

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



**FOR THE YEAR ENDED JUNE 30, 2014**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BRADLEY COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2014**

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

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

**STEVE REEDER, CPA, CGFM, CFE  
Audit Manager**

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

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

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

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

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## BRADLEY COUNTY, TENNESSEE

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# *Summary of Audit Findings*

Comprehensive Annual Financial Report  
Bradley County, Tennessee  
For the Year Ended June 30, 2014

## *Scope*

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2014.

## *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 response are included in the Single Audit section of this report.

## *Findings*

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ Usernames and passwords of all Ambulance Service employees were known by designated personnel.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ Multiple employees operated from the same cash drawer.

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

- ◆ Duties were not segregated adequately.

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### **BRADLEY COUNTY COMMISSION**

- ◆ The County Commission's Audit Committee is not a functioning committee.

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# INTRODUCTORY SECTION

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

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

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

October 23, 2014

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 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, 2014.

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, 2014, 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, 2014, 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 101,848. 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. Property for a new industrial park has been purchased by Bradley County Government and the City of Cleveland. 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 48,960. 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 \$2.4 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 presented 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, 2013. This is the ninth 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 Rena' Samples, 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: Sharon Sandidge,

Patti Lilly, Tracy Cook, Ashley Indovino, and Lynn Burns. 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 cursive script that reads "Rena Samples".

Rena' Samples  
Finance Director

A handwritten signature in cursive script that reads "D. Gary Davis".

D. Gary Davis  
County Mayor



Government Finance Officers Association

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

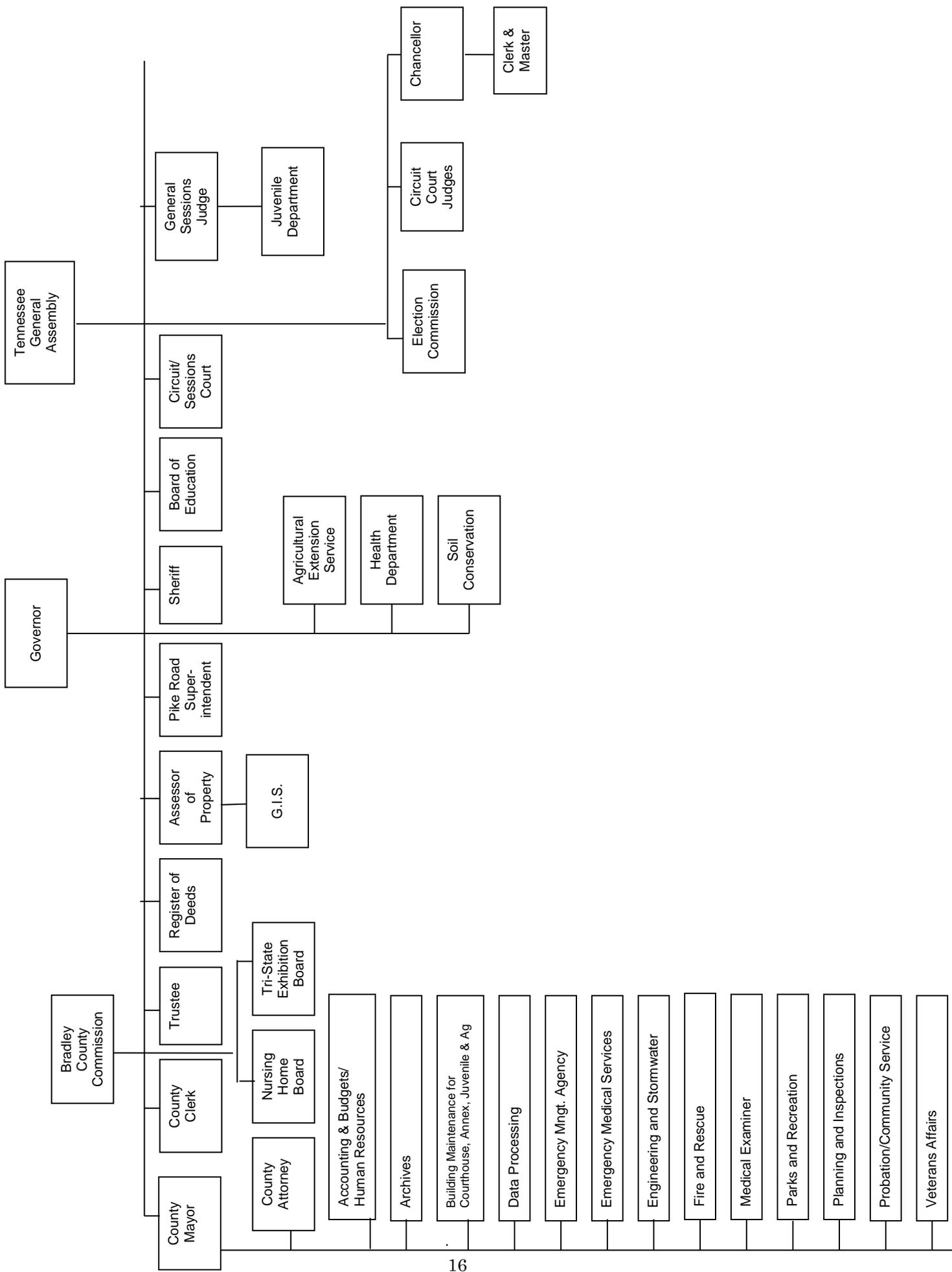
Presented to

**Bradley County  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Bradley County Officials

## June 30, 2014

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### Officials

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

### Board of County Commissioners

District 1	Terry Caywood
District 1	Ed Elkins
District 2	Louie Alford, Chairman
District 2	Connie Wilson
District 3	Brian Smith
District 3	Jeff Morelock
District 4	J. Adam Lowe
District 4	Charlotte Peak-Jones
District 5	Bill Ledford
District 5	Jeff Yarber

## Bradley County Officials (Cont.)

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

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

### **Audit Committee**

District 1	Vacant
District 2	Roger Fuller
District 3	Clint Taylor
District 4	Kelvin Bishop, 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

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## FINANCIAL SECTION

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

Independent Auditor's Report

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, 2014, 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 4.84 percent, 5.25 percent, and 12.32 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, 2014, 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.

### ***Change in Accounting Principle***

As described in Note V.B., Bradley County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress – pension plan and other postemployment benefits plans on pages 111 through 113 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 are 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 October 23, 2014, 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 vertical stroke at the beginning.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2014

JPW/kp

## 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, 2014. 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 and deferred outflows of resources of Bradley County's Primary Governmental Activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,935,799 (net position).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$42,404,465. Of this amount, \$15,978,783 is set aside for endowments, \$5,691,773 is restricted funds with externally enforceable limitations on use, \$15,471,396 is committed by the county's legislative body to a specific fund or use, and \$635,379 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,627,134 or 14.2 percent of total General Fund expenditures while total fund balance of \$7,133,997 represents 21.9 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 \$4,265,987 during the current fiscal year. This is primarily a result of the annual scheduled debt reduction payments.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Bradley County's basic financial statements. The county's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) major special revenue 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 \$27,935,799 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, 2014, Bradley County had outstanding debt totaling \$54,732,091 for capital purposes of education (\$36,563,548 for county schools and \$18,168,543 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	
	2014	2013	2014	2013
Current and Other Assets	\$ 68,265,670	\$ 72,638,708	\$ 28,117,886	\$ 29,466,182
Capital Assets	55,065,796	55,445,144	67,396,979	68,010,731
Total Assets	<u>\$ 123,331,466</u>	<u>\$ 128,083,852</u>	<u>\$ 95,514,865</u>	<u>\$ 97,476,913</u>
Deferred Outflows of Resources	\$ 3,001,623	\$ 3,095,533	\$ 0	\$ 0
Long-term Liabilities	\$ 68,955,524	\$ 77,428,085	\$ 7,281,430	\$ 6,060,379
Other Liabilities	8,449,782	3,597,210	7,703,683	8,479,836
Total Liabilities	<u>\$ 77,405,306</u>	<u>\$ 81,025,295</u>	<u>\$ 14,985,113</u>	<u>\$ 14,540,215</u>
Deferred Inflows of Resources	\$ 20,991,984	\$ 22,274,289	\$ 11,699,764	\$ 11,576,145
Net Position:				
Net Investment in				
Capital Assets	\$ 40,349,670	\$ 39,828,738	\$ 67,396,979	\$ 68,006,731
Restricted	22,313,233	22,275,369	2,182,996	2,452,551
Unrestricted	<u>(34,727,104)</u>	<u>(34,224,306)</u>	<u>(749,987)</u>	<u>901,271</u>
Total Net Position	<u>\$ 27,935,799</u>	<u>\$ 27,879,801</u>	<u>\$ 68,829,988</u>	<u>\$ 71,360,553</u>

Table 1b

**BRADLEY COUNTY'S NET POSITION**

	Bradley Healthcare and Rehabilitation	
	2014	2013
Current and Other Assets	\$ 2,854,869	\$ 3,342,426
Capital Assets	2,006,222	2,248,236
Total Assets	<u>\$ 4,861,091</u>	<u>\$ 5,590,662</u>
Long-term Liabilities	\$ 53,411	\$ 69,252
Other Liabilities	990,728	975,549
Total Liabilities	<u>\$ 1,044,139</u>	<u>\$ 1,044,801</u>
Net Position:		
Net Investment in Capital Assets	\$ 2,006,222	\$ 2,248,236
Restricted	135,263	133,630
Unrestricted	<u>1,675,467</u>	<u>2,163,995</u>
Total Net Position	<u>\$ 3,816,952</u>	<u>\$ 4,545,861</u>

An additional portion of Bradley County's governmental activities assets (\$22,313,233) 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.

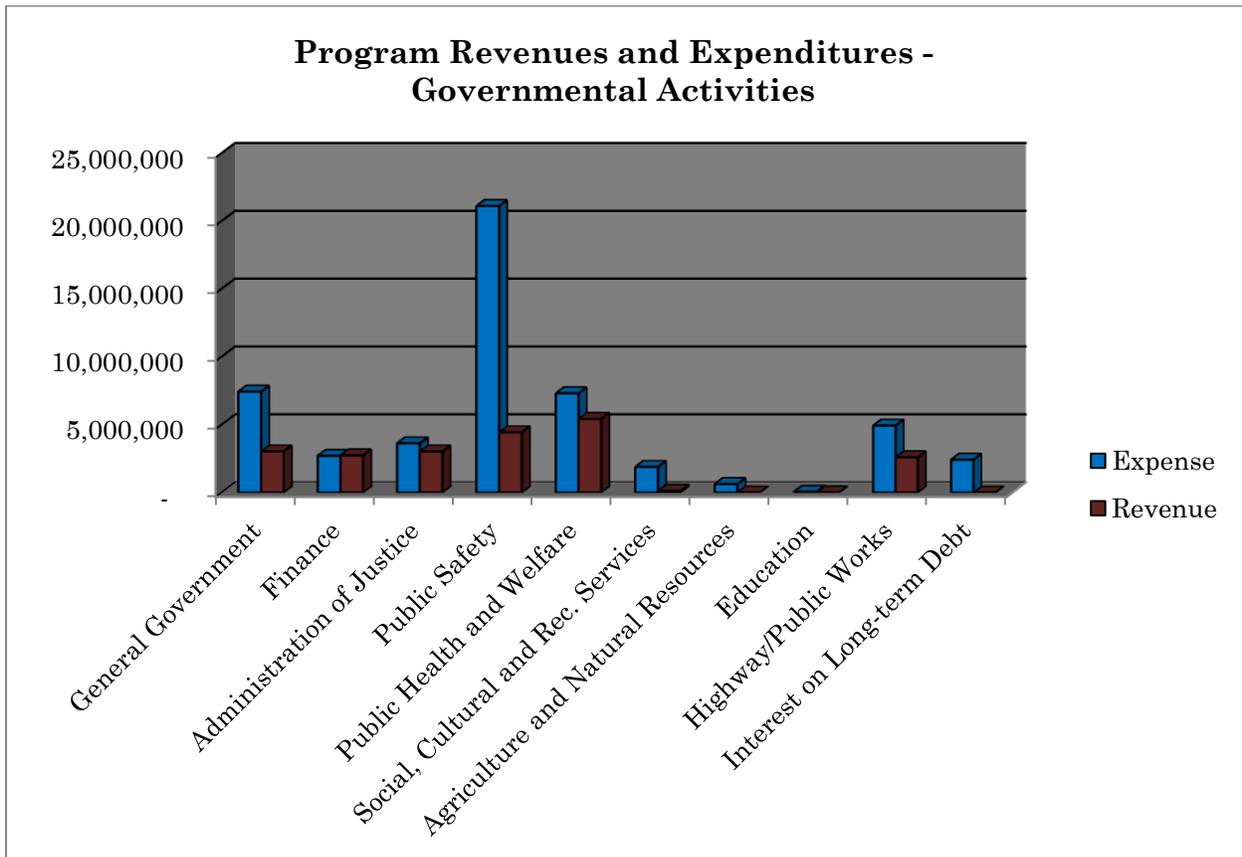
Table 2a

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

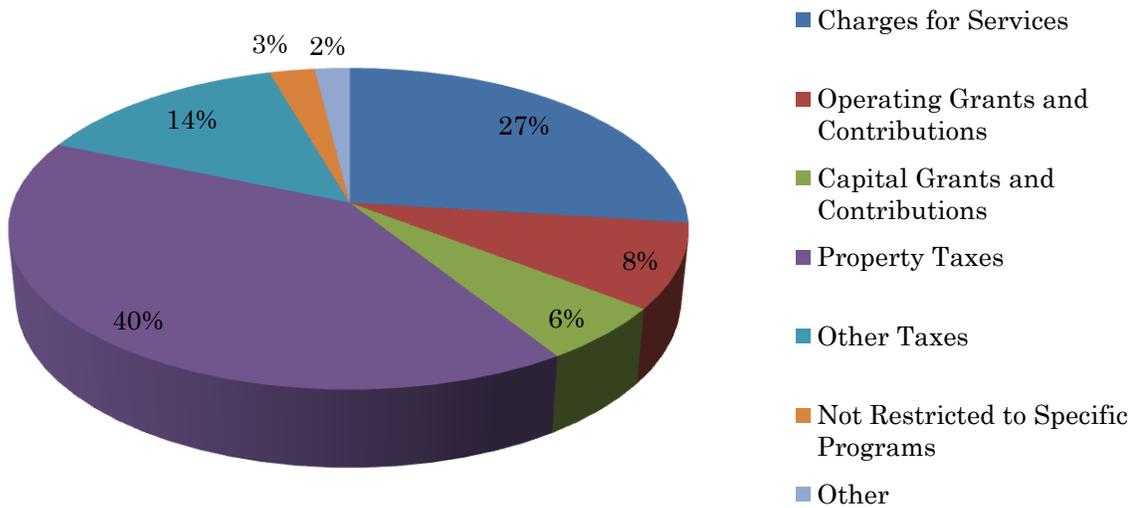
	Bradley County Government		Bradley County School Department	
	2014	2013	2014	2013
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 14,059,721	\$ 15,560,961	\$ 1,947,300	\$ 2,108,763
Operating Grants and Contributions	4,427,953	4,822,092	12,334,426	11,760,405
Capital Grants and Contributions	2,906,712	1,827,877	1,300,757	134,004
General Revenues:				
Property Taxes	21,045,984	21,465,744	11,663,374	11,916,342
Other Taxes	7,368,172	7,483,519	10,478,435	10,442,050
Grants and Contributions not Restricted to Specific Programs	1,308,872	1,341,794	45,588,392	43,864,053
Other	1,006,971	985,767	77,051	75,500
Total Revenues	<u>\$ 52,124,385</u>	<u>\$ 53,487,754</u>	<u>\$ 83,389,735</u>	<u>\$ 80,301,117</u>
<b>Expenses</b>				
General Government	\$ 7,429,932	\$ 5,921,647	\$ 0	\$ 0
Finance	2,704,160	2,735,872	0	0
Administration of Justice	3,623,133	3,567,747	0	0
Public Safety	21,105,724	20,443,402	0	0
Public Health and Welfare	7,303,033	7,146,000	0	0
Social, Cultural, and Rec. Services	1,882,823	1,911,740	0	0
Agriculture and Natural Resources	622,063	530,340	0	0
Highways/Public Works	4,927,413	5,006,216	0	0
Education	49,457	396,897	85,920,300	82,547,217
Interest on Long-term Debt	2,420,649	2,140,750	0	0
Total Expenses	<u>\$ 52,068,387</u>	<u>\$ 49,800,611</u>	<u>\$ 85,920,300</u>	<u>\$ 82,547,217</u>
Increase (Decrease) in Net Position	\$ 55,998	\$ 3,687,143	\$ (2,530,565)	\$ (2,246,100)
Net Position, July 1	27,879,801	24,836,861	71,360,553	73,606,653
Prior-period Adjustment	0	(644,203)	0	0
Net Position, June 30	<u>\$ 27,935,799</u>	<u>\$ 27,879,801</u>	<u>\$ 68,829,988</u>	<u>\$ 71,360,553</u>

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

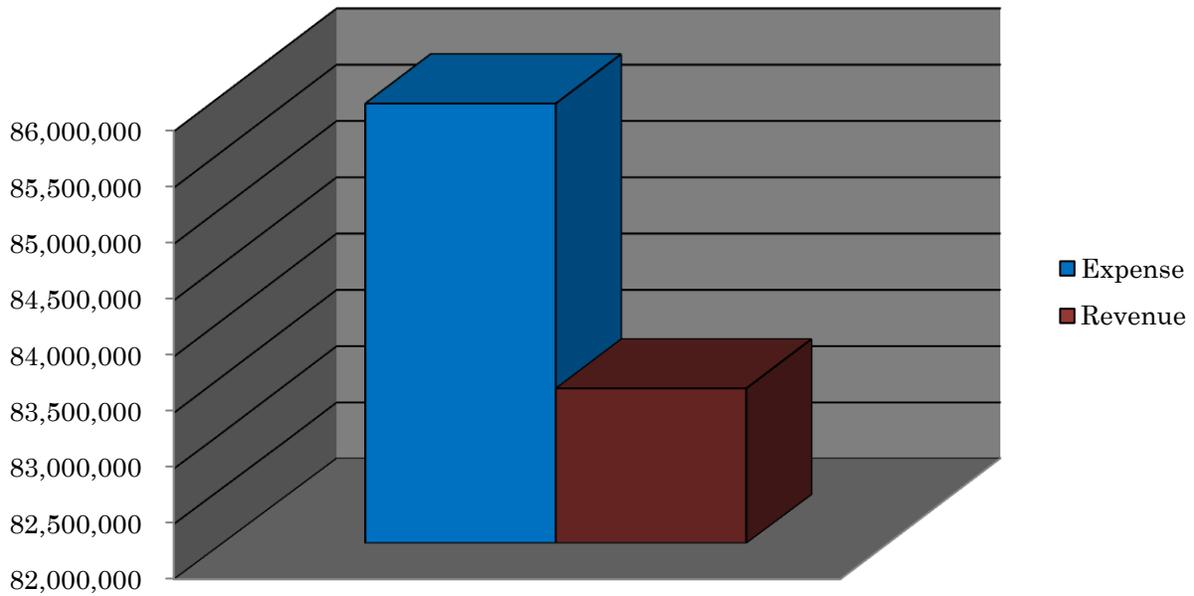
	Bradley Healthcare and Rehabilitation Center	
	2014	2013
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 11,704,195	\$ 11,694,889
General Revenues:		
Other	8,958	19,890
<b>Total Revenues</b>	<b>\$ 11,713,153</b>	<b>\$ 11,714,779</b>
<b>Expenses</b>		
Other Enterprises	\$ 12,442,062	\$ 12,243,077
<b>Total Expenses</b>	<b>\$ 12,442,062</b>	<b>\$ 12,243,077</b>
 Increase (Decrease) in Net Position	 \$ (728,909)	 \$ (528,298)
Net Position, July 1	4,545,861	5,074,159
 Net Position, June 30	 \$ 3,816,952	 \$ 4,545,861

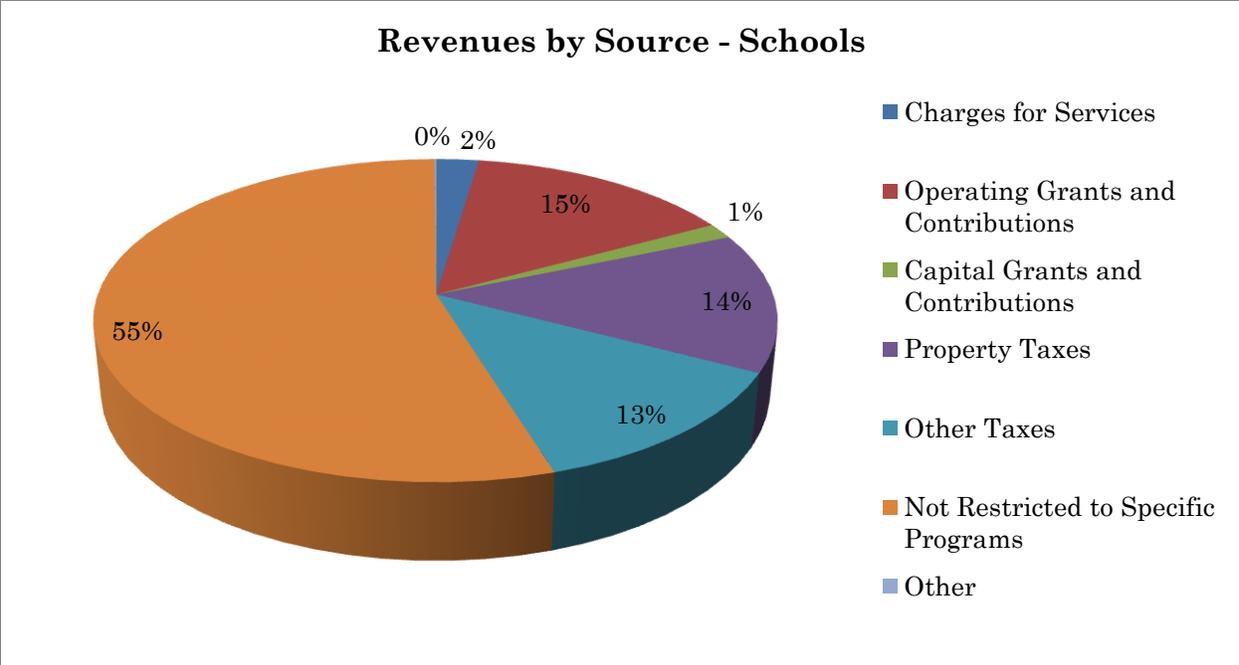


### Revenues by Source - Governmental Activities



### Program Revenues and Expenses - 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 \$42,404,465. Of this amount, \$15,978,783 is set aside for endowments, \$5,691,773 is restricted with externally enforceable limitations on use, \$15,471,396 is committed by the county’s legislative body to a specific fund or use, and \$635,379 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 \$4,627,134 or 14.2 percent of total General Fund expenditures while total fund balance of \$7,133,997 represents 21.6 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 \$597,645. The key factor was a slight increase in local taxes over 2012-13. The majority of this funding was sales tax, hotel/motel tax, and business tax increases.

During the current fiscal year, the fund balances of the Highway/Public Works Fund increased by \$14,742. This was mainly state funding.

The General Debt Service Fund has a total fund balance of \$11,650,561 all of which is allocated for the payment of debt service. The \$1,314,569 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in local taxes over 2012-13.

### **General Fund Budgetary Highlights**

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$1,077,168 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$297,546
- Increases allocated to Finance - \$48,242
- Increases allocated to Administration of Justice - \$150,762
- Increases allocated to Public Safety - \$318,996
- Increases allocated to Public Health and Welfare - \$26,907
- Increases allocated to Social, Cultural, and Recreational - \$8,000
- Increases allocated to Agriculