

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



FOR THE YEAR ENDED JUNE 30, 2013



COMPREHENSIVE ANNUAL FINANCIAL REPORT

BRADLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

**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**

**KATHY CLEMENTS, CGFM
JESSICA COX, CPA, CGFM
JENI PALADENI
State Auditors**

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

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

BRADLEY COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2013.

Results

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

Our audit resulted in four 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

- ◆ Several county departments violated the county's credit card policy.
- ◆ Expenditures exceeded appropriations.
- ◆ A county employee purchased personal items with county funds.

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.

INTRODUCTORY SECTION

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

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

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

November 12, 2013

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, 2013.

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

Bradley County's financial statements have been audited by the State of Tennessee, Comptroller of the Treasury, Department of Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bradley County for the fiscal year ended June 30, 2013, 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 unmodified opinion that Bradley County's financial statements for the fiscal year ended June 30, 2013, 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 101,146. 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. 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 Corp. is one of Bradley County's largest tax payers and employers with approximately 1,400 employees. Whirlpool Corp. has completed its new 1.4 million square foot facility. This has allowed Bradley County to retain its current 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 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 \$1.8 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 distribution center is open in Bradley County and 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, Special Purpose Fire Tax, and Highway/Public Works funds, these comparisons are presented as part of basic financial statements. 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.

Minimum fund balance policy. It is the objective of the County Commission to maintain a managed budgeted 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 fund balances 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 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, 2012. This is the eighth 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 five years. In order to qualify for the Distinguished Budget Presentation Award, the county's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

The financial information is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. The person primarily responsible for preparing this document is Lynn Burns, Finance Director for Bradley County. Especially important is to recognize the people of the Finance Department and Human Resources Department who helped make this report possible: Rena' Samples,

Sharon Sandidge, Patti Lilly 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



Government Finance Officers Association

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

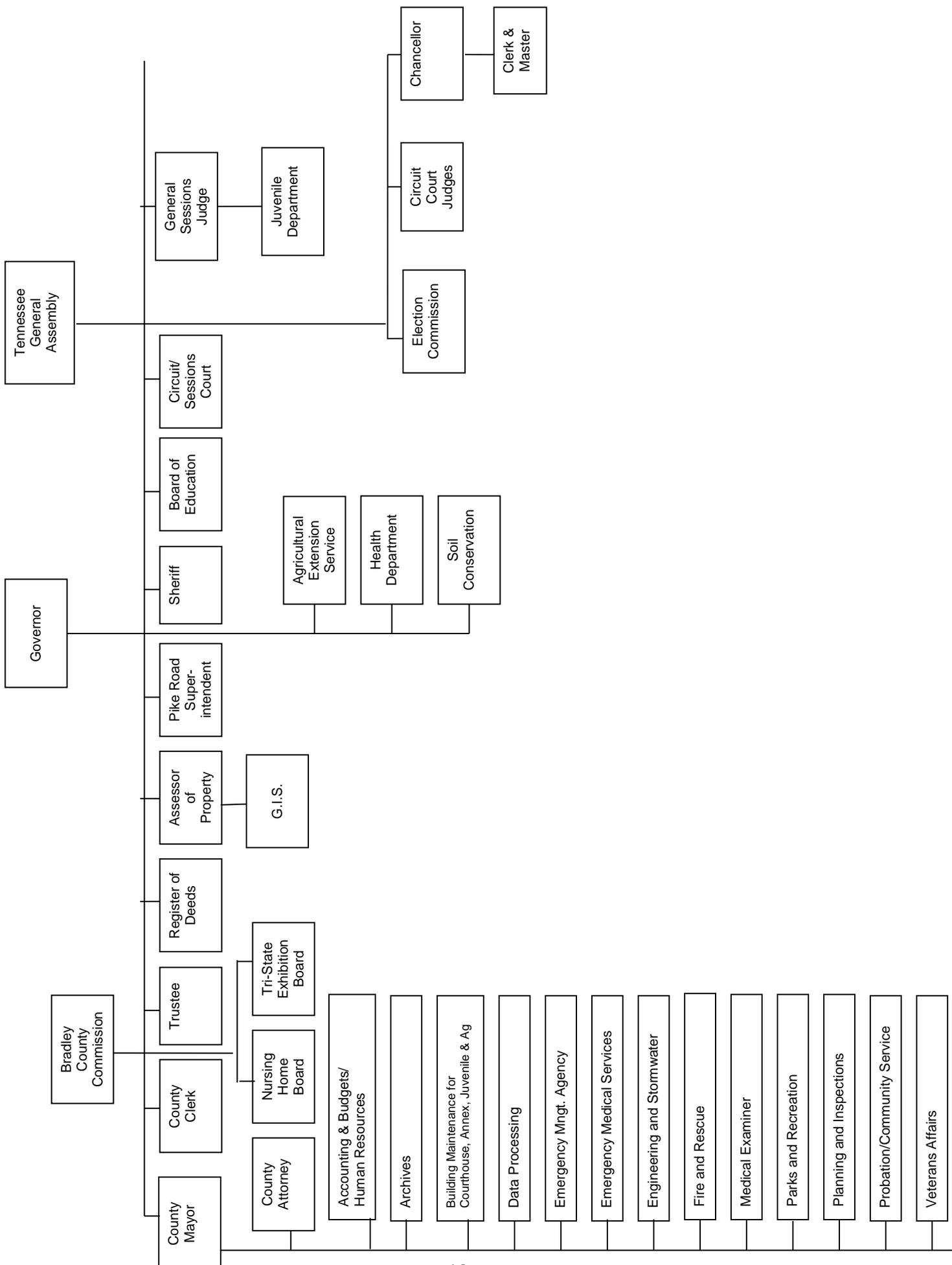
Presented to

**Bradley County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



Bradley County Officials

June 30, 2013

Officials

County Mayor
Road Superintendent
Director of Schools
Trustee
Assessor of Property
County Clerk
Circuit and General Sessions Courts Clerk
Clerk and Master
Register of Deeds
Sheriff
Accounting and Budgeting Director
Agricultural Extension Director
Ambulance Service Director
County Attorney
Emergency Management
Engineering, Planning and Building Inspection
Fire Chief
GIS
Health Department
Human Resources Administrator
Information Systems
Juvenile Services
Parks and Recreation Director
Probation Services/Courts Community Service
Veterans Affairs

D. Gary Davis
Tom Collins
Johnny McDaniel
Mike Smith
Stanley Thompson
Donna Alley Simpson
Gayla Miller
Carl Shrewsbury
Dina Swafford
James Ruth
Lynn Burns
Kim Frady
Danny Lawson
Crystal Freiberg
Troy Spence
Sandra Knight
Dewey Woody
Wayne Owenby
Eloise Waters
Rena Samples
Michael Sullivan
Terry Gallaher
Paul Wyrick
Rich Kienlen
Larry McDaris

Board of County Commissioners

District 1
District 1
District 2
District 2
District 3
District 3
District 4
District 4
District 5
District 5

Terry Caywood
Ed Elkins
Louie Alford, Chairman
Connie Wilson
Brian Smith
Jeff Morelock
J. Adam Lowe
Charlotte Peak-Jones
Bill Ledford
Jeff Yarber

Bradley County Officials (Cont.)

Board of County Commissioners (Cont.)

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

Audit Committee

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

Board of Education

| | |
|------------------------|------------------|
| Charlie Rose, Chairman | |
| Vicki Beaty | Nicholas Lillios |
| Christy Critchfield | Chris Turner |
| Rodney Dillard | Troy Weathers |

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bradley Healthcare and Rehabilitation Center, which represent 5.42 percent, 5.99 percent, and 12.73 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bradley Healthcare and Rehabilitation Center, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing*

Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General, Special Purpose Fire Tax, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note V.B., Bradley County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Bradley County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24 through 34 and the schedule of funding progress – pension plan and other postemployment benefits plans on pages 107 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of Bradley County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 12, 2013

JPW/yu

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, 2013. 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 \$27,879,801 (net position).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$44,908,399. Of this amount, \$15,927,387 is set aside for endowments, \$5,651,299 is restricted funds with externally enforceable limitations on use, \$18,511,490 is committed by the county's legislative body to a specific fund or use, and \$610,533 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,207,690 or 13.1 percent of total General Fund expenditures while total fund balance of \$6,536,352 represents 20.4 percent of that same amount. The reserve policy of the county requires a minimum unassigned fund balance of at least ten percent, which is within the boundaries of our policy.
- Bradley County's total long-term debt decreased by \$1,099,146 during the current fiscal year. This is primarily a result of the annual scheduled debt reduction payments of \$3,884,146, debt refunded of \$4,340,000, and debt issued of \$7,125,000.

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 four components: 1) government-wide financial statements, 2) fund financial statements, 3) major funds budgetary statements, and 4) 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 Position presents information on all of Bradley County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information showing the changes in the government's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported 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, Special Purpose Fire Tax, 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 position may serve over time as a useful indicator of a government's financial position. In the case of Bradley County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,879,801 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, 2013, Bradley County had outstanding debt totaling \$58,101,150 for capital purposes of education (\$39,639,837 for county schools and \$18,461,313 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 position without a corresponding increase in the county's capital assets.

A large portion of Bradley County's net position 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 POSITION

| | Bradley County Government | | Bradley County School Department | |
|--------------------------------|---------------------------|-----------------------|-------------------------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Current and Other Assets | \$ 72,638,708 | \$ 76,233,522 | \$ 29,466,182 | \$ 29,172,419 |
| Capital Assets | 55,445,144 | 51,510,061 | 68,010,731 | 68,289,395 |
| Total Assets | <u>\$ 128,083,852</u> | <u>\$ 127,743,583</u> | <u>\$ 97,476,913</u> | <u>\$ 97,461,814</u> |
| Deferred Outflows of Resources | \$ 3,095,533 | \$ 0 | \$ 0 | \$ 0 |
| Long-term Liabilities | \$ 77,428,085 | \$ 72,875,678 | \$ 6,060,379 | \$ 5,004,026 |
| Other Liabilities | 3,597,210 | 30,031,044 | 8,479,836 | 18,851,135 |
| Total Liabilities | <u>\$ 81,025,295</u> | <u>\$ 102,906,722</u> | <u>\$ 14,540,215</u> | <u>\$ 23,855,161</u> |
| Deferred Inflows of Resources | \$ 22,274,289 | \$ 0 | \$ 11,576,145 | \$ 0 |
| Net Position: | | | | |
| Net Investment in | | | | |
| Capital Assets | \$ 39,828,738 | \$ 38,223,003 | \$ 0 | \$ 67,784,079 |
| Investment in Capital Assets | 0 | 0 | 68,006,731 | 0 |
| Restricted | 22,275,369 | 43,150,279 | 2,452,551 | 2,203,240 |
| Unrestricted | <u>(34,224,306)</u> | <u>(56,536,421)</u> | <u>901,271</u> | <u>3,619,334</u> |
| Total Net Position | <u>\$ 27,879,801</u> | <u>\$ 24,836,861</u> | <u>\$ 71,360,553</u> | <u>\$ 73,606,653</u> |

Table 1b

BRADLEY COUNTY'S NET POSITION

| | Bradley Heathcare and Rehabilitation | |
|------------------------------|---|---------------------|
| | 2013 | 2012 |
| Current and Other Assets | \$ 3,342,426 | \$ 3,626,223 |
| Capital Assets | 2,248,236 | 2,448,760 |
| Total Assets | <u>\$ 5,590,662</u> | <u>\$ 6,074,983</u> |
| Long-term Liabilities | \$ 0 | \$ 0 |
| Other Liabilities | 1,044,801 | 1,000,824 |
| Total Liabilities | <u>\$ 1,044,801</u> | <u>\$ 1,000,824</u> |
| Net Position: | | |
| Investment in Capital Assets | \$ 2,248,236 | \$ 2,448,760 |
| Restricted | 133,630 | 132,743 |
| Unrestricted | <u>2,163,995</u> | <u>2,492,656</u> |
| Total Net Position | <u>\$ 4,545,861</u> | <u>\$ 5,074,159</u> |

An additional portion of Bradley County's governmental activities assets (\$22,275,369) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, Bradley County is able to report positive balances in net position in the primary government and the discretely presented component units - the school department and the Bradley Healthcare and Rehabilitation Center.

Table 2a

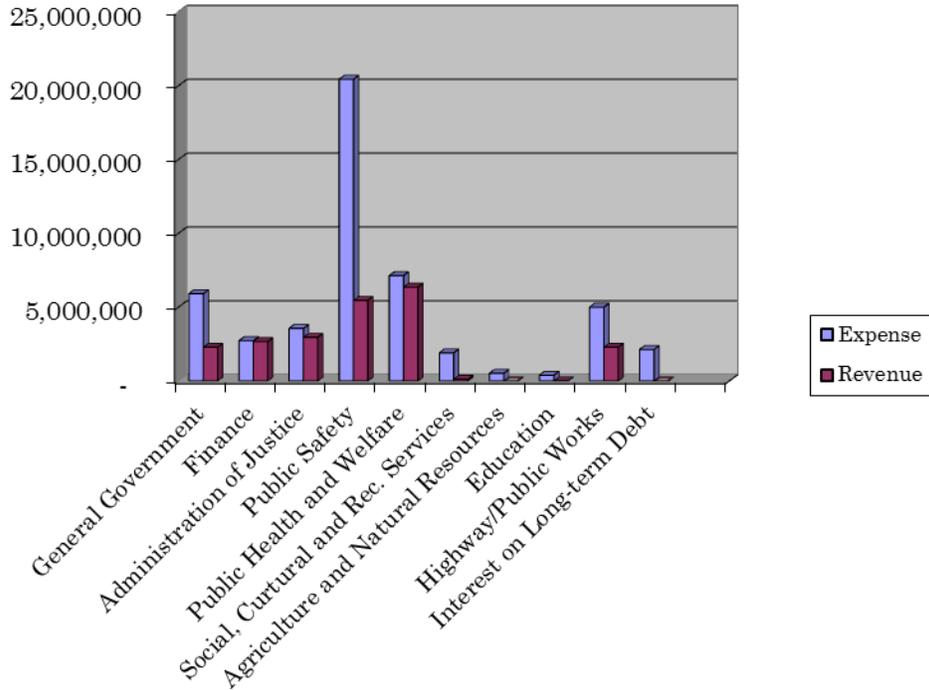
BRADLEY COUNTY'S CHANGES IN NET POSITION

| | Bradley County Government | | Bradley County School Department | |
|--|---------------------------|----------------------|----------------------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 15,560,961 | \$ 14,802,985 | \$ 2,108,763 | \$ 2,109,608 |
| Operating Grants and Contributions | 4,822,092 | 6,405,791 | 11,760,405 | 13,111,464 |
| Capital Grants and Contributions | 1,827,877 | 4,858,831 | 134,004 | 0 |
| General Revenues: | | | | |
| Property Taxes | 21,465,744 | 21,216,472 | 11,916,342 | 11,692,391 |
| Other Taxes | 7,483,519 | 7,396,235 | 10,442,050 | 10,425,373 |
| Grants and Contributions not Restricted to Specific Programs | 1,341,794 | 1,122,283 | 43,864,053 | 42,514,979 |
| Other | 985,767 | 597,272 | 75,500 | 765,625 |
| Total Revenues | \$ 53,487,754 | \$ 56,399,869 | \$ 80,301,117 | \$ 80,619,440 |
| Expenses | | | | |
| General Government | \$ 5,921,647 | \$ 9,353,024 | \$ 0 | \$ 0 |
| Finance | 2,735,872 | 2,614,986 | 0 | 0 |
| Administration of Justice | 3,567,747 | 3,434,737 | 0 | 0 |
| Public Safety | 20,443,402 | 19,485,932 | 0 | 0 |
| Public Health and Welfare | 7,146,000 | 7,633,085 | 0 | 0 |
| Social, Cultural, and Rec. Services | 1,911,740 | 2,529,067 | 0 | 0 |
| Agriculture and Natural Resources | 530,340 | 1,028,690 | 0 | 0 |
| Highways/Public Works | 5,006,216 | 4,650,587 | 0 | 0 |
| Education | 396,897 | 586,923 | 82,547,217 | 80,736,790 |
| Interest on Long-term Debt | 2,140,750 | 2,135,600 | 0 | 0 |
| Total Expenses | \$ 49,800,611 | \$ 53,452,631 | \$ 82,547,217 | \$ 80,736,790 |
| Increase (Decrease) in Net Position | \$ 3,687,143 | \$ 2,947,238 | \$ (2,246,100) | \$ (117,350) |
| Net Position, July 1 | 24,836,861 | 21,854,657 | 73,606,653 | 73,724,003 |
| Prior-period Adjustment | (644,203) | 34,966 | 0 | 0 |
| Net Position, June 30 | \$ 27,879,801 | \$ 24,836,861 | \$ 71,360,553 | \$ 73,606,653 |

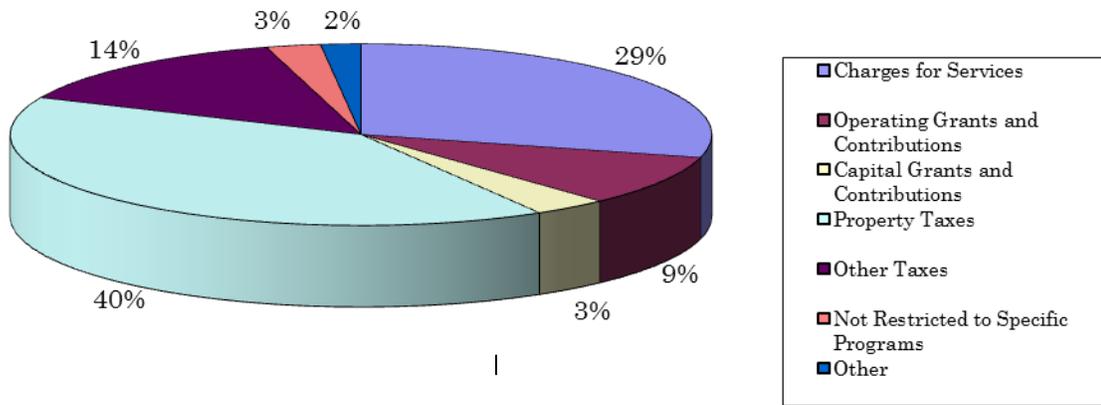
BRADLEY COUNTY'S CHANGES IN NET POSITION

| | Bradley Healthcare and Rehabilitation Center | |
|-------------------------------------|---|----------------------|
| | 2013 | 2012 |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | \$ 11,694,889 | \$ 12,145,721 |
| General Revenues: | | |
| Other | 19,890 | 9,575 |
| Total Revenues | <u>\$ 11,714,779</u> | <u>\$ 12,155,296</u> |
| Expenses | | |
| Other Enterprises | \$ 12,243,077 | \$ 12,772,621 |
| Total Expenses | <u>\$ 12,243,077</u> | <u>\$ 12,772,621</u> |
| Increase (Decrease) in Net Position | \$ (528,298) | \$ (617,325) |
| Net Position, July 1 | <u>5,074,159</u> | <u>5,691,484</u> |
| Net Position, June 30 | <u>\$ 4,545,861</u> | <u>\$ 5,074,159</u> |

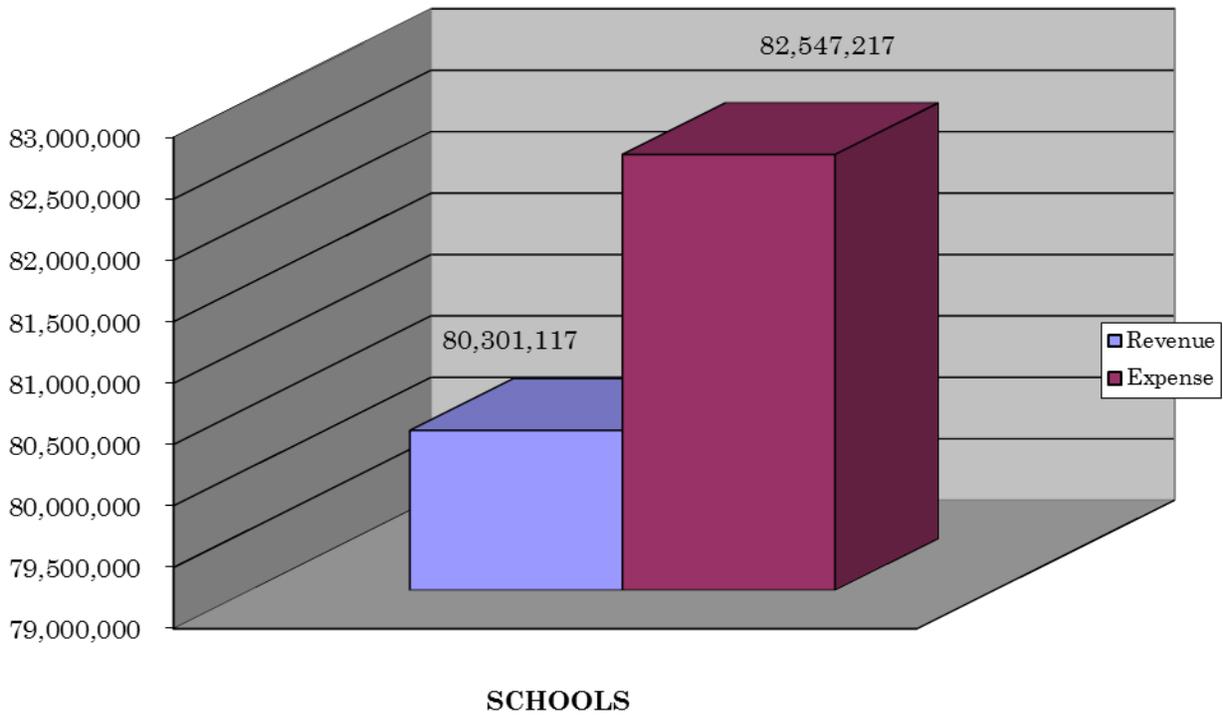
Program Revenues and Expenses - Governmental Activities



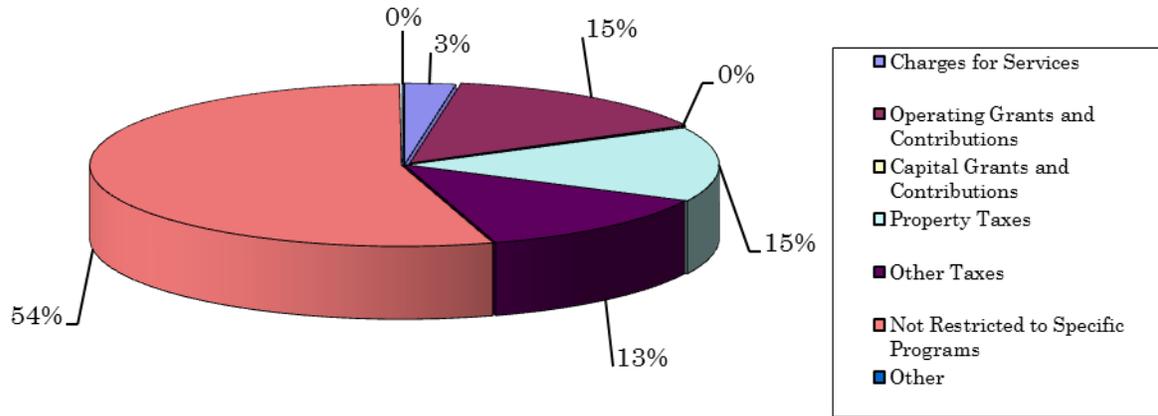
Revenues by Source - Governmental Activities



Program Revenues and Expenses



Revenues by Source - Schools



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Bradley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bradley County's financing requirements. In particular, 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 \$44,908,399. Of this amount, \$15,927,387 is set aside for endowments, \$5,651,299 is restricted with externally enforceable limitations on use, \$18,511,490 is committed by the county's legislative body to a specific fund or use, and \$610,533 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 \$4,207,690 or 13.1 percent of total General Fund expenditures while total fund balance of \$6,536,352 represents 20.4 percent of that same amount. The minimum fund balance policy of the county requires a minimum unassigned 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.

During the current fiscal year, the fund balance of Bradley County's General Fund increased by \$2,198,495. The key factor was the two percent increase in local taxes over 2011-12. The majority of this funding was sales tax, hotel/motel tax, and business tax increases. Also, a 13 percent increase in charges for current charges with ambulance patient charges led this increase. State contracted prisoner boarding increased by 17 percent as well.

During the current fiscal year the fund balances of the Highway/Public Works Fund decreased by \$313,358. This was mainly due to a reduction in state funding.

The General Debt Service Fund has a total fund balance of \$12,965,130 all of which is allocated for the payment of debt service. The \$1,170,988 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in state revenue sharing.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$1,053,369 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$254,044
- Increases allocated to Finance - \$1,038
- Increases allocated to Administration of Justice - \$176,570
- Increases allocated to Public Safety - \$387,422
- Increases allocated to Public Health and Welfare - \$107,176
- Increases allocated to Social, Cultural, and Recreational - \$25,736
- Increases allocated to Agriculture and Natural Resources - \$15,123
- Increases allocated to Other Operations - \$86,260

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

The General Purpose School Fund had an increase in allocations totaling \$4,698,460 which consisted mostly of additional state and federal dollars 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 net investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$39,828,738 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities amounts to \$68,006,731 (net of accumulated depreciation). Related debt for schools is carried in the primary governmental activities.

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

- Purchasing and equipment for two vehicles – Sheriff’s Department at \$80,000
- Purchasing ambulance rechassis – Ambulance at \$76,000
- New park construction – Parks and Recreation at \$200
- Wacker infrastructure - \$160,193
- School projects – \$2,794,750
- Community Development – Greenway at \$9,400
- Community Development – Interchange project at \$999,423
- Community Development – Amazon at \$576,027

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

Long-term Debt

Table 3

| BRADLEY COUNTY | | | | |
|-------------------------------|----------------------|----------------------|----------------------|-----------------------------|
| Issued For | General County | County Schools | City Schools | Total Governmental Activity |
| Notes | \$ 24,046 | \$ 47,380 | \$ 0 | \$ 71,426 |
| Bonds | 2,870,000 | 14,431,063 | 6,773,937 | 24,075,000 |
| Other Loans | 12,669,069 | 24,898,555 | 11,687,376 | 49,255,000 |
| Compensated Absences | 1,209,249 | 0 | 0 | 1,209,249 |
| Other Postemployment Benefits | 2,276,877 | 6,068,972 | 0 | 8,345,849 |
| Capital Leases | 0 | 262,839 | 0 | 262,839 |
| Total Long-term Debt | \$ 19,049,241 | \$ 45,708,809 | \$ 18,461,313 | \$ 83,219,363 |

At the end of the current fiscal year, Bradley County had total long-term debt outstanding of \$83,219,363. This amount comprises debt backed by the full faith and credit of the government. Bradley County’s total debt decreased by \$1,099,146 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, 2013, is 7.7 percent, which has remained level over the past year. The state's average unemployment rate is 8.5 percent and the national average is 8.6 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2013-14 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$44,908,399. Of this amount, \$15,927,387 are funds set aside for **endowments**, \$5,651,299 are **restricted** funds with externally enforceable limitations on use, \$18,511,490 are funds **committed** by county's legislative body to a specific fund or use, and \$610,533 are funds **assigned** by its intended use. Unassigned fund balance for the General Fund is \$4,207,690 or 13.1 percent of total General Fund expenditures while total fund balance of \$6,536,352 represents 20.4 percent of projected expenditures. The minimum fund balance policy of the county requires a fund balance of at least ten percent, which is within the boundaries of our policy.

Request for Information

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Bradley County, Tennessee
Statement of Net Position
June 30, 2013

| | Primary Government Governmental Activities | Component Units | |
|---|---|---|---|
| | | Bradley County School Department | Bradley Healthcare and Rehabilitation Center |
| <u>ASSETS</u> | | | |
| Cash | \$ 415,076 | \$ 117,448 | \$ 1,895,688 |
| Equity in Pooled Cash and Investments | 42,035,941 | 14,446,844 | 0 |
| Accounts Receivable | 10,178,735 | 0 | 1,600,050 |
| Allowance for Uncollectibles | (6,027,462) | 0 | (203,912) |
| Due from Other Governments | 2,777,161 | 3,048,782 | 0 |
| Due from Component Unit | 310,219 | 0 | 0 |
| Inventories | 0 | 0 | 44,430 |
| Property Taxes Receivable | 24,004,867 | 12,381,434 | 0 |
| Allowance for Uncollectible Property Taxes | (1,089,513) | (524,326) | 0 |
| Prepaid Items | 0 | 0 | 6,170 |
| Notes Receivable - Long-term | 33,684 | 0 | 0 |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 5,948,505 | 1,610,912 | 1,250 |
| Construction in Progress | 352,311 | 73,598 | 0 |
| Assets Net of Accumulated Depreciation: | | | |
| Buildings and Improvements | 20,083,837 | 65,602,243 | 1,852,814 |
| Infrastructure | 24,144,535 | 0 | 0 |
| Other Capital Assets | 4,915,956 | 719,978 | 394,172 |
| Total Assets | <u>\$ 128,083,852</u> | <u>\$ 97,476,913</u> | <u>\$ 5,590,662</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | \$ 3,095,533 | \$ 0 | \$ 0 |
| Total Deferred Outflows of Resources | <u>\$ 3,095,533</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 0 | \$ 810,607 | \$ 272,582 |
| Accrued Payroll | 0 | 6,243,917 | 620,308 |
| Payroll Deductions Payable | 0 | 1,106,500 | 0 |
| Accrued Interest Payable | 127,627 | 0 | 0 |
| Due to Primary Government | 0 | 310,219 | 0 |
| Derivative - Interest Rate Swap | 3,095,533 | 0 | 0 |
| Other Current Liabilities | 374,050 | 0 | 82,659 |
| Other Long-term Liabilities | 0 | 0 | 69,252 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 4,858,439 | 0 | 0 |
| Due in More Than One Year (net of unamortized premiums on debt) | 72,569,646 | 6,068,972 | 0 |
| Total Liabilities | <u>\$ 81,025,295</u> | <u>\$ 14,540,215</u> | <u>\$ 1,044,801</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 22,274,289 | \$ 11,576,145 | \$ 0 |
| Total Deferred Inflows of Resources | <u>\$ 22,274,289</u> | <u>\$ 11,576,145</u> | <u>\$ 0</u> |

(Continued)

Exhibit A

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

| | Primary Governmental Activities | Component Units | |
|--|---------------------------------------|---|---|
| | | Bradley County School Department | Bradley Healthcare and Rehabilitation Center |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | \$ 39,828,738 | \$ 0 | \$ 0 |
| Investment in Capital Assets | 0 | 68,006,731 | 2,248,236 |
| Restricted for: | | | |
| General Purposes | 1,184,962 | 857,214 | 0 |
| Law Library | 25,205 | 0 | 0 |
| Public Library | 243,064 | 0 | 0 |
| Drug Control | 373,205 | 0 | 0 |
| Special Purpose Fire Tax | 696,434 | 0 | 0 |
| Veterans Nursing Home | 7,622 | 0 | 0 |
| Highway/Public Works | 1,801,714 | 0 | 0 |
| Capital Projects | 1,330,973 | 0 | 0 |
| Health, Wellness, and Quality of Life: | | | |
| Expendable | 684,803 | 0 | 0 |
| Nonexpendable | 15,927,387 | 0 | 0 |
| School Federal Projects | 0 | 24,761 | 0 |
| Central Cafeteria | 0 | 1,570,576 | 0 |
| Other Purposes | 0 | 0 | 133,630 |
| Unrestricted | (34,224,306) | 901,271 | 2,163,995 |
| Total Net Position | <u>\$ 27,879,801</u> | <u>\$ 71,360,553</u> | <u>\$ 4,545,861</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, 2013

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | | | | | | | | |
|--|---|----------------------|------------------------------------|----------------------------------|-------------------------------|----------------------------------|--|------|------|------|------|------|--------------|
| | Primary | | | 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 | \$ 5,921,647 | \$ 948,182 | \$ 18,955 | \$ 1,332,260 | \$ (3,622,250) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Finance | 2,735,872 | 2,675,973 | 0 | 0 | (59,899) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration of Justice | 3,567,747 | 2,887,959 | 76,510 | 0 | (603,278) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Safety | 20,443,402 | 3,753,450 | 1,367,281 | 349,417 | (14,973,254) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 7,146,000 | 5,157,857 | 1,207,169 | 0 | (780,974) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 1,911,740 | 129,801 | 0 | 0 | (1,781,939) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agriculture and Natural Resources | 530,340 | 0 | 0 | 0 | (530,340) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highways/Public Works | 5,006,216 | 7,739 | 2,142,440 | 146,200 | (2,709,837) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Education (Payments for the benefit of component unit) | 396,897 | 0 | 9,737 | 0 | (387,160) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on Long-term Debt | 2,140,750 | 0 | 0 | 0 | (2,140,750) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | \$ 49,800,611 | \$ 15,560,961 | \$ 4,822,092 | \$ 1,827,877 | \$ (27,589,681) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Primary Government | \$ 49,800,611 | \$ 15,560,961 | \$ 4,822,092 | \$ 1,827,877 | \$ (27,589,681) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Component Units: | | | | | | | | | | | | | |
| Bradley County School Department | \$ 82,547,217 | \$ 2,108,763 | \$ 11,760,405 | \$ 134,004 | \$ 0 | \$ (68,544,045) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Bradley Healthcare and Rehabilitation Center | 12,243,077 | 11,694,889 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (548,188) |
| Total Component Units | \$ 94,790,294 | \$ 13,803,652 | \$ 11,760,405 | \$ 134,004 | \$ 0 | \$ (68,544,045) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (548,188) |

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | |
|--|---|------------------------------------|----------------------------------|-------------------------------|----------------------------------|--|
| | 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 | | | | \$ 16,784,718 | \$ 11,916,342 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | 4,681,026 | 0 | 0 |
| Local Option Sales Taxes | | | | 4,597,516 | 10,436,403 | 0 |
| Hotel/Motel Tax | | | | 759,140 | 0 | 0 |
| Litigation Tax - General | | | | 323,400 | 0 | 0 |
| Litigation Tax - Special Purpose | | | | 65,589 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | | | | 70,519 | 0 | 0 |
| Business Tax | | | | 1,313,383 | 0 | 0 |
| Wholesale Beer Tax | | | | 349,770 | 0 | 0 |
| Interstate Telecommunications Tax | | | | 4,202 | 5,647 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 1,341,794 | 43,864,053 | 18,424 |
| Unrestricted Investment Income | | | | 388,253 | 23,528 | 1,466 |
| Proceeds from the Sale of Equipment | | | | 41,901 | 0 | 0 |
| Miscellaneous | | | | 555,613 | 51,972 | 0 |
| Total General Revenues | | | | \$ 31,276,824 | \$ 66,297,945 | \$ 19,890 |
| Change in Net Position | | | | \$ 3,687,143 | \$ (2,246,100) | \$ (528,298) |
| Net Position, July 1, 2012 | | | | 24,836,861 | 73,606,653 | 5,074,159 |
| Prior-period Adjustment | | | | (644,203) | 0 | 0 |
| Net Position, June 30, 2013 | | | | \$ 27,879,801 | \$ 71,360,553 | \$ 4,545,861 |

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

Bradley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------|--------------------------------|-----------------------------|----------------------------|----------------|-------------------------------------|--------------------------|
| | General | Special Purpose Fire Tax | Highway/ Public Works | General Debt Service | Endowment | Other Govern- mental Funds | |
| \$ | 0 | 0 | 0 | 0 | 0 | 415,076 | 415,076 |
| Cash | 4,636,977 | 585,445 | 1,710,612 | 12,900,920 | 16,529,734 | 5,672,253 | 42,035,941 |
| Equity in Pooled Cash and Investments | 10,087,579 | 16 | 0 | 0 | 82,456 | 8,684 | 10,178,735 |
| Accounts Receivable | (6,027,462) | 0 | 0 | 0 | 0 | 0 | (6,027,462) |
| Allowance for Uncollectibles | 2,256,333 | 40,568 | 390,205 | 48,071 | 0 | 41,984 | 2,777,161 |
| Due from Other Governments | 11,377,491 | 1,979,725 | 2,779,003 | 6,123,846 | 0 | 1,744,802 | 24,004,867 |
| Property Taxes Receivable | (481,865) | (176,702) | (117,677) | (239,347) | 0 | (73,922) | (1,089,513) |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | 0 | 0 | 33,684 | 33,684 |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 21,849,053 | \$ 2,429,052 | \$ 4,762,143 | \$ 18,533,490 | \$ 16,612,190 | \$ 7,842,561 | \$ 72,328,489 |

ASSETS

LIABILITIES

| | | | | | | | |
|---------------------------|------------|------|------|------|------|------|------------|
| Health Insurance Payments | \$ 374,050 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 374,050 |
| Total Liabilities | \$ 374,050 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 374,050 |

DEFERRED INFLOWS OF RESOURCES

| | | | | | | | |
|-------------------------------------|---------------|--------------|--------------|--------------|------|--------------|---------------|
| Deferred Current Property Taxes | \$ 10,637,374 | \$ 1,635,482 | \$ 2,598,273 | \$ 5,771,922 | \$ 0 | \$ 1,631,238 | \$ 22,274,289 |
| Deferred Delinquent Property Taxes | 186,819 | 121,199 | 45,612 | 81,438 | 0 | 28,675 | 463,743 |
| Other Deferred/Unavailable Revenue | 4,114,458 | 0 | 176,550 | 15,000 | 0 | 2,000 | 4,308,008 |
| Total Deferred Inflows of Resources | \$ 14,938,651 | \$ 1,756,681 | \$ 2,820,435 | \$ 5,868,360 | \$ 0 | \$ 1,661,913 | \$ 27,046,040 |

FUND BALANCES

| | | | | | | | |
|--|---------|---------|-----------|------|---------------|-----------|---------------|
| Nonspendable: | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 15,927,387 | \$ 0 | \$ 15,927,387 |
| Endowments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted: | 829,042 | 0 | 0 | 0 | 0 | 0 | 829,042 |
| Restricted for General Government | 312,706 | 0 | 0 | 0 | 0 | 25,205 | 337,911 |
| Restricted for Administration of Justice | 36,628 | 575,235 | 0 | 0 | 0 | 373,205 | 985,068 |
| Restricted for Public Safety | 6,586 | 0 | 0 | 0 | 0 | 7,622 | 14,208 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 231,060 | 231,060 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 0 | 1,941,708 | 0 | 0 | 0 | 1,941,708 |
| Restricted for Highways/Public Works | 0 | 0 | 0 | 0 | 0 | 1,312,302 | 1,312,302 |
| Restricted for Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed: | 335,234 | 0 | 0 | 0 | 0 | 82,050 | 417,284 |
| Committed for General Government | 0 | 0 | 0 | 0 | 0 | 249,131 | 249,131 |
| Committed for Finance | 279,843 | 0 | 0 | 0 | 0 | 83,895 | 363,738 |
| Committed for Administration of Justice | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|----|---------------|--------------------------------|-----------------------------|----------------------------|---------------|----------------|-----------------------|--------------------------|
| | General | Special Purpose Fire Tax | Highway/ Public Works | General Debt Service | Endowment | Other | Governmental Funds | |
| \$ | 9,589 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 9,589 |
| | 0 | 0 | 0 | 0 | 684,803 | 1,117,793 | 0 | 1,802,596 |
| | 31,514 | 0 | 0 | 0 | 0 | 109,994 | 0 | 141,508 |
| | 0 | 0 | 0 | 0 | 0 | 131,102 | 0 | 131,102 |
| | 0 | 0 | 0 | 12,965,130 | 0 | 0 | 0 | 12,965,130 |
| | 0 | 0 | 0 | 0 | 0 | 2,431,412 | 0 | 2,431,412 |
| | 115,710 | 0 | 0 | 0 | 0 | 0 | 0 | 115,710 |
| | 86,917 | 0 | 0 | 0 | 0 | 0 | 0 | 86,917 |
| | 35,085 | 0 | 0 | 0 | 0 | 0 | 0 | 35,085 |
| | 189,660 | 97,136 | 0 | 0 | 0 | 3,156 | 0 | 289,952 |
| | 37,725 | 0 | 0 | 0 | 0 | 22,641 | 0 | 60,366 |
| | 5,551 | 0 | 0 | 0 | 0 | 0 | 0 | 5,551 |
| | 15,215 | 0 | 0 | 0 | 0 | 0 | 0 | 15,215 |
| | 1,657 | 0 | 0 | 0 | 0 | 0 | 0 | 1,657 |
| | 0 | 0 | 0 | 0 | 0 | 80 | 0 | 80 |
| | 4,207,690 | 0 | 0 | 0 | 0 | 0 | 0 | 4,207,690 |
| | 6,536,352 | 672,371 | 1,941,708 | 12,965,130 | 16,612,190 | 6,180,648 | \$ | 44,908,399 |
| | \$ 21,849,053 | \$ 2,429,052 | \$ 4,762,143 | \$ 18,833,490 | \$ 16,612,190 | \$ 7,842,561 | \$ | 72,328,489 |

FUND BALANCES (Cont.)

