOD SERVICE DEPARTMENT, AND OFFICE OF CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.05	251	Duties were not segregated adequately

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**BRADLEY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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**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 one significant deficiency in internal control. This deficiency was not 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), Community Development Block Grant/States Program (CFDA No. 14.228), Title I Grants to Local Educational Agencies (CFDA No. 84.010), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Funds for the Improvement of Education (CFDA No. 84.215), Education Jobs Program (CFDA No. 84.410), and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA No 97.036) were determined to be major programs.
8. A \$466,580 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, road superintendent, and director of schools 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 12.01      **THE FIRE AND RESCUE DEPARTMENT VIOLATED THE COUNTY'S CREDIT CARD POLICY**** (Noncompliance Under *Government Auditing Standards*)

Our review of credit card records of the Fire and Rescue Department for the year ended June 30, 2012, noted several charges that had no supporting documentation. When documentation was on hand, the documentation was not signed by the appropriate official. The credit card policy approved by the Bradley County Commission provides that the department head will review the monthly statement, verify the purchases, and attach all signed copies of receipts. The department head will also review the documentation for accuracy, sign, and return the statement with all receipts to the County Mayor's Office for payment. We noted charges that were for meals purchased within the county, which is contrary to the policy that allows 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. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### **RECOMMENDATION**

The Fire and Rescue 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**

The Fire and Rescue Department as of October 27, 2012, is under new management. The following action has been taken to avoid these audit findings in the future: (1) distributed a copy of the credit card policy to all Fire and Rescue Department staff with access to credit cards; (2) management will conduct a training session with my staff on acceptable use of county- issued credit cards; (3) staff using the credit card 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 the current personnel policy.

## **OFFICE OF SHERIFF**

### **FINDING 12.02      **THE OFFICE DID NOT DEPOSIT SOME WORK RELEASE FUNDS WITHIN THREE DAYS OF COLLECTION** (Noncompliance Under *Government Auditing Standards*)**

In some instances, the sheriff did not deposit work release 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.

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## **AMBULANCE SERVICE AND THE OFFICES OF CLERK AND MASTER AND PROBATE COURT CLERK**

### **FINDING 12.03      **DUTIES WERE NOT SEGREGATED ADEQUATELY** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)**

Duties were not segregated adequately among the officials and employees at the Ambulance Service and the Offices of Clerk and Master and Probate Court Clerk. 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**

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

## AUDITOR'S COMMENT

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

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## **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 Local Government 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 on more than one occasion; however, the County Commission voted to keep the current accounting structure. We believe 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 Bradley County is one of only a few counties in Tennessee to have, in prior years, received the prestigious Government Finance Officer's 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, 2012**

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