Committed (Cont.):
 Committed for Public Safety
 Committed for Public Health and Welfare
 Committed for Social, Cultural, and Recreational Services
 Committed for Capital Outlay
 Committed for Debt Service
 Committed for Capital Projects
 Assigned:
 Assigned for General Government
 Assigned for Finance
 Assigned for Administration of Justice
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Social, Cultural, and Recreational Services
 Assigned for Agriculture and Natural Resources
 Assigned for Other Operations
 Assigned for Capital Projects
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Bradley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

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

| | | |
|---|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | \$ 44,908,399 |
| (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 | 20,083,837 | |
| Add: infrastructure net of accumulated depreciation | 24,144,535 | |
| Add: other capital assets net of accumulated depreciation | <u>4,915,956</u> | 55,445,144 |
| (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 | \$ (24,075,000) | |
| Less: notes payable | (71,426) | |
| Less: other loans payable | (49,255,000) | |
| Less: capital leases payable | (262,839) | |
| Add: due from component unit for debt retirement | 310,219 | |
| Less: interest accrued on bonds, notes, and other loans | (127,627) | |
| Less: other postemployment benefits liability | (2,276,877) | |
| Less: compensated absences payable | (1,209,249) | |
| Less: other deferred revenue - premium on debt | <u>(277,694)</u> | (77,245,493) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>4,771,751</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 27,879,801</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, 2013

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|--------------------------------|------------------------------|----------------------------|-------------------|--------------------------------|-----------------------|--------------------------|
| | General | Special Purpose Fire Tax | Highway / Public Works | General Debt Service | Endowment | Other Governmental Funds | Governmental Funds | |
| Revenues | | | | | | | | |
| Local Taxes | \$ 18,263,005 | \$ 1,856,593 | \$ 2,671,136 | \$ 4,767,940 | \$ 0 | \$ 1,883,625 | \$ 29,442,299 | |
| Licenses and Permits | 362,884 | 0 | 0 | 0 | 0 | 0 | 362,884 | |
| Fines, Forfeitures, and Penalties | 665,016 | 0 | 0 | 0 | 0 | 158,283 | 823,299 | |
| Charges for Current Services | 5,194,545 | 0 | 0 | 0 | 0 | 2,078,568 | 7,273,113 | |
| Other Local Revenues | 838,986 | 937,204 | 27,017 | 0 | 325,562 | 186,567 | 2,315,336 | |
| Fees Received from County Officials | 2,629,465 | 0 | 0 | 0 | 0 | 0 | 2,629,465 | |
| State of Tennessee | 4,246,687 | 104,793 | 2,422,157 | 164,611 | 0 | 233,521 | 7,171,769 | |
| Federal Government | 616,731 | 628,757 | 0 | 313,041 | 0 | 0 | 1,558,529 | |
| Other Governments and Citizens Groups | 1,478,770 | 15,965 | 0 | 207,400 | 0 | 20,000 | 1,722,135 | |
| Total Revenues | \$ 34,296,089 | \$ 3,543,312 | \$ 5,120,310 | \$ 5,452,992 | \$ 325,562 | \$ 4,560,564 | \$ 53,298,829 | |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General Government | \$ 2,398,375 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 332,852 | \$ 2,732,227 | |
| Finance | 1,454,203 | 0 | 0 | 0 | 0 | 1,225,446 | 2,679,649 | |
| Administration of Justice | 3,227,548 | 0 | 0 | 0 | 0 | 255,444 | 3,482,992 | |
| Public Safety | 15,781,631 | 7,446,912 | 0 | 0 | 0 | 329,711 | 23,558,254 | |
| Public Health and Welfare | 6,688,502 | 0 | 0 | 0 | 206,551 | 128,946 | 7,023,999 | |
| Social, Cultural, and Recreational Services | 1,015,836 | 0 | 0 | 0 | 0 | 773,608 | 1,789,444 | |
| Agriculture and Natural Resources | 531,148 | 0 | 0 | 0 | 0 | 0 | 531,148 | |
| Other Operations | 1,001,752 | 36,438 | 0 | 97,009 | 0 | 1,738,328 | 2,873,527 | |
| Highways | 0 | 0 | 5,151,612 | 0 | 0 | 0 | 5,151,612 | |
| Debt Service: | | | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 3,884,146 | 0 | 0 | 3,884,146 | |
| Interest on Debt | 0 | 0 | 0 | 2,181,759 | 0 | 0 | 2,181,759 | |
| Other Debt Service | 0 | 0 | 0 | 518,483 | 0 | 0 | 518,483 | |
| Capital Projects | 0 | 0 | 282,056 | 0 | 0 | 401,479 | 683,535 | |
| Total Expenditures | \$ 32,099,995 | \$ 7,483,350 | \$ 5,433,668 | \$ 6,681,397 | \$ 206,551 | \$ 5,185,814 | \$ 57,090,775 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,196,094 | \$ (3,940,038) | \$ (313,358) | \$ (1,228,405) | \$ 119,011 | \$ (625,250) | \$ (3,791,946) | |
| Other Financing Sources (Uses) | | | | | | | | |
| Bonds Issued | \$ 0 | \$ 2,870,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,870,000 | |
| Refunding Debt Issued | 0 | 0 | 0 | 4,255,000 | 0 | 0 | 4,255,000 | |
| Premiums on Debt Issued | 0 | 54,297 | 0 | 148,446 | 0 | 0 | 202,743 | |
| Insurance Recovery | 6,864 | 0 | 0 | 0 | 0 | 0 | 6,864 | |
| Transfers In | 0 | 0 | 0 | 14,129 | 0 | 0 | 14,129 | |
| Transfers Out | (4,463) | (9,666) | 0 | 0 | 0 | 0 | (14,129) | |

(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 | Special Purpose Fire Tax | Highway / Public Works | General Debt Service | Endowment | Other Governmental Funds | Governmental Funds | |
| Other Financing Sources (Uses) (Cont.) | | | | | | | | |
| Discounts on Debt Issued | \$ 0 | \$ 0 | \$ 0 | \$ (20,158) | \$ 0 | \$ 0 | \$ 0 | \$ (20,158) |
| Payments to Refunded Debt Escrow Agent | 0 | 0 | 0 | (4,340,000) | 0 | 0 | 0 | (4,340,000) |
| Total Other Financing Sources (Uses) | \$ 2,401 | \$ 2,914,631 | \$ 0 | \$ 57,417 | \$ 0 | \$ 0 | \$ 0 | \$ 2,974,449 |
| Net Change in Fund Balances | \$ 2,198,495 | \$ (1,025,407) | \$ (313,358) | \$ (1,170,988) | \$ 119,011 | \$ (625,250) | \$ (817,497) | |
| Fund Balance, July 1, 2012 | 4,337,857 | 1,697,778 | 2,255,066 | 14,136,118 | 16,493,179 | 6,805,898 | 45,725,896 | |
| Fund Balance, June 30, 2013 | \$ 6,536,352 | \$ 672,371 | \$ 1,941,708 | \$ 12,965,130 | \$ 16,612,190 | \$ 6,180,648 | \$ 44,908,399 | |

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, 2013

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) | | \$ (817,497) |
| <p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p> | | |
| Add: capital assets purchased in the current period | \$ 7,399,265 | |
| Less: current-year depreciation expense | <u>(2,933,330)</u> | 4,465,935 |
| <p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p> | | |
| Less: loss on disposal of capital assets | | (530,852) |
| <p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2012 | \$ (4,340,675) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2013 | <u>4,771,751</u> | 431,076 |
| <p>(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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| Less: bond proceeds | \$ (7,125,000) | |
| Less: change in premium on debt issuance | (183,691) | |
| Add: principal payments on bonds | 600,000 | |
| Add: principal payments on notes | 71,429 | |
| Less: principal on notes contributed by School Department | (47,380) | |
| Add: principal payments on other loans | 3,065,000 | |
| Add: principal payments on capital leases | 147,717 | |
| Less: principal on capital leases contributed by School Department | (147,717) | |
| Add: payment to refunding agent | <u>4,340,000</u> | 720,358 |
| <p>(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.</p> | | |
| Change in compensated absences payable | \$ 12,212 | |
| Change in other postemployment benefits liability | (635,098) | |
| Change in accrued interest payable | <u>41,009</u> | (581,877) |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 3,687,143</u> |

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

Exhibit C-5

Bradley County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 18,263,005 | \$ 0 | \$ 0 | \$ 18,263,005 | \$ 18,066,719 | \$ 18,057,974 | \$ 205,031 |
| Licenses and Permits | 362,884 | 0 | 0 | 362,884 | 482,320 | 508,997 | (146,113) |
| Fines, Forfeitures, and Penalties | 665,016 | 0 | 0 | 665,016 | 501,882 | 586,043 | 78,973 |
| Charges for Current Services | 5,194,545 | 0 | 0 | 5,194,545 | 4,787,800 | 5,002,901 | 191,644 |
| Other Local Revenues | 838,986 | 0 | 0 | 838,986 | 481,145 | 850,509 | (11,523) |
| Fees Received from County Officials | 2,629,465 | 0 | 0 | 2,629,465 | 2,265,712 | 2,371,000 | 258,465 |
| State of Tennessee | 4,246,687 | 0 | 0 | 4,246,687 | 3,567,738 | 3,878,524 | 368,163 |
| Federal Government | 616,731 | 0 | 0 | 616,731 | 104,110 | 587,666 | 29,065 |
| Other Governments and Citizens Groups | 1,478,770 | 0 | 0 | 1,478,770 | 1,534,793 | 1,546,210 | (67,440) |
| Total Revenues | \$ 34,296,089 | \$ 0 | \$ 0 | \$ 34,296,089 | \$ 31,792,219 | \$ 33,389,824 | \$ 906,265 |
| Expenditures | | | | | | | |
| General Government | | | | | | | |
| County Commission | \$ 435,225 | \$ 0 | \$ 0 | \$ 435,225 | \$ 333,053 | \$ 453,074 | \$ 17,849 |
| Board of Equalization | 913 | 0 | 0 | 913 | 2,500 | 2,500 | 1,587 |
| Beer Board | 2,350 | 0 | 0 | 2,350 | 2,350 | 2,350 | 0 |
| Other Boards and Committees | 32,803 | (75) | 0 | 32,728 | 35,638 | 35,638 | 2,910 |
| County Mayor/Executive | 263,310 | (1,634) | 294 | 261,970 | 263,751 | 263,751 | 1,781 |
| Personnel Office | 235,949 | (28,038) | 16,666 | 224,577 | 202,341 | 224,826 | 249 |
| County Attorney | 186,686 | (8,290) | 0 | 178,396 | 191,715 | 197,085 | 18,689 |
| Election Commission | 310,877 | (700) | 138 | 310,315 | 320,772 | 320,772 | 10,457 |
| Register of Deeds | 90,960 | (3,634) | 1,042 | 88,368 | 73,644 | 108,105 | 19,737 |
| Development | 3,100 | (3,100) | 0 | 0 | 0 | 0 | 0 |
| Planning | 203,334 | 0 | 14 | 203,348 | 206,866 | 206,866 | 3,518 |
| Geographical Information Systems | 212,031 | (46,595) | 39,756 | 205,192 | 218,006 | 218,006 | 12,814 |
| County Buildings | 417,837 | (85,011) | 57,800 | 390,626 | 427,070 | 498,777 | 108,151 |
| Other Facilities | 4,000 | (701) | 0 | 3,299 | 4,000 | 4,000 | 701 |
| Finance | | | | | | | |
| Accounting and Budgeting | 188,406 | (7,720) | 4,697 | 185,383 | 186,979 | 186,979 | 1,596 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Finance (Cont.)</u> | | | | | | | |
| Property Assessor's Office | \$ 729,839 | \$ (25,567) | \$ 29,317 | \$ 733,589 | \$ 768,791 | \$ 768,791 | \$ 35,202 |
| Reappraisal Program | 111,059 | (6,268) | 31,199 | 135,990 | 136,000 | 136,000 | 10 |
| County Trustee's Office | 84,056 | 0 | 0 | 84,056 | 83,047 | 84,085 | 29 |
| County Clerk's Office | 176,271 | (1,483) | 426 | 175,214 | 184,713 | 184,713 | 9,499 |
| Data Processing | 164,572 | (24,304) | 21,278 | 161,546 | 166,265 | 166,265 | 4,719 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 75,372 | 0 | 0 | 75,372 | 0 | 75,372 | 0 |
| Circuit Court Clerk | 1,266,152 | (1,519) | 0 | 1,264,633 | 1,357,227 | 1,335,530 | 70,897 |
| General Sessions Judge | 526,077 | (728) | 128 | 525,477 | 528,128 | 528,128 | 2,651 |
| Drug Court | 181,536 | (828) | 2,295 | 183,003 | 186,623 | 188,623 | 5,620 |
| Chancery Court | 44,516 | (46) | 313 | 44,783 | 49,896 | 49,896 | 5,113 |
| Juvenile Court | 624,519 | (5,179) | 11,776 | 631,116 | 612,952 | 656,552 | 25,436 |
| Judicial Commissioners | 27,513 | (14,002) | 16,488 | 29,999 | 30,000 | 30,000 | 1 |
| Other Administration of Justice | 117,431 | (393) | 673 | 117,711 | 118,924 | 118,924 | 1,213 |
| Probation Services | 348,737 | (49) | 3,412 | 352,100 | 313,403 | 373,357 | 21,257 |
| Courtroom Security | 15,695 | 0 | 0 | 15,695 | 0 | 17,341 | 1,646 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 6,658,163 | (30,254) | 82,344 | 6,710,253 | 6,694,163 | 6,858,107 | 147,854 |
| Special Patrols | 277,327 | (43) | 2,839 | 280,123 | 284,766 | 299,258 | 19,135 |
| Traffic Control | 9,732 | 0 | 0 | 9,732 | 18,700 | 18,700 | 8,968 |
| Administration of the Sexual Offender Registry | 10 | 0 | 0 | 10 | 3,300 | 3,300 | 3,290 |
| Jail | 6,104,839 | (51,075) | 43,720 | 6,097,484 | 6,265,667 | 6,269,461 | 171,977 |
| Correctional Incentive Program Improvements | 1,038,866 | (27,319) | 12,333 | 1,023,880 | 1,113,637 | 1,114,137 | 90,257 |
| Juvenile Services | 87,544 | (122) | 247 | 87,669 | 106,581 | 132,082 | 44,413 |
| Work Release Program | 316,636 | (685) | 0 | 315,951 | 338,812 | 344,756 | 28,805 |
| Civil Defense | 371,528 | (1,463) | 3,222 | 373,287 | 376,577 | 383,174 | 9,887 |
| Rescue Squad | 20,768 | (21,568) | 800 | 0 | 0 | 0 | 0 |
| Other Emergency Management | 102,884 | 0 | 27,671 | 130,555 | 0 | 130,555 | 0 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Public Safety (Cont.)</u> | | | | | | | |
| Inspection and Regulation | \$ 177,138 | \$ 0 | \$ 0 | \$ 177,138 | \$ 165,163 | \$ 177,158 | \$ 20 |
| County Coroner/Medical Examiner | 166,196 | (201) | 16,484 | 182,479 | 158,402 | 182,502 | 23 |
| Other Public Safety | 450,000 | 0 | 0 | 450,000 | 450,000 | 450,000 | 0 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 358,640 | (6,248) | 21,560 | 373,952 | 387,657 | 393,669 | 19,717 |
| Rabies and Animal Control | 325,000 | 0 | 0 | 325,000 | 325,000 | 325,000 | 0 |
| Ambulance/Emergency Medical Services | 4,866,027 | (806) | 13,670 | 4,878,891 | 4,896,028 | 4,997,192 | 118,301 |
| Alcohol and Drug Programs | 50,314 | (429) | 108 | 49,993 | 50,000 | 50,000 | 7 |
| Other Local Health Services | 992,053 | (1,637) | 2,051 | 992,467 | 1,070,731 | 1,070,731 | 78,264 |
| General Welfare Assistance | 1,500 | 0 | 0 | 1,500 | 1,500 | 1,500 | 0 |
| Aid to Dependent Children | 0 | 0 | 0 | 0 | 500 | 500 | 500 |
| Other Local Welfare Services | 88,944 | 0 | 0 | 88,944 | 88,944 | 88,944 | 0 |
| Other Public Health and Welfare | 6,024 | (3,974) | 336 | 2,386 | 12,500 | 12,500 | 10,114 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Adult Activities | 9,500 | 0 | 0 | 9,500 | 9,500 | 9,500 | 0 |
| Senior Citizens Assistance | 92,810 | 0 | 0 | 92,810 | 94,060 | 94,060 | 1,250 |
| Other Social, Cultural, and Recreational | 913,526 | (249) | 5,551 | 918,828 | 922,276 | 948,012 | 29,184 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agriculture Extension Service | 246,125 | (58,024) | 9,886 | 197,987 | 291,720 | 294,466 | 96,479 |
| Soil Conservation | 52,702 | 0 | 0 | 52,702 | 49,381 | 52,818 | 116 |
| Storm Water Management | 230,594 | (1,891) | 34 | 228,737 | 227,132 | 228,872 | 135 |
| Other Agriculture and Natural Resources | 1,727 | 0 | 5,295 | 7,022 | 0 | 7,200 | 178 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 200,000 | 0 | 0 | 200,000 | 162,000 | 200,000 | 0 |
| Industrial Development | 200,000 | 0 | 0 | 200,000 | 162,000 | 200,000 | 0 |
| Public Transportation | 42,000 | 0 | 0 | 42,000 | 42,000 | 42,000 | 0 |
| Veterans' Services | 114,523 | (1,732) | 1,657 | 114,448 | 114,374 | 114,634 | 186 |
| Other Charges | 368,010 | 0 | 0 | 368,010 | 350,000 | 360,000 | (8,010) |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| Other Operations (Cont.) | | | | | | | |
| Contributions to Other Agencies | \$ 77,219 \$ | 0 \$ | 0 \$ | 77,219 \$ | 78,259 \$ | 78,259 \$ | 1,040 |
| Total Expenditures | \$ 32,099,995 \$ | (473,584) \$ | 487,520 \$ | 32,113,931 \$ | 32,315,984 \$ | 33,369,353 \$ | 1,255,422 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,196,094 \$ | 473,584 \$ | (487,520) \$ | 2,182,158 \$ | (523,765) \$ | 20,471 \$ | 2,161,687 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 6,864 \$ | 0 \$ | 0 \$ | 6,864 \$ | 0 \$ | 98,173 \$ | (91,309) |
| Transfers Out | (4,463) | 0 | 0 | (4,463) | 0 | (4,463) | 0 |
| Total Other Financing Sources | \$ 2,401 \$ | 0 \$ | 0 \$ | 2,401 \$ | 0 \$ | 93,710 \$ | (91,309) |
| Net Change in Fund Balance | \$ 2,198,495 \$ | 473,584 \$ | (487,520) \$ | 2,184,559 \$ | (523,765) \$ | 114,181 \$ | 2,070,378 |
| Fund Balance, July 1, 2012 | 4,337,857 | (473,584) | 0 | 3,864,273 | 3,671,182 | 3,671,182 | 193,091 |
| Fund Balance, June 30, 2013 | \$ 6,536,352 \$ | 0 \$ | (487,520) \$ | 6,048,832 \$ | 3,147,417 \$ | 3,785,363 \$ | 2,263,469 |

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

Exhibit C-6

Bradley County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Special Purpose Fire Tax Fund
 For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|-----------------------|-----------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 1,856,593 | \$ 0 | \$ 0 | \$ 1,856,593 | \$ 1,843,652 | \$ 1,856,953 | \$ (360) |
| Other Local Revenues | 937,204 | 0 | 0 | 937,204 | 25,000 | 937,168 | 36 |
| State of Tennessee | 104,793 | 0 | 0 | 104,793 | 0 | 104,793 | 0 |
| Federal Government | 628,757 | 0 | 0 | 628,757 | 0 | 1,018,416 | (389,659) |
| Other Governments and Citizens Groups | 15,965 | 0 | 0 | 15,965 | 0 | 15,200 | 765 |
| Total Revenues | \$ 3,543,312 | \$ 0 | \$ 0 | \$ 3,543,312 | \$ 1,868,652 | \$ 3,932,530 | \$ (389,218) |
| Expenditures | | | | | | | |
| Public Safety | | | | | | | |
| Fire Prevention and Control | \$ 7,313,931 | \$ (66,387) | \$ 95,449 | \$ 7,342,993 | \$ 3,338,936 | \$ 7,703,523 | \$ 360,530 |
| Rescue Squad | 132,981 | 0 | 1,687 | 134,668 | 107,400 | 143,074 | 8,406 |
| Other Operations | | | | | | | |
| Other Charges | 36,438 | 0 | 0 | 36,438 | 38,000 | 38,000 | 1,562 |
| Total Expenditures | \$ 7,483,350 | \$ (66,387) | \$ 97,136 | \$ 7,514,099 | \$ 3,484,336 | \$ 7,884,597 | \$ 370,498 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,940,038) | \$ 66,387 | \$ (97,136) | \$ (3,970,787) | \$ (1,615,684) | \$ (3,952,067) | \$ (18,720) |
| Other Financing Sources (Uses) | | | | | | | |
| Bonds Issued | \$ 2,870,000 | \$ 0 | \$ 0 | \$ 2,870,000 | \$ 0 | \$ 2,870,000 | \$ 0 |
| Premiums on Debt Issued | 54,297 | 0 | 0 | 54,297 | 0 | 54,297 | 0 |
| Transfers In | 0 | 0 | 0 | 0 | 850,000 | 0 | 0 |
| Transfers Out | (9,666) | 0 | 0 | (9,666) | (98,000) | (13,558) | 3,892 |
| Total Other Financing Sources | \$ 2,914,631 | \$ 0 | \$ 0 | \$ 2,914,631 | \$ 752,000 | \$ 2,910,739 | \$ 3,892 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ (1,025,407) | \$ 66,387 | \$ (97,136) | \$ (1,056,156) | \$ (863,684) | \$ (1,041,328) | \$ (14,828) |
| Fund Balance, July 1, 2012 | 1,697,778 | (66,387) | 0 | 1,631,391 | 1,512,092 | 1,512,092 | 119,299 |
| Fund Balance, June 30, 2013 | \$ 672,371 | \$ 0 | \$ (97,136) | \$ 575,235 | \$ 648,408 | \$ 470,764 | \$ 104,471 |

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

Exhibit C-7

Bradley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 2,671,136 | \$ 2,714,533 | \$ 2,718,358 | \$ (47,222) |
| Other Local Revenues | 27,017 | 95,600 | 16,970 | 10,047 |
| State of Tennessee | 2,422,157 | 2,407,700 | 2,386,800 | 35,357 |
| Total Revenues | \$ 5,120,310 | \$ 5,217,833 | \$ 5,122,128 | \$ (1,818) |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 447,094 | \$ 486,746 | \$ 486,896 | \$ 39,802 |
| Highway and Bridge Maintenance | 2,769,594 | 3,105,385 | 3,021,735 | 252,141 |
| Operation and Maintenance of Equipment | 582,007 | 507,439 | 611,239 | 29,232 |
| Quarry Operations | 0 | 100 | 100 | 100 |
| Litter and Trash Collection | 100,767 | 95,103 | 104,653 | 3,886 |
| Other Charges | 162,268 | 168,000 | 173,000 | 10,732 |
| Employee Benefits | 770,742 | 820,454 | 836,454 | 65,712 |
| Capital Outlay | 319,140 | 385,750 | 375,000 | 55,860 |
| <u>Capital Projects</u> | | | | |
| Highway and Street Capital Projects | 282,056 | 298,569 | 303,269 | 21,213 |
| Total Expenditures | \$ 5,433,668 | \$ 5,867,546 | \$ 5,912,346 | \$ 478,678 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (313,358) | \$ (649,713) | \$ (790,218) | \$ 476,860 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 0 | \$ 100 | \$ 225 | \$ (225) |
| Total Other Financing Sources | \$ 0 | \$ 100 | \$ 225 | \$ (225) |
| Net Change in Fund Balance | \$ (313,358) | \$ (649,613) | \$ (789,993) | \$ 476,635 |
| Fund Balance, July 1, 2012 | 2,255,066 | 1,515,334 | 1,515,334 | 739,732 |
| Fund Balance, June 30, 2013 | \$ 1,941,708 | \$ 865,721 | \$ 725,341 | \$ 1,216,367 |

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, 2013

| | <u>Agency Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 5,475,440 |
| Equity in Pooled Cash and Investments | 38,260 |
| Due from Other Governments | 2,818,450 |
| Property Taxes Receivable | 7,200,649 |
| Allowance for Uncollectible Taxes | <u>(441,201)</u> |
| Total Assets | <u>\$ 15,091,598</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 9,616,158 |
| Due to Litigants, Heirs, and Others | <u>5,475,440</u> |
| Total Liabilities | <u>\$ 15,091,598</u> |

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

BRADLEY COUNTY, TENNESSEE
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BRADLEY COUNTY, TENNESSEE
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BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

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

There were no debt issues contributed by the county to the School Department during the year ended June 30, 2013.

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, deferred outflow of resources, liabilities, deferred inflow of resources, 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.

Special Purpose Fire Tax Fund – This special revenue fund accounts 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.

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 type:

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bradley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at

fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

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 2.52 percent of total taxes levied.

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

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

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

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 infrastructure with an initial cost of \$50,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 25 - 40 |
| Other Capital Assets | 5 - 30 |
| Infrastructure: | |
| Roads | 20 - 40 |
| Bridges | 40 |

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the accumulated decrease in fair value of hedging derivatives reported in the government-wide Statement of Net Position. An accumulated decrease in fair value of hedging derivatives results from the

estimated fair value of the interest rate swaps on June 30, 2013. The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. See Note IV. C.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenue, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. 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.

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balance

In the government-wide financial statements equity is classified as net position and may be displayed in the following components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- c. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- d. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for General Purposes for the primary government consists of various restrictions totaling \$1,184,962, with the primary restrictions being for: (1) courthouse and jail maintenance (\$783,813); (2) computer systems for various offices (\$142,286); and (3) the sexual offender register (\$27,612). For the discretely presented School Department, the account balance in Restricted for General Purposes totaling \$857,214 consists of restrictions for career ladder programs.

As of June 30, 2013, Bradley County had \$58,101,150 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 position with no corresponding increase in the county's capital assets.

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

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or

laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission, the county’s highest level of decision-making authority, has by resolution designated 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 by resolution for the School Department.

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

8. 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 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.

9. Prior-period Adjustment

Prior to July 1, 2012, debt issuances costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board Statement No. 65, debt issuance costs became period costs. An adjustment to beginning net position totaling \$644,203 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented 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 Position.

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

Primary Government

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

Discretely Presented 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 position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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, 2013, Bradley County reported the following significant encumbrances:

| Funds | Description | Amount |
|--------------------------|---|-----------|
| Major Funds: | | |
| General | Geographical Systems Operations | \$ 17,993 |
| " | Heating and Air Systems and Supplies | 12,116 |
| " | Electrical Repairs | 26,763 |
| " | Paper Products | 6,800 |
| " | Assessor Software and Internet Services | 36,450 |
| " | Postage Services | 8,000 |
| " | Sheriff's Vehicle | 44,000 |
| " | Jail Uniforms | 10,000 |
| " | Communication Equipment | 27,671 |
| " | Equipment and Insurance | 8,600 |
| " | Cannery Improvements | 4,000 |
| Special Purpose Fire Tax | | |
| " | Communication Equipment | 5,000 |
| " | Gasoline | 12,047 |
| " | Insurance | 40,311 |
| " | Equipment | 23,107 |
| Nonmajor Funds: | | |
| Solid Waste/Sanitation | Paving | 19,131 |
| Drug Control | Communications and Equipment | 4,592 |

B. A County Employee Purchased Personal Items with County Funds

On July 3, 2013, the county's Finance Department began an investigation of an employee that allegedly purchased items that were billed to the county but were delivered to her home. The result of this investigation revealed that approximately \$3,314 of purchases were made from one vendor, billed to the county, and delivered to the employee's home. On July 8, 2013, the County Mayor's Office notified the District Attorney General's Office and the Tennessee Bureau of Investigation. The Comptroller of the Treasury's Office was notified on July 11, 2013. The employee allowed a search of her home, and most of the items were discovered and returned to the county. This employee resigned on July 11, 2013. The county returned all the items that could be returned, and the vendor issued a full refund for all items purchased. In October 2013, the employee was indicted by a Grand Jury on one count of theft and one count of official misconduct.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) of the General Fund by \$8,010. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by appropriations exceeding expenditures in other major appropriations categories of the General Fund.

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 position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position 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, 2013, Bradley County had the following investments carried at fair value. 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) | Fair Value |
|-----------------------------------|-------------------------------------|------------|
| State Treasurer's Investment Pool | 11 to 138 | \$ 2,038 |

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, 2013, 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 \$33,684.

C. Derivative Instruments

Primary Government

At June 30, 2013, 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, 2013, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2013 financial statements are as follows:

| Type | Classification | Changes in Fair Value | | Fair Value at June 30, 2013 | | 6-30-13 Notional |
|--------------------------------|----------------|-----------------------|--------|-----------------------------|----------------------|---------------------|
| | | Amount | Amount | Classification | Amount | Amount |
| Governmental Activities | | | | | | |
| Cash Flow Hedges: | | | | | | |
| Pay-fixed interest rate swaps: | | | | | | |
| \$10M Swap - Series IV-C-2 | Deferred | \$ 521,365 | | Debt | \$ (980,538) | \$ 8,125,000 |
| | Outflow | | | | | |
| \$10M Swap - Series IV-G-1 | Deferred | 1,046,848 | | Debt | (2,114,995) | 10,000,000 |
| | Outflow | | | | | |
| Totals | | <u>\$ 1,568,213</u> | | | <u>\$(3,095,533)</u> | <u>\$18,125,000</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 has 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, 2013, rates were as follows:

| | <u>Terms</u> | <u>Rate</u> |
|------------------------------------|--------------|-----------------------|
| Interest rate swap: | | |
| Fixed payment to counterparty | Fixed | 4.380 % |
| Variable payment from counterparty | % of LIBOR | <u>-1.010</u> |
| Net interest rate swap payments | | 3.370 % |
| Variable-rate bond coupon payments | | <u>0.070</u> |
| | | <u><u>3.440 %</u></u> |
| Synthetic interest rate on bonds | | |

Fair value. As of June 30, 2013, the swap had a negative fair value of \$980,538. 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, 2013, 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, 2013, the swap counterparty, Deutsche Bank, was rated A2/A+/A+ by Moody's, Standard and Poor's, and Fitch, respectively.

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

Termination risk. The 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, 2013, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Year Ending June 30 | Variable Rate Bonds | | Net Interest Rate Swap | | Total |
|---------------------------|---------------------|-----------|---------------------------|----|-----------|
| | Principal | Interest | Payment | | |
| 2014 | \$ 540,000 | \$ 5,688 | \$ 273,841 | \$ | 819,529 |
| 2015 | 575,000 | 5,310 | 255,641 | | 835,951 |
| 2016 | 615,000 | 4,907 | 236,262 | | 856,169 |
| 2017 | 645,000 | 4,477 | 215,534 | | 865,011 |
| 2018 | 685,000 | 4,025 | 193,795 | | 882,820 |
| 2019-2020 | 5,065,000 | 5,373 | 258,674 | | 5,329,047 |
| Total | \$ 8,125,000 | \$ 29,780 | \$ 1,433,747 | \$ | 9,588,527 |

\$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, 2013, rates were as follows:

| | <u>Terms</u> | <u>Rate</u> |
|------------------------------------|--------------|-----------------------|
| Interest rate swap: | | |
| Fixed payment to counterparty | Fixed | 4.450 % |
| Variable payment from counterparty | % of LIBOR | <u>-1.010</u> |
| Net interest rate swap payments | | 3.440 % |
| Variable-rate bond coupon payments | | <u>0.070</u> |
| Synthetic interest rate on bonds | | <u><u>3.510 %</u></u> |

Fair value. As of June 30, 2013, the swap had a negative fair value of \$2,114,995. 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, 2013, 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, 2013, the swap counterparty, Deutsche Bank, was rated A2/A+/A+ by Moody's, Standard and Poor's, and Fitch, respectively.

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

Termination risk. The 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, 2013, 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 | |
| 2014 | \$ 0 | \$ 7,000 | \$ 344,035 | \$ 351,035 |
| 2015 | 0 | 7,000 | 344,035 | 351,035 |
| 2016 | 0 | 7,000 | 344,035 | 351,035 |
| 2017 | 0 | 7,000 | 344,035 | 351,035 |
| 2018 | 0 | 7,000 | 344,035 | 351,035 |
| 2019-2023 | 1,870,000 | 35,000 | 1,720,175 | 3,625,175 |
| 2024-2026 | 8,130,000 | 12,838 | 630,960 | 8,773,798 |
| Total | \$ 10,000,000 | \$ 82,838 | \$ 4,071,310 | \$ 14,154,148 |

D. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|---|-------------------|-----------|-----------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 5,948,505 | \$ 0 | \$ 0 | \$ 5,948,505 |
| Construction in Progress | 352,311 | 0 | 0 | 352,311 |
| Total Capital Assets Not Depreciated | \$ 6,300,816 | \$ 0 | \$ 0 | \$ 6,300,816 |

Governmental Activities (Cont.):

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|-------------------------|----------------------|---------------------|---------------------|----------------------|
| Capital Assets | | | | |
| Depreciated: | | | | |
| Buildings and | | | | |
| Improvements | \$ 31,577,575 | \$ 2,411,218 | \$ (40,554) | \$ 33,948,239 |
| Infrastructure | 34,090,467 | 2,145,764 | (705,436) | 35,530,795 |
| Other Capital Assets | 14,079,341 | 2,842,283 | (203,095) | 16,718,529 |
| Total Capital Assets | | | | |
| Depreciated | <u>\$ 79,747,383</u> | <u>\$ 7,399,265</u> | <u>\$ (949,085)</u> | <u>\$ 86,197,563</u> |
| Less Accumulated | | | | |
| Depreciated For: | | | | |
| Buildings and | | | | |
| Improvements | \$ 13,015,087 | \$ 858,440 | \$ (9,125) | \$ 13,864,402 |
| Infrastructure | 10,546,003 | 1,138,178 | (297,921) | 11,386,260 |
| Other Capital Assets | 10,977,048 | 936,712 | (111,187) | 11,802,573 |
| Total Accumulated | | | | |
| Depreciation | <u>\$ 34,538,138</u> | <u>\$ 2,933,330</u> | <u>\$ (418,233)</u> | <u>\$ 37,053,235</u> |
| Total Capital Assets | | | | |
| Depreciated, Net | <u>\$ 45,209,245</u> | <u>\$ 4,465,935</u> | <u>\$ (530,852)</u> | <u>\$ 49,144,328</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 51,510,061</u> | <u>\$ 4,465,935</u> | <u>\$ (530,852)</u> | <u>\$ 55,445,144</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| General Government | \$ 75,354 |
| Finance | 5,424 |
| Administration of Justice | 4,815 |
| Public Safety | 1,177,040 |
| Public Health and Welfare | 227,651 |
| Social, Cultural, and Recreational Services | 106,300 |
| Agriculture and Natural Resources | 1,333 |
| Highways/Public Works | 1,335,413 |
| Total Depreciation Expense - | |
| Governmental Activities | <u>\$ 2,933,330</u> |

Discretely Presented Bradley County School Department

Governmental Activities:

| | Balance 7-1-12 | Increases | Decreases | Balance 6-30-13 |
|--|-----------------------|---------------------|--------------------|-----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,610,912 | \$ 0 | \$ 0 | \$ 1,610,912 |
| Construction in Progress | 0 | 73,598 | 0 | 73,598 |
| Total Capital Assets Not Depreciated | \$ 1,610,912 | \$ 73,598 | \$ 0 | \$ 1,684,510 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 102,515,004 | \$ 2,014,623 | \$ 0 | \$ 104,529,627 |
| Other Capital Assets | 1,258,094 | 410,063 | (97,115) | 1,571,042 |
| Total Capital Assets Depreciated | \$ 103,773,098 | \$ 2,424,686 | \$ (97,115) | \$ 106,100,669 |
| Less Accumulated Depreciated For: | | | | |
| Buildings and Improvements | \$ 36,247,055 | \$ 2,680,329 | \$ 0 | \$ 38,927,384 |
| Other Capital Assets | 847,560 | 100,619 | (97,115) | 851,064 |
| Total Accumulated Depreciation | \$ 37,094,615 | \$ 2,780,948 | \$ (97,115) | \$ 39,778,448 |
| Total Capital Assets Depreciated, Net | \$ 66,678,483 | \$ (356,262) | \$ 0 | \$ 66,322,221 |
| Governmental Activities Capital Assets, Net | \$ 68,289,395 | \$ (282,664) | \$ 0 | \$ 68,006,731 |

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

Governmental Activities:

| | |
|---|-----------------------------------|
| Instruction | \$ 2,694,497 |
| Support Services | 68,189 |
| Operation of Non-Instructional Services | <u>18,262</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 2,780,948</u></u> |

E. Insurance Recoveries

Primary Government

During the year, Bradley County had damage to one of its vehicles. Insurance recovery of \$6,864 was received; however, none of the proceeds were used to repair or replace the vehicle prior to June 30, 2013.

Discretely Presented Bradley County School Department

During the year, the School Department had damage to one of its buses. Insurance recovery of \$18,500 was received; however, none of the proceeds were used to repair or replace the bus prior to June 30, 2013.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Primary Government and Component Unit:

| <u>Receivable</u> | <u>Payable</u> | <u>Amount</u> |
|--|--------------------------------------|---------------|
| Primary Government: Governmental Activities | Component Unit: School Department | \$ 310,219 |

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

| <u>Transfers Out</u> | <u>Transfers In</u> |
|-------------------------------|---------------------------------|
| | General Debt Service Fund |
| General Fund | \$ 4,463 |
| Special Purpose Fire Tax Fund | 9,666 |

Discretely Presented Bradley County School Department

| Transfer Out | Transfer In General Purpose School Fund |
|----------------------------|---|
| Nonmajor governmental fund | \$ 67,800 |

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

On June 18, 2012, Bradley County entered into a three-year lease-purchase agreement, for the School Department, 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, Bradley County entered into a seven-year lease-purchase agreement, for the School Department, for 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 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.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

| Year Ending June 30 | Governmental Funds |
|---|-----------------------|
| 2014 | \$ 157,453 |
| 2015 | 63,574 |
| 2016 | 63,574 |
| Total Minimum Lease Payments | \$ 284,601 |
| Less: Amount Representing Interest | (21,762) |
| Present Value of Minimum Lease Payments | <u>\$ 262,839</u> |

H. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Bradley County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, 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, seven years for the notes, 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 and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund. All notes included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

The general obligation bond, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2013, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-13 |
|---|------------------|-------------------|--------------------------------|--------------------|
| General Obligation Bond | 2 to 5.55 % | 6-1-29 | \$ 20,420,000 | \$ 20,420,000 |
| General Obligation Bonds - Refunding | 2 | 6-1-18 | 4,255,000 | 3,655,000 |
| Other Loans - Variable Rate | Variable | 6-1-26 | 48,210,000 | 39,090,000 |
| Other Loans | 3 to 4.25 | 6-30-21 | 12,050,000 | 10,165,000 |
| Capital Outlay Notes | 0 | 6-15-14 | 500,000 | 71,426 |
| Capital Leases | 4.8 to 4.85 | 7-31-15 | 849,182 | 262,839 |

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, 2013:

| Description | Original Amount of Loan Agreement | Outstanding Principal 6-30-13 | Interest Type | Interest Rates as of 6-30-13 | Fee Rates as of 6-30-13 |
|---------------|-----------------------------------|-------------------------------|-------------------------|------------------------------|-------------------------|
| Refunding: | | | | | |
| Series V-I-1 | \$ 12,050,000 | \$ 10,165,000 | Fixed | 3 to 4.25 % | .65% |
| Series E-6-A: | 28,210,000 | 20,965,000 | Variable | .07 | .976 |
| Series IV-C-2 | 10,000,000 | 8,125,000 | Synthetic Fixed by Swap | 3.44 | .976 |
| Series IV-G-1 | 10,000,000 | 10,000,000 | Synthetic Fixed by Swap | 3.51 | .976 |
| Total | | <u>\$ 49,255,000</u> | | | |

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, 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 |
| 2014 | \$ 855,000 | \$ 1,066,593 | \$ (327,278) | \$ 1,594,315 |
| 2015 | 875,000 | 1,049,493 | (327,278) | 1,597,215 |
| 2016 | 890,000 | 1,031,993 | (327,278) | 1,594,715 |
| 2017 | 910,000 | 1,014,193 | (327,278) | 1,596,915 |
| 2018 | 925,000 | 995,993 | (327,278) | 1,593,715 |
| 2019-2023 | 4,685,000 | 4,760,265 | (1,604,015) | 7,841,250 |
| 2024-2028 | 11,425,000 | 2,880,512 | (978,490) | 13,327,022 |
| 2029 | 3,510,000 | 187,613 | (61,402) | 3,636,211 |
| Total | \$ 24,075,000 | \$ 12,986,655 | \$ (4,280,297) | \$ 32,781,358 |

| Year Ending June 30 | Notes | | |
|------------------------|------------------|-------------|------------------|
| | Principal | Interest | Total |
| 2014 | \$ 71,426 | \$ 0 | \$ 71,426 |
| Total | \$ 71,426 | \$ 0 | \$ 71,426 |

| Year Ending June 30 | Other Loans | | | |
|------------------------|----------------------|---------------------|---------------------|----------------------|
| | Principal | Interest | Other Fees | Total |
| 2014 | \$ 3,195,000 | \$ 344,615 | \$ 447,591 | \$ 3,987,206 |
| 2015 | 3,335,000 | 313,665 | 425,972 | 4,074,637 |
| 2016 | 3,540,000 | 277,030 | 403,183 | 4,220,213 |
| 2017 | 3,700,000 | 236,651 | 379,417 | 4,316,068 |
| 2018 | 3,860,000 | 193,213 | 354,139 | 4,407,352 |
| 2019-2023 | 20,400,000 | 366,044 | 1,154,844 | 21,920,888 |
| 2024-2026 | 11,225,000 | 17,868 | 249,124 | 11,491,992 |
| Total | \$ 49,255,000 | \$ 1,749,086 | \$ 3,414,270 | \$ 54,418,356 |

There is \$12,965,130 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$744, based on the 2010 federal census.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. The total debt as of June 30, 2013, is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of

the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

| Description of Indebtedness | Outstanding 6-30-13 |
|--|------------------------|
| <u>Note Payable</u> | |
| <u>Contributed through General Purpose School Fund</u> | |
| Lighting Project | \$ 47,380 |
| <u>Capital Leases</u> | |
| <u>Contributed through General Purpose School Fund</u> | |
| Lighting Project | 89,579 |
| Energy Efficient Upgrades and Equipment | 173,260 |
| Total | <u>\$ 310,219</u> |

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

| | Bonds | Note | Other Loans |
|---------------------------------|----------------------|------------------|----------------------|
| Balance, July 1, 2012 | \$ 17,550,000 | \$ 48,095 | \$ 56,660,000 |
| Reclassification of School Debt | 0 | 94,760 | 0 |
| Additions | 7,125,000 | 0 | 0 |
| Reductions | (600,000) | (71,429) | (3,065,000) |
| Debt Refunded | 0 | 0 | (4,340,000) |
| Balance, June 30, 2013 | <u>\$ 24,075,000</u> | <u>\$ 71,426</u> | <u>\$ 49,255,000</u> |
| Balance Due Within One Year | <u>\$ 855,000</u> | <u>\$ 71,426</u> | <u>\$ 3,195,000</u> |

| | Capital Leases | Compensated Absences | Other Postemployment Benefits |
|---------------------------------|-------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2012 | \$ 0 | \$ 1,221,461 | \$ 1,641,779 |
| Reclassification of School Debt | 410,556 | 0 | 0 |
| Additions | 0 | 1,064,755 | 702,807 |
| Reductions | (147,717) | (1,076,967) | (67,709) |
| Balance, June 30, 2013 | <u>\$ 262,839</u> | <u>\$ 1,209,249</u> | <u>\$ 2,276,877</u> |
| Balance Due Within One Year | <u>\$ 144,561</u> | <u>\$ 592,452</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, 2013 | \$ 77,150,391 |
| Less: Balances Due Within One Year | (4,858,439) |
| Add: Unamortized Premium on Debt | <u>277,694</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 72,569,646</u> |

Advance Refunding

On March 15, 2013, Bradley County advance refunded an other loan issue with a separate general obligation bond issue. The county issued \$4,255,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded other loan is considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payment reductions and an economic gain (difference between the present value of the debt service payments of the refunded other loan and the new refunding bond) over the next five years cannot be calculated due to the variable interest rate on the refund other loan issue.

Discretely Presented Bradley County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Bradley County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

| | <u>Note</u> | <u>Capital Leases</u> |
|---------------------------------|-------------|---------------------------|
| Balance, July 1, 2012 | \$ 94,760 | \$ 401,556 |
| Reclassification of School Debt | (94,760) | (401,556) |
| Balance, June 30, 2013 | <u>\$ 0</u> | <u>\$ 0</u> |
| Balance Due Within One Year | <u>\$ 0</u> | <u>\$ 0</u> |

Governmental Activities:

| | Other Postemployment Benefits |
|-----------------------------|-------------------------------------|
| Balance, July 1, 2012 | \$ 4,693,807 |
| Additions | 2,227,457 |
| Reductions | <u>(852,292)</u> |
| Balance, June 30, 2013 | <u>\$ 6,068,972</u> |
| Balance Due Within One Year | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2013 | \$ 6,068,972 |
| Less: Balances Due Within One Year | <u>0</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 6,068,972</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

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, 2013, were \$371,902 and \$75,379, 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 \$1,800,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

| | Balance 7-1-12 | Issued | Paid | Balance 6-30-13 |
|------------------------|-------------------|--------------|----------------|--------------------|
| Tax Anticipation Notes | \$ 0 | \$ 1,800,000 | \$ (1,800,000) | \$ 0 |

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

Bradley County’s risks of loss relating to general liability, property, casualty, and workers’ compensation are covered by participation in public entity risk pools. The county is a member of the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Bradley County participates in a commercial health insurance plan for 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. Accounting Changes

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$644,203 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Bradley County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and

liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Event

On November 1, 2013, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

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

E. 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 \$1,578,630 estimated closure and postclosure costs of the landfill at June 30, 2013, 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 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission, the Cleveland City Council, and eight ex-officio members, who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and the Cleveland City Council. The center is funded through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2013, 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, 2013, future principal and interest requirements, which Bradley County would be liable for, were \$5,582,500 and \$4,972,100, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2013.

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, 2013.

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

G. Jointly Governed Organization

Bradley County, in conjunction with McMinn, Monroe, and Polk counties, participates in the Southeast Tennessee Community Corrections Program. The program's 20-member board comprises the county mayor and the sheriff of each of the four counties, the district attorney general, one member from a nonprofit organization, and ten members from the private sector who are appointed by the board. The program provides alternative sentencing for selected nonviolent offenders and is funded by the Tennessee Department of Correction. The counties that participate in the program do not have any ongoing financial interest or responsibility for the program.

H. Retirement Commitments

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, 2013, was 13.86 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, 2013, Bradley County's annual pension cost of \$3,502,832 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected 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, 2011, was four 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 |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-13 | \$3,502,832 | 100% | \$0 |
| 6-30-12 | 3,442,852 | 100 | 0 |
| 6-30-11 | 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011 were \$3,333,261, \$3,321,043, and \$3,234,454, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

School Department employees participate in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)* for teachers. 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 plan is 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 employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides 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. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$0 to \$506 per month. The School Department recognized expenditures of \$852,292 for postemployment health care during the year ended June 30, 2013.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|-------------------------------------|
| | Local Education Group Plan |
| | <hr/> |
| ARC | \$ 2,239,000 |
| Interest on the NOPEBO | 187,752 |
| Adjustment to the ARC | (199,295) |
| Annual OPEB cost | <hr/> \$ 2,227,457 |
| Amount of contribution | (852,292) |
| Increase/decrease in NOPEBO | <hr/> \$ 1,375,165 |
| Net OPEB obligation, 7-1-12 | <hr/> 4,693,807 |
| | <hr/> |
| Net OPEB obligation, 6-30-13 | <hr/> <hr/> \$ 6,068,972 |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net Adjusted Obligation at Year End |
|-------------------------|-----------------------|------------------------|---|--|
| 6-30-11 | Local Education Group | \$ 1,557,146 | 55.78% | \$ 3,275,390 |
| 6-30-12 | " | 2,210,945 | 35.85 | 4,693,807 |
| 6-30-13 | " | 2,227,457 | 38.26 | 6,068,972 |

Funded Status and Funding Progress

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

| | <u>Local Education Group Plan</u> |
|---|---|
| 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 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 of 8.75 percent for fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 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 July 1, 2007.

Primary Government – Commercial Healthcare Plan

Plan Description

Bradley County participates in 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 | \$ 701,937 |
| Interest on the NOPEBO | 73,880 |
| Adjustment to the ARC | (73,010) |
| Annual OPEB cost | \$ 702,807 |
| Less amount of contribution* | (67,709) |
| Increase/decrease in NOPEBO | \$ 635,098 |
| Net OPEB obligation, 7-1-12 | 1,641,779 |
| Net OPEB obligation, 6-30-13 | \$ 2,276,877 |

* - 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 |
|-------------------|------------|------------------|--|---------------------------------|
| 6-30-11 | Commercial | \$ 592,129 | 8.56 % | \$ 1,030,458 |
| 6-30-12 | " | 665,197 | 8.10 | 1,641,779 |
| 6-30-13 | " | 702,807 | 9.60 | 2,276,877 |

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.

J. Termination Benefits

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the postemployment health insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are made only when employees choose to accept the incentive. During the year ended June 30, 2013, 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 Position by function was zero.

K. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

Purchasing procedures for the discretely presented Bradley County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and the chairman of the Board of Education), to make all purchases. This statute also

requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

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

A. Summary of Significant Accounting Policies

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.

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.

Basis of Accounting

The nursing center uses the accrual basis of accounting. Revenues are recorded when earned, and expenses are recognized when incurred using the economic resources measurement focus.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

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.

Patient Service Revenue

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

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

Cash Equivalents

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

Inventories

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

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.

Compensated Absences

Accumulated paid time off is accrued when earned.

Net Position

Net position of the nursing center is classified in four components. Net investment 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 position is 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 position for which the restricted purpose is related to the nursing center is reclassified to unrestricted net position and reported in the statement of operations as net position released from restrictions. Permanently restricted net position is subject to donor-imposed stipulations that they be maintained permanently by the nursing center. Generally, the donors of permanently restricted net position permit the nursing center to use all or part of the income earned on any related investment for general or specific purposes. Unrestricted net

position is the remaining net position that does not meet the definition of net investment in capital assets or restricted.

Operating and Non-Operating Revenues

The nursing center defines operating revenue as any revenue derived from the provision of services to patients or ancillary thereto. Any revenue earned that is not related to the provision of patient care services is considered non-operating.

B. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the nursing center's deposits may not be returned to it. The nursing center's deposits are made to a local bank that participates in the Tennessee Bank Collateral Pool, a multi-entity risk pool that assumes the burden of collateralizing public funds on deposit with local banks. The Treasury Department of the State of Tennessee administers the pool. The Treasury Department, using uniform procedures, centralizes the collateralization of public funds. The funds in the pool are collateralized at 105 percent of the face amount of the deposits uninsured by the Federal Deposit Insurance Corporation. 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 | \$ 34,109 |
| Foods and Dietary | 7,982 |
| Enteral Feeding Supplies | <u>2,339</u> |
| Total | <u>\$ 44,430</u> |

D. Assets Whose Use Is Limited

Assets whose use is limited are as follows:

| | |
|---------------------|-------------------|
| Patient Trust Funds | \$ 69,252 |
| Scholarship Fund | 13,589 |
| Activities Fund | 1,234 |
| Chapel Fund | 1,478 |
| Country Store Fund | 4,144 |
| Endowment Fund | <u>113,185</u> |
| Total | <u>\$ 202,882</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 7-1-12 | Increases/ (Decreases) | Balance 6-30-13 |
|-----------------------------------|-------------------|---------------------------|--------------------|
| Land | \$ 1,250 | \$ 0 | \$ 1,250 |
| Land Improvements | 379,814 | 0 | 379,814 |
| Buildings | 5,531,321 | 11,800 | 5,543,121 |
| Fixed Equipment | 915,401 | 34,758 | 950,159 |
| Major Movable | 1,801,921 | 20,110 | 1,822,031 |
| Computer Software | 43,695 | 0 | 43,695 |
| Computer Hardware | 132,985 | 0 | 132,985 |
| Vehicles | 106,444 | 0 | 106,444 |
| Total | \$ 8,912,831 | \$ 66,668 | \$ 8,979,499 |
| Less: Accumulated Depreciation | (6,464,071) | (267,192) | (6,731,263) |
| Property and Equipment, Net | \$ 2,448,760 | \$ (200,524) | \$ 2,248,236 |

F. Permanently Restricted Net Position

Assets whose use is permanently restricted are as follows:

| | |
|--------------------------|------------|
| Scholarship | \$ 12,000 |
| Citizens' Endowment Fund | 110,000 |
| Total | \$ 122,000 |

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

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. Net 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, 2013, follows:

| | |
|---|----------------------|
| Medicare | \$ 2,649,954 |
| Medicaid | 8,086,269 |
| Other | <u>1,364,542</u> |
| Gross Patient Service Revenues | \$ 12,100,765 |
| Contractual Adjustments and Uncollectible Accounts | <u>(688,268)</u> |
| Net Patient Service Revenue | <u>\$ 11,412,497</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, 2013, were \$294,540 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 \$92,462 for the year ended June 30, 2013. There was no unpaid liability at June 30, 2013.

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 2013, 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, 2013, which have initial or remaining terms of one year or more.

| Year Ending June 30 | Minimum Lease Payments |
|------------------------|------------------------------|
| 2014 | \$ 7,214 |

Total rental expense for all operating leases was \$27,397 for 2013 and is included in the general services expense classification.

K. Risk Financing and Related Insurance Issues

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

employment and acts of nature, such as fires, floods, and earthquakes. The nursing center insures itself against losses due to this exposure through the purchase of commercial liability and workers' compensation insurance from reputable insurers. There have been no substantial losses incurred in prior years, and the amount of coverage purchased has not been reduced. Management is unaware of any potential claims that would result in reductions to or cancellation of coverage by the insurer.

L. Subsequent Events

As required by FASB ASC 850-10 "*Subsequent Events*," subsequent events for the nursing center have been evaluated through the financial statements date of issuance.

Subsequent to the date of the balance sheet the nursing center was informed of the results of its annual licensure survey. Certain deficiencies were alleged by the survey team, and a demand for civil money penalties was made. The nursing center has appealed the decision of the survey team, as well as the alleged penalties. The ultimate outcome of this contingency is uncertain, and a reasonable estimate of the civil money penalties, if any, is not determinable.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bradley County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Bradley County School Department
June 30, 2013

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|--------------------------------------|--------------------------|---------------------------|---|
| 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-2

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2013

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Projected Unit Credit (b) | Unfunded AAL (UAAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--|--------------------------|-------------------------------|-------------------------------------|------------------------------|--------------------|---------------------|--|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | |
| 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 |

* 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, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for revenues received by Bradley County that are subsequently contributed to the discretely presented Bradley County School Department and the City of Cleveland School System for construction and renovation projects.

Waterline Extension Projects Fund – The Waterline Extension Projects Fund is used to account for the installation of a waterline extension in the county. This fund was closed during the period.

Exhibit F-1

Bradley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

| | Special Revenue Funds | | | | | | | Constitutional Officers - Fees | Total |
|--|-----------------------|----------------|--------------------------|--------------|---------------|-----------------------|------------|--------------------------------|--------------|
| | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri-Business | Veterans Nursing Home | | | |
| ASSETS | | | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 415,076 | \$ 415,076 |
| Equity in Pooled Cash and Investments | 25,205 | 223,174 | 1,133,704 | 376,361 | 109,994 | 11,132 | 0 | 0 | 1,879,570 |
| Accounts Receivable | 0 | 0 | 3,220 | 0 | 0 | 0 | 0 | 0 | 3,220 |
| Due from Other Governments | 0 | 6,060 | 0 | 0 | 0 | 0 | 0 | 0 | 6,060 |
| Property Taxes Receivable | 0 | 608,943 | 0 | 0 | 0 | 0 | 0 | 0 | 608,943 |
| Allowance for Uncollectible Property Taxes | 0 | (25,795) | 0 | 0 | 0 | 0 | 0 | 0 | (25,795) |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 25,205 | \$ 812,382 | \$ 1,136,924 | \$ 376,361 | \$ 109,994 | \$ 11,132 | \$ 415,076 | \$ 415,076 | \$ 2,887,074 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 569,318 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 569,318 |
| Deferred Delinquent Property Taxes | 0 | 10,004 | 0 | 0 | 0 | 0 | 0 | 0 | 10,004 |
| Other Deferred/Unavailable Revenue | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 581,322 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 581,322 |
| FUND BALANCES | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Restricted for Administration of Justice | \$ 25,205 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 25,205 |
| Restricted for Public Safety | 0 | 0 | 0 | 373,205 | 0 | 0 | 0 | 0 | 373,205 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 7,622 | 0 | 0 | 7,622 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 231,060 | 0 | 0 | 0 | 0 | 0 | 0 | 231,060 |
| Restricted for Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed: | | | | | | | | | |
| Committed for General Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 82,050 | 82,050 |
| Committed for Finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 249,131 | 249,131 |
| Committed for Administration of Justice | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 83,895 | 83,895 |
| Committed for Public Health and Welfare | 0 | 0 | 1,117,793 | 0 | 0 | 0 | 0 | 0 | 1,117,793 |
| Committed for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 109,994 | 0 | 0 | 0 | 109,994 |
| Committed for Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed for Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned: | | | | | | | | | |
| Assigned for Public Safety | 0 | 0 | 0 | 3,156 | 0 | 0 | 0 | 0 | 3,156 |
| Assigned for Public Health and Welfare | 0 | 0 | 19,131 | 0 | 0 | 3,510 | 0 | 0 | 22,641 |
| Assigned for Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balances | \$ 25,205 | \$ 231,060 | \$ 1,136,924 | \$ 376,361 | \$ 109,994 | \$ 11,132 | \$ 415,076 | \$ 415,076 | \$ 2,305,752 |
| Total Deferred Inflows of Resources and Fund Balances | \$ 25,205 | \$ 812,382 | \$ 1,136,924 | \$ 376,361 | \$ 109,994 | \$ 11,132 | \$ 415,076 | \$ 415,076 | \$ 2,887,074 |

(Continued)

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

| | Capital Projects Funds | | | | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|---|--------------------------|----------------------------------|--------------|--------------|--|
| | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Total | | |
| ASSETS | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 415,076 |
| Equity in Pooled Cash and Investments | 2,397,727 | 1,109,861 | 131,052 | 154,043 | 3,792,683 | 5,672,253 | 8,684 |
| Accounts Receivable | 5,414 | 0 | 50 | 0 | 5,464 | 41,984 | 1,744,802 |
| Due from Other Governments | 28,351 | 7,328 | 0 | 245 | 35,924 | (73,922) | 33,684 |
| Property Taxes Receivable | 0 | 1,099,122 | 0 | 36,737 | 1,135,859 | 0 | 0 |
| Allowance for Uncollectible Property Taxes | 0 | (46,560) | 0 | (1,567) | (48,127) | 0 | 0 |
| Notes Receivable - Long-term | 0 | 0 | 33,684 | 0 | 33,684 | 0 | 0 |
| Total Assets | \$ 2,431,492 | \$ 2,169,751 | \$ 164,786 | \$ 189,458 | \$ 4,955,487 | \$ 7,812,561 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 1,027,600 | \$ 0 | \$ 34,320 | \$ 1,061,920 | \$ 1,631,238 | |
| Deferred Delinquent Property Taxes | 0 | 18,057 | 0 | 614 | 18,671 | 28,675 | |
| Other Deferred/Unavailable Revenue | 0 | 0 | 0 | 0 | 0 | 2,000 | |
| Total Deferred Inflows of Resources | \$ 0 | \$ 1,045,657 | \$ 0 | \$ 34,934 | \$ 1,080,591 | \$ 1,661,913 | |
| FUND BALANCES | | | | | | | |
| Restricted: | | | | | | | |
| Restricted for Administration of Justice | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 25,205 | |
| Restricted for Public Safety | 0 | 0 | 0 | 0 | 0 | 373,205 | |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 7,622 | |
| Restricted for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 | 231,060 | |
| Restricted for Capital Outlay | 0 | 1,124,094 | 33,684 | 154,524 | 1,312,302 | 1,312,302 | |
| Committed: | | | | | | | |
| Committed for General Government | 0 | 0 | 0 | 0 | 0 | 82,050 | |
| Committed for Finance | 0 | 0 | 0 | 0 | 0 | 249,131 | |
| Committed for Administration of Justice | 0 | 0 | 0 | 0 | 0 | 83,895 | |
| Committed for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 1,117,793 | |
| Committed for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 | 109,994 | |
| Committed for Capital Outlay | 0 | 0 | 131,102 | 0 | 131,102 | 131,102 | |
| Committed for Capital Projects | 2,431,412 | 0 | 0 | 0 | 2,431,412 | 2,431,412 | |
| Assigned: | | | | | | | |
| Assigned for Public Safety | 0 | 0 | 0 | 0 | 0 | 3,156 | |
| Assigned for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 22,641 | |
| Assigned for Capital Projects | 80 | 0 | 0 | 0 | 80 | 80 | |
| Total Fund Balances | \$ 2,431,492 | \$ 1,124,094 | \$ 164,786 | \$ 154,524 | \$ 3,874,896 | \$ 6,180,648 | |
| Total Deferred Inflows of Resources and Fund Balances | \$ 2,431,492 | \$ 2,169,751 | \$ 164,786 | \$ 189,458 | \$ 4,955,487 | \$ 7,812,561 | |

Bradley County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

| | Special Revenue Funds | | | | | | | | Total |
|---|-----------------------|-------------------|--------------------------------|---------------------|-------------------|-----------------------------|---|-------------|---------------------|
| | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Veterans Nursing Home | Constitu- tional Officers - Fees | | |
| Revenues | | | | | | | | | |
| Local Taxes | \$ 480 | \$ 585,700 | \$ 0 | \$ 0 | \$ 204,293 | \$ 0 | \$ 0 | \$ 0 | \$ 790,473 |
| Fines, Forfeitures, and Penalties | 1,458 | 0 | 0 | 156,825 | 0 | 0 | 0 | 0 | 158,283 |
| Charges for Current Services | 10,969 | 0 | 229,688 | 0 | 0 | 0 | 1,837,911 | 0 | 2,078,568 |
| Other Local Revenues | 0 | 0 | 33,190 | 3,964 | 17,112 | 22,964 | 0 | 0 | 77,230 |
| State of Tennessee | 0 | 20,218 | 34,015 | 0 | 0 | 0 | 0 | 0 | 54,233 |
| Other Governments and Citizens Groups | 0 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 20,000 |
| Total Revenues | \$ 12,907 | \$ 605,918 | \$ 316,893 | \$ 160,789 | \$ 221,405 | \$ 22,964 | \$ 1,837,911 | \$ 0 | \$ 3,178,787 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 332,852 | \$ 0 | \$ 332,852 |
| Finance | 0 | 0 | 0 | 0 | 0 | 0 | 1,225,446 | 0 | 1,225,446 |
| Administration of Justice | 0 | 0 | 0 | 0 | 0 | 0 | 255,444 | 0 | 255,444 |
| Public Safety | 0 | 0 | 0 | 329,711 | 0 | 0 | 0 | 0 | 329,711 |
| Public Health and Welfare | 0 | 0 | 128,946 | 0 | 0 | 0 | 0 | 0 | 128,946 |
| Social, Cultural, and Recreational Services | 11,160 | 567,933 | 0 | 0 | 194,515 | 0 | 0 | 0 | 773,608 |
| Other Operations | 129 | 11,903 | 28,797 | 1,599 | 2,048 | 0 | 0 | 0 | 44,476 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 13,886 | 0 | 0 | 13,886 |
| Total Expenditures | \$ 11,289 | \$ 579,836 | \$ 157,743 | \$ 331,310 | \$ 196,563 | \$ 13,886 | \$ 1,813,742 | \$ 0 | \$ 3,104,369 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,618 | \$ 26,082 | \$ 159,150 | \$ (170,521) | \$ 24,842 | \$ 9,078 | \$ 24,169 | \$ 0 | \$ 74,418 |
| Net Change in Fund Balances Fund Balance, July 1, 2012 | \$ 1,618 | \$ 26,082 | \$ 159,150 | \$ (170,521) | \$ 24,842 | \$ 9,078 | \$ 24,169 | \$ 0 | \$ 74,418 |
| Fund Balance, June 30, 2013 | 23,587 | 204,978 | 977,774 | 546,882 | 85,152 | 2,054 | 390,907 | 0 | 2,231,334 |
| Fund Balance, June 30, 2012 | \$ 25,205 | \$ 231,060 | \$ 1,136,924 | \$ 376,361 | \$ 109,994 | \$ 11,132 | \$ 415,076 | \$ 0 | \$ 2,305,752 |

(Continued)

Exhibit F-2

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

| | Capital Projects Funds | | | | | | Total Nonmajor Governmental Funds |
|---|--------------------------------|---|--------------------------|----------------------------------|------------------------------------|--------------|--|
| | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Waterline Extension Projects | Total | |
| Revenues | | | | | | | |
| Local Taxes | \$ 0 | \$ 1,057,198 | \$ 0 | \$ 35,954 | \$ 0 | \$ 1,093,152 | \$ 1,883,625 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 0 | 158,283 |
| Charges for Current Services | 0 | 0 | 0 | 0 | 0 | 0 | 2,078,568 |
| Other Local Revenues | 108,725 | 0 | 612 | 0 | 0 | 109,337 | 186,567 |
| State of Tennessee | 56,703 | 36,494 | 84,852 | 1,239 | 0 | 179,288 | 233,521 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 |
| Total Revenues | \$ 165,428 | \$ 1,093,692 | \$ 85,464 | \$ 37,193 | \$ 0 | \$ 1,381,777 | \$ 4,560,564 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 332,852 |
| Finance | 0 | 0 | 0 | 0 | 0 | 0 | 1,225,446 |
| Administration of Justice | 0 | 0 | 0 | 0 | 0 | 0 | 255,444 |
| Public Safety | 0 | 0 | 0 | 0 | 0 | 0 | 329,711 |
| Public Health and Welfare | 0 | 0 | 0 | 0 | 0 | 0 | 128,946 |
| Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 | 0 | 773,608 |
| Other Operations | 1,101 | 1,606,487 | 85,558 | 706 | 0 | 1,693,852 | 1,738,328 |
| Capital Projects | 327,921 | 0 | 0 | 11,901 | 47,771 | 387,593 | 401,479 |
| Total Expenditures | \$ 329,022 | \$ 1,606,487 | \$ 85,558 | \$ 12,607 | \$ 47,771 | \$ 2,081,445 | \$ 5,185,814 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (163,594) | \$ (512,795) | \$ (94) | \$ 24,586 | \$ (47,771) | \$ (699,668) | \$ (625,250) |
| Net Change in Fund Balances Fund Balance, July 1, 2012 | \$ (163,594) | \$ (512,795) | \$ (94) | \$ 24,586 | \$ (47,771) | \$ (699,668) | \$ (625,250) |
| Fund Balance, July 1, 2012 | 2,595,086 | 1,636,889 | 164,880 | 129,938 | 47,771 | 4,574,564 | 6,805,898 |
| Fund Balance, June 30, 2013 | 2,431,492 | 1,124,094 | 164,786 | 154,524 | 0 | 3,874,896 | 6,180,648 |

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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|------------------|------------------|------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 480 | \$ 500 | \$ 500 | \$ (20) |
| Fines, Forfeitures, and Penalties | 1,458 | 1,200 | 1,200 | 258 |
| Charges for Current Services | 10,969 | 10,500 | 10,500 | 469 |
| Total Revenues | <u>\$ 12,907</u> | <u>\$ 12,200</u> | <u>\$ 12,200</u> | <u>\$ 707</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 11,160 | \$ 11,160 | \$ 11,160 | \$ 0 |
| <u>Other Operations</u> | | | | |
| Other Charges | 129 | 150 | 150 | 21 |
| Total Expenditures | <u>\$ 11,289</u> | <u>\$ 11,310</u> | <u>\$ 11,310</u> | <u>\$ 21</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 1,618</u> | <u>\$ 890</u> | <u>\$ 890</u> | <u>\$ 728</u> |
| Net Change in Fund Balance | \$ 1,618 | \$ 890 | \$ 890 | \$ 728 |
| Fund Balance, July 1, 2012 | <u>23,587</u> | <u>21,281</u> | <u>21,281</u> | <u>2,306</u> |
| Fund Balance, June 30, 2013 | <u>\$ 25,205</u> | <u>\$ 22,171</u> | <u>\$ 22,171</u> | <u>\$ 3,034</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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 585,700 | \$ 572,127 | \$ 583,160 | \$ 2,540 |
| State of Tennessee | 20,218 | 14,700 | 14,900 | 5,318 |
| Total Revenues | <u>\$ 605,918</u> | <u>\$ 586,827</u> | <u>\$ 598,060</u> | <u>\$ 7,858</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 567,933 | \$ 567,933 | \$ 567,933 | \$ 0 |
| <u>Other Operations</u> | | | | |
| Other Charges | 11,903 | 12,000 | 13,000 | 1,097 |
| Total Expenditures | <u>\$ 579,836</u> | <u>\$ 579,933</u> | <u>\$ 580,933</u> | <u>\$ 1,097</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 26,082</u> | <u>\$ 6,894</u> | <u>\$ 17,127</u> | <u>\$ 8,955</u> |
| Net Change in Fund Balance | \$ 26,082 | \$ 6,894 | \$ 17,127 | \$ 8,955 |
| Fund Balance, July 1, 2012 | 204,978 | 190,612 | 190,612 | 14,366 |
| Fund Balance, June 30, 2013 | <u>\$ 231,060</u> | <u>\$ 197,506</u> | <u>\$ 207,739</u> | <u>\$ 23,321</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, 2013

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 229,688 | \$ 0 | \$ 229,688 | \$ 250,000 | \$ 250,000 | \$ (20,312) |
| Other Local Revenues | 33,190 | 0 | 33,190 | 2,000 | 49,200 | (16,010) |
| State of Tennessee | 34,015 | 0 | 34,015 | 65,000 | 65,000 | (30,985) |
| Other Governments and Citizens Groups | 20,000 | 0 | 20,000 | 20,000 | 20,000 | 0 |
| Total Revenues | \$ 316,893 | \$ 0 | \$ 316,893 | \$ 337,000 | \$ 384,200 | \$ (67,307) |
| <u>Expenditures</u> | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | |
| Other Waste Collection | \$ 33,802 | \$ 0 | \$ 33,802 | \$ 65,000 | \$ 65,000 | \$ 31,198 |
| Recycling Center | 95,144 | 19,131 | 114,275 | 86,589 | 124,589 | 10,314 |
| <u>Other Operations</u> | | | | | | |
| Other Charges | 2,297 | 0 | 2,297 | 3,363 | 3,363 | 1,066 |
| Contributions to Other Agencies | 26,500 | 0 | 26,500 | 26,500 | 26,500 | 0 |
| Total Expenditures | \$ 157,743 | \$ 19,131 | \$ 176,874 | \$ 181,452 | \$ 219,452 | \$ 42,578 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 159,150 | \$ (19,131) | \$ 140,019 | \$ 155,548 | \$ 164,748 | \$ (24,729) |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 159,150 | \$ (19,131) | \$ 140,019 | \$ 155,548 | \$ 164,748 | \$ (24,729) |
| | 977,774 | 0 | 977,774 | 1,113,278 | 1,113,278 | (135,504) |
| Fund Balance, June 30, 2013 | \$ 1,136,924 | \$ (19,131) | \$ 1,117,793 | \$ 1,268,826 | \$ 1,278,026 | \$ (160,233) |

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, 2013

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2012 | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Fines, Forfeitures, and Penalties | \$ 156,825 | \$ 0 | \$ 0 | \$ 156,825 | \$ 374,000 | \$ 156,732 | \$ 93 |
| Other Local Revenues | 3,964 | 0 | 0 | 3,964 | 0 | 2,000 | 1,964 |
| Total Revenues | \$ 160,789 | \$ 0 | \$ 0 | \$ 160,789 | \$ 374,000 | \$ 158,732 | \$ 2,057 |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | \$ 77,746 | \$ (2,163) | \$ 0 | \$ 75,583 | \$ 97,087 | \$ 97,087 | \$ 21,504 |
| Drug Enforcement | 251,965 | (3,081) | 3,156 | 252,040 | 356,664 | 356,664 | 104,624 |
| Public Health and Welfare | | | | | | | |
| Alcohol and Drug Programs | 0 | 0 | 0 | 0 | 10,000 | 10,000 | 10,000 |
| <u>Other Operations</u> | | | | | | | |
| Other Charges | 1,599 | 0 | 0 | 1,599 | 3,500 | 3,500 | 1,901 |
| Total Expenditures | \$ 331,310 | \$ (5,244) | \$ 3,156 | \$ 329,222 | \$ 467,251 | \$ 467,251 | \$ 138,029 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (170,521) | \$ 5,244 | \$ (3,156) | \$ (168,433) | \$ (93,251) | \$ (308,519) | \$ 140,086 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ (170,521) | \$ 5,244 | \$ (3,156) | \$ (168,433) | \$ (93,251) | \$ (308,519) | \$ 140,086 |
| | 546,882 | (5,244) | 0 | 541,638 | 444,727 | 444,727 | 96,911 |
| Fund Balance, June 30, 2013 | \$ 376,361 | \$ 0 | \$ (3,156) | \$ 373,205 | \$ 351,476 | \$ 136,208 | \$ 236,997 |

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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 204,293 | \$ 200,000 | \$ 200,000 | \$ 4,293 |
| Other Local Revenues | 17,112 | 33,372 | 33,372 | (16,260) |
| Total Revenues | <u>\$ 221,405</u> | <u>\$ 233,372</u> | <u>\$ 233,372</u> | <u>\$ (11,967)</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Other Social, Cultural, and Recreational | \$ 194,515 | \$ 183,920 | \$ 198,688 | \$ 4,173 |
| <u>Other Operations</u> | | | | |
| Other Charges | 2,048 | 1,900 | 2,050 | 2 |
| Total Expenditures | <u>\$ 196,563</u> | <u>\$ 185,820</u> | <u>\$ 200,738</u> | <u>\$ 4,175</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 24,842</u> | <u>\$ 47,552</u> | <u>\$ 32,634</u> | <u>\$ (7,792)</u> |
| Net Change in Fund Balance | \$ 24,842 | \$ 47,552 | \$ 32,634 | \$ (7,792) |
| Fund Balance, July 1, 2012 | 85,152 | 37,227 | 37,227 | 47,925 |
| Fund Balance, June 30, 2013 | <u>\$ 109,994</u> | <u>\$ 84,779</u> | <u>\$ 69,861</u> | <u>\$ 40,133</u> |

Exhibit F-8

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Veterans Nursing Home Fund
For the Year Ended June 30, 2013

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2013 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|-----------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Other Local Revenues | \$ 22,964 \$ | 0 \$ | 22,964 \$ | 17,814 \$ | 17,814 \$ | 5,150 |
| Total Revenues | \$ 22,964 \$ | 0 \$ | 22,964 \$ | 17,814 \$ | 17,814 \$ | 5,150 |
| <u>Expenditures</u> | | | | | | |
| <u>Capital Projects</u> | | | | | | |
| Other General Government Projects | \$ 13,886 \$ | 3,510 \$ | 17,396 \$ | 17,814 \$ | 17,814 \$ | 418 |
| Total Expenditures | \$ 13,886 \$ | 3,510 \$ | 17,396 \$ | 17,814 \$ | 17,814 \$ | 418 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 9,078 \$ | (3,510) \$ | 5,568 \$ | 0 \$ | 0 \$ | 5,568 |
| Net Change in Fund Balance Fund Balance, July 1, 2012 | \$ 9,078 \$ | (3,510) \$ | 5,568 \$ | 0 \$ | 0 \$ | 5,568 |
| | 2,054 | 0 | 2,054 | 2,000 | 2,000 | 54 |
| Fund Balance, June 30, 2013 | \$ 11,132 \$ | (3,510) \$ | 7,622 \$ | 2,000 \$ | 2,000 \$ | 5,622 |

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 4,767,940 | \$ 4,764,318 | \$ 4,764,318 | \$ 3,622 |
| State of Tennessee | 164,611 | 150,000 | 150,000 | 14,611 |
| Federal Government | 313,041 | 327,278 | 313,041 | 0 |
| Other Governments and Citizens Groups | 207,400 | 0 | 204,834 | 2,566 |
| Total Revenues | \$ 5,452,992 | \$ 5,241,596 | \$ 5,432,193 | \$ 20,799 |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Other Charges | \$ 97,009 | \$ 115,990 | \$ 115,990 | \$ 18,981 |
| <u>Principal on Debt</u> | | | | |
| General Government | 694,012 | 694,012 | 694,012 | 0 |
| Education | 3,190,134 | 3,025,037 | 3,220,134 | 30,000 |
| <u>Interest on Debt</u> | | | | |
| General Government | 260,992 | 505,042 | 419,373 | 158,381 |
| Education | 1,920,767 | 2,366,813 | 2,373,885 | 453,118 |
| <u>Other Debt Service</u> | | | | |
| General Government | 133,487 | 250,000 | 250,000 | 116,513 |
| Education | 384,996 | 600,000 | 643,288 | 258,292 |
| Total Expenditures | \$ 6,681,397 | \$ 7,556,894 | \$ 7,716,682 | \$ 1,035,285 |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | | | | |
| | \$ (1,228,405) | \$ (2,315,298) | \$ (2,284,489) | \$ 1,056,084 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Refunding Debt Issued | \$ 4,255,000 | \$ 0 | \$ 4,255,000 | \$ 0 |
| Premiums on Debt Issued | 148,446 | 0 | 148,446 | 0 |
| Transfers In | 14,129 | 98,000 | 14,129 | 0 |
| Discounts on Debt Issued | (20,158) | 0 | (20,158) | 0 |
| Payments to Refunded Debt Escrow Agent | (4,340,000) | 0 | (4,340,000) | 0 |
| Total Other Financing Sources | \$ 57,417 | \$ 98,000 | \$ 57,417 | \$ 0 |
| Net Change in Fund Balance | \$ (1,170,988) | \$ (2,217,298) | \$ (2,227,072) | \$ 1,056,084 |
| Fund Balance, July 1, 2012 | 14,136,118 | 13,332,644 | 13,332,644 | 803,474 |
| Fund Balance, June 30, 2013 | \$ 12,965,130 | \$ 11,115,346 | \$ 11,105,572 | \$ 1,859,558 |

Fiduciary Funds

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

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

Cities - Sales Tax in Litigation Fund – The Cities - Sales Tax in Litigation Fund was used to account for a sales tax levy dedicated to education in Bradley County. The City of Cleveland had asked that some of this levy be distributed to the city school system based on the average daily attendance basis. The county trustee was 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 had been in litigation; however, the litigation was settled, and the fund was closed according to the court order.

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

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

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

Exhibit H-1

Bradley County, Tennessee
Combining Statement of Assets and Liabilities
All Agency Funds
June 30, 2013

| | Agency Funds | | | | | Total |
|--|--------------------------|--|--------------------------------------|---|---------------|-------|
| | Cities - Sales Tax | Inside Urban Fringe Area Fire Tax | City School ADA - Cleveland | Constitu- tional Officers - Agency | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 5,475,440 | \$ 5,475,440 | |
| Equity in Pooled Cash and Investments | 0 | 26,976 | 11,284 | 0 | 38,260 | |
| Due from Other Governments | 1,857,078 | 0 | 961,372 | 0 | 2,818,450 | |
| Property Taxes Receivable | 0 | 2,191,002 | 5,009,647 | 0 | 7,200,649 | |
| Allowance for Uncollectible Property Taxes | 0 | (209,015) | (232,186) | 0 | (441,201) | |
| Total Assets | \$ 1,857,078 | \$ 2,008,963 | \$ 5,750,117 | \$ 5,475,440 | \$ 15,091,598 | |

ASSETS

Cash
Equity in Pooled Cash and Investments
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

| | | | | |
|--------------|--------------|--------------|--------------|---------------|
| \$ 1,857,078 | \$ 2,008,963 | \$ 5,750,117 | \$ 0 | \$ 9,616,158 |
| 0 | 0 | 0 | 5,475,440 | 5,475,440 |
| \$ 1,857,078 | \$ 2,008,963 | \$ 5,750,117 | \$ 5,475,440 | \$ 15,091,598 |

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|----------------------|---------------|---------------|-------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 10,570,712 | \$ 10,570,712 | \$ 0 |
| Due from Other Governments | 1,714,169 | 1,857,078 | 1,714,169 | 1,857,078 |
| Total Assets | \$ 1,714,169 | \$ 12,427,790 | \$ 12,284,881 | \$ 1,857,078 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | 1,714,169 | 12,427,790 | 12,284,881 | 1,857,078 |
| Total Liabilities | \$ 1,714,169 | \$ 12,427,790 | \$ 12,284,881 | \$ 1,857,078 |
| <u>Cities - Sales Tax In Litigation Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 1,395,720 | \$ 365,630 | \$ 1,761,350 | \$ 0 |
| Accounts Receivable | 168 | 0 | 168 | 0 |
| Due from Other Governments | 80,121 | 0 | 80,121 | 0 |
| Total Assets | \$ 1,476,009 | \$ 365,630 | \$ 1,841,639 | \$ 0 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 1,476,009 | \$ 365,630 | \$ 1,841,639 | \$ 0 |
| Total Liabilities | \$ 1,476,009 | \$ 365,630 | \$ 1,841,639 | \$ 0 |
| <u>Inside Urban Fringe Area Fire Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 212,543 | \$ 1,943,725 | \$ 2,129,292 | \$ 26,976 |
| Taxes Receivable | 2,157,230 | 2,191,002 | 2,157,230 | 2,191,002 |
| Allowance for Uncollectible Taxes | (222,176) | (209,015) | (222,176) | (209,015) |
| Total Assets | \$ 2,147,597 | \$ 3,925,712 | \$ 4,064,346 | \$ 2,008,963 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 2,147,597 | \$ 3,925,712 | \$ 4,064,346 | \$ 2,008,963 |
| Total Liabilities | \$ 2,147,597 | \$ 3,925,712 | \$ 4,064,346 | \$ 2,008,963 |

(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 | \$ 7,733 | \$ 11,131,183 | \$ 11,127,632 | \$ 11,284 |
| Due from Other Governments | 883,483 | 961,372 | 883,483 | 961,372 |
| Taxes Receivable | 6,021,927 | 5,009,647 | 6,021,927 | 5,009,647 |
| Allowance for Uncollectible Taxes | (275,700) | (232,186) | (275,700) | (232,186) |
| Total Assets | \$ 6,637,443 | \$ 16,870,016 | \$ 17,757,342 | \$ 5,750,117 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 6,637,443 | \$ 16,870,016 | \$ 17,757,342 | \$ 5,750,117 |
| Total Liabilities | \$ 6,637,443 | \$ 16,870,016 | \$ 17,757,342 | \$ 5,750,117 |
| | | | | |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 4,953,249 | \$ 21,812,607 | \$ 21,290,416 | \$ 5,475,440 |
| Total Assets | \$ 4,953,249 | \$ 21,812,607 | \$ 21,290,416 | \$ 5,475,440 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 4,953,249 | \$ 21,812,607 | \$ 21,290,416 | \$ 5,475,440 |
| Total Liabilities | \$ 4,953,249 | \$ 21,812,607 | \$ 21,290,416 | \$ 5,475,440 |
| | | | | |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 4,953,249 | \$ 21,812,607 | \$ 21,290,416 | \$ 5,475,440 |
| Equity in Pooled Cash and Investments | 1,615,996 | 24,011,250 | 25,588,986 | 38,260 |
| Accounts Receivable | 168 | 0 | 168 | 0 |
| Due from Other Governments | 2,677,773 | 2,818,450 | 2,677,773 | 2,818,450 |
| Taxes Receivable | 8,179,157 | 7,200,649 | 8,179,157 | 7,200,649 |
| Allowance for Uncollectible Taxes | (497,876) | (441,201) | (497,876) | (441,201) |
| Total Assets | \$ 16,928,467 | \$ 55,401,755 | \$ 57,238,624 | \$ 15,091,598 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 11,975,218 | \$ 33,589,148 | \$ 35,948,208 | \$ 9,616,158 |
| Due to Litigants, Heirs, and Others | 4,953,249 | 21,812,607 | 21,290,416 | 5,475,440 |
| Total Liabilities | \$ 16,928,467 | \$ 55,401,755 | \$ 57,238,624 | \$ 15,091,598 |

Bradley County School Department

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

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

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

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

Exhibit I-1

Bradley County, Tennessee
Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--|---------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities: | | | | | |
| Instruction | \$ 52,254,107 | \$ 38,840 | \$ 8,316,678 | \$ 134,004 | \$ (43,764,585) |
| Support Services | 23,170,259 | 12,638 | 0 | 0 | (23,157,621) |
| Operation of Non-Instructional Services | 7,122,851 | 2,057,285 | 3,443,727 | 0 | (1,621,839) |
| Total Governmental Activities | \$ 82,547,217 | \$ 2,108,763 | \$ 11,760,405 | \$ 134,004 | \$ (68,544,045) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 11,916,342 |
| Local Option Sales Taxes | | | | | 10,436,403 |
| Interstate Telecommunications Tax | | | | | 5,647 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 43,864,053 |
| Unrestricted Investment Earnings | | | | | 23,528 |
| Miscellaneous | | | | | 51,972 |
| Total General Revenues | | | | | \$ 66,297,945 |
| Change in Net Position | | | | | \$ (2,246,100) |
| Net Position, July 1, 2012 | | | | | 73,606,653 |
| Net Position, June 30, 2013 | | | | | \$ 71,360,553 |

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2013

| | <u>Major Fund</u> | <u>Nonmajor Funds</u> | |
|---|------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Other Govern- mental Funds | Total Governmental Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 117,448 | \$ 117,448 |
| Equity in Pooled Cash and Investments | 12,575,276 | 1,871,568 | 14,446,844 |
| Due from Other Governments | 2,600,895 | 447,887 | 3,048,782 |
| Property Taxes Receivable | 12,381,434 | 0 | 12,381,434 |
| Allowance for Uncollectible Property Taxes | (524,326) | 0 | (524,326) |
| Total Assets | <u>\$ 27,033,279</u> | <u>\$ 2,436,903</u> | <u>\$ 29,470,182</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 810,607 | \$ 0 | \$ 810,607 |
| Accrued Payroll | 5,845,243 | 398,674 | 6,243,917 |
| Payroll Deductions Payable | 963,608 | 142,892 | 1,106,500 |
| Total Liabilities | <u>\$ 7,619,458</u> | <u>\$ 541,566</u> | <u>\$ 8,161,024</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 11,576,145 | \$ 0 | \$ 11,576,145 |
| Deferred Delinquent Property Taxes | 203,248 | 0 | 203,248 |
| Other Deferred/Unavailable Revenue | 940,000 | 0 | 940,000 |
| Total Deferred Inflows of Resources | <u>\$ 12,719,393</u> | <u>\$ 0</u> | <u>\$ 12,719,393</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 857,214 | \$ 1,595,337 | \$ 2,452,551 |
| Committed: | | | |
| Committed for Education | 0 | 300,000 | 300,000 |
| Unassigned | 5,837,214 | 0 | 5,837,214 |
| Total Fund Balances | <u>\$ 6,694,428</u> | <u>\$ 1,895,337</u> | <u>\$ 8,589,765</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 27,033,279</u> | <u>\$ 2,436,903</u> | <u>\$ 29,470,182</u> |

Exhibit I-3

Bradley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Bradley County School Department
June 30, 2013

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

| | | | |
|---|----|--------------------|--------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2) | | \$ | 8,589,765 |
| (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: construction in progress | | 73,598 | |
| Add: buildings and improvements net of accumulated depreciation | | 65,602,243 | |
| Add: other capital assets net of accumulated depreciation | | <u>719,978</u> | 68,006,731 |
| (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 on primary government debt - shown as due to primary government | \$ | (47,380) | |
| Less: capital lease payable on primary government debt - shown as due to primary government | | (262,839) | |
| Less: accrued interest on capital lease on primary government debt - shown as due to primary government | | (8,593) | |
| Less: other postemployment benefits liability | | <u>(6,068,972)</u> | (6,387,784) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>1,143,248</u> |
| Net position of governmental activities (Exhibit A) | | \$ | <u><u>71,351,960</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, 2013

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | <u>Total</u> |
|--|------------------------------|-------------------------------------|-----------------------|
| | General Purpose School | Other Govern- mental Funds | Governmental Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 22,349,845 | \$ 0 | \$ 22,349,845 |
| Licenses and Permits | 5,457 | 0 | 5,457 |
| Charges for Current Services | 12,270 | 2,062,735 | 2,075,005 |
| Other Local Revenues | 308,915 | 9,331 | 318,246 |
| State of Tennessee | 44,854,955 | 0 | 44,854,955 |
| Federal Government | 1,648,532 | 8,987,672 | 10,636,204 |
| Total Revenues | \$ 69,179,974 | \$ 11,059,738 | \$ 80,239,712 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 44,759,432 | \$ 2,894,862 | \$ 47,654,294 |
| Support Services | 20,802,867 | 2,618,427 | 23,421,294 |
| Operation of Non-Instructional Services | 1,836,713 | 5,405,237 | 7,241,950 |
| Capital Outlay | 2,794,750 | 0 | 2,794,750 |
| Total Expenditures | \$ 70,193,762 | \$ 10,918,526 | \$ 81,112,288 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,013,788) | \$ 141,212 | \$ (872,576) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 18,500 | \$ 0 | \$ 18,500 |
| Transfers In | 67,800 | 0 | 67,800 |
| Transfers Out | 0 | (67,800) | (67,800) |
| Total Other Financing Sources (Uses) | \$ 86,300 | \$ (67,800) | \$ 18,500 |
| Net Change in Fund Balances | \$ (927,488) | \$ 73,412 | \$ (854,076) |
| Fund Balance, July 1, 2012 | 7,621,916 | 1,821,925 | 9,443,841 |
| Fund Balance, June 30, 2013 | \$ 6,694,428 | \$ 1,895,337 | \$ 8,589,765 |

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, 2013

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) | | \$ | (854,076) |
| (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 | \$ | 2,498,284 | |
| Less: current-year depreciation expense | | <u>(2,780,948)</u> | (282,664) |
| (2) 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, 2012 | \$ | (1,074,641) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2013 | | <u>1,143,248</u> | 68,607 |
| (3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | | |
| Add: principal contributed on note for primary government | \$ | 47,380 | |
| Add: principal contributed on capital lease for primary government | | <u>147,717</u> | 195,097 |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | | |
| Change in other postemployment benefits liability | \$ | (1,375,165) | |
| Change in accrued interest on capital lease for primary government | | <u>2,101</u> | <u>(1,373,064)</u> |
| Change in net position of governmental activities (Exhibit B) | | | <u>\$ (2,246,100)</u> |

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2013

| | <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 | \$ 117,448 | \$ 117,448 |
| Equity in Pooled Cash and Investments | 556,875 | 1,314,693 | 1,871,568 |
| Due from Other Governments | 233,341 | 214,546 | 447,887 |
| Total Assets | <u>\$ 790,216</u> | <u>\$ 1,646,687</u> | <u>\$ 2,436,903</u> |
| <u>LIABILITIES</u> | | | |
| Accrued Payroll | \$ 398,674 | \$ 0 | \$ 398,674 |
| Payroll Deductions Payable | 66,781 | 76,111 | 142,892 |
| Total Liabilities | <u>\$ 465,455</u> | <u>\$ 76,111</u> | <u>\$ 541,566</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 24,761 | \$ 1,570,576 | \$ 1,595,337 |
| Committed: | | | |
| Committed for Education | 300,000 | 0 | 300,000 |
| Total Fund Balances | <u>\$ 324,761</u> | <u>\$ 1,570,576</u> | <u>\$ 1,895,337</u> |
| Total Liabilities and Fund Balances | <u>\$ 790,216</u> | <u>\$ 1,646,687</u> | <u>\$ 2,436,903</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, 2013

| | Special Revenue Funds | | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 0 | \$ 2,062,735 | \$ 2,062,735 |
| Other Local Revenues | 0 | 9,331 | 9,331 |
| Federal Government | 5,581,089 | 3,406,583 | 8,987,672 |
| Total Revenues | <u>\$ 5,581,089</u> | <u>\$ 5,478,649</u> | <u>\$ 11,059,738</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 2,894,862 | \$ 0 | \$ 2,894,862 |
| Support Services | 2,618,427 | 0 | 2,618,427 |
| Operation of Non-Instructional Services | 0 | 5,405,237 | 5,405,237 |
| Total Expenditures | <u>\$ 5,513,289</u> | <u>\$ 5,405,237</u> | <u>\$ 10,918,526</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 67,800</u> | <u>\$ 73,412</u> | <u>\$ 141,212</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers Out | \$ (67,800) | \$ 0 | \$ (67,800) |
| Total Other Financing Sources (Uses) | <u>\$ (67,800)</u> | <u>\$ 0</u> | <u>\$ (67,800)</u> |
| Net Change in Fund Balances | \$ 0 | \$ 73,412 | \$ 73,412 |
| Fund Balance, July 1, 2012 | <u>324,761</u> | <u>1,497,164</u> | <u>1,821,925</u> |
| Fund Balance, June 30, 2013 | <u>\$ 324,761</u> | <u>\$ 1,570,576</u> | <u>\$ 1,895,337</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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 22,349,845 | \$ 22,304,000 | \$ 22,304,000 | \$ 45,845 |
| Licenses and Permits | 5,457 | 5,000 | 5,000 | 457 |
| Charges for Current Services | 12,270 | 15,000 | 15,000 | (2,730) |
| Other Local Revenues | 308,915 | 25,000 | 116,700 | 192,215 |
| State of Tennessee | 44,854,955 | 42,822,000 | 44,651,468 | 203,487 |
| Federal Government | 1,648,532 | 350,000 | 3,108,792 | (1,460,260) |
| Total Revenues | \$ 69,179,974 | \$ 65,521,000 | \$ 70,200,960 | \$ (1,020,986) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 38,289,615 | \$ 38,736,249 | \$ 38,838,178 | \$ 548,563 |
| Special Education Program | 3,630,913 | 3,611,000 | 3,631,000 | 87 |
| Vocational Education Program | 2,656,291 | 2,681,500 | 2,681,500 | 25,209 |
| Adult Education Program | 182,613 | 200,000 | 200,000 | 17,387 |
| <u>Support Services</u> | | | | |
| Attendance | 144,729 | 143,700 | 145,700 | 971 |
| Health Services | 829,119 | 644,900 | 857,180 | 28,061 |
| Other Student Support | 2,168,525 | 1,983,650 | 2,364,549 | 196,024 |
| Regular Instruction Program | 2,190,691 | 2,041,450 | 2,409,266 | 218,575 |
| Special Education Program | 631,004 | 677,550 | 657,550 | 26,546 |
| Vocational Education Program | 127,026 | 127,300 | 127,300 | 274 |
| Other Programs | 608,106 | 0 | 623,490 | 15,384 |
| Board of Education | 835,718 | 856,100 | 856,100 | 20,382 |
| Director of Schools | 346,957 | 381,100 | 381,100 | 34,143 |
| Office of the Principal | 3,699,749 | 3,805,000 | 3,805,000 | 105,251 |
| Fiscal Services | 351,944 | 353,650 | 353,650 | 1,706 |
| Operation of Plant | 4,655,469 | 5,018,300 | 5,016,300 | 360,831 |
| Maintenance of Plant | 1,124,906 | 1,149,500 | 1,149,500 | 24,594 |
| Transportation | 2,291,984 | 2,292,125 | 2,310,625 | 18,641 |
| Central and Other | 796,940 | 773,450 | 806,450 | 9,510 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | 81,564 | 84,475 | 84,475 | 2,911 |
| Community Services | 372,962 | 0 | 373,450 | 488 |
| Early Childhood Education | 1,382,187 | 0 | 1,382,187 | 0 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 2,794,750 | 3,220,000 | 4,424,909 | 1,630,159 |
| Total Expenditures | \$ 70,193,762 | \$ 68,780,999 | \$ 73,479,459 | \$ 3,285,697 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,013,788) | \$ (3,259,999) | \$ (3,278,499) | \$ 2,264,711 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 18,500 | \$ 0 | \$ 18,500 | \$ 0 |
| Transfers In | 67,800 | 40,000 | 40,000 | 27,800 |
| Total Other Financing Sources | \$ 86,300 | \$ 40,000 | \$ 58,500 | \$ 27,800 |
| Net Change in Fund Balance | \$ (927,488) | \$ (3,219,999) | \$ (3,219,999) | \$ 2,292,511 |
| Fund Balance, July 1, 2012 | 7,621,916 | 7,520,830 | 7,520,830 | 101,086 |
| Fund Balance, June 30, 2013 | \$ 6,694,428 | \$ 4,300,831 | \$ 4,300,831 | \$ 2,393,597 |

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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 5,581,089 | \$ 7,722,354 | \$ 7,722,354 | \$ (2,141,265) |
| Total Revenues | \$ 5,581,089 | \$ 7,722,354 | \$ 7,722,354 | \$ (2,141,265) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 1,435,435 | \$ 1,700,561 | \$ 1,711,318 | \$ 275,883 |
| Special Education Program | 1,255,945 | 1,660,486 | 1,660,486 | 404,541 |
| Vocational Education Program | 203,482 | 211,331 | 208,982 | 5,500 |
| <u>Support Services</u> | | | | |
| Other Student Support | 943,282 | 1,164,274 | 1,180,787 | 237,505 |
| Regular Instruction Program | 655,815 | 1,101,176 | 1,076,258 | 420,443 |
| Special Education Program | 772,767 | 1,440,341 | 1,432,841 | 660,074 |
| Vocational Education Program | 34,087 | 45,000 | 45,000 | 10,913 |
| Transportation | 212,476 | 308,304 | 315,804 | 103,328 |
| Total Expenditures | \$ 5,513,289 | \$ 7,631,473 | \$ 7,631,476 | \$ 2,118,187 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 67,800 | \$ 90,881 | \$ 90,878 | \$ (23,078) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 0 | \$ 124,490 | \$ 0 | \$ 0 |
| Transfers Out | (67,800) | (219,048) | (94,558) | 26,758 |
| Total Other Financing Sources | \$ (67,800) | \$ (94,558) | \$ (94,558) | \$ 26,758 |
| Net Change in Fund Balance | \$ 0 | \$ (3,677) | \$ (3,680) | \$ 3,680 |
| Fund Balance, July 1, 2012 | 324,761 | 324,761 | 324,761 | 0 |
| Fund Balance, June 30, 2013 | \$ 324,761 | \$ 321,084 | \$ 321,081 | \$ 3,680 |

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, 2013

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 2,062,735 | \$ 2,465,000 | \$ 2,465,000 | \$ (402,265) |
| Other Local Revenues | 9,331 | 15,000 | 15,000 | (5,669) |
| Federal Government | 3,406,583 | 3,300,000 | 3,577,198 | (170,615) |
| Total Revenues | <u>\$ 5,478,649</u> | <u>\$ 5,780,000</u> | <u>\$ 6,057,198</u> | <u>\$ (578,549)</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 5,405,237 | \$ 5,780,000 | \$ 6,057,198 | \$ 651,961 |
| Total Expenditures | <u>\$ 5,405,237</u> | <u>\$ 5,780,000</u> | <u>\$ 6,057,198</u> | <u>\$ 651,961</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 73,412</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 73,412</u> |
| Net Change in Fund Balance | \$ 73,412 | \$ 0 | \$ 0 | \$ 73,412 |
| Fund Balance, July 1, 2012 | <u>1,497,164</u> | <u>1,408,275</u> | <u>1,408,275</u> | <u>88,889</u> |
| Fund Balance, June 30, 2013 | <u>\$ 1,570,576</u> | <u>\$ 1,408,275</u> | <u>\$ 1,408,275</u> | <u>\$ 162,301</u> |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bradley County, Tennessee
 Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
 For the Year Ended June 30, 2013

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-12 | Issued During Period | Paid and/or Matured During Period | Debt Refunded | Outstanding 6-30-13 |
|--|--------------------------|-----------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------|---------------------|
| BONDS PAYABLE | | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | | |
| Build America Bonds 2009 | \$ 17,550,000 | 5 to 5.55 (1) % | 9-10-09 | 6-1-29 | \$ 17,550,000 | 0 | 0 | 0 | 17,550,000 |
| Refunding Bond Series 2013 | 4,255,000 | 2 | 3-15-13 | 6-1-18 | 0 | 4,255,000 | 600,000 | 0 | 3,655,000 |
| General Obligation Series 2013 | 2,870,000 | 2 to 2.125 | 3-15-13 | 6-1-29 | 0 | 2,870,000 | 0 | 0 | 2,870,000 |
| Total Bonds Payable | \$ 17,550,000 | | | | \$ 17,550,000 | 7,125,000 | 600,000 | 0 | 24,075,000 |
| NOTES PAYABLE | | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | | |
| Energy Efficiency | 168,340 | 0 | 6-4-07 | 6-4-14 | \$ 48,095 | 0 | 24,049 | 0 | 24,046 |
| Total Payable through General Debt Service Fund | | | | | \$ 48,095 | 0 | 24,049 | 0 | 24,046 |
| Payable by School Department through General Debt Service Fund | | | | | | | | | |
| Lighting Project | 331,660 | 0 | 6-4-07 | 6-15-14 | \$ 94,760 | 0 | 47,380 | 0 | 47,380 |
| Total Payable by School Department through General Debt Service Fund | | | | | \$ 94,760 | 0 | 47,380 | 0 | 47,380 |
| Total Notes Payable | | | | | \$ 142,855 | 0 | 71,429 | 0 | 71,426 |
| OTHER LOANS PAYABLE | | | | | | | | | |
| Payable through General Debt Service Fund | | | | | | | | | |
| Refunding Loan Series VII-A-5 | 6,560,000 | Variable | 8-28-08 | 3-15-13 | \$ 4,340,000 | 0 | 0 | 4,340,000 | 0 |
| Refunding Loan Series V-I-1 | 12,050,000 | 3 to 4.25 | 2-18-09 | 6-30-21 | 11,130,000 | 0 | 965,000 | 0 | 10,165,000 |
| Refunding Loan Series E-6-A | 48,210,000 (2) | Variable | 9-4-08 | 6-1-26 | 41,190,000 | 0 | 2,100,000 | 0 | 39,090,000 |
| Total Other Loans Payable | \$ 56,660,000 | | | | \$ 56,660,000 | 0 | 3,065,000 | 4,340,000 | 49,255,000 |
| CAPITAL LEASES PAYABLE | | | | | | | | | |
| Payable by School Department through General Debt Service Fund | | | | | | | | | |
| Lighting Project | 547,182 | 4.8 | 5-18-07 | 4-1-14 | \$ 175,056 | 0 | 85,477 | 0 | 89,579 |
| Energy Efficient Upgrades and Equipment | 302,000 | 4.85 | 6-18-12 | 7-31-15 | 235,500 | 0 | 62,240 | 0 | 173,260 |
| Total Payable by School Department through General Debt Service Fund | | | | | \$ 410,556 | 0 | 147,717 | 0 | 262,839 |
| Total Capital Leases Payable | | | | | \$ 410,556 | 0 | 147,717 | 0 | 262,839 |

(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

| Year Ending June 30 | Bonds | | | Total |
|---------------------------|---------------|---------------|----------------|---------------|
| | Principal | Interest | Subsidy (1) | |
| 2014 | \$ 855,000 | \$ 1,066,593 | \$ (327,278) | \$ 1,594,315 |
| 2015 | 875,000 | 1,049,493 | (327,278) | 1,597,215 |
| 2016 | 890,000 | 1,031,993 | (327,278) | 1,594,715 |
| 2017 | 910,000 | 1,014,193 | (327,278) | 1,596,915 |
| 2018 | 925,000 | 995,993 | (327,278) | 1,593,715 |
| 2019 | 170,000 | 977,493 | (327,278) | 820,215 |
| 2020 | 175,000 | 974,093 | (327,278) | 821,815 |
| 2021 | 175,000 | 970,593 | (327,278) | 818,315 |
| 2022 | 2,030,000 | 967,093 | (327,278) | 2,669,815 |
| 2023 | 2,135,000 | 870,993 | (294,903) | 2,711,090 |
| 2024 | 2,235,000 | 769,988 | (260,846) | 2,744,142 |
| 2025 | 2,340,000 | 660,303 | (223,752) | 2,776,551 |
| 2026 | 195,000 | 543,198 | (184,095) | 554,103 |
| 2027 | 3,250,000 | 539,054 | (184,095) | 3,604,959 |
| 2028 | 3,405,000 | 367,969 | (125,702) | 3,647,267 |
| 2029 | 3,510,000 | 187,613 | (64,102) | 3,633,511 |
| Total | \$ 24,075,000 | \$ 12,986,655 | \$ (4,282,997) | \$ 32,778,658 |

(1) The U.S. Treasury Department directly subsidizes the Build American Bonds portion of this debt.

| Year Ending June 30 | Notes | | Total |
|---------------------------|-----------|----------|-----------|
| | Principal | Interest | |
| 2014 | \$ 71,426 | \$ 0 | \$ 71,426 |
| Total | \$ 71,426 | \$ 0 | \$ 71,426 |

(Continued)

Exhibit J-2

Bradley County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

| Year Ending June 30 | Other Loans | | | Total |
|---------------------------|---------------|--------------|--------------|---------------|
| | Principal | Interest | Other Fees | |
| 2014 | \$ 3,195,000 | \$ 344,615 | \$ 447,591 | \$ 3,987,206 |
| 2015 | 3,335,000 | 313,665 | 425,972 | 4,074,637 |
| 2016 | 3,540,000 | 277,030 | 403,183 | 4,220,213 |
| 2017 | 3,700,000 | 236,651 | 379,417 | 4,316,068 |
| 2018 | 3,860,000 | 193,213 | 354,139 | 4,407,352 |
| 2019 | 4,905,000 | 151,581 | 327,543 | 5,384,124 |
| 2020 | 5,140,000 | 116,131 | 288,161 | 5,544,292 |
| 2021 | 5,390,000 | 77,360 | 246,730 | 5,714,090 |
| 2022 | 2,420,000 | 11,333 | 158,015 | 2,589,348 |
| 2023 | 2,545,000 | 9,639 | 134,395 | 2,689,034 |
| 2024 | 2,680,000 | 7,858 | 109,556 | 2,797,414 |
| 2025 | 2,790,000 | 5,981 | 83,399 | 2,879,380 |
| 2026 | 5,755,000 | 4,029 | 56,169 | 5,815,198 |
| Total | \$ 49,255,000 | \$ 1,749,086 | \$ 3,414,270 | \$ 54,418,356 |

| Year Ending June 30 | Capital Leases | | Total |
|---------------------------|----------------|-----------|------------|
| | Principal | Interest | |
| 2014 | \$ 144,561 | \$ 12,892 | \$ 157,453 |
| 2015 | 57,708 | 5,866 | 63,574 |
| 2016 | 60,570 | 3,004 | 63,574 |
| Total | \$ 262,839 | \$ 21,762 | \$ 284,601 |

Exhibit J-3

Bradley County, Tennessee
Schedule of Notes Receivable
June 30, 2013

| Description | Debtor | Original Amount of Note | Date of Issue | Date of Maturity | Interest Rate | Balance 6-30-13 |
|------------------------------------|-------------------|-------------------------------|---------------------|------------------------|------------------|--------------------|
| <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 | 1,351 |
| " | 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 | 562 |
| " | 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 | | | | | | <u>\$ 33,684</u> |

Exhibit J-4

Bradley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2013

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|--|------------------------|----------------|------------------|
| <u>PRIMARY GOVERNMENT</u> | | | |
| General | General Debt Service | Reimbursement | \$ 4,463 |
| Special Purpose Fire Tax | " | " | 9,666 |
| Total Transfers Primary Government | | | <u>\$ 14,129</u> |
| <u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u> | | | |
| School Federal Projects | General Purpose School | Indirect costs | \$ 67,800 |
| Total Transfers Discretely Presented Bradley County School Department | | | <u>\$ 67,800</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, 2013

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|---------------------------|-----------|--|
| County Mayor | Section 8-24-102, TCA, and County Commission | \$ 90,322 (1) | \$ 50,000 | Auto Owners (Mutual) Insurance |
| Highway Superintendent | Section 8-24-102, TCA, and County Commission | 82,911 (7) | 100,000 | " |
| Director of Schools | State Board of Education and Bradley County Board of Education | 118,285 (2) | (3) | |
| Trustee | Section 8-24-102, TCA, and County Commission | 75,372 (6) | 3,057,500 | " |
| Assessor of Property | Section 8-24-102, TCA, and County Commission | 75,372 (6) | 10,000 | Travelers Casualty and Surety Company of America |
| County Clerk | Section 8-24-102, TCA, and County Commission | 75,372 (6) | 50,000 | Auto Owners (Mutual) Insurance |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, TCA, and County Commission | 75,372 (6) | 50,000 | " |
| Clerk and Master | Section 8-24-102, TCA, and County Commission | 75,372 (4) (6) | 50,000 | Travelers Casualty and Surety Company of America |
| Register of Deeds | Section 8-24-102, TCA, and County Commission | 75,372 (6) | 25,000 | Auto Owners (Mutual) Insurance |
| Sheriff | Section 8-24-102, TCA, and County Commission | 82,911 (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 a salary supplement of \$2,580.
- (2) Does not include a travel allowance of \$12,060, life and disability insurance reimbursement of \$2,732, chief officer training supplement of \$1,000, and retirement reimbursement of \$6,517.
- (3) The director of schools is covered under the school employee dishonesty bond.
- (4) Does not include special commissioner fees of \$3,042.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) Includes a salary supplement of \$2,002.
- (7) Includes a salary supplement of \$2,204.

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

| | Special Revenue Funds | | | | | | | |
|--|-----------------------|----------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|
| | General | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Special Purpose Fire Tax | Veterans Nursing Home |
| <u>Local Taxes</u> | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | |
| Current Property Tax | \$ 10,054,572 | \$ 0 | \$ 538,411 | \$ 0 | \$ 0 | \$ 0 | \$ 1,553,563 | \$ 0 |
| Trustee's Collections - Prior Year | 356,781 | 0 | 19,107 | 0 | 0 | 0 | 85,460 | 0 |
| Circuit/Clerk & Master Collections - Prior Years | 224,974 | 0 | 12,122 | 0 | 0 | 0 | 145,254 | 0 |
| Interest and Penalty | 59,459 | 0 | 3,186 | 0 | 0 | 0 | 8,699 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 7,949 | 0 | 426 | 0 | 0 | 0 | 5,159 | 0 |
| Payments in-Lieu-of Taxes - Local Utilities | 3,314 | 0 | 177 | 0 | 0 | 0 | 2,150 | 0 |
| Payments in-Lieu-of Taxes - Other | 196,911 | 0 | 10,544 | 0 | 0 | 0 | 56,308 | 0 |
| <u>County Local Option Taxes</u> | | | | | | | | |
| Local Option Sales Tax | 4,602,147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 612,880 | 0 | 0 | 0 | 0 | 204,293 | 0 | 0 |
| Litigation Tax - General | 323,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 65,109 | 480 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 70,519 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 1,298,529 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | | | |
| Bank Excise Tax | 32,257 | 0 | 1,727 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 349,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 4,434 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Total Local Taxes</u> | \$ 18,263,005 | \$ 480 | \$ 585,700 | \$ 0 | \$ 0 | \$ 204,293 | \$ 1,856,593 | \$ 0 |
| <u>Licenses and Permits</u> | | | | | | | | |
| <u>Licenses</u> | | | | | | | | |
| Cable TV Franchise | \$ 249,071 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Permits | | | | | | | | |
| Beer Permits | 4,734 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Building Permits | 105,353 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electrical Permits | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Permits | 3,716 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Total Licenses and Permits</u> | \$ 362,884 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| <u>Circuit Court</u> | | | | | | | | |
| Fines | \$ 27,839 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 52,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 13,108 | 0 | 0 | 0 | 26,368 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 30,535 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 1,476 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | | | |
|--|-----------------------|----------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|------|------|
| | General | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Special Purpose Fire Tax | Veterans Nursing Home | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | | | | |
| <u>Criminal Court</u> | | | | | | | | | | |
| Fines | \$ 157,318 | \$ 1,458 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 133,178 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 18,791 | 0 | 0 | 0 | 18,791 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 80,442 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 21,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Criminal Court | 6,718 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 706 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | | | | | |
| Fines | 2,945 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines for Littering | 585 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 24,595 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 20,335 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | | | | | |
| Fines | 996 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 12,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | | | | | |
| Officers Costs | 152 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 196 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | | | | | |
| Fines | 24,192 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 32,247 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | | | |
| Proceeds from Confiscated Property | 500 | 0 | 0 | 0 | 111,666 | 0 | 0 | 0 | 0 | 0 |
| Other Fines, Forfeitures, and Penalties | 2,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 665,016 | \$ 1,458 | \$ 0 | \$ 0 | \$ 156,825 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Charges for Current Services</u> | | | | | | | | | | |
| <u>General Service Charges</u> | | | | | | | | | | |
| Surcharge - Host Agency | \$ 0 | \$ 0 | \$ 0 | \$ 229,688 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Surcharge - General | 475 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water Treatment Charges | 16,478 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patient Charges | 4,443,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Zoning Studies | 525 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Work Release Charges for Board | 13,445 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | | | |
|---|-----------------------|----------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|------|------|
| | General | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Special Purpose Fire Tax | Veterans Nursing Home | | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | | | | |
| <u>General Service Charges (Cont.)</u> | | | | | | | | | | |
| Other General Service Charges | \$ 275 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Service Charges | 77,419 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | | | | | |
| Subdivision Lot Fees | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Engineer/Review Fees | 216 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Recreation Fees | 118,832 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Copy Fees | 18,090 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Fees | 0 | 10,969 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 81,431 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Commissioner Fees/Special Master Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 34,847 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Probation Fees | 361,428 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 1,864 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 6,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Education Charges | | | | | | | | | | |
| Community Service Fees - Adults | 5,267 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Charges for Services | | | | | | | | | | |
| Other Charges for Services | 14,102 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Charges for Current Services | 5,194,545 | 10,969 | 0 | 229,688 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Total Charges for Current Services</u> | \$ 5,194,545 | \$ 10,969 | \$ 0 | \$ 229,688 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | | | | | |
| <u>Recurring Items</u> | | | | | | | | | | |
| Investment Income | \$ 108,725 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,419 | \$ 0 | \$ 0 | \$ 0 |
| Lease/Rentals | 178,629 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 1,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 132,330 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Maps | 2,542 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 0 | 0 | 33,190 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 50,717 | 0 | 0 | 0 | 0 | 0 | 54,845 | 0 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | | | | | | |
| Sale of Equipment | 983 | 0 | 0 | 0 | 464 | 0 | 0 | 0 | 0 | 0 |
| Sale of Property | 40,454 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Damages Recovered from Individuals | 4,750 | 0 | 0 | 3,500 | 0 | 0 | 5,940 | 0 | 0 | 0 |
| Contributions and Gifts | 19,291 | 0 | 0 | 0 | 0 | 17,112 | 875,000 | 22,964 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | | | |
|--|-----------------------|----------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|------|------|
| | General | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Special Purpose Fire Tax | Veterans Nursing Home | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | | | | |
| <u>Other Local Revenues</u> | | | | | | | | | | |
| Total Other Local Revenues | \$ 298,700 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | \$ 838,986 | \$ 0 | \$ 0 | \$ 33,190 | \$ 3,964 | \$ 17,112 | \$ 937,204 | \$ 22,964 | | |
| <u>Fees Received from County Officials</u> | | | | | | | | | | |
| <u>Excess Fees</u> | | | | | | | | | | |
| County Clerk | \$ 114,042 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Clerk and Master | 177,265 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Register | 148,067 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 727,062 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | | | | |
| Circuit Court Clerk | 396,657 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Criminal Court Clerk | 547,984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 492,512 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 25,876 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 2,629,465 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | | | |
| Juvenile Services Program | \$ 76,510 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Solid Waste Grants | 0 | 0 | 0 | 34,015 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | | | | | |
| Other Public Safety Grants | 7,599 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | | | | | |
| Health Department Programs | 1,023,580 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | | | | |
| Income Tax | 75,250 | 0 | 4,027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 18,586 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 119,702 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 9,147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 302,364 | 0 | 16,191 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 2,208,041 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | |
|--|-----------------------|----------------|-------------------|--------------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|
| | General | Law Library | Public Library | Solid Waste / Sanitation | Drug Control | Agri- Business | Special Purpose Fire Tax | Veterans Nursing Home |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | | |
| Petroleum Special Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Registrar's Salary Supplement | 18,955 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Shared Sales Tax - Cities | 15,594 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 310,159 | 0 | 0 | 0 | 0 | 0 | 104,793 | 0 |
| Other State Revenues | 61,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 4,246,687 | \$ 0 | \$ 20,218 | \$ 34,015 | \$ 0 | \$ 0 | \$ 104,793 | \$ 0 |
| <u>Federal Government</u> | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | |
| Civil Defense Reimbursement | \$ 53,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Homeland Security Grants | 325,077 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medicaid | 85,209 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Law Enforcement Grants | 24,340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 128,605 | 0 | 0 | 0 | 0 | 0 | 628,757 | 0 |
| <u>Direct Federal Revenue</u> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Credit Bond Rebate | 616,731 | 0 | 0 | 0 | 0 | 0 | 628,757 | 0 |
| Total Federal Government | \$ 616,731 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 628,757 | \$ 0 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | |
| <u>Other Governments</u> | | | | | | | | |
| Prisoner Board | \$ 1,201,048 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Services | 277,722 | 0 | 0 | 20,000 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 15,965 | 0 |
| Total Other Governments and Citizens Groups | \$ 1,478,770 | \$ 0 | \$ 0 | \$ 20,000 | \$ 0 | \$ 0 | \$ 15,965 | \$ 0 |
| <u>Total</u> | \$ 3,4296,089 | \$ 12,907 | \$ 605,918 | \$ 316,893 | \$ 160,789 | \$ 221,405 | \$ 3,543,312 | \$ 22,964 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Fund | | | Capital Projects Funds | | | Permanent Fund | |
|--|--------------------------------|------------------------|----------------------|--------------------------|--|--------------------|----------------------------|-----------|----------|----------------|-------------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Endowment | Total | | |
| | | | | | | | | | | | |
| <u>Local Taxes</u> | | | | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | | | | |
| Current Property Tax | \$ 0 | 2,454,865 | 4,382,996 | 0 | 971,844 | 0 | 33,054 | 0 | 0 | 0 | 19,989,305 |
| Trustee's Collections - Prior Year | 0 | 87,109 | 141,206 | 0 | 34,485 | 0 | 1,173 | 0 | 0 | 0 | 725,321 |
| Circuit/Clerk & Master Collections - Prior Years | 0 | 55,272 | 98,685 | 0 | 21,881 | 0 | 744 | 0 | 0 | 0 | 558,932 |
| Interest and Penalty | 0 | 15,487 | 40,245 | 0 | 5,749 | 0 | 193 | 0 | 0 | 0 | 133,018 |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 1,642 | 3,465 | 0 | 768 | 0 | 26 | 0 | 0 | 0 | 19,435 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 809 | 1,445 | 0 | 320 | 0 | 11 | 0 | 0 | 0 | 8,226 |
| Payments in-Lieu-of Taxes - Other | 0 | 48,076 | 85,837 | 0 | 19,033 | 0 | 647 | 0 | 0 | 0 | 417,356 |
| <u>County Local Option Taxes</u> | | | | | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,602,147 |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 817,173 |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 823,400 |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65,589 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 70,519 |
| Business Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,298,529 |
| <u>Statutory Local Taxes</u> | | | | | | | | | | | |
| Bank Excise Tax | 0 | 7,876 | 14,061 | 0 | 3,118 | 0 | 106 | 0 | 0 | 0 | 59,145 |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 349,770 |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,434 |
| Total Local Taxes | \$ 0 | 2,671,136 | 4,767,940 | 0 | 1,057,198 | 0 | 35,954 | 0 | 0 | 0 | 29,442,299 |
| <u>Licenses and Permits</u> | | | | | | | | | | | |
| <u>Licenses</u> | | | | | | | | | | | |
| Cable TV Franchise Permits | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 249,071 |
| Beer Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,734 |
| Building Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105,353 |
| Electrical Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,716 |
| Total Licenses and Permits | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 362,884 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | | | | | |
| <u>Circuit Court</u> | | | | | | | | | | | |
| Fines | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27,839 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52,386 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,476 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,535 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,476 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Fund | | | Capital Projects Funds | | | | Permanent Fund | |
|--|--------------------------------|------------------------|----------------------|--------------------------|--|--------------------|----------------------------|-------------|-------------|-------------|----------------|-------------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Endowment | Total | | | |
| | | | | | | | | | | | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | | | | | | |
| <u>Criminal Court</u> | | | | | | | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 158,776 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133,178 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 37,582 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80,442 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,274 |
| Data Entry Fee - Criminal Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,718 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 706 |
| <u>General Sessions Court</u> | | | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,945 |
| Fines for Littering | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 585 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,595 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,335 |
| <u>Juvenile Court</u> | | | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 996 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Victims Assistance Assessments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,150 |
| <u>Chancery Court</u> | | | | | | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 152 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 196 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25 |
| <u>Other Courts - In-county</u> | | | | | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,192 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 32,247 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 112,166 |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,318 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 823,289 |
| <u>Charges for Current Services</u> | | | | | | | | | | | | |
| <u>General Service Charges</u> | | | | | | | | | | | | |
| Surcharge - Host Agency | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 229,688 |
| Surcharge - General | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 475 |
| Water Treatment Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,478 |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,443,351 |
| Zoning Studies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 525 |
| Work Release Charges for Board | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,445 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | Debt Service Fund | | | Capital Projects Funds | | | Permanent Fund | |
|---|--------------------------------|------------------------|----------------------|--------------------------|--|--------------------|----------------------------|------------|-------|----------------|------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Endowment | Total | | |
| | | | | | | | | | | | |
| Charges for Current Services (Cont.) | | | | | | | | | | | |
| General Service Charges (Cont.) | | | | | | | | | | | |
| Other General Service Charges | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 275 |
| Service Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77,419 |
| Fees | | | | | | | | | | | |
| Subdivision Lot Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 |
| Engineer/Review Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 216 |
| Recreation Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 118,832 |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,090 |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,969 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,431 |
| Constitutional Officers' Fees and Commissions | 1,834,869 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,834,869 |
| Special Commissioner Fees/Special Master Fees | 3,042 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,042 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,847 |
| Probation Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 361,428 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,864 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,200 |
| Education Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,267 |
| Community Service Fees - Adults | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,102 |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,273,113 |
| Other Charges for Services | \$ 1,837,911 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 14,102 |
| Total Charges for Current Services | | | | | | | | | | | |
| Other Local Revenues | | | | | | | | | | | |
| Recurring Items | | | | | | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 108,725 | \$ 0 | \$ 612 | \$ 0 | \$ 168,772 | \$ 0 | \$ 0 | \$ 388,253 |
| Lease/Rentals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 178,629 |
| Sale of Materials and Supplies | 0 | 5,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,739 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 132,330 |
| Sale of Maps | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,542 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,190 |
| Miscellaneous Refunds | 0 | 8,898 | 0 | 0 | 0 | 0 | 0 | 156,790 | 0 | 0 | 271,250 |
| Nonrecurring Items | | | | | | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,447 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,454 |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,190 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 934,367 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | | Debt Service Fund | | | | Capital Projects Funds | | | | Permanent Fund | |
|--|--------------------------------|------------------------|----------------------|--------------------------|--|--------------------|----------------------------|-----------|------------------------|--------------------------|--------------------|----------------|----------------|--------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Endowment | Total | Capital Projects Funds | | Permanent Fund | | |
| | | | | | | | | | | General Capital Projects | HUD Grant Projects | Endowment | Total | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | | | | | | | | |
| <u>Other Local Revenues</u> | | | | | | | | | | | | | | |
| Total Other Local Revenues | \$ 0 \$ | 12,245 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 612 \$ | 0 \$ | 0 \$ | 310,945 \$ |
| | \$ 0 \$ | 27,017 \$ | 0 \$ | 108,725 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 325,562 \$ | 0 \$ | 0 \$ | 2,315,336 \$ |
| <u>Fees Received from County Officials</u> | | | | | | | | | | | | | | |
| <u>Excess Fees</u> | | | | | | | | | | | | | | |
| County Clerk | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 114,042 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 177,265 |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148,067 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 727,062 |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | | | | | | | | |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 396,657 |
| Criminal Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 547,984 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 492,512 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,876 |
| Total Fees Received from County Officials | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 2,629,465 |
| <u>State of Tennessee</u> | | | | | | | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | | | | | | | |
| Juvenile Services Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 76,510 |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,015 |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 84,852 | 0 | 0 | 0 | 0 | 0 | 84,852 |
| <u>Public Safety Grants</u> | | | | | | | | | | | | | | |
| Other Public Safety Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,589 |
| <u>Health and Welfare Grants</u> | | | | | | | | | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,023,580 |
| <u>Public Works Grants</u> | | | | | | | | | | | | | | |
| Bridge Program | 0 | 146,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 146,200 |
| Litter Program | 0 | 64,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 64,365 |
| <u>Other State Revenues</u> | | | | | | | | | | | | | | |
| Income Tax | 0 | 18,381 | 32,805 | 0 | 7,269 | 0 | 243 | 0 | 0 | 0 | 0 | 0 | 0 | 137,975 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,586 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 119,702 |
| Mixed Drink Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,147 |
| State Revenue Sharing - T.V.A. | 0 | 73,823 | 131,806 | 0 | 29,225 | 0 | 996 | 0 | 0 | 0 | 0 | 0 | 0 | 554,405 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,208,041 |
| Gasoline and Motor Fuel Tax | 0 | 2,047,982 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,047,982 |

(Continued)

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

| | Special Revenue Funds (Cont.) | | | | Debt Service Fund | | | | Capital Projects Funds | | | | Permanent Fund | |
|--|--------------------------------|------------------------|----------------------|--------------------------|--|--------------------|----------------------------|-----------|------------------------|--|--------------------|----------------|----------------|---------------|
| | Constitutional Officers - Fees | Highway / Public Works | General Debt Service | General Capital Projects | Community Development/ Industrial Park | HUD Grant Projects | Education Capital Projects | Endowment | Total | Capital Projects Funds | | Permanent Fund | | |
| | | | | | | | | | | Community Development/ Industrial Park | HUD Grant Projects | Endowment | Total | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | | | | | | | |
| Other State Revenues (Cont.) | | | | | | | | | | | | | | |
| Petroleum Special Tax | \$ 0 | \$ 71,406 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 71,406 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,955 |
| State Shared Sales Tax - Cities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,594 |
| Other State Grants | 0 | 0 | 0 | 56,703 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 471,655 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 61,200 |
| Total State of Tennessee | \$ 0 | \$ 2,422,157 | \$ 164,611 | \$ 56,703 | \$ 36,494 | \$ 84,852 | \$ 1,239 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 7,171,769 |
| <u>Federal Government</u> | | | | | | | | | | | | | | |
| Federal Through State | | | | | | | | | | | | | | |
| Civil Defense Reimbursement | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 53,500 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 325,077 |
| Medicaid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85,209 |
| Law Enforcement Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,340 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 757,362 |
| <u>Direct Federal Revenue</u> | | | | | | | | | | | | | | |
| Tax Credit Bond Rebate | 0 | 0 | 313,041 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 313,041 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 313,041 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,558,529 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | | | | | | | |
| Other Governments | | | | | | | | | | | | | | |
| Prisoner Board | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,201,048 |
| Contributions | 0 | 0 | 204,834 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 204,834 |
| Contracted Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 297,722 |
| Other | 0 | 0 | 2,566 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,531 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 0 | \$ 207,400 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,722,135 |
| Total | \$ 1,837,911 | \$ 5,120,310 | \$ 5,452,992 | \$ 165,428 | \$ 1,093,692 | \$ 85,464 | \$ 37,193 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 53,298,829 |

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, 2013

| | General Purpose School | Special Revenue Funds | | Total |
|--|------------------------|-------------------------|-------------------|---------------|
| | | School Federal Projects | Central Cafeteria | |
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 11,016,635 | \$ 0 | \$ 0 | \$ 11,016,635 |
| Trustee's Collections - Prior Year | 311,001 | 0 | 0 | 311,001 |
| Circuit/Clerk & Master Collections - Prior Years | 261,770 | 0 | 0 | 261,770 |
| Interest and Penalty | 64,727 | 0 | 0 | 64,727 |
| Payments in-Lieu-of Taxes - T.V.A. | 11,966 | 0 | 0 | 11,966 |
| Payments in-Lieu-of Taxes - Local Utilities | 3,606 | 0 | 0 | 3,606 |
| Payments in-Lieu-of Taxes - Other | 214,227 | 0 | 0 | 214,227 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 10,425,172 | 0 | 0 | 10,425,172 |
| <u>Statutory Local Taxes</u> | | | | |
| Bank Excise Tax | 35,094 | 0 | 0 | 35,094 |
| Interstate Telecommunications Tax | 5,647 | 0 | 0 | 5,647 |
| Total Local Taxes | \$ 22,349,845 | \$ 0 | \$ 0 | \$ 22,349,845 |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 5,457 | \$ 0 | \$ 0 | \$ 5,457 |
| Total Licenses and Permits | \$ 5,457 | \$ 0 | \$ 0 | \$ 5,457 |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Lunch Payments - Children | \$ 0 | \$ 0 | \$ 1,116,466 | \$ 1,116,466 |
| Lunch Payments - Adults | 0 | 0 | 174,507 | 174,507 |
| Income from Breakfast | 0 | 0 | 124,816 | 124,816 |
| A la carte Sales | 0 | 0 | 641,496 | 641,496 |
| TBI Criminal Background Fees | 5,040 | 0 | 42 | 5,082 |
| <u>Other Charges for Services</u> | | | | |
| Other Charges for Services | 7,230 | 0 | 5,408 | 12,638 |
| Total Charges for Current Services | \$ 12,270 | \$ 0 | \$ 2,062,735 | \$ 2,075,005 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 17,803 | \$ 0 | \$ 5,725 | \$ 23,528 |
| Refund of Telecommunication & Internet Fees (E-Rate) | 33,758 | 0 | 0 | 33,758 |
| Miscellaneous Refunds | 172,694 | 0 | 3,606 | 176,300 |
| <u>Nonrecurring Items</u> | | | | |
| Sale of Equipment | 7,702 | 0 | 0 | 7,702 |
| Contributions and Gifts | 73,735 | 0 | 0 | 73,735 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 3,223 | 0 | 0 | 3,223 |
| Total Other Local Revenues | \$ 308,915 | \$ 0 | \$ 9,331 | \$ 318,246 |
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-Behalf Contributions for OPEB | \$ 447,281 | \$ 0 | \$ 0 | \$ 447,281 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 41,802,150 | 0 | 0 | 41,802,150 |
| Early Childhood Education | 1,347,836 | 0 | 0 | 1,347,836 |
| School Food Service | 52,937 | 0 | 0 | 52,937 |
| Driver Education | 18,342 | 0 | 0 | 18,342 |
| Other State Education Funds | 216,511 | 0 | 0 | 216,511 |
| Career Ladder Program | 293,030 | 0 | 0 | 293,030 |
| Career Ladder - Extended Contract | 96,100 | 0 | 0 | 96,100 |
| <u>Other State Revenues</u> | | | | |
| Income Tax | 81,785 | 0 | 0 | 81,785 |

(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 | Special Revenue Funds | | Total |
|--|------------------------------|-------------------------------|----------------------|---------------|
| | | School Federal Projects | Central Cafeteria | |
| <u>State of Tennessee (Cont.)</u> | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | |
| State Revenue Sharing - T.V.A. | \$ 493,030 | \$ 0 | \$ 0 | \$ 493,030 |
| Other State Revenues | 5,953 | 0 | 0 | 5,953 |
| Total State of Tennessee | \$ 44,854,955 | \$ 0 | \$ 0 | \$ 44,854,955 |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 2,329,651 | \$ 2,329,651 |
| USDA - Commodities | 0 | 0 | 277,198 | 277,198 |
| Breakfast | 0 | 0 | 775,720 | 775,720 |
| USDA - Other | 0 | 0 | 8,221 | 8,221 |
| Adult Education State Grant Program | 163,807 | 0 | 0 | 163,807 |
| Vocational Education - Basic Grants to States | 0 | 229,414 | 0 | 229,414 |
| Title I Grants to Local Education Agencies | 0 | 2,093,980 | 0 | 2,093,980 |
| Special Education - Grants to States | 109,554 | 2,217,091 | 0 | 2,326,645 |
| Special Education Preschool Grants | 0 | 67,233 | 0 | 67,233 |
| English Language Acquisition Grants | 0 | 20,006 | 0 | 20,006 |
| Eisenhower Professional Development State Grants | 0 | 322,819 | 0 | 322,819 |
| Race-to-the-Top - ARRA | 0 | 347,927 | 0 | 347,927 |
| Other Federal through State | 438,690 | 89,113 | 15,793 | 543,596 |
| <u>Direct Federal Revenue</u> | | | | |
| ROTC Reimbursement | 62,437 | 0 | 0 | 62,437 |
| Other Direct Federal Revenue | 874,044 | 193,506 | 0 | 1,067,550 |
| Total Federal Government | \$ 1,648,532 | \$ 5,581,089 | \$ 3,406,583 | \$ 10,636,204 |
| Total | \$ 69,179,974 | \$ 5,581,089 | \$ 5,478,649 | \$ 80,239,712 |

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

| | | | |
|--|----|---------|------------|
| Assistant(s) | \$ | 9,292 | |
| Part-time Personnel | | 24,221 | |
| Board and Committee Members Fees | | 137,148 | |
| Social Security | | 13,237 | |
| State Retirement | | 11,526 | |
| Life Insurance | | 285 | |
| Medical Insurance | | 50,284 | |
| Audit Services | | 29,689 | |
| Communication | | 245 | |
| Dues and Memberships | | 1,950 | |
| Legal Notices, Recording, and Court Costs | | 56 | |
| Maintenance and Repair Services - Equipment | | 236 | |
| Maintenance and Repair Services - Office Equipment | | 700 | |
| Office Supplies | | 221 | |
| Other Charges | | 154,913 | |
| Other Equipment | | 1,222 | |
| Total County Commission | | | \$ 435,225 |

Board of Equalization

| | | | |
|----------------------------------|----|-----|-----|
| Board and Committee Members Fees | \$ | 913 | |
| Total Board of Equalization | | | 913 |

Beer Board

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

Other Boards and Committees

| | | | |
|-----------------------------------|----|--------|--------|
| Clerical Personnel | \$ | 20,645 | |
| Social Security | | 1,529 | |
| State Retirement | | 2,991 | |
| Life Insurance | | 20 | |
| Medical Insurance | | 6,260 | |
| Communication | | 5 | |
| Operating Lease Payments | | 480 | |
| Office Supplies | | 873 | |
| Total Other Boards and Committees | | | 32,803 |

County Mayor/Executive

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 90,322 | |
| Assistant(s) | | 75,871 | |
| Clerical Personnel | | 22,159 | |
| Social Security | | 13,907 | |
| State Retirement | | 26,112 | |
| Life Insurance | | 82 | |
| Medical Insurance | | 25,243 | |
| Advertising | | 446 | |
| Communication | | 1,208 | |
| Dues and Memberships | | 1,750 | |
| Travel | | 2,421 | |
| Tuition | | 180 | |

(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.)

| | | | |
|---------------------------------|----|-------|------------|
| Office Supplies | \$ | 2,839 | |
| Vehicle and Equipment Insurance | | 750 | |
| Other Charges | | 20 | |
| Total County Mayor/Executive | | | \$ 263,310 |

Personnel Office

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 38,143 | |
| Accountants/Bookkeepers | | 25,765 | |
| Social Security | | 4,769 | |
| State Retirement | | 8,859 | |
| Life Insurance | | 41 | |
| Medical Insurance | | 12,779 | |
| Unemployment Compensation | | 54,417 | |
| Advertising | | 650 | |
| Dues and Memberships | | 605 | |
| Maintenance and Repair Services - Office Equipment | | 3,768 | |
| Travel | | 527 | |
| Tuition | | 90 | |
| Office Supplies | | 4,032 | |
| Periodicals | | 1,824 | |
| Testing | | 9,485 | |
| Excess Risk Insurance | | 3,819 | |
| Workers' Compensation Insurance | | 64,196 | |
| In Service/Staff Development | | 2,180 | |
| Total Personnel Office | | | 235,949 |

County Attorney

| | | | |
|--|----|--------|---------|
| Assistant(s) | \$ | 29,006 | |
| Paraprofessionals | | 30,480 | |
| Other Salaries and Wages | | 57,959 | |
| Social Security | | 8,946 | |
| State Retirement | | 16,181 | |
| Life Insurance | | 62 | |
| Medical Insurance | | 18,688 | |
| Communication | | 7 | |
| Data Processing Services | | 6,122 | |
| Dues and Memberships | | 150 | |
| Legal Services | | 16,482 | |
| Maintenance and Repair Services - Office Equipment | | 244 | |
| Office Supplies | | 1,029 | |
| Other Charges | | 1,330 | |
| Total County Attorney | | | 186,686 |

Election Commission

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 67,089 | |
| Deputy(ies) | | 54,676 | |
| Part-time Personnel | | 6,812 | |
| Overtime Pay | | 262 | |
| Board and Committee Members Fees | | 200 | |
| Election Commission | | 11,111 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---|----|--------|------------|
| Election Workers | \$ | 73,630 | |
| Social Security | | 10,569 | |
| State Retirement | | 16,877 | |
| Life Insurance | | 63 | |
| Medical Insurance | | 19,193 | |
| Accounting Services | | 7,985 | |
| Advertising | | 8,100 | |
| Communication | | 1,555 | |
| Maintenance and Repair Services - Equipment | | 11,552 | |
| Printing, Stationery, and Forms | | 3,978 | |
| Travel | | 8,399 | |
| Office Supplies | | 3,335 | |
| Other Charges | | 5,491 | |
| Total Election Commission | | | \$ 310,877 |

Register of Deeds

| | | | |
|---|----|--------|--------|
| Life Insurance | \$ | 143 | |
| Medical Insurance | | 44,978 | |
| Communication | | 404 | |
| Data Processing Services | | 25,585 | |
| Maintenance and Repair Services - Equipment | | 4,915 | |
| Travel | | 562 | |
| Office Supplies | | 11,565 | |
| Office Equipment | | 2,808 | |
| Total Register of Deeds | | | 90,960 |

Development

| | | | |
|--------------------------|----|-------|-------|
| Data Processing Services | \$ | 2,200 | |
| Travel | | 505 | |
| Tuition | | 395 | |
| Total Development | | | 3,100 |

Planning

| | | | |
|--|----|---------|---------|
| Assistant(s) | \$ | 105,755 | |
| Clerical Personnel | | 26,787 | |
| Social Security | | 10,148 | |
| State Retirement | | 16,803 | |
| Life Insurance | | 77 | |
| Medical Insurance | | 23,149 | |
| Communication | | 1,093 | |
| Dues and Memberships | | 900 | |
| Operating Lease Payments | | 2,275 | |
| Legal Notices, Recording, and Court Costs | | 3,486 | |
| Maintenance and Repair Services - Office Equipment | | 1,900 | |
| Maintenance and Repair Services - Vehicles | | 1,000 | |
| Travel | | 1,000 | |
| Tuition | | 1,849 | |
| Gasoline | | 1,960 | |
| Office Supplies | | 3,500 | |
| Vehicle and Equipment Insurance | | 1,652 | |
| Total Planning | | | 203,334 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

| | | | |
|---|----|--------|------------|
| Assistant(s) | \$ | 37,805 | |
| Supervisor/Director | | 60,068 | |
| Social Security | | 7,462 | |
| State Retirement | | 13,567 | |
| Life Insurance | | 41 | |
| Medical Insurance | | 12,779 | |
| Communication | | 889 | |
| Contracts with Government Agencies | | 12,766 | |
| Data Processing Services | | 41,569 | |
| Dues and Memberships | | 430 | |
| Maintenance and Repair Services - Equipment | | 2,637 | |
| Travel | | 806 | |
| Tuition | | 1,758 | |
| Other Contracted Services | | 9,660 | |
| Gasoline | | 116 | |
| Other Supplies and Materials | | 709 | |
| Vehicle and Equipment Insurance | | 775 | |
| Data Processing Equipment | | 8,194 | |
| Total Geographical Information Systems | | | \$ 212,031 |

County Buildings

| | | | |
|--|----|---------|---------|
| Custodial Personnel | \$ | 41,639 | |
| Social Security | | 3,185 | |
| State Retirement | | 6,008 | |
| Life Insurance | | 20 | |
| Medical Insurance | | 12,520 | |
| Communication | | 30,196 | |
| Maintenance and Repair Services - Office Equipment | | 328 | |
| Postal Charges | | 119,162 | |
| Travel | | 500 | |
| Other Contracted Services | | 33,964 | |
| Custodial Supplies | | 18,012 | |
| Drugs and Medical Supplies | | 1,447 | |
| Utilities | | 115,000 | |
| Other Supplies and Materials | | 18,459 | |
| Liability Claims | | 6,599 | |
| Other Charges | | 125 | |
| Building Improvements | | 10,673 | |
| Total County Buildings | | | 417,837 |

Other Facilities

| | | | |
|---|----|-------|-------|
| Maintenance and Repair Services - Buildings | \$ | 4,000 | |
| Total Other Facilities | | | 4,000 |

Finance

Accounting and Budgeting

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 57,939 | |
| Clerical Personnel | | 60,274 | |
| Social Security | | 9,635 | |
| State Retirement | | 17,772 | |

(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.)

| | | | |
|--|----|--------|---------|
| Life Insurance | \$ | 61 | |
| Medical Insurance | | 19,169 | |
| Accounting Services | | 10,000 | |
| Dues and Memberships | | 2,145 | |
| Maintenance and Repair Services - Office Equipment | | 5,230 | |
| Office Supplies | | 3,352 | |
| Other Supplies and Materials | | 2,829 | |
| Total Accounting and Budgeting | \$ | | 188,406 |

Property Assessor's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 75,372 | |
| Paraprofessionals | | 247,203 | |
| Clerical Personnel | | 144,694 | |
| Social Security | | 35,260 | |
| State Retirement | | 64,850 | |
| Life Insurance | | 258 | |
| Medical Insurance | | 80,948 | |
| Communication | | 272 | |
| Dues and Memberships | | 2,985 | |
| Operating Lease Payments | | 4,684 | |
| Maintenance and Repair Services - Office Equipment | | 668 | |
| Maintenance and Repair Services - Vehicles | | 1,241 | |
| Travel | | 2,656 | |
| Tuition | | 1,000 | |
| Other Contracted Services | | 53,800 | |
| Gasoline | | 3,743 | |
| Office Supplies | | 6,560 | |
| Vehicle and Equipment Insurance | | 3,305 | |
| Workers' Compensation Insurance | | 340 | |
| Total Property Assessor's Office | | | 729,839 |

Reappraisal Program

| | | | |
|---------------------------|----|--------|---------|
| Data Processing Services | \$ | 69,667 | |
| Postal Charges | | 21,267 | |
| Other Contracted Services | | 20,000 | |
| Office Supplies | | 125 | |
| Total Reappraisal Program | | | 111,059 |

County Trustee's Office

| | | | |
|-------------------------------|----|--------|--------|
| Life Insurance | \$ | 163 | |
| Medical Insurance | | 51,118 | |
| Communication | | 23 | |
| Dues and Memberships | | 694 | |
| Travel | | 3,000 | |
| Tuition | | 615 | |
| Other Contracted Services | | 23,640 | |
| Office Supplies | | 4,803 | |
| Total County Trustee's Office | | | 84,056 |

(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 | \$ | 408 | |
| Medical Insurance | | 127,822 | |
| Communication | | 1,529 | |
| Dues and Memberships | | 1,016 | |
| Travel | | 4,058 | |
| Office Supplies | | 40,138 | |
| Office Equipment | | 1,300 | |
| Total County Clerk's Office | | | \$ 176,271 |

Data Processing

| | | | |
|------------------------------|----|--------|---------|
| Data Processing Personnel | \$ | 58,089 | |
| Social Security | | 4,412 | |
| State Retirement | | 8,051 | |
| Life Insurance | | 20 | |
| Medical Insurance | | 6,390 | |
| Communication | | 19,235 | |
| Data Processing Services | | 23,972 | |
| Travel | | 1,697 | |
| Other Contracted Services | | 26,017 | |
| Office Supplies | | 100 | |
| Other Supplies and Materials | | 4 | |
| Data Processing Equipment | | 16,585 | |
| Total Data Processing | | | 164,572 |

Administration of Justice

Circuit Court

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 75,372 | |
| Total Circuit Court | | | 75,372 |

Circuit Court Clerk

| | | | |
|---------------------------|----|---------|-----------|
| Assistant(s) | \$ | 45,491 | |
| Deputy(ies) | | 716,685 | |
| Part-time Personnel | | 5,898 | |
| Social Security | | 63,374 | |
| State Retirement | | 110,228 | |
| Life Insurance | | 624 | |
| Medical Insurance | | 188,977 | |
| Communication | | 2,446 | |
| Data Processing Services | | 36,616 | |
| Dues and Memberships | | 686 | |
| Custodial Supplies | | 2,164 | |
| Data Processing Supplies | | 14,071 | |
| Office Supplies | | 33,340 | |
| Utilities | | 25,000 | |
| Data Processing Equipment | | 19,044 | |
| Office Equipment | | 1,508 | |
| Total Circuit Court Clerk | | | 1,266,152 |

General Sessions Judge

| | | | |
|----------|----|---------|--|
| Judge(s) | \$ | 306,749 | |
|----------|----|---------|--|

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Clerical Personnel | \$ | 53,115 | |
| Part-time Personnel | | 1,500 | |
| Other Salaries and Wages | | 46,451 | |
| Social Security | | 25,314 | |
| State Retirement | | 56,346 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 30,964 | |
| Communication | | 615 | |
| Dues and Memberships | | 250 | |
| Travel | | 1,840 | |
| Tuition | | 975 | |
| Office Supplies | | 439 | |
| Periodicals | | 1,425 | |
| Total General Sessions Judge | | | \$ 526,077 |

Drug Court

| | | | |
|---------------------------|----|---------|---------|
| Assessment Personnel | \$ | 50,000 | |
| Social Security | | 3,785 | |
| State Retirement | | 6,931 | |
| Life Insurance | | 20 | |
| Medical Insurance | | 6,338 | |
| Communication | | 1,196 | |
| Rentals | | 1,500 | |
| Travel | | 4,957 | |
| Other Contracted Services | | 106,809 | |
| Total Drug Court | | | 181,536 |

Chancery Court

| | | | |
|--|----|--------|--------|
| Jury and Witness Expense | \$ | 16 | |
| Life Insurance | | 91 | |
| Medical Insurance | | 28,486 | |
| Communication | | 518 | |
| Dues and Memberships | | 660 | |
| Maintenance and Repair Services - Office Equipment | | 10,124 | |
| Travel | | 648 | |
| Tuition | | 11 | |
| Office Supplies | | 3,962 | |
| Total Chancery Court | | | 44,516 |

Juvenile Court

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 47,736 | |
| Probation Officer(s) | | 258,130 | |
| Youth Service Officer(s) | | 16,958 | |
| Clerical Personnel | | 32,921 | |
| Part-time Personnel | | 32,747 | |
| Other Salaries and Wages | | 23,816 | |
| Social Security | | 29,676 | |
| State Retirement | | 50,431 | |
| Life Insurance | | 179 | |
| Medical Insurance | | 56,696 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

| | | | |
|--|----|--------|------------|
| Communication | \$ | 12,685 | |
| Maintenance and Repair Services - Buildings | | 6,711 | |
| Maintenance and Repair Services - Office Equipment | | 8,985 | |
| Maintenance and Repair Services - Vehicles | | 1,084 | |
| Medical and Dental Services | | 36 | |
| Travel | | 6,283 | |
| Tuition | | 1,293 | |
| Other Contracted Services | | 6,000 | |
| Office Supplies | | 1,308 | |
| Utilities | | 25,708 | |
| Other Supplies and Materials | | 334 | |
| Vehicle and Equipment Insurance | | 2,800 | |
| Other Charges | | 1,718 | |
| Data Processing Equipment | | 280 | |
| Office Equipment | | 4 | |
| Total Juvenile Court | | | \$ 624,519 |

Judicial Commissioners

| | | | |
|------------------------------|----|--------|--------|
| Jury and Witness Expense | \$ | 27,513 | |
| Total Judicial Commissioners | | | 27,513 |

Other Administration of Justice

| | | | |
|--|----|--------|---------|
| Assistant(s) | \$ | 26,416 | |
| Supervisor/Director | | 31,673 | |
| Clerical Personnel | | 14,078 | |
| Social Security | | 5,478 | |
| State Retirement | | 10,005 | |
| Life Insurance | | 53 | |
| Medical Insurance | | 16,935 | |
| Communication | | 315 | |
| Maintenance and Repair Services - Vehicles | | 250 | |
| Gasoline | | 2,651 | |
| Office Supplies | | 300 | |
| Utilities | | 1,317 | |
| Other Supplies and Materials | | 1,075 | |
| Liability Insurance | | 5,301 | |
| Vehicle and Equipment Insurance | | 1,033 | |
| Workers' Compensation Insurance | | 551 | |
| Total Other Administration of Justice | | | 117,431 |

Probation Services

| | | | |
|----------------------|----|---------|--|
| Assistant(s) | \$ | 34,845 | |
| Supervisor/Director | | 48,067 | |
| Probation Officer(s) | | 137,260 | |
| Clerical Personnel | | 7,568 | |
| Social Security | | 17,204 | |
| State Retirement | | 30,188 | |
| Life Insurance | | 145 | |
| Medical Insurance | | 45,486 | |
| Communication | | 24 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Rentals | \$ | 2,400 | |
| Travel | | 905 | |
| Drug Treatment | | 12,221 | |
| Other Contracted Services | | 10,300 | |
| Office Supplies | | 907 | |
| Other Supplies and Materials | | 845 | |
| Other Charges | | 372 | |
| Total Probation Services | | | \$ 348,737 |

Courtroom Security

| | | | |
|------------------------------|----|--------|--------|
| Other Supplies and Materials | \$ | 15,695 | |
| Total Courtroom Security | | | 15,695 |

Public Safety

Sheriff's Department

| | | | |
|---|----|-----------|-----------|
| County Official/Administrative Officer | \$ | 82,911 | |
| Deputy(ies) | | 3,591,942 | |
| Clerical Personnel | | 151,516 | |
| Custodial Personnel | | 18,228 | |
| Part-time Personnel | | 4,522 | |
| Overtime Pay | | 153,847 | |
| Other Salaries and Wages | | 59,400 | |
| Social Security | | 306,974 | |
| State Retirement | | 537,761 | |
| Employee and Dependent Insurance | | 6,368 | |
| Life Insurance | | 1,968 | |
| Medical Insurance | | 617,757 | |
| Communication | | 37,979 | |
| Confidential Drug Enforcement Payments | | 3,000 | |
| Dues and Memberships | | 12,378 | |
| Maintenance and Repair Services - Equipment | | 265 | |
| Maintenance and Repair Services - Vehicles | | 141,465 | |
| Towing Services | | 2,902 | |
| Travel | | 15,936 | |
| Tuition | | 16,566 | |
| Other Contracted Services | | 126,640 | |
| Gasoline | | 422,474 | |
| Law Enforcement Supplies | | 28,467 | |
| Office Supplies | | 11,473 | |
| Uniforms | | 32,585 | |
| Other Supplies and Materials | | 14,703 | |
| Building and Contents Insurance | | 3,327 | |
| Liability Insurance | | 47,996 | |
| Vehicle and Equipment Insurance | | 52,811 | |
| Workers' Compensation Insurance | | 88,709 | |
| Data Processing Equipment | | 22,264 | |
| Law Enforcement Equipment | | 43,029 | |
| Total Sheriff's Department | | | 6,658,163 |

(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) | \$ | 165,310 | |
| Overtime Pay | | 22,367 | |
| Social Security | | 14,196 | |
| State Retirement | | 25,484 | |
| Life Insurance | | 103 | |
| Medical Insurance | | 30,024 | |
| Communication | | 2,601 | |
| Uniforms | | 1,066 | |
| Law Enforcement Equipment | | 11,176 | |
| Other Capital Outlay | | 5,000 | |
| Total Special Patrols | | | \$ 277,327 |

Traffic Control

| | | | |
|---|----|-------|-------|
| Maintenance and Repair Services - Equipment | \$ | 8,856 | |
| Utilities | | 876 | |
| Total Traffic Control | | | 9,732 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|----|----|
| Other Supplies and Materials | \$ | 10 | |
| Total Administration of the Sexual Offender Registry | | | 10 |

Jail

| | | | |
|---|----|-----------|-----------|
| Deputy(ies) | \$ | 2,854,169 | |
| Mechanic(s) | | 67,618 | |
| Clerical Personnel | | 98,703 | |
| Maintenance Personnel | | 47,094 | |
| Part-time Personnel | | 14,590 | |
| Overtime Pay | | 102,432 | |
| Social Security | | 237,656 | |
| State Retirement | | 386,099 | |
| Life Insurance | | 1,869 | |
| Medical Insurance | | 586,834 | |
| Communication | | 6,021 | |
| Maintenance and Repair Services - Buildings | | 39,594 | |
| Maintenance and Repair Services - Equipment | | 700 | |
| Maintenance and Repair Services - Vehicles | | 11,927 | |
| Medical and Dental Services | | 678,363 | |
| Transportation - Other than Students | | 4,345 | |
| Travel | | 3,996 | |
| Tuition | | 2,169 | |
| Other Contracted Services | | 15,291 | |
| Custodial Supplies | | 44,991 | |
| Food Supplies | | 390,000 | |
| Office Supplies | | 8,942 | |
| Prisoners Clothing | | 27,395 | |
| Uniforms | | 26,940 | |
| Utilities | | 376,160 | |
| Other Supplies and Materials | | 16,954 | |
| Specialized Medical Treatment | | 5,949 | |
| Data Processing Equipment | | 22,584 | |
| Law Enforcement Equipment | | 25,454 | |
| Total Jail | | | 6,104,839 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements

| | | | |
|--|----|---------|--------------|
| Supervisor/Director | \$ | 42,542 | |
| Salary Supplements | | 9,143 | |
| Guards | | 556,066 | |
| Part-time Personnel | | 74,996 | |
| Overtime Pay | | 14,095 | |
| Social Security | | 52,946 | |
| State Retirement | | 73,092 | |
| Life Insurance | | 444 | |
| Medical Insurance | | 137,068 | |
| Communication | | 4,785 | |
| Maintenance and Repair Services - Buildings | | 4,835 | |
| Maintenance and Repair Services - Equipment | | 5,405 | |
| Maintenance and Repair Services - Office Equipment | | 2,205 | |
| Medical and Dental Services | | 2,321 | |
| Travel | | 1,315 | |
| Tuition | | 1,131 | |
| Other Contracted Services | | 6,012 | |
| Custodial Supplies | | 10,870 | |
| Food Supplies | | 8,109 | |
| Gasoline | | 1,325 | |
| Office Supplies | | 1,749 | |
| Prisoners Clothing | | 2,177 | |
| Utilities | | 18,000 | |
| Other Supplies and Materials | | 5,935 | |
| Other Charges | | 1,300 | |
| Data Processing Equipment | | 500 | |
| Office Equipment | | 500 | |
| Total Correctional Incentive Program Improvements | | | \$ 1,038,866 |

Juvenile Services

| | | | |
|------------------------------|----|--------|--------|
| Part-time Personnel | \$ | 21,484 | |
| Other Salaries and Wages | | 47,815 | |
| Social Security | | 5,255 | |
| State Retirement | | 3,000 | |
| Life Insurance | | 18 | |
| Medical Insurance | | 4,903 | |
| Communication | | 945 | |
| Travel | | 881 | |
| Other Supplies and Materials | | 3,243 | |
| Total Juvenile Services | | | 87,544 |

Work Release Program

| | | | |
|----------------------|----|--------|--|
| Supervisor/Director | \$ | 52,171 | |
| Probation Officer(s) | | 86,801 | |
| Clerical Personnel | | 25,050 | |
| Part-time Personnel | | 9,545 | |
| Social Security | | 12,791 | |
| State Retirement | | 20,850 | |
| Life Insurance | | 99 | |
| Medical Insurance | | 30,878 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

| | | | |
|---|----|--------|------------|
| Accounting Services | \$ | 2,400 | |
| Audit Services | | 75 | |
| Communication | | 4,737 | |
| Evaluation and Testing | | 4,835 | |
| Maintenance and Repair Services - Equipment | | 1,054 | |
| Postal Charges | | 500 | |
| Printing, Stationery, and Forms | | 147 | |
| Rentals | | 18,000 | |
| Travel | | 14,006 | |
| Tuition | | 3,038 | |
| Custodial Supplies | | 1,810 | |
| Office Supplies | | 1,245 | |
| Periodicals | | 252 | |
| Utilities | | 4,398 | |
| Other Supplies and Materials | | 974 | |
| Liability Insurance | | 6,896 | |
| Other Charges | | 14,084 | |
| Total Work Release Program | | | \$ 316,636 |

Civil Defense

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 56,946 | |
| Accountants/Bookkeepers | | 29,972 | |
| Paraprofessionals | | 68,129 | |
| Overtime Pay | | 3,624 | |
| Social Security | | 12,405 | |
| State Retirement | | 22,476 | |
| Life Insurance | | 79 | |
| Medical Insurance | | 24,848 | |
| Communication | | 23,701 | |
| Contracts with Government Agencies | | 18,845 | |
| Contracts with Other Public Agencies | | 2,867 | |
| Dues and Memberships | | 1,216 | |
| Janitorial Services | | 478 | |
| Maintenance and Repair Services - Buildings | | 1,539 | |
| Maintenance and Repair Services - Equipment | | 1,355 | |
| Maintenance and Repair Services - Vehicles | | 4,500 | |
| Travel | | 960 | |
| Tuition | | 811 | |
| Maintenance and Repair Services - Records | | 9,998 | |
| Gasoline | | 11,373 | |
| Office Supplies | | 2,291 | |
| Uniforms | | 3,812 | |
| Utilities | | 14,837 | |
| Building and Contents Insurance | | 9,900 | |
| Indirect Cost | | 31,289 | |
| Vehicle and Equipment Insurance | | 8,061 | |
| Other Charges | | 5,216 | |
| Total Civil Defense | | | 371,528 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

| | | | |
|--|----|-------|-----------|
| Communication | \$ | 424 | |
| Maintenance and Repair Services - Vehicles | | 271 | |
| Tuition | | 425 | |
| Custodial Supplies | | 647 | |
| Instructional Supplies and Materials | | 1,500 | |
| Uniforms | | 2,000 | |
| Other Supplies and Materials | | 1,503 | |
| Other Charges | | 1,611 | |
| Building Improvements | | 5,427 | |
| Other Equipment | | 6,960 | |
| Total Rescue Squad | | | \$ 20,768 |

Other Emergency Management

| | | | |
|------------------------------------|----|---------|---------|
| Contracts with Government Agencies | \$ | 102,884 | |
| Total Other Emergency Management | | | 102,884 |

Inspection and Regulation

| | | | |
|---------------------------------|----|---------|---------|
| Investigator(s) | \$ | 19,190 | |
| Social Security | | 1,452 | |
| State Retirement | | 2,656 | |
| Liability Insurance | | 153,840 | |
| Total Inspection and Regulation | | | 177,138 |

County Coroner/Medical Examiner

| | | | |
|--|----|--------|---------|
| Medical Personnel | \$ | 13,000 | |
| Part-time Personnel | | 20,000 | |
| Overtime Pay | | 34,236 | |
| Social Security | | 4,924 | |
| State Retirement | | 6,547 | |
| Communication | | 1,333 | |
| Maintenance and Repair Services - Vehicles | | 1,000 | |
| Medical and Dental Services | | 76,535 | |
| Travel | | 1,241 | |
| Drugs and Medical Supplies | | 1,748 | |
| Gasoline | | 3,000 | |
| Office Supplies | | 290 | |
| Uniforms | | 44 | |
| Vehicle and Equipment Insurance | | 1,500 | |
| In Service/Staff Development | | 798 | |
| Total County Coroner/Medical Examiner | | | 166,196 |

Other Public Safety

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

Public Health and Welfare

Local Health Center

| | | | |
|---------------------|----|--------|--|
| Paraprofessionals | \$ | 61,337 | |
| Custodial Personnel | | 30,008 | |
| Social Security | | 6,659 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | | |
|---|----|---------|------------|
| State Retirement | \$ | 11,816 | |
| Life Insurance | | 82 | |
| Medical Insurance | | 25,040 | |
| Communication | | 5,916 | |
| Maintenance and Repair Services - Buildings | | 2,949 | |
| Rentals | | 1,000 | |
| Travel | | 6,327 | |
| Tuition | | 565 | |
| Custodial Supplies | | 2,375 | |
| Drugs and Medical Supplies | | 6,996 | |
| Office Supplies | | 5,198 | |
| Utilities | | 25,493 | |
| Other Supplies and Materials | | 709 | |
| Other Charges | | 166,167 | |
| Other Capital Outlay | | 3 | |
| Total Local Health Center | | | \$ 358,640 |

Rabies and Animal Control

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

Ambulance/Emergency Medical Services

| | | | |
|---|----|-----------|--|
| Supervisor/Director | \$ | 61,415 | |
| Accountants/Bookkeepers | | 111,082 | |
| Paraprofessionals | | 2,280,003 | |
| Part-time Personnel | | 500,000 | |
| Overtime Pay | | 152,303 | |
| Social Security | | 230,489 | |
| State Retirement | | 337,815 | |
| Life Insurance | | 1,167 | |
| Medical Insurance | | 355,244 | |
| Communication | | 18,858 | |
| Dues and Memberships | | 330 | |
| Laundry Service | | 15,000 | |
| Licenses | | 3,000 | |
| Maintenance and Repair Services - Buildings | | 1,282 | |
| Maintenance and Repair Services - Equipment | | 3,500 | |
| Maintenance and Repair Services - Vehicles | | 186,125 | |
| Travel | | 1,511 | |
| Tuition | | 2,910 | |
| Custodial Supplies | | 3,277 | |
| Drugs and Medical Supplies | | 139,000 | |
| Gasoline | | 179,150 | |
| Office Supplies | | 15,370 | |
| Uniforms | | 2,389 | |
| Utilities | | 28,417 | |
| Other Supplies and Materials | | 5,335 | |
| Vehicle and Equipment Insurance | | 12,153 | |
| Workers' Compensation Insurance | | 92,500 | |
| Data Processing Equipment | | 6,016 | |

(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.)

| | | | |
|--|----|--------|--------------|
| Motor Vehicles | \$ | 75,000 | |
| Office Equipment | | 962 | |
| Other Equipment | | 44,424 | |
| Total Ambulance/Emergency Medical Services | | | \$ 4,866,027 |

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 33,612 | |
| Social Security | | 2,571 | |
| State Retirement | | 4,659 | |
| Life Insurance | | 20 | |
| Medical Insurance | | 6,076 | |
| Communication | | 420 | |
| Travel | | 1,000 | |
| Other Supplies and Materials | | 1,527 | |
| Other Charges | | 429 | |
| Total Alcohol and Drug Programs | | | 50,314 |

Other Local Health Services

| | | | |
|-----------------------------------|----|---------|---------|
| Medical Personnel | \$ | 106,313 | |
| Paraprofessionals | | 577,483 | |
| Part-time Personnel | | 21,452 | |
| Social Security | | 53,363 | |
| State Retirement | | 85,055 | |
| Life Insurance | | 430 | |
| Medical Insurance | | 125,200 | |
| Travel | | 21,136 | |
| Office Supplies | | 1,621 | |
| Total Other Local Health Services | | | 992,053 |

General Welfare Assistance

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

Other Local Welfare Services

| | | | |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 88,944 | |
| Total Other Local Welfare Services | | | 88,944 |

Other Public Health and Welfare

| | | | |
|---------------------------------------|----|-------|-------|
| Office Supplies | \$ | 6,024 | |
| Total Other Public Health and Welfare | | | 6,024 |

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 | \$ | 1,250 | |
| Contributions | | 91,560 | |
| Total Senior Citizens Assistance | | | 92,810 |

(Continued)

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

| | | | |
|--|----|---------|------------|
| Assistant(s) | \$ | 73,753 | |
| Supervisor/Director | | 51,613 | |
| Foremen | | 29,323 | |
| Clerical Personnel | | 20,676 | |
| Cafeteria Personnel | | 27,046 | |
| Maintenance Personnel | | 88,170 | |
| Temporary Personnel | | 10,593 | |
| Other Salaries and Wages | | 20,188 | |
| Social Security | | 24,489 | |
| State Retirement | | 37,035 | |
| Life Insurance | | 180 | |
| Medical Insurance | | 45,215 | |
| Communication | | 3,800 | |
| Maintenance and Repair Services - Buildings | | 69,830 | |
| Travel | | 1,700 | |
| Food Supplies | | 61,757 | |
| Gasoline | | 12,589 | |
| Office Supplies | | 2,499 | |
| Uniforms | | 2,483 | |
| Utilities | | 99,323 | |
| Other Supplies and Materials | | 199,619 | |
| Vehicle and Equipment Insurance | | 1,013 | |
| Workers' Compensation Insurance | | 4,924 | |
| Other Capital Outlay | | 25,708 | |
| Total Other Social, Cultural, and Recreational | | | \$ 913,526 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|---|----|---------|---------|
| Clerical Personnel | \$ | 13,387 | |
| Part-time Personnel | | 12,668 | |
| Other Salaries and Wages | | 116,018 | |
| Board and Committee Members Fees | | 155 | |
| Social Security | | 7,779 | |
| State Retirement | | 14,760 | |
| Life Insurance | | 10 | |
| Medical Insurance | | 12,159 | |
| Other Fringe Benefits | | 196 | |
| Communication | | 2,147 | |
| Contracts with Government Agencies | | 2,332 | |
| Dues and Memberships | | 290 | |
| Maintenance and Repair Services - Buildings | | 5,093 | |
| Travel | | 196 | |
| Office Supplies | | 562 | |
| Utilities | | 5,403 | |
| Other Capital Outlay | | 52,970 | |
| Total Agriculture Extension Service | | | 246,125 |

Soil Conservation

| | | | |
|------------------------------------|----|--------|--|
| Social Security | \$ | 239 | |
| Contracts with Government Agencies | | 44,263 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

| | | | |
|--------------------------------------|----|--------------|-----------|
| Contracts with Other Public Agencies | \$ | 200 | |
| Other Charges | | <u>8,000</u> | |
| Total Soil Conservation | | | \$ 52,702 |

Storm Water Management

| | | | |
|--|----|------------|---------|
| Assistant(s) | \$ | 72,192 | |
| Supervisor/Director | | 59,159 | |
| Part-time Personnel | | 13,696 | |
| Social Security | | 10,661 | |
| State Retirement | | 18,206 | |
| Life Insurance | | 62 | |
| Medical Insurance | | 20,520 | |
| Advertising | | 1,499 | |
| Communication | | 5 | |
| Data Processing Services | | 2,980 | |
| Dues and Memberships | | 149 | |
| Evaluation and Testing | | 5,265 | |
| Legal Notices, Recording, and Court Costs | | 215 | |
| Maintenance and Repair Services - Vehicles | | 497 | |
| Travel | | 3,000 | |
| Tuition | | 1,996 | |
| Permits | | 3,500 | |
| Other Contracted Services | | 10,497 | |
| Gasoline | | 1,800 | |
| Instructional Supplies and Materials | | 1,500 | |
| Office Supplies | | 1,200 | |
| Periodicals | | 195 | |
| Testing | | 1,000 | |
| Vehicle and Equipment Insurance | | <u>800</u> | |
| Total Storm Water Management | | | 230,594 |

Other Agriculture and Natural Resources

| | | | |
|---|----|--------------|-------|
| Other Capital Outlay | \$ | <u>1,727</u> | |
| Total Other Agriculture and Natural Resources | | | 1,727 |

Other Operations

Tourism

| | | | |
|---------------|----|----------------|---------|
| Contributions | \$ | <u>200,000</u> | |
| Total Tourism | | | 200,000 |

Industrial Development

| | | | |
|------------------------------|----|----------------|---------|
| Contributions | \$ | <u>200,000</u> | |
| Total Industrial Development | | | 200,000 |

Public Transportation

| | | | |
|-----------------------------|----|---------------|--------|
| Matching Share | \$ | <u>42,000</u> | |
| Total Public Transportation | | | 42,000 |

Veterans' Services

| | | | |
|--------------|----|--------|--|
| Assistant(s) | \$ | 26,013 | |
|--------------|----|--------|--|

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

| | | | |
|---------------------------|----|--------|------------|
| Supervisor/Director | \$ | 31,009 | |
| Clerical Personnel | | 22,491 | |
| Social Security | | 5,992 | |
| State Retirement | | 11,022 | |
| Life Insurance | | 61 | |
| Medical Insurance | | 12,779 | |
| Communication | | 711 | |
| Dues and Memberships | | 50 | |
| Operating Lease Payments | | 928 | |
| Travel | | 2,134 | |
| Other Contracted Services | | 897 | |
| Office Supplies | | 361 | |
| Periodicals | | 75 | |
| Total Veterans' Services | | | \$ 114,523 |

Other Charges

| | | | |
|----------------------|----|---------|---------|
| Trustee's Commission | \$ | 368,010 | |
| Total Other Charges | | | 368,010 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|--------|--------|
| Contributions | \$ | 52,369 | |
| Dues and Memberships | | 24,850 | |
| Total Contributions to Other Agencies | | | 77,219 |

Total General Fund \$ 32,099,995

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

| | | | |
|---------------------|----|--------|-----------|
| Library Books/Media | \$ | 10,960 | |
| Office Supplies | | 200 | |
| Total Libraries | | | \$ 11,160 |

Other Operations

Other Charges

| | | | |
|----------------------|----|-----|-----|
| Trustee's Commission | \$ | 129 | |
| Total Other Charges | | | 129 |

Total Law Library Fund 11,289

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

| | | | |
|---------------------|----|---------|------------|
| Library Books/Media | \$ | 567,933 | |
| Total Libraries | | | \$ 567,933 |

Other Operations

Other Charges

| | | | |
|----------------------|----|--------|--------|
| Trustee's Commission | \$ | 11,903 | |
| Total Other Charges | | | 11,903 |

Total Public Library Fund 579,836

(Continued)

Exhibit J-8

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

| | | | |
|--|----|---------|------------|
| <u>Solid Waste/Sanitation Fund</u> | | | |
| <u>Public Health and Welfare</u> | | | |
| <u>Other Waste Collection</u> | | | |
| Other Contracted Services | \$ | 33,802 | |
| Total Other Waste Collection | | | \$ 33,802 |
| <u>Recycling Center</u> | | | |
| Maintenance Personnel | \$ | 15,570 | |
| Social Security | | 1,191 | |
| Other Contracted Services | | 76,262 | |
| Utilities | | 972 | |
| Other Supplies and Materials | | 1,149 | |
| Total Recycling Center | | | 95,144 |
| <u>Other Operations</u> | | | |
| <u>Other Charges</u> | | | |
| Trustee's Commission | \$ | 2,297 | |
| Total Other Charges | | | 2,297 |
| <u>Contributions to Other Agencies</u> | | | |
| Contributions | \$ | 26,500 | |
| Total Contributions to Other Agencies | | | 26,500 |
| Total Solid Waste/Sanitation Fund | | | \$ 157,743 |
| <u>Drug Control Fund</u> | | | |
| <u>Public Safety</u> | | | |
| <u>Sheriff's Department</u> | | | |
| Maintenance and Repair Services - Vehicles | \$ | 1,971 | |
| Towing Services | | 225 | |
| Travel | | 1,794 | |
| Tuition | | 1,869 | |
| Uniforms | | 1,430 | |
| Law Enforcement Equipment | | 26,525 | |
| Motor Vehicles | | 43,932 | |
| Total Sheriff's Department | | | \$ 77,746 |
| <u>Drug Enforcement</u> | | | |
| Investigator(s) | \$ | 114,586 | |
| Overtime Pay | | 20,313 | |
| Social Security | | 10,252 | |
| State Retirement | | 19,287 | |
| Life Insurance | | 62 | |
| Medical Insurance | | 18,780 | |
| Communication | | 11,976 | |
| Confidential Drug Enforcement Payments | | 20,000 | |
| Other Contracted Services | | 23,937 | |
| Other Supplies and Materials | | 12,772 | |
| Total Drug Enforcement | | | 251,965 |
| <u>Other Operations</u> | | | |
| <u>Other Charges</u> | | | |
| Trustee's Commission | \$ | 1,599 | |
| Total Other Charges | | | 1,599 |
| Total Drug Control Fund | | | 331,310 |

(Continued)

Exhibit J-8

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

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 50,595 | |
| Assistant(s) | | 24,409 | |
| Supervisor/Director | | 21,801 | |
| Clerical Personnel | | 24,400 | |
| Social Security | | 9,489 | |
| State Retirement | | 17,203 | |
| Life Insurance | | 82 | |
| Medical Insurance | | 18,126 | |
| Utilities | | 16,871 | |
| Building and Contents Insurance | | 10,802 | |
| Vehicle and Equipment Insurance | | 737 | |
| Total Other Social, Cultural, and Recreational | | | \$ 194,515 |

Other Operations

Other Charges

| | | | |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 2,048 | |
| Total Other Charges | | | 2,048 |

Total Agri-Business Fund \$ 196,563

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

| | | | |
|---|----|---------|--|
| Supervisor/Director | \$ | 34,232 | |
| Investigator(s) | | 17,308 | |
| Captain(s) | | 98,959 | |
| Lieutenant(s) | | 181,700 | |
| Paraprofessionals | | 644,077 | |
| Truck Drivers | | 285,004 | |
| Clerical Personnel | | 28,897 | |
| Part-time Personnel | | 16,118 | |
| Overtime Pay | | 157,237 | |
| Other Salaries and Wages | | 58,450 | |
| Social Security | | 114,682 | |
| State Retirement | | 137,406 | |
| Life Insurance | | 921 | |
| Medical Insurance | | 278,580 | |
| Communication | | 22,868 | |
| Laundry Service | | 1,778 | |
| Maintenance and Repair Services - Buildings | | 33,220 | |
| Maintenance and Repair Services - Vehicles | | 80,514 | |
| Travel | | 3,999 | |
| Tuition | | 12,435 | |
| Other Contracted Services | | 30,000 | |
| Custodial Supplies | | 5,265 | |
| Gasoline | | 68,091 | |
| Office Supplies | | 3,790 | |
| Uniforms | | 38,387 | |
| Utilities | | 48,373 | |
| Other Supplies and Materials | | 29,303 | |

(Continued)

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 | \$ | 1,746 | |
| Liability Insurance | | 4,035 | |
| Vehicle and Equipment Insurance | | 22,505 | |
| Workers' Compensation Insurance | | 30,583 | |
| Underwriter's Discount | | 13,439 | |
| Other Debt Issuance Charges | | 28,858 | |
| Law Enforcement Equipment | | 2,000 | |
| Motor Vehicles | | 121,382 | |
| Other Equipment | | 227,041 | |
| Other Construction | | 1,512,870 | |
| Other Capital Outlay | | <u>2,917,878</u> | |
| Total Fire Prevention and Control | | | \$ 7,313,931 |

Rescue Squad

| | | | |
|------------------------------|----|---------------|---------|
| Other Supplies and Materials | \$ | 114,939 | |
| Other Charges | | <u>18,042</u> | |
| Total Rescue Squad | | | 132,981 |

Other Operations

Other Charges

| | | | |
|----------------------|----|--------|---------------|
| Trustee's Commission | \$ | 36,438 | |
| Total Other Charges | | | <u>36,438</u> |

Total Special Purpose Fire Tax Fund \$ 7,483,350

Veterans Nursing Home Fund

Capital Projects

Other General Government Projects

| | | | |
|---|----|---------------|------------------|
| Site Development | \$ | <u>13,886</u> | |
| Total Other General Government Projects | | | <u>\$ 13,886</u> |

Total Veterans Nursing Home Fund 13,886

Constitutional Officers - Fees Fund

General Government

Register of Deeds

| | | | |
|---|----|----------------|------------|
| Constitutional Officers' Operating Expenses | \$ | <u>332,852</u> | |
| Total Register of Deeds | | | \$ 332,852 |

Finance

County Trustee's Office

| | | | |
|---|----|----------------|---------|
| Constitutional Officers' Operating Expenses | \$ | <u>386,257</u> | |
| Total County Trustee's Office | | | 386,257 |

County Clerk's Office

| | | | |
|---|----|----------------|---------|
| Constitutional Officers' Operating Expenses | \$ | <u>839,189</u> | |
| Total County Clerk's Office | | | 839,189 |

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Chancery Court

| | | | |
|---|----|---------|------------|
| Special Commissioner Fees/Special Master Fees | \$ | 3,042 | |
| Constitutional Officers' Operating Expenses | | 252,402 | |
| Total Chancery Court | | | \$ 255,444 |

Total Constitutional Officers - Fees Fund \$ 1,813,742

Highway/Public Works Fund

Highways

Administration

| | | | |
|--|----|---------|------------|
| County Official/Administrative Officer | \$ | 82,911 | |
| Assistant(s) | | 53,523 | |
| Supervisor/Director | | 40,845 | |
| Accountants/Bookkeepers | | 28,933 | |
| Dispatchers/Radio Operators | | 33,554 | |
| Overtime Pay | | 3,276 | |
| Other Salaries and Wages | | 170,872 | |
| Data Processing Services | | 9,260 | |
| Dues and Memberships | | 3,736 | |
| Legal Notices, Recording, and Court Costs | | 564 | |
| Maintenance and Repair Services - Office Equipment | | 424 | |
| Travel | | 2,161 | |
| Office Supplies | | 4,613 | |
| Communication Equipment | | 8,735 | |
| Office Equipment | | 3,687 | |
| Total Administration | | | \$ 447,094 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|-----------|-----------|
| Foremen | \$ | 32,612 | |
| Equipment Operators | | 311,531 | |
| Truck Drivers | | 238,268 | |
| Laborers | | 312,439 | |
| Overtime Pay | | 15,781 | |
| Rentals | | 5,997 | |
| Other Contracted Services | | 6,175 | |
| Asphalt - Hot Mix | | 1,604,602 | |
| Asphalt - Liquid | | 45,968 | |
| Concrete | | 3,793 | |
| Crushed Stone | | 53,678 | |
| Fertilizer, Lime, and Seed | | 1,471 | |
| General Construction Materials | | 28,073 | |
| Pipe | | 4,944 | |
| Pipe - Metal | | 48,865 | |
| Road Signs | | 45,840 | |
| Sand | | 1,320 | |
| Small Tools | | 1,470 | |
| Wood Products | | 1,004 | |
| Other Supplies and Materials | | 5,763 | |
| Total Highway and Bridge Maintenance | | | 2,769,594 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

| | | | |
|--|----|---------|------------|
| Foremen | \$ | 36,841 | |
| Mechanic(s) | | 96,361 | |
| Overtime Pay | | 182 | |
| Laundry Service | | 17,458 | |
| Other Contracted Services | | 355 | |
| Diesel Fuel | | 186,678 | |
| Equipment and Machinery Parts | | 119,599 | |
| Garage Supplies | | 14,274 | |
| Gasoline | | 57,251 | |
| Lubricants | | 9,158 | |
| Propane Gas | | 2,937 | |
| Small Tools | | 5,035 | |
| Tires and Tubes | | 34,848 | |
| Other Supplies and Materials | | 1,030 | |
| Total Operation and Maintenance of Equipment | | | \$ 582,007 |

Litter and Trash Collection

| | | | |
|-----------------------------------|----|--------|---------|
| Truck Drivers | \$ | 33,750 | |
| Guards | | 32,897 | |
| Other Salaries and Wages | | 8,750 | |
| Other Contracted Services | | 2,684 | |
| Other Supplies and Materials | | 22,686 | |
| Total Litter and Trash Collection | | | 100,767 |

Other Charges

| | | | |
|----------------------|----|--------|---------|
| Communication | \$ | 6,496 | |
| Electricity | | 11,821 | |
| Water and Sewer | | 1,047 | |
| Liability Insurance | | 67,439 | |
| Trustee's Commission | | 75,465 | |
| Total Other Charges | | | 162,268 |

Employee Benefits

| | | | |
|----------------------------------|----|---------|---------|
| Social Security | \$ | 132,440 | |
| State Retirement | | 232,247 | |
| Employee and Dependent Insurance | | 6,390 | |
| Life Insurance | | 1,193 | |
| Medical Insurance | | 341,539 | |
| Workers' Compensation Insurance | | 56,933 | |
| Total Employee Benefits | | | 770,742 |

Capital Outlay

| | | | |
|-----------------------|----|---------|---------|
| Engineering Services | \$ | 13,225 | |
| Bridge Construction | | 165,716 | |
| Building Improvements | | 14,912 | |
| Other Equipment | | 125,287 | |
| Total Capital Outlay | | | 319,140 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Capital Projects

Highway and Street Capital Projects

| | | | |
|---|----|---------|------------|
| Equipment Operators | \$ | 65,989 | |
| Truck Drivers | | 45,277 | |
| Laborers | | 113,049 | |
| Overtime Pay | | 133 | |
| Rentals | | 72 | |
| Concrete | | 5,018 | |
| Crushed Stone | | 10,880 | |
| Diesel Fuel | | 8,500 | |
| Equipment and Machinery Parts | | 17,243 | |
| General Construction Materials | | 1,521 | |
| Pipe - Metal | | 14,104 | |
| Small Tools | | 270 | |
| Total Highway and Street Capital Projects | | | \$ 282,056 |

Total Highway/Public Works Fund \$ 5,433,668

General Debt Service Fund

Other Operations

Other Charges

| | | | |
|----------------------|----|--------|-----------|
| Trustee's Commission | \$ | 97,009 | |
| Total Other Charges | | | \$ 97,009 |

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Principal on Notes | \$ | 24,049 | |
| Principal on Other Loans | | 669,963 | |
| Total General Government | | | 694,012 |

Education

| | | | |
|-----------------------------|----|-----------|-----------|
| Principal on Bonds | \$ | 600,000 | |
| Principal on Notes | | 47,380 | |
| Principal on Capital Leases | | 147,717 | |
| Principal on Other Loans | | 2,395,037 | |
| Total Education | | | 3,190,134 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Interest on Bonds | \$ | 12,331 | |
| Interest on Other Loans | | 248,661 | |
| Total General Government | | | 260,992 |

Education

| | | | |
|----------------------------|----|---------|-----------|
| Interest on Bonds | \$ | 953,046 | |
| Interest on Capital Leases | | 9,737 | |
| Interest on Other Loans | | 957,984 | |
| Total Education | | | 1,920,767 |

Other Debt Service

General Government

| | | | |
|--------------------------|----|---------|---------|
| Other Debt Service | \$ | 133,487 | |
| Total General Government | | | 133,487 |

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

| | | | |
|-----------------------------|----|----------------|-------------------|
| Other Debt Issuance Charges | \$ | 43,288 | |
| Other Debt Service | | <u>341,708</u> | |
| Total Education | | | \$ <u>384,996</u> |

Total General Debt Service Fund \$ 6,681,397

General Capital Projects Fund

Other Operations

Other Charges

| | | | |
|----------------------|----|--------------|----------|
| Trustee's Commission | \$ | <u>1,101</u> | |
| Total Other Charges | | | \$ 1,101 |

Capital Projects

General Administration Projects

| | | | |
|---------------------------------------|----|--------------|-------|
| Office Equipment | \$ | <u>6,300</u> | |
| Total General Administration Projects | | | 6,300 |

Public Safety Projects

| | | | |
|------------------------------|----|--------------|--------|
| Law Enforcement Equipment | \$ | 2,617 | |
| Motor Vehicles | | 75,920 | |
| Other Capital Outlay | | <u>3,540</u> | |
| Total Public Safety Projects | | | 82,077 |

Public Health and Welfare Projects

| | | | |
|--|----|--------------|--------|
| Motor Vehicles | \$ | 80,000 | |
| Other Equipment | | <u>1,754</u> | |
| Total Public Health and Welfare Projects | | | 81,754 |

Social, Cultural, and Recreation Projects

| | | | |
|---|----|------------|-----|
| Other Capital Outlay | \$ | <u>200</u> | |
| Total Social, Cultural, and Recreation Projects | | | 200 |

Other General Government Projects

| | | | |
|---|----|----------------|---------|
| Other Capital Outlay | \$ | <u>157,005</u> | |
| Total Other General Government Projects | | | 157,005 |

Highway and Street Capital Projects

| | | | |
|---|----|------------|------------|
| Highway Construction | \$ | <u>585</u> | |
| Total Highway and Street Capital Projects | | | <u>585</u> |

Total General Capital Projects Fund 329,022

Community Development/Industrial Park Fund

Other Operations

Industrial Development

| | | | |
|------------------------------|----|----------------|--------------|
| Matching Share | \$ | 24,212 | |
| Highway Construction | | 999,423 | |
| Other Capital Outlay | | <u>551,961</u> | |
| Total Industrial Development | | | \$ 1,575,596 |

(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 Economic and Community Development</u> | | | |
| Other Charges | \$ | 9,400 | |
| Total Other Economic and Community Development | | \$ | 9,400 |
| <u>Other Charges</u> | | | |
| Trustee's Commission | \$ | 21,491 | |
| Total Other Charges | | | <u>21,491</u> |
| Total Community Development/Industrial Park Fund | | | \$ 1,606,487 |
| <u>HUD Grant Projects Fund</u> | | | |
| <u>Other Operations</u> | | | |
| <u>Other Economic and Community Development</u> | | | |
| Other Construction | \$ | 85,552 | |
| Total Other Economic and Community Development | | \$ | 85,552 |
| <u>Other Charges</u> | | | |
| Trustee's Commission | \$ | 6 | |
| Total Other Charges | | | <u>6</u> |
| Total HUD Grant Projects Fund | | | 85,558 |
| <u>Education Capital Projects Fund</u> | | | |
| <u>Other Operations</u> | | | |
| <u>Other Charges</u> | | | |
| Trustee's Commission | \$ | 706 | |
| Total Other Charges | | \$ | 706 |
| <u>Capital Projects</u> | | | |
| <u>Education Capital Projects</u> | | | |
| Contracts with Other School Systems | \$ | 11,901 | |
| Total Education Capital Projects | | | <u>11,901</u> |
| Total Education Capital Projects Fund | | | 12,607 |
| <u>Waterline Extension Projects Fund</u> | | | |
| <u>Capital Projects</u> | | | |
| <u>Other General Government Projects</u> | | | |
| Other Construction | \$ | 47,771 | |
| Total Other General Government Projects | | \$ | <u>47,771</u> |
| Total Waterline Extension Projects Fund | | | 47,771 |
| <u>Endowment Fund</u> | | | |
| <u>Public Health and Welfare</u> | | | |
| <u>Other Public Health and Welfare</u> | | | |
| Contributions | \$ | 206,551 | |
| Total Other Public Health and Welfare | | \$ | <u>206,551</u> |
| Total Endowment Fund | | | <u>206,551</u> |
| Total Governmental Funds - Primary Government | | | <u>\$ 57,090,775</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, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

| | | | |
|---|----|------------|---------------|
| Teachers | \$ | 26,309,806 | |
| Career Ladder Program | | 187,805 | |
| Career Ladder Extended Contracts | | 90,000 | |
| Educational Assistants | | 1,003,394 | |
| Other Salaries and Wages | | 117,850 | |
| Non-certified Substitute Teachers | | 391,392 | |
| Social Security | | 1,663,568 | |
| State Retirement | | 2,452,313 | |
| Life Insurance | | 25,642 | |
| Medical Insurance | | 3,686,590 | |
| Employer Medicare | | 391,623 | |
| Other Fringe Benefits | | 332,070 | |
| Operating Lease Payments | | 4,800 | |
| Maintenance and Repair Services - Equipment | | 83,649 | |
| Other Contracted Services | | 116,645 | |
| Instructional Supplies and Materials | | 367,739 | |
| Textbooks | | 761,452 | |
| Other Supplies and Materials | | 40,748 | |
| Fee Waivers | | 94,000 | |
| Other Charges | | 28,404 | |
| Regular Instruction Equipment | | 140,125 | |
| Total Regular Instruction Program | | | \$ 38,289,615 |

Special Education Program

| | | | |
|--------------------------------------|----|-----------|-----------|
| Teachers | \$ | 2,019,764 | |
| Career Ladder Program | | 13,500 | |
| Educational Assistants | | 222,176 | |
| Speech Pathologist | | 194,641 | |
| Other Salaries and Wages | | 84,625 | |
| Non-certified Substitute Teachers | | 18,690 | |
| Social Security | | 151,866 | |
| State Retirement | | 238,362 | |
| Life Insurance | | 2,847 | |
| Medical Insurance | | 413,887 | |
| Employer Medicare | | 35,517 | |
| Other Contracted Services | | 110,447 | |
| Instructional Supplies and Materials | | 37,965 | |
| Other Supplies and Materials | | 53,832 | |
| Other Charges | | 27,281 | |
| Special Education Equipment | | 5,513 | |
| Total Special Education Program | | | 3,630,913 |

Vocational Education Program

| | | |
|-----------------------------------|----|-----------|
| Teachers | \$ | 1,927,273 |
| Career Ladder Program | | 5,000 |
| Non-certified Substitute Teachers | | 20,220 |
| Social Security | | 115,333 |
| State Retirement | | 171,666 |
| Life Insurance | | 1,771 |

(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.)

Vocational Education Program (Cont.)

| | | | |
|---|----|---------|--------------|
| Medical Insurance | \$ | 276,731 | |
| Employer Medicare | | 26,993 | |
| Maintenance and Repair Services - Equipment | | 9,528 | |
| Instructional Supplies and Materials | | 80,800 | |
| Vocational Instruction Equipment | | 20,976 | |
| Total Vocational Education Program | | | \$ 2,656,291 |

Adult Education Program

| | | | |
|--------------------------------------|----|--------|---------|
| Teachers | \$ | 87,204 | |
| Clerical Personnel | | 24,486 | |
| Other Salaries and Wages | | 16,930 | |
| Social Security | | 7,893 | |
| State Retirement | | 9,790 | |
| Life Insurance | | 106 | |
| Medical Insurance | | 14,432 | |
| Employer Medicare | | 1,846 | |
| Travel | | 5,156 | |
| Instructional Supplies and Materials | | 4,986 | |
| Other Supplies and Materials | | 1,762 | |
| Other Charges | | 8,022 | |
| Total Adult Education Program | | | 182,613 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 39,625 | |
| Career Ladder Program | | 1,000 | |
| Clerical Personnel | | 62,154 | |
| Social Security | | 5,721 | |
| State Retirement | | 12,222 | |
| Life Insurance | | 108 | |
| Medical Insurance | | 17,473 | |
| Employer Medicare | | 1,338 | |
| Travel | | 1,715 | |
| Other Supplies and Materials | | 3,373 | |
| Total Attendance | | | 144,729 |

Health Services

| | | | |
|------------------------------|----|---------|---------|
| Medical Personnel | \$ | 382,822 | |
| Other Salaries and Wages | | 142,944 | |
| Social Security | | 31,583 | |
| State Retirement | | 56,371 | |
| Life Insurance | | 562 | |
| Medical Insurance | | 80,297 | |
| Employer Medicare | | 7,386 | |
| Travel | | 14,277 | |
| Other Contracted Services | | 16,019 | |
| Drugs and Medical Supplies | | 6,419 | |
| Other Supplies and Materials | | 26,468 | |
| Other Charges | | 200 | |
| Other Equipment | | 63,771 | |
| Total Health Services | | | 829,119 |

(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.)

Other Student Support

| | | | |
|-----------------------------|----|-----------|--------------|
| Career Ladder Program | \$ | 8,000 | |
| Guidance Personnel | | 1,234,000 | |
| Other Salaries and Wages | | 356,002 | |
| Social Security | | 95,801 | |
| State Retirement | | 146,514 | |
| Life Insurance | | 1,387 | |
| Medical Insurance | | 189,535 | |
| Employer Medicare | | 22,409 | |
| Communication | | 620 | |
| Evaluation and Testing | | 75,688 | |
| Travel | | 38,569 | |
| Total Other Student Support | | | \$ 2,168,525 |

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 167,561 | |
| Career Ladder Program | | 15,000 | |
| Librarians | | 746,249 | |
| Materials Supervisor | | 23,260 | |
| Secretary(ies) | | 46,955 | |
| Educational Assistants | | 173,941 | |
| Other Salaries and Wages | | 145,780 | |
| Social Security | | 79,422 | |
| State Retirement | | 113,793 | |
| Life Insurance | | 1,123 | |
| Medical Insurance | | 152,655 | |
| Employer Medicare | | 18,574 | |
| Communication | | 3,014 | |
| Travel | | 25,641 | |
| Other Contracted Services | | 176,068 | |
| Instructional Supplies and Materials | | 16,097 | |
| Library Books/Media | | 244,929 | |
| Other Supplies and Materials | | 9,254 | |
| In Service/Staff Development | | 10,406 | |
| Other Equipment | | 20,969 | |
| Total Regular Instruction Program | | | 2,190,691 |

Special Education Program

| | | | |
|---------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 85,091 | |
| Career Ladder Program | | 7,500 | |
| Psychological Personnel | | 230,312 | |
| Secretary(ies) | | 34,350 | |
| Other Salaries and Wages | | 127,055 | |
| Social Security | | 28,020 | |
| State Retirement | | 41,253 | |
| Life Insurance | | 324 | |
| Medical Insurance | | 42,527 | |
| Employer Medicare | | 6,906 | |
| Travel | | 438 | |
| Other Supplies and Materials | | 14,943 | |
| In Service/Staff Development | | 12,285 | |
| Total Special Education Program | | | 631,004 |

(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 | \$ | 68,435 | |
| Secretary(ies) | | 24,110 | |
| Social Security | | 5,629 | |
| State Retirement | | 9,419 | |
| Life Insurance | | 86 | |
| Medical Insurance | | 12,131 | |
| Employer Medicare | | 1,316 | |
| Travel | | 4,000 | |
| Other Supplies and Materials | | 1,300 | |
| Other Charges | | 600 | |
| Total Vocational Education Program | | | \$ 127,026 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 447,281 | |
| Other Contracted Services | | 160,825 | |
| Total Other Programs | | | 608,106 |

Board of Education

| | | | |
|--|----|---------|---------|
| Board and Committee Members Fees | \$ | 18,000 | |
| Social Security | | 744 | |
| State Retirement | | 1,663 | |
| Unemployment Compensation | | 21,454 | |
| Employer Medicare | | 261 | |
| Audit Services | | 27,000 | |
| Dues and Memberships | | 8,125 | |
| Legal Services | | 78,688 | |
| Travel | | 8,909 | |
| Other Contracted Services | | 3,250 | |
| Liability Insurance | | 101,462 | |
| Premiums on Corporate Surety Bonds | | 5,203 | |
| Trustee's Commission | | 331,632 | |
| Workers' Compensation Insurance | | 216,815 | |
| Criminal Investigation of Applicants - TBI | | 8,440 | |
| Refund to Applicant for Criminal Investigation | | 3,868 | |
| Other Charges | | 204 | |
| Total Board of Education | | | 835,718 |

Director of Schools

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 118,285 | |
| Career Ladder Program | | 1,000 | |
| Secretary(ies) | | 69,319 | |
| Other Salaries and Wages | | 5,324 | |
| Social Security | | 11,507 | |
| State Retirement | | 27,788 | |
| Life Insurance | | 130 | |
| Medical Insurance | | 26,836 | |
| Employer Medicare | | 2,963 | |
| Other Fringe Benefits | | 14,792 | |
| Communication | | 32,100 | |

(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.)

| | | | |
|---------------------------|----|--------|------------|
| Dues and Memberships | \$ | 7,262 | |
| Postal Charges | | 8,500 | |
| Travel | | 6,887 | |
| Office Supplies | | 1,823 | |
| Other Charges | | 12,441 | |
| Total Director of Schools | | | \$ 346,957 |

Office of the Principal

| | | | |
|-------------------------------|----|-----------|-----------|
| Principals | \$ | 1,303,118 | |
| Career Ladder Program | | 15,000 | |
| Assistant Principals | | 738,805 | |
| Secretary(ies) | | 718,489 | |
| Social Security | | 161,025 | |
| State Retirement | | 282,391 | |
| Life Insurance | | 2,419 | |
| Medical Insurance | | 406,212 | |
| Employer Medicare | | 37,659 | |
| Dues and Memberships | | 27,328 | |
| Travel | | 1,350 | |
| Other Charges | | 5,953 | |
| Total Office of the Principal | | | 3,699,749 |

Fiscal Services

| | | | |
|---------------------------|----|---------|---------|
| Supervisor/Director | \$ | 83,360 | |
| Career Ladder Program | | 3,000 | |
| Accountants/Bookkeepers | | 160,151 | |
| Social Security | | 14,537 | |
| State Retirement | | 33,559 | |
| Life Insurance | | 216 | |
| Medical Insurance | | 24,263 | |
| Employer Medicare | | 3,585 | |
| Data Processing Services | | 10,432 | |
| Dues and Memberships | | 366 | |
| Travel | | 1,044 | |
| Other Contracted Services | | 3,417 | |
| Data Processing Supplies | | 4,524 | |
| Office Supplies | | 2,680 | |
| Administration Equipment | | 6,810 | |
| Total Fiscal Services | | | 351,944 |

Operation of Plant

| | | | |
|---------------------|----|---------|--|
| Supervisor/Director | \$ | 69,537 | |
| Guards | | 11,115 | |
| Custodial Personnel | | 503,606 | |
| Social Security | | 34,249 | |
| State Retirement | | 74,006 | |
| Life Insurance | | 1,037 | |
| Medical Insurance | | 140,235 | |
| Employer Medicare | | 8,010 | |

(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.)

| | | | |
|---|----|-----------|--------------|
| Communication | \$ | 1,916 | |
| Janitorial Services | | 651,496 | |
| Maintenance and Repair Services - Equipment | | 40,879 | |
| Rentals | | 1,744 | |
| Travel | | 12,210 | |
| Disposal Fees | | 40,305 | |
| Other Contracted Services | | 54,444 | |
| Custodial Supplies | | 103,834 | |
| Electricity | | 1,735,333 | |
| Fuel Oil | | 92,088 | |
| Natural Gas | | 183,447 | |
| Water and Sewer | | 268,233 | |
| Other Supplies and Materials | | 218 | |
| Boiler Insurance | | 16,650 | |
| Building and Contents Insurance | | 297,432 | |
| Debt Service Contribution to Primary Government | | 204,834 | |
| Plant Operation Equipment | | 108,611 | |
| Total Operation of Plant | | | \$ 4,655,469 |

Maintenance of Plant

| | | | |
|------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 60,822 | |
| Maintenance Personnel | | 361,467 | |
| Other Salaries and Wages | | 11,824 | |
| Social Security | | 25,971 | |
| State Retirement | | 59,258 | |
| Life Insurance | | 471 | |
| Medical Insurance | | 63,078 | |
| Employer Medicare | | 6,074 | |
| Other Contracted Services | | 64,541 | |
| Other Supplies and Materials | | 436,497 | |
| Other Charges | | 10,883 | |
| Maintenance Equipment | | 24,020 | |
| Total Maintenance of Plant | | | 1,124,906 |

Transportation

| | | | |
|--|----|-----------|--|
| Supervisor/Director | \$ | 39,625 | |
| Clerical Personnel | | 33,900 | |
| Social Security | | 4,215 | |
| State Retirement | | 8,217 | |
| Life Insurance | | 65 | |
| Medical Insurance | | 10,608 | |
| Employer Medicare | | 986 | |
| Communication | | 4,425 | |
| Contracts with Vehicle Owners | | 1,882,412 | |
| Maintenance and Repair Services - Vehicles | | 75,865 | |
| Medical and Dental Services | | 3,384 | |
| Travel | | 252 | |
| Gasoline | | 97,751 | |
| Other Supplies and Materials | | 2,338 | |

(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.)

Transportation (Cont.)

| | | | |
|---------------------------------|----|--------|--------------|
| Vehicle and Equipment Insurance | \$ | 93,658 | |
| Other Charges | | 3,794 | |
| Transportation Equipment | | 30,489 | |
| Total Transportation | | | \$ 2,291,984 |

Central and Other

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 79,250 | |
| Data Processing Personnel | | 175,185 | |
| Social Security | | 15,081 | |
| State Retirement | | 31,318 | |
| Life Insurance | | 259 | |
| Medical Insurance | | 36,789 | |
| Employer Medicare | | 3,527 | |
| Communication | | 5,697 | |
| Maintenance and Repair Services - Equipment | | 103,580 | |
| Travel | | 8,671 | |
| Other Contracted Services | | 337,583 | |
| Total Central and Other | | | 796,940 |

Operation of Non-Instructional Services

Food Service

| | | | |
|------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 53,616 | |
| Social Security | | 3,309 | |
| State Retirement | | 7,431 | |
| Life Insurance | | 3,182 | |
| Medical Insurance | | 6,066 | |
| Employer Medicare | | 774 | |
| Travel | | 2,808 | |
| Other Contracted Services | | 1,800 | |
| Other Supplies and Materials | | 2,578 | |
| Total Food Service | | | 81,564 |

Community Services

| | | | |
|---|----|---------|---------|
| Other Salaries and Wages | \$ | 254,752 | |
| Social Security | | 15,754 | |
| State Retirement | | 9,033 | |
| Employer Medicare | | 3,684 | |
| Maintenance and Repair Services - Equipment | | 2,207 | |
| Travel | | 1,831 | |
| Other Contracted Services | | 50,350 | |
| Instructional Supplies and Materials | | 9,046 | |
| Utilities | | 17,525 | |
| Other Charges | | 8,780 | |
| Total Community Services | | | 372,962 |

Early Childhood Education

| | | | |
|--------------------------------------|----|-----------|-----------|
| Contracts with Other Public Agencies | \$ | 1,382,187 | |
| Total Early Childhood Education | | | 1,382,187 |

(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.)

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|-----------|--------------|
| Building Construction | \$ | 52,973 | |
| Building Improvements | | 1,879,761 | |
| Other Capital Outlay | | 862,016 | |
| Total Regular Capital Outlay | | | \$ 2,794,750 |

Total General Purpose School Fund \$ 70,193,762

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|--------------|
| Teachers | \$ | 616,525 | |
| Educational Assistants | | 183,711 | |
| Non-certified Substitute Teachers | | 40,140 | |
| Social Security | | 50,989 | |
| State Retirement | | 55,872 | |
| Life Insurance | | 562 | |
| Medical Insurance | | 73,199 | |
| Employer Medicare | | 11,923 | |
| Instructional Supplies and Materials | | 100,787 | |
| Other Supplies and Materials | | 57,113 | |
| Other Charges | | 22,302 | |
| Regular Instruction Equipment | | 222,312 | |
| Total Regular Instruction Program | | | \$ 1,435,435 |

Special Education Program

| | | | |
|--------------------------------------|----|---------|-----------|
| Teachers | \$ | 174,468 | |
| Educational Assistants | | 520,285 | |
| Social Security | | 38,122 | |
| State Retirement | | 82,102 | |
| Life Insurance | | 1,426 | |
| Medical Insurance | | 209,037 | |
| Employer Medicare | | 9,313 | |
| Other Contracted Services | | 190,355 | |
| Instructional Supplies and Materials | | 7,470 | |
| Other Supplies and Materials | | 1,668 | |
| Special Education Equipment | | 21,699 | |
| Total Special Education Program | | | 1,255,945 |

Vocational Education Program

| | | | |
|------------------------------------|----|---------|---------|
| Other Supplies and Materials | \$ | 75,944 | |
| Other Charges | | 21,952 | |
| Vocational Instruction Equipment | | 105,586 | |
| Total Vocational Education Program | | | 203,482 |

Support Services

Other Student Support

| | | | |
|--------------------------|----|---------|--|
| Guidance Personnel | \$ | 41,260 | |
| Social Workers | | 46,985 | |
| Other Salaries and Wages | | 251,773 | |

(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.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|---------|------------|
| Social Security | \$ | 20,143 | |
| State Retirement | | 32,349 | |
| Life Insurance | | 281 | |
| Medical Insurance | | 36,803 | |
| Employer Medicare | | 4,711 | |
| Evaluation and Testing | | 154,754 | |
| Travel | | 59,196 | |
| Other Contracted Services | | 53,334 | |
| Other Supplies and Materials | | 41,739 | |
| In Service/Staff Development | | 2,379 | |
| Other Charges | | 7,854 | |
| Other Equipment | | 189,721 | |
| Total Other Student Support | | | \$ 943,282 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 60,940 | |
| Secretary(ies) | | 17,175 | |
| Educational Assistants | | 16,891 | |
| Other Salaries and Wages | | 252,682 | |
| Social Security | | 16,690 | |
| State Retirement | | 28,832 | |
| Life Insurance | | 212 | |
| Medical Insurance | | 31,083 | |
| Employer Medicare | | 4,970 | |
| Consultants | | 77,597 | |
| Travel | | 41,853 | |
| Other Contracted Services | | 30,573 | |
| Other Supplies and Materials | | 9,928 | |
| In Service/Staff Development | | 58,389 | |
| Other Charges | | 8,000 | |
| Total Regular Instruction Program | | | 655,815 |

Special Education Program

| | | | |
|---------------------------------|----|---------|---------|
| Psychological Personnel | \$ | 119,468 | |
| Secretary(ies) | | 67,364 | |
| Other Salaries and Wages | | 371,572 | |
| Social Security | | 32,257 | |
| State Retirement | | 47,875 | |
| Life Insurance | | 518 | |
| Medical Insurance | | 75,796 | |
| Employer Medicare | | 7,830 | |
| Travel | | 29,891 | |
| In Service/Staff Development | | 20,196 | |
| Total Special Education Program | | | 772,767 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Travel | \$ | 7,667 | |
| In Service/Staff Development | | 26,420 | |
| Total Vocational Education Program | | | 34,087 |

(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

| | | | |
|--------------------------|----|---------|------------|
| Bus Drivers | \$ | 121,205 | |
| Other Salaries and Wages | | 21,137 | |
| Social Security | | 7,373 | |
| State Retirement | | 4,404 | |
| Employer Medicare | | 2,064 | |
| Transportation Equipment | | 56,293 | |
| Total Transportation | | | \$ 212,476 |

Total School Federal Projects Fund \$ 5,513,289

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|--|----|-----------|--------------|
| Cafeteria Personnel | \$ | 1,771,342 | |
| Social Security | | 105,807 | |
| State Retirement | | 172,708 | |
| Medical Insurance | | 396,232 | |
| Unemployment Compensation | | 3,943 | |
| Employer Medicare | | 24,833 | |
| Communication | | 2,509 | |
| Dues and Memberships | | 628 | |
| Freight Expenses | | 116 | |
| Maintenance and Repair Services - Equipment | | 73,577 | |
| Pest Control | | 3,420 | |
| Travel | | 4,595 | |
| Permits | | 1,280 | |
| Other Contracted Services | | 97,879 | |
| Food Preparation Supplies | | 12,678 | |
| Food Supplies | | 2,060,159 | |
| Ice | | 36,153 | |
| Uniforms | | 12,882 | |
| USDA - Commodities | | 277,198 | |
| Other Supplies and Materials | | 174,739 | |
| Refunds | | 1,928 | |
| In Service/Staff Development | | 18 | |
| Criminal Investigation of Applicants - TBI | | 1,092 | |
| Refund to Applicant for Criminal Investigation | | 42 | |
| Other Charges | | 4,762 | |
| Food Service Equipment | | 164,717 | |
| Total Food Service | | | \$ 5,405,237 |

Total Central Cafeteria Fund 5,405,237

Total Governmental Funds - Bradley County School Department \$ 81,112,288

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

| | Cities - Sales Tax Fund | Cities - Sales Tax In Litigation Fund | Inside Urban Fringe Area Fire Tax Fund | City School ADA - Cleveland Fund | Total |
|---|-------------------------------|---|---|--|----------------------|
| <u>Cash Receipts</u> | | | | | |
| Current Property Taxes | \$ 0 | \$ 0 | \$ 1,700,925 | \$ 5,456,023 | \$ 7,156,948 |
| Trustee's Collections - Prior Years | 0 | 0 | 56,722 | 205,725 | 262,447 |
| Circuit/Clerk and Master Collections - Prior Years | 0 | 0 | 177,191 | 122,872 | 300,063 |
| Interest and Penalty | 0 | 0 | 8,885 | 32,223 | 41,108 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 0 | 0 | 1,792 | 1,792 |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 2 | 106,852 | 106,854 |
| Local Option Sales Taxes | 10,570,712 | 364,294 | 0 | 5,155,370 | 16,090,376 |
| Bank Excise Taxes | 0 | 0 | 0 | 17,504 | 17,504 |
| Interstate Telecommunications Taxes | 0 | 0 | 0 | 2,812 | 2,812 |
| Marriage Licenses | 0 | 0 | 0 | 2,703 | 2,703 |
| Investment Income | 0 | 1,336 | 0 | 0 | 1,336 |
| Other Local Revenue | 0 | 0 | 0 | 288 | 288 |
| Income Tax | 0 | 0 | 0 | 27,019 | 27,019 |
| Total Cash Receipts | \$ 10,570,712 | \$ 365,630 | \$ 1,943,725 | \$ 11,131,183 | \$ 24,011,250 |
| <u>Cash Disbursements</u> | | | | | |
| Remittance of Revenues Collected | \$ 10,569,421 | \$ 1,761,350 | \$ 2,090,519 | \$ 11,009,070 | \$ 25,430,360 |
| Trustee's Commission | 1,291 | 0 | 38,773 | 118,562 | 158,626 |
| Total Cash Disbursements | \$ 10,570,712 | \$ 1,761,350 | \$ 2,129,292 | \$ 11,127,632 | \$ 25,588,986 |
| <u>Excess of Cash Receipts Over (Under)</u> | | | | | |
| Cash Disbursements | \$ 0 | \$ (1,395,720) | \$ (185,567) | \$ 3,551 | \$ (1,577,736) |
| Cash Balance, July 1, 2012 | 0 | \$ 1,395,720 | \$ 212,543 | \$ 7,733 | 1,615,996 |
| Cash Balance, June 30, 2013 | \$ 0 | \$ 0 | \$ 26,976 | \$ 11,284 | \$ 38,260 |

STATISTICAL SECTION

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

| | Tables | Pages |
|---|--------|---------|
| Financial Trends: | | |
| These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 1-5 | 197-204 |
| Revenue Capacity: | | |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | 6-9 | 205-208 |
| Debt Capacity: | | |
| These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee. | 10-14 | 209-213 |
| Demographic and Economic Information: | | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 15-16 | 214-215 |
| Operating Information: | | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 17-19 | 216-218 |

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 Position by Component
 Primary Government and Discretely Presented Component Unit
 Last Ten Fiscal Years
 (accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| PRIMARY GOVERNMENT (Note 1) | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 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 | \$ - |
| Net Investment in Capital Assets | 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 | 39,828,738 |
| Restricted | (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) | 22,275,369 |
| Unrestricted | 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 | (34,224,306) |
| Total Governmental Activities Net Position | \$ 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 | \$ 27,879,801 |

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

| | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 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 | \$ - |
| Net Investment in Capital Assets | 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 | 68,006,731 |
| Restricted | 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 | 2,452,551 |
| Unrestricted | 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 | 901,271 |
| Total Governmental Activities Net Position | \$ 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 | \$ 71,360,553 |

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 Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| EXPENSES (Note 1) | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Finance | \$ 1,822,956 | \$ 2,076,420 | \$ 2,105,013 | \$ 2,438,416 | \$ 2,553,791 | \$ 2,694,642 | \$ 2,649,529 | \$ 2,582,911 | \$ 2,614,986 | \$ 2,735,872 |
| Administration of Justice | 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 | 3,567,747 |
| Public Safety | 11,403,020 | 13,898,185 | 16,179,741 | 17,148,071 | 18,391,569 | 19,093,684 | 19,113,784 | 18,508,809 | 19,485,932 | 20,443,402 |
| Public Health and Welfare | 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 | 7,146,000 |
| Social, Cultural, and Recreational Services | 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 | 1,911,740 |
| Agriculture and Natural Resources | 332,175 | 391,320 | 412,796 | 441,046 | 442,092 | 547,161 | 527,160 | 552,058 | 1,028,690 | 530,340 |
| Other Operations | 3,090,443 | 1,432,033 | 1,599,541 | 3,314,102 | 2,241,926 | 1,580,426 | - | - | - | - |
| Highways/Public Works | 3,568,583 | 3,492,535 | 3,761,715 | 3,853,649 | 3,951,114 | 4,474,498 | 4,570,149 | 4,580,015 | 4,650,587 | 5,006,216 |
| Education (Payments to Component Unit) | 4,000,000 | 1,411,489 | 11,346,511 | - | - | - | 17,734,346 | 666,796 | 586,923 | 396,897 |
| Interest on Long-term Debt | 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 | 2,140,750 |
| Other Debt Service | 159,926 | 183,324 | 174,032 | 6,062,980 | 559,551 | 82,624 | - | - | - | - |
| Total Governmental Activities Expenses | \$ 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 | \$ 49,800,611 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Finance | \$ 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 | \$ 948,182 |
| Administration of Justice | 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 | 2,675,973 |
| Public Safety | 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 | 2,887,959 |
| Public Health and Welfare | 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 | 3,753,450 |
| Social, Cultural, and Recreational Services | 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 | 5,157,857 |
| Agriculture and Natural Resources | - | - | 2,913 | 154,874 | 144,459 | 143,499 | 256,213 | 245,372 | 216,977 | 129,801 |
| Other Operations | - | - | - | 11,614 | 18,337 | 16,512 | - | - | 6,375 | - |
| Highways/Public Works | - | - | - | 16,299 | 2,236 | 40,662 | 15,375 | 10,282 | 20,344 | 7,739 |
| Operating Grants and Contributions | 3,714,851 | 5,232,274 | 7,548,175 | 6,382,194 | 6,288,479 | 5,112,467 | 4,499,218 | 4,930,583 | 6,405,791 | 4,822,092 |
| Capital Grants and Contributions | 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 | 1,827,877 |
| Total Governmental Activities Program Revenues | \$ 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 | \$ 22,210,930 |

(Continued)

Table 2

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net (Expense)/Revenue Governmental Activities | \$ (22,048,112) | \$ (17,715,266) | \$ (30,706,209) | \$ (26,120,305) | \$ (24,270,054) | \$ (25,345,984) | \$ (45,077,277) | \$ (28,459,123) | \$ (27,385,024) | \$ (27,589,681) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Tax Levied for General Purposes | \$ 10,374,534 | \$ 10,887,104 | \$ 11,536,253 | \$ 13,820,122 | \$ 15,304,176 | \$ 15,484,098 | \$ 16,081,162 | \$ 16,557,371 | \$ 16,577,507 | \$ 16,784,718 |
| Property Tax Levied for Debt Services | 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 | 4,681,026 |
| Sales Tax | 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 | 4,597,516 |
| Other Local Taxes | 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 | 2,886,003 |
| Unrestricted Grants and Contributions | 716,556 | 480,296 | 894,447 | 868,050 | 909,566 | 1,034,691 | 987,536 | 1,016,542 | 1,122,283 | 1,341,794 |
| Investment Earnings | 308,312 | 770,396 | 1,196,114 | 2,082,608 | 1,583,986 | 1,007,863 | 705,170 | 497,460 | 242,552 | 388,253 |
| Proceeds from Hospital Sale | - | - | - | 15,000,000 | - | - | - | - | - | - |
| Proceeds from Sale of Equipment | - | - | - | - | - | - | - | - | - | 41,901 |
| Insurance Recovery | - | - | - | - | - | - | - | - | 6,028 | - |
| Miscellaneous | 117,340 | 265,881 | 161,287 | 120,302 | 296,445 | 284,422 | 232,934 | 173,099 | 348,692 | 555,613 |
| Total Governmental Activities | \$ 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 | \$ 31,276,824 |
| Change in Net Position | \$ 692,659 | \$ 6,496,897 | \$ (4,732,438) | \$ 16,540,659 | \$ 4,821,027 | \$ 3,296,790 | \$ (16,259,771) | \$ 823,335 | \$ 2,947,238 | \$ 3,687,143 |

Notes:

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

Table 2a

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| EXPENSES (Note 1) | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Education | \$ 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 | \$ 82,547,217 |
| PRIMARY GOVERNMENT: (Note 1) | \$ 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 | \$ 82,547,217 |

PROGRAM REVENUES

| | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Governmental Activities: | | | | | | | | | | |
| Charges for Services - Education | \$ 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 | \$ 2,108,763 |
| Operating Grants and Contributions | 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 | 11,760,405 |
| Capital Grants and Contributions | 4,058,059 | 1,411,489 | 4,408,270 | 5,945,318 | 400,000 | 9,200 | 11,897,449 | 13,906 | - | 134,004 |
| Total Governmental Activities Program Revenues | \$ 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 | \$ 14,003,172 |
| Component Unit - Bradley County Schools (Notes 2,3) | | | | | | | | | | |
| Net (Expense)/Revenue Governmental Activities | \$ (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) | \$ (68,544,045) |

General Revenues and Other Changes in Net Position

| | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Tax Levied for General Purposes | \$ 9,757,162 | \$ 9,937,003 | \$ 10,690,877 | \$ 10,895,203 | \$ 11,169,146 | \$ 11,451,060 | \$ 11,555,769 | \$ 11,657,251 | \$ 11,692,391 | \$ 11,916,342 |
| Sales Tax | 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 | 10,436,403 |
| Other Local Taxes | 70,647 | 8,862 | 10,698 | 10,783 | 7,399 | 7,196 | 5,141 | 4,989 | - | 5,647 |
| Unrestricted Grants and Contributions | 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 | 43,864,053 |
| Investment Earnings | 140,437 | 414,341 | 444,794 | 438,669 | 207,630 | 80,902 | 21,309 | 15,507 | 20,648 | 23,528 |
| Sale of Land/Equipment | - | - | 2,671 | - | - | - | - | - | 6,199 | - |
| Miscellaneous | 85,699 | 153,224 | 90,180 | 9,677 | 26,109 | 71,272 | 48,972 | 118,831 | 23,502 | 51,972 |
| Insurance Recovery | - | - | - | - | - | - | - | - | 715,276 | - |
| Total Governmental Activities | \$ 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 | \$ 66,297,945 |

Change in Net Position

| | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|----------------|---------------|--------------|--------------|----------------|
| | \$ 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) | \$ (2,246,100) |
|--|--------------|--------------|--------------|--------------|----------------|----------------|---------------|--------------|--------------|----------------|

Notes:

- (1) Bradley County Schools do 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 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 |
|-------------|---|--|--------------------------------------|---------------------------------------|--|--|---------------|
| 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 | 0 | 46,091,506 |
| 2013 | 16,784,718 | 11,916,342 | 4,597,516 | 10,436,403 | 2,886,003 | 5,647 | 46,626,629 |

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)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Reserved | \$ 871,562 | \$ 1,432,595 | \$ 1,319,054 | \$ 1,638,349 | \$ 2,014,095 | \$ 2,210,967 | \$ 2,571,493 | \$ 1,912,515 | \$ 2,107,591 | \$ 1,184,962 |
| Restricted | - | - | - | - | - | - | - | 473,920 | 555,709 | 656,180 |
| Committed | - | - | - | - | - | - | - | 510,608 | 473,584 | 487,520 |
| Assigned | - | - | - | - | - | - | - | 435,371 | 1,200,973 | 4,207,690 |
| Unreserved/Unassigned | 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 | 4,207,690 |
| Total General Fund | \$ 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 | \$ 6,536,352 |
| Reserved | \$ 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 | 15,927,387 |
| Restricted | - | - | - | - | - | - | - | 6,326,324 | 6,482,944 | 4,466,337 |
| Committed | - | - | - | - | - | - | - | 20,062,092 | 18,292,224 | 17,855,310 |
| Assigned | - | - | - | - | - | - | - | 154,603 | 119,692 | 123,013 |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Funds | 3,447,443 | 4,089,594 | 3,785,800 | 4,978,832 | 2,153,228 | 6,361,629 | 5,509,162 | - | - | - |
| Debt Service Funds | 27,489,479 | 30,236,743 | 23,378,643 | 15,863,135 | 15,491,369 | 16,250,237 | 16,403,302 | - | - | - |
| Capital Projects Funds | (1,245,961) | 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 | \$ 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 | \$ 38,372,047 |
| COMPONENT UNIT - Bradley | | | | | | | | | | |
| County Schools | | | | | | | | | | |
| General Purpose School Fund | | | | | | | | | | |
| Reserved | \$ 236,048 | \$ 491,047 | \$ 381,419 | \$ 2,366,822 | \$ 1,002,944 | \$ 1,090,447 | \$ 3,328,069 | \$ - | \$ - | \$ - |
| Unreserved | 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 | 857,214 |
| Unassigned | - | - | - | - | - | - | - | 4,866,298 | 7,240,601 | 5,837,214 |
| Total General Purpose School Fund | \$ 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 | \$ 6,694,428 |
| All Other School Funds | | | | | | | | | | |
| Reserved | \$ 1,756,224 | \$ 617,026 | \$ 3,421,028 | \$ 399,481 | \$ 264,450 | \$ 193,276 | \$ 3,356,743 | \$ - | \$ - | \$ - |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Funds | 655,781 | 726,961 | 820,498 | 1,024,770 | 884,550 | 1,278,572 | 1,525,227 | - | - | - |
| Capital Projects Funds | (542,186) | 111,993 | 476,718 | 5,596,972 | 47,190 | (141,068) | 404,372 | - | - | - |
| Restricted | - | - | - | - | - | - | - | 2,084,451 | 1,521,925 | 1,595,337 |
| Committed | - | - | - | - | - | - | - | 300,000 | 300,000 | 300,000 |
| Total All Other Governmental Funds | \$ 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 | \$ 1,895,337 |

Table 5

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 38,549,381 | \$ 40,124,087 | \$ 42,288,329 | \$ 43,952,491 | \$ 45,396,522 | \$ 45,746,185 | \$ 47,922,945 | \$ 49,235,161 | \$ 51,061,742 | \$ 51,792,144 |
| Licenses and Permits | 492,751 | 274,184 | 446,892 | 420,076 | 375,282 | 370,507 | 289,502 | 333,876 | 666,804 | 368,341 |
| Fines and Forfeitures | 1,923,364 | 850,300 | 981,503 | 1,708,360 | 899,921 | 939,523 | 698,858 | 946,282 | 1,080,260 | 823,299 |
| Charges for Service | 6,669,710 | 4,162,521 | 7,228,248 | 7,917,495 | 8,309,819 | 8,668,053 | 8,525,735 | 8,590,999 | 8,697,225 | 9,348,118 |
| Other Local Revenue | 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 | 2,633,582 |
| Fees from Co. Officials | 1,819,737 | 2,356,183 | 2,638,050 | 2,802,077 | 2,663,595 | 2,372,484 | 2,371,732 | 2,280,525 | 2,521,097 | 2,629,465 |
| State Revenues | 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 | 52,026,724 |
| Federal Revenues | 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 | 12,194,733 |
| Other Govt/Citizens | 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 | 1,722,135 |
| Total Revenues | \$ 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 | \$ 133,538,541 |
| Expenditures | | | | | | | | | | |
| General Government | \$ 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 | \$ 2,732,227 |
| Finance | 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 | 2,679,649 |
| Admin. of Justice | 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 | 3,482,992 |
| Public Safety | 10,400,622 | 12,937,106 | 13,850,301 | 14,432,014 | 17,022,376 | 18,539,695 | 19,219,974 | 17,432,483 | 18,360,622 | 23,558,254 |
| Public Health/Welfare | 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 | 7,023,999 |
| Social, Cultural/Rec. | 664,082 | 688,662 | 726,262 | 971,630 | 1,788,106 | 1,756,229 | 1,788,784 | 1,743,147 | 1,882,677 | 1,789,444 |
| Agriculture and Natural Resources | 345,364 | 388,227 | 411,087 | 438,400 | 431,756 | 530,839 | 519,283 | 534,679 | 577,159 | 531,148 |
| Other Operations | 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 | 2,873,527 |
| Special Revenues | 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 | 5,151,612 |
| Highways and Bridges | 4,578,910 | 4,842,271 | 4,947,495 | 4,272,383 | 70,646,423 | 70,854,287 | 73,360,474 | 77,541,619 | 76,493,967 | 78,317,538 |
| Education | 50,110,321 | 53,660,469 | 58,200,686 | 65,052,012 | 65,052,012 | 65,052,012 | 65,052,012 | 65,052,012 | 65,052,012 | 65,052,012 |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Principal | 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 | 3,884,146 |
| Interest | 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 | 2,181,759 |
| Other Charges/Operations | 280,454 | 446,585 | 302,141 | 8,497,361 | 553,259 | 699,144 | 453,094 | 851,425 | 814,904 | 518,483 |
| Endowment | - | - | - | 923,104 | - | 198,460 | 232,428 | 629,426 | 321,349 | - |
| Capital Projects-General | 7,085,812 | 3,086,881 | 12,532,566 | 982,833 | 1,179,342 | 828,613 | 18,436,805 | 2,747,137 | 1,406,705 | 688,535 |
| Cap Assets Pur/Depr. Exp - Primary | - | - | - | - | - | (191,374) | 1,461,421 | - | - | - |
| Miscellaneous Transactions | - | - | - | - | - | (47,333) | (93,530) | - | - | - |
| Involving Capital Assets - Primary | 3,456,345 | 2,038,514 | 2,674,190 | 3,884,236 | 5,952,703 | 188,258 | 8,631,899 | 3,095,533 | 2,192,676 | 2,794,750 |
| Capital Outlay/Projects-Schools | - | - | - | - | - | (1,826,331) | 6,592,137 | - | - | - |
| Cap Assets Pur /Depr. Exp - Schools | \$ 96,678,849 | \$ 98,520,913 | \$ 126,288,895 | \$ 121,901,582 | \$ 123,944,143 | \$ 117,283,445 | \$ 157,898,643 | \$ 132,345,903 | \$ 134,883,625 | \$ 138,203,063 |
| Excess of Revenues over (under) Expenditures | \$ (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 | \$ (4,664,522) |

(Continued)

Table 5

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------------|---------------------|----------------------|---------------------|-------------------|-------------------|----------------------|-------------------|---------------------|---------------------|
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In | \$ 210,353 | \$ 433,710 | \$ 627,644 | \$ 510,416 | \$ 308,693 | \$ 302,483 | \$ 942,147 | \$ 47,724 | \$ 44,599 | \$ 81,929 |
| Transfers Out | (210,353) | (433,710) | (627,644) | (510,416) | (308,693) | (302,483) | (942,147) | (47,724) | (44,599) | (81,929) |
| Bond Proceeds | - | - | - | - | - | - | 17,550,000 | - | - | 2,870,000 |
| Note Proceeds | 7,542,000 | 2,923,755 | 12,146,511 | 500,000 | - | - | 240,000 | - | - | - |
| Proceeds on Refunded Bonds | - | - | - | - | - | 66,820,000 | - | - | - | 4,255,000 |
| Payments to Refunded Bond Escrow | - | - | - | (9,705,000) | - | (66,275,000) | - | - | - | (4,340,000) |
| Discount on Debt Issued | - | - | - | - | - | - | - | - | - | (20,158) |
| Premiums on Debt Issued | - | - | - | - | - | 103,984 | 21,601 | - | - | 202,743 |
| Proceeds Capitalized Lease | 244,860 | 215,659 | 18,219 | 750,922 | 233,252 | 151,579 | 193,736 | 108,870 | 302,000 | - |
| Insurance Recovery | - | - | - | - | 41,057 | - | 14,880 | 108,870 | 721,304 | 25,364 |
| Proceeds on Sale of Assets | - | - | - | 15,000,000 | - | - | - | 6,150 | - | - |
| Proceeds on Sale of Hospital | - | - | - | - | - | - | - | - | - | - |
| Proceeds on Sale of Land | - | - | - | - | 5,650 | - | - | - | - | - |
| TOTAL OTHER SOURCES | \$ 7,786,860 | \$ 3,139,414 | \$ 12,164,730 | \$ 6,545,922 | \$ 279,959 | \$ 800,563 | \$ 18,020,217 | \$ 115,020 | \$ 1,023,304 | \$ 2,992,949 |
| Net Change in Fund Balances | \$ 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 | \$ (1,671,573) |
| Debt Service as a Percentage of Noncapital Expenditures | 6.6% | 6.3% | 15.0% | 4.8% | 4.7% | 4.2% | 3.5% | 4.1% | 4.3% | 4.5% |

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

| Fiscal Year | Property Tax | Sales Tax | Hotel/Motel Tax | Litigation Tax | Business Tax | Other Local Tax | Bank Excise Tax | Wholesale Beer | Interstate Telecom | Total Tax Revenue |
|-------------|---------------|---------------|-----------------|----------------|--------------|-----------------|-----------------|----------------|--------------------|-------------------|
| 2004 | \$ 26,265,305 | \$ 10,155,593 | \$ 471,160 | \$ 474,242 | \$ 746,486 | \$ - | \$ 151,586 | \$ 265,667 | \$ 19,342 | \$ 38,549,381 |
| 2005 | \$ 27,176,962 | \$ 10,659,086 | \$ 550,519 | \$ 441,951 | \$ 848,165 | \$ 498 | \$ 165,338 | \$ 263,886 | \$ 17,682 | \$ 40,124,087 |
| 2006 | \$ 28,586,707 | \$ 11,245,000 | \$ 597,302 | \$ 475,737 | \$ 852,262 | \$ 495 | \$ 240,264 | \$ 271,405 | \$ 19,157 | \$ 42,288,329 |
| 2007 | \$ 29,708,133 | \$ 11,591,512 | \$ 616,369 | \$ 566,666 | \$ 893,300 | \$ - | \$ 261,124 | \$ 296,363 | \$ 19,024 | \$ 43,952,491 |
| 2008 | \$ 30,910,991 | \$ 11,626,969 | \$ 651,328 | \$ 619,392 | \$ 952,355 | \$ - | \$ 315,712 | \$ 306,527 | \$ 13,248 | \$ 45,396,522 |
| 2009 | \$ 31,742,278 | \$ 11,427,206 | \$ 573,095 | \$ 529,261 | \$ 945,678 | \$ - | \$ 207,492 | \$ 307,622 | \$ 13,553 | \$ 45,746,185 |
| 2010 | \$ 32,658,281 | \$ 12,746,012 | \$ 566,769 | \$ 509,877 | \$ 901,288 | \$ - | \$ 231,498 | \$ 300,090 | \$ 9,130 | \$ 47,922,945 |
| 2011 | \$ 33,383,497 | \$ 13,405,829 | \$ 608,081 | \$ 439,941 | \$ 963,762 | \$ - | \$ 98,568 | \$ 327,285 | \$ 8,198 | \$ 49,235,161 |
| 2012 | \$ 33,381,638 | \$ 14,795,051 | \$ 781,520 | \$ 478,843 | \$ 1,181,507 | \$ - | \$ 92,591 | \$ 340,654 | \$ 6,938 | \$ 51,061,742 |
| 2013 | \$ 33,735,525 | \$ 15,027,319 | \$ 817,173 | \$ 459,508 | \$ 1,298,529 | \$ - | \$ 94,239 | \$ 349,770 | \$ 10,081 | \$ 51,792,144 |

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

Table 6

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

| Fiscal Year Ending June 30 | Tax Year | Tax Rate | Real Property | | Personal Property | | Public Utilities | | Total | | Ratio of Total Assessed Value To Total Estimated Actual Value |
|----------------------------------|-------------|-------------|------------------|------------------|-------------------|----------------|------------------|-------------|------------------|------------------|--|
| | | | Estimated | Assessed | Estimated | Assessed | Estimated | Assessed | Estimated | Assessed | |
| 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 | 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% |
| 2008 | 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% |
| 2013 | 2012 | 1.83 | 6,258,908,500 | 1,787,372,505 | 708,952,500 | 212,685,757 | 108,668,300 | 59,767,562 | 7,076,529,300 | 2,059,825,824 | 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 | Bradley Co 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 |
|----------------------------------|---------------------------|---------------------------------|----------------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|--|---|----------------------------------|----------------------------------|----------------------|-----------------------|
| 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 |
| 2013 | 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 |
| 2014 | 0.5269 | 0.0282 | 0.1287 | 0.5734 | 0.2859 | 0.2297 | - | 0.0017 | 0.0509 | 1.83 | 0.34 | 0.42 | 1.77 | 0.44 |

Source: Bradley County Assessor of Property

Table 8

Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2013

| Taxpayer | Type of Business | 2012 | | 2004 | | Percentage of Total Taxes Levied | Assessed Valuation | Tax Liability | Percentage of Total Taxes Levied | |
|--------------------------|------------------------|------|---------------|------|---------------|--|-----------------------|---------------|--|--------|
| | | Rank | Tax Liability | Rank | Tax Liability | | | | | |
| Mars, Inc. | Candies, Cookies | 1 | \$ 746,081 | 3 | \$ 22,629,565 | 2.08% | \$ 493,325 | 493,325 | 1.67% | |
| Community Health Systems | Hospitals | 2 | 622,323 | | - | 1.74% | - | - | 0.00% | |
| Olin Mathieson | Chemical Company | 3 | 414,318 | 5 | 16,445,112 | 1.16% | 358,503 | 358,503 | 1.21% | |
| Duracell/Gillette | Battery Manufacturer | 4 | 365,269 | 2 | 25,900,565 | 1.02% | 564,632 | 564,632 | 1.91% | |
| Volunteer Energy Coop | Utility | 5 | 305,157 | 8 | 10,918,942 | 0.85% | 238,033 | 238,033 | 0.81% | |
| Life Care Centers | Nursing Homes | 6 | 297,826 | | - | 0.83% | - | - | 0.00% | |
| Whirlpool | Appliance Manufacturer | 7 | 254,171 | 1 | 29,233,725 | 0.71% | 637,295 | 637,295 | 2.16% | |
| Schering-Plough | Foot Products | 8 | 241,647 | 7 | 12,942,857 | 0.67% | 282,154 | 282,154 | 0.96% | |
| Arch Chemicals | Chemical Company | 9 | 236,736 | 4 | 16,695,447 | 0.66% | 363,961 | 363,961 | 1.23% | |
| Bellsouth Telecom | Phones | 10 | 228,359 | 6 | 15,898,052 | 0.64% | 346,578 | 346,578 | 1.17% | |
| | | | | | | | 8.27% | | | 11.13% |

Source: Bradley County Property Assessor

Table 9

Bradley County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2013

| Tax Year | Total Tax Levy | Fiscal Year Tax Collections | Delinquent Tax Collections | Total Tax Collections | Ratio of | | Outstanding Delinquent Taxes | Bankruptcies | Uncollected Taxes to Total Tax Levy |
|----------|----------------|-----------------------------|----------------------------|-----------------------|-----------------------------------|---|------------------------------|--------------|-------------------------------------|
| | | | | | Total Tax Collections to Tax Levy | Total Tax Collections to Delinquent Taxes | | | |
| 2003 | \$ 29,507,508 | \$ 24,011,528 | \$ 5,488,230 | \$ 29,499,758 | 99.97% | \$ 7,750 | \$ - | 0.03% | |
| 2004 | 31,643,573 | 25,315,685 | 6,293,822 | 31,609,507 | 99.89 | 34,066 | - | 0.11 | |
| 2005 | 32,809,566 | 27,035,428 | 5,767,079 | 32,802,507 | 99.98 | 7,059 | - | 0.02 | |
| 2006 | 36,164,240 | 29,515,753 | 5,839,655 | 35,355,408 | 97.76 | 10,340 | - | 0.03 | |
| 2007 | 37,911,893 | 32,852,346 | 4,351,353 | 37,203,699 | 98.13 | 8,511 | - | 0.02 | |
| 2008 | 38,914,534 | 36,393,488 | 1,708,881 | 38,102,369 | 97.91 | 139,905 | - | 0.36 | |
| 2009 | 38,969,734 | 30,591,121 | 2,088,092 | 32,679,213 | 83.86 | 194,619 | - | 0.50 | |
| 2010 | 40,098,446 | 37,607,631 | 2,148,571 | 39,756,202 | 99.15 | 423,619 | - | 1.06 | |
| 2011 | 39,987,186 | 37,619,625 | 1,659,787 | 39,279,412 | 98.23 | 680,929 | 27,182 | 1.77 | |
| 2012 | 40,675,006 | 38,085,172 | (1) | 38,085,172 | 93.63 | (1) | 47,651 | 0.12 | |

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 | | | | |
| 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 | |
| 2013 | 24,075,000 | 71,426 | 49,255,000 | 262,839 | 73,664,265 | | 2.68% | 728 | |

(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) |
| 2004 | \$ 2,045,000 | \$ 67,729,734 | \$ 27,489,479 | \$ 42,285,255 | \$ 1,430,489,785 | 2.96% | \$ 87,965 |
| 2005 | 1,675,000 | 68,818,489 | 30,236,743 | 40,256,746 | 1,615,300,489 | 2.49 | 87,965 |
| 2006 | 1,285,000 | 69,635,000 | 23,378,643 | 47,541,357 | 1,684,782,571 | 2.82 | 87,965 |
| 2007 | 875,000 | 67,990,000 | 15,863,135 | 53,001,865 | 1,685,029,701 | 3.15 | 87,965 |
| 2008 | 450,000 | 66,275,000 | 15,491,369 | 51,233,631 | 1,742,833,326 | 2.94 | 87,965 |
| 2009 | - | 64,995,000 | 16,250,237 | 48,744,763 | 1,759,083,033 | 2.77 | 87,965 |
| 2010 | 17,550,000 | 62,645,000 | 16,403,302 | 63,791,698 | 2,033,332,659 | 3.14 | 87,965 |
| 2011 | 17,550,000 | 60,195,000 | 15,529,814 | 62,215,186 | 2,018,571,873 | 3.08 | 98,963 |
| 2012 | 17,550,000 | 56,660,000 | 14,136,118 | 60,073,882 | 2,063,781,829 | 2.91 | 101,300 |
| 2013 | 24,075,000 | 49,255,000 | 12,965,130 | 60,364,870 | 2,059,825,824 | 2.93 | 101,146 |

(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, 2013

| | <u>Net Debt Outstanding</u> | <u>Percentage of Debt Applicable to the County</u> | <u>County's Share of Debt</u> |
|---|---------------------------------|--|---------------------------------------|
| <u>Bradley County Direct Debt</u> | | | |
| General Bonded Debt (1) | \$ 24,075,000 | | |
| Notes Payable | 71,426 | | |
| Public Building Authority Loan Agreements | 49,255,000 | | |
| Capital Leases Payable | <u>262,839</u> | | |
| Total County's Direct Debt | \$ 73,664,265 | 100.00% | \$ 73,664,265 |
| City of Cleveland | 67,053,472 | 100.00% | 67,053,472 |
| City of Charleston | - | 100.00% | - |
| | <u>\$ 140,717,737</u> | | <u>\$ 140,717,737</u> |

Total Direct and Overlapping Debt

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

Note - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that are borne by the residents and businesses of Bradley County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by each unit's total assessed value.

As the City of Cleveland and the City of Charleston both lie within the boundaries of Bradley County, 100 percent of the total is considered overlapping debt.

Table 13

Bradley County, Tennessee
Computation of Legal Debt Margin
June 30, 2013

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 |
|-------------------------------|-------------------|--------------------|-----------------------------|----------------------|---|------------------------------------|--|
| 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 | 101,000 | 2,165,844,000 | 21,444 | 37.7 | 16.4 | 12,100 | 8.8 |
| 2013 | 101,146 | 2,746,923,068 | 27,158 | 38.7 | 16.8 | 10,082 | 7.8 |

(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

| <u>Employer</u> | <u>2012</u> | | | <u>2003</u> | | |
|--------------------------------|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>% of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>% of Total County Employment</u> |
| Whirlpool Corporation (Maytag) | 1,386 | 1 | 2.57% | 2,750 | 1 | 5.51% |
| Bradley County Schools | 1,200 | 2 | 2.23% | 642 | | 1.29% |
| SkyRidge Medical Center | 1,147 | 3 | 2.13% | - | | 0.00% |
| Peyton's Southeastern, Inc. | 950 | 4 | 1.76% | 1,200 | 2 | 2.40% |
| Lee University | 815 | 5 | 1.51% | 500 | | 1.00% |
| Cleveland City Schools | 664 | 6 | 1.23% | 357 | | 0.72% |
| Wal-Mart | 640 | 7 | 1.19% | 350 | | 0.70% |
| Bradley County Government | 620 | 8 | 1.15% | 372 | | 0.75% |
| Amazon | 600 | 9 | 1.11% | - | | 0.00% |
| Merck Consumer Care | 537 | 10 | 1.00% | 500 | 8 | 1.00% |
| Total | 8,559 | | 15.89% | 6,671 | | 13.37% |

Total Employment - Average Annual 2012 53,880
Total Employment - Average Annual 2003 49,899

Sources: Chamber of Commerce
Tennessee Department of Labor

Table 17

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

| | <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> | <u>2013</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function: | | | | | | | | | | |
| General Government | 38 | 45 | 38 | 38 | 44 | 58 | 51 | 51 | 47 | 46 |
| Finance | 40 | 39 | 42 | 46 | 47 | 47 | 48 | 48 | 46 | 48 |
| Administration of Justice | 55 | 58 | 55 | 59 | 60 | 61 | 64 | 64 | 64 | 63 |
| Public Safety | 230 | 245 | 272 | 244 | 239 | 240 | 296 | 296 | 305 | 301 |
| Health and Welfare | 74 | 97 | 83 | 86 | 89 | 91 | 123 | 127 | 123 | 122 |
| Social, Cultural, and Recreational | 10 | 10 | 10 | 8 | 10 | 9 | 10 | 10 | 10 | 9 |
| Agriculture and Natural Resources | 3 | 3 | 2 | 6 | 7 | 20 | 19 | 18 | 20 | 19 |
| Other | 2 | 1 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Road and Bridge | 50 | 54 | 53 | 54 | 56 | 59 | 59 | 59 | 59 | 65 |
| Total (1) | 502 | 552 | 557 | 543 | 555 | 588 | 673 | 676 | 677 | 676 |
| Component Unit: | | | | | | | | | | |
| Education (2) | 896 | 912 | 922 | 1,100 | 1,100 | 953 | 953 | 953 | 953 | 955 |

(1) Bradley County Human Resources Department

(2) Bradley County Schools

Table 18

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

| Function: | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>General Government</u> | | | | | | | | | | |
| Registered Voters (1) | 51,384 | 51,388 | 53,188 | 55,412 | 57,766 | 55,774 | 55,500 | 60,201 | 58,000 | 62,777 |
| Building Permits Issued (2) | 545 | 608 | 831 | 647 | 457 | 365 | 325 | 324 | 338 | 642 |
| <u>Public Safety</u> | | | | | | | | | | |
| Number of warrants (Civil and Criminal) served (3) | N/A | N/A | 3,002 | 4,435 | 3,707 | 12,198 | 8,200 | 9,000 | 9,250 | 9,328 |
| Fire Dept - Call Volume | 622 | 528 | - | - | - | - | - | - | - | - |
| Rescue Service - Call Volume | 659 | 744 | - | - | - | - | - | - | - | - |
| Fire/Rescue Service - Call Volume* (4) | - | - | 1,150 | 702 | 777 | 678 | 1,302 | 1,265 | 1,300 | 1,310 |
| <u>Public Health</u> (5) | | | | | | | | | | |
| Ambulance- Call Volume | 16,924 | 17,995 | 18,000 | 18,515 | 18,500 | 20,400 | 19,500 | 20,000 | 22,000 | 21,800 |
| Response Time - Avg. Minutes | 6 | 6.6 | 6.6 | 6.6 | 6.6 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| <u>Road and Bridge</u> (6) | | | | | | | | | | |
| | N/A | N/A | 61.9 | 45.5 | 56.2 | 21.8 | 25.0 | 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: | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| Highways and Streets (1) | | | | | | | | | | |
| Number of Miles | 738 | 739 | 744 | 749 | 759 | 759 | 759 | 759 | 759 | 759 |
| Number of Roads | N/A | N/A | N/A | 1,248 | 1,251 | 1,253 | 1,253 | 1,253 | 1,253 | 1,253 |
| Traffic Signals | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 8 |
| Public Safety (2) | | | | | | | | | | |
| Number of Correctional Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Fire Stations | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 10 | 13 |
| Health and Welfare (2) | | | | | | | | | | |
| Nursing Home | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Beds | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 |
| Dispatch Station | 3 | 3 | 3 | 3 | 3 | 6 | 5 | 5 | 5 | 5 |
| Ambulance Stations | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 12 | 12 | 12 |
| Number of Ambulance Units | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Health Department Facilities | | | | | | | | | | |
| Facilities and Services Not Included in the Primary Government | | | | | | | | | | |
| Education (3) | | | | | | | | | | |
| Number of Employees * | 896 | 912 | 922 | 1,100 | 1,100 | 953 | 953 | 953 | 970 | 988 |
| Elementary Schools | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 |
| Middle Schools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| High Schools | 2 | 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

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements, and have issued our report thereon dated November 12, 2013. Our report includes a reference to other auditors who audited the financial statements of the Bradley Healthcare and Rehabilitation Center, as described in our report on Bradley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-003 and 2013-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bradley County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-001 and 2013-002.

Bradley County's Responses to Findings

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

Purpose of this Report

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

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
Nashville, Tennessee

November 12, 2013

JPW/yu



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 for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Bradley County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Bradley County's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bradley County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide legal determination of Bradley County's compliance.

Opinion on Each Major Federal Program

In our opinion, Bradley County's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Bradley County's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bradley County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

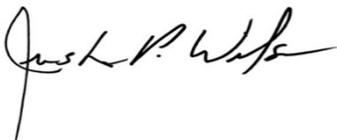
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements. We issued our report thereon dated November 12, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 12, 2013

JPW/yu

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|---------------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | \$ 277,198 (8) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 775,720 |
| National School Lunch Program | 10.555 | N/A | 2,337,872 (8) |
| Child Nutrition Discretionary Grants Limited Availability | 10.579 | N/A | 15,793 |
| Total U.S. Department of Agriculture | | | <u>\$ 3,406,583</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Housing Development Agency: | | | |
| Home Investment Partnerships Program | 14.239 | HM-09-05 | \$ 84,852 |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/States Program | 14.228 | GG-11-34946-00 | 47,771 |
| Total U.S. Department of Housing and Urban Development | | | <u>\$ 132,623</u> |
| U.S. Department of Justice: | | | |
| Direct Program: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2012-DJ-BX-0411 | \$ 19,492 (9) |
| Passed-through City of Cleveland, Tennessee: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | (2) | 36,333 (9) |
| Passed-through State Office of Criminal Justice Programs: | | | |
| Edward Byrne Memorial Formula Grant Program | 16.579 | (3) | 92,272 |
| Total U.S. Department of Justice | | | <u>\$ 148,097</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Alcohol Open Container Requirements | 20.607 | Z13-GHS038-00 | \$ 4,848 |
| Total U.S. Department of Transportation | | | <u>\$ 4,848</u> |
| U.S. Department of Education: | | | |
| Direct Program: | | | |
| Fund for the Improvement of Education | 84.215 | S215-L-100-61 | \$ 1,067,550 |
| Passed-through State Department of Labor and Workforce Development: | | | |
| Adult Education - Basic Grants to States | 84.002 | N/A | 163,807 |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 2,093,980 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 2,326,645 |
| Special Education - Preschool Grants | 84.173 | N/A | 67,233 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 229,414 |
| Twenty-first Century Community Learning Centers | 84.287 | (2) | 372,962 |
| English Language Acquisition Grants | 84.365 | (2) | 20,006 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 322,819 |
| Race-to-the-Top - Phase 3 | 84.413 | (2) | 347,926 |
| Passed-through Tennessee College Access and Success Network: | | | |
| Race-to-the-Top - District Grants | 84.416 | (2) | 89,742 |
| Passed-through State Higher Education Commission: | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) | 84.334 | (2) | 65,100 |
| Total U.S. Department of Education | | | <u>\$ 7,167,184</u> |

(Continued)

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

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|----------------------|
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Hazard Mitigation Grant | 97.039 | (4) | \$ 868,037 |
| Emergency Management Performance Grants | 97.042 | 34101-05013 | 53,500 |
| Homeland Security Grant Program | 97.067 | (5) | 325,077 |
| Total U.S. Department of Homeland Security | | | <u>\$ 1,246,614</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 12,105,949</u> |
| <u>State Grants</u> | | | |
| | | <u>Contract Number</u> | |
| Local Health Services - State Department of Health | N/A | GG-13-390720-00 | \$ 1,023,580 |
| Local Park and Recreational Grant - State Department of Environment and Conservation | N/A | GG-11-34842-00 | 56,703 |
| Custody Prevention Services - State Department of Children's Services | N/A | GG-12-35226-00 | 67,510 |
| 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 | 310,159 |
| Tire Recycling Grant - State Department of Environment and Conservation | N/A | (6) | 34,015 |
| Litter Program - State Department of Transportation | N/A | DG-1338324 | 64,365 |
| Early Childhood Education Pilot/State - Lottery Commission | N/A | (2) | 1,347,836 |
| Coordinated School Health Improvement - State Department of Education | N/A | (2) | 95,000 |
| Safe Schools Act - State Department of Education | N/A | (2) | 47,200 |
| ConnecTN - State Department of Education | N/A | (2) | 33,360 |
| Child Safety Seat - State Commission on Children and Youth | N/A | GG-08-23355-00 | 7,599 |
| Hazard Mitigation - Tennessee Emergency Management Agency | N/A | (7) | 144,672 |
| Total State Grants | | | <u>\$ 3,240,999</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: \$46,154; Z-05-025536-00: \$46,118.
- (4) 1979-005: \$320,917; 4005-0002: \$227,479; 1979-0004: \$319,641.
- (5) 34101-2550: \$47,989; 3410-5685: \$247,071; 34101-9331: \$30,017.
- (6) DG-12-35171-00: \$14,319; GG-09-26866-00: \$19,696.
- (7) 0346: \$53,273; 0347: \$53,486; 0348: \$37,913.
- (8) Total for CFDA No. 10.555 is \$2,615,070.
- (9) Total for CFDA No. 16.738 is \$55,825.

Bradley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

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, 2012, which have not been corrected.

OFFICE OF COUNTY MAYOR

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---|
| 12.01 | 252 | County departments violated the county's credit card policy |

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

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---------------------------------------|
| 12.03 | 253 | Duties were not segregated adequately |

BRADLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Bradley County is unmodified.
2. The audit of the financial statements of Bradley County disclosed two significant deficiencies in internal control. These deficiencies were not considered to be material weaknesses.
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 unmodified 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), the Twenty-first Century Community Learning Centers (CFDA No. 84.287), and the Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$363,178 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 2013-001 **SEVERAL COUNTY DEPARTMENTS VIOLATED THE COUNTY'S CREDIT CARD POLICY (Noncompliance Under *Government Auditing Standards*)**

We reviewed all available documentation for credit card transactions for the year ended June 30, 2013, and noted several charges that had no supporting documentation. The credit card policy approved by the Bradley County Commission provides that the department head will review the monthly credit card 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. Our examination revealed that department heads did not always sign credit card statements indicating their review of credit card transactions. 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

All county departments 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 audit concern was either no receipt to back up a charge or that the receipt did not show enough. Also, "a signature verification" should be shown on each receipt.

- The county's credit card policy does not require the department head/elected official to sign each individual receipt, only the statement after verifying the charges.
- The policy does not require the receipt to be detailed, only that a receipt be attached for each charge.
- The policy does not address the procedures to follow if receipts are lost.

AUDITOR'S COMMENT

The finding does not question the department head/elected official signing every receipt. Also the finding did not question detailed receipts, however, there should be enough

detail/itemization on the receipt to document what the charges were for and not just a total of the charges. Lost receipts are not available for our review.

FINDING 2013-002

EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) of the General Fund by \$8,010. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

Other Charges is the trustee’s commission charged to the General Fund at the end of each month. This amount is calculated based on the type and amount of revenues. A budget amendment to increase the amount budgeted by \$10,000 was done during the final voting meeting of the County Commission in June. However, at the end of the year the amount charged by the trustee was \$8,010 more than was budgeted in total. Next fiscal year we will budget a larger amount.

FINDING 2013-003

A COUNTY EMPLOYEE PURCHASED PERSONAL ITEMS WITH COUNTY FUNDS
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

On July 3, 2013, the county’s finance department began an investigation of an employee that allegedly purchased items, which were billed to the county but were delivered to the employee’s home. The result of this investigation by the county’s finance department revealed that approximately \$3,314 of purchases were made from one company, billed to the county, and delivered to the employee’s home. On July 8, 2013, the County Mayor’s Office notified the district attorney general and the Tennessee Bureau of Investigation. The Comptroller of the Treasury’s Office was notified on July 11, 2013. The employee allowed a search of her home, and most of the items were discovered and returned to the county. This employee resigned on July 11, 2013. The county returned all the items to the company that could be returned, and the company issued a full refund for all items purchased. In October 2013, the employee was indicted by a Grand Jury on one count of theft and one

count of official misconduct. Management's monitoring of its internal control system led to the discovery of this incidence in a timely manner.

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

FINDING 2013-004

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 be able to segregate all of their duties due to volume and time constraints.

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.

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 has reviewed this recommendation and considered its implementation on more than one occasion; however, the County Commission voted each time 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 GASB Statement No. 34, Bradley County has received excellent bond ratings from both Moody's and Standard and Poor's, and Bradley County is one of only a few counties in Tennessee to have, in prior years, received the prestigious Government Finance Officers Association "Certificate of Achievement for 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, 2013

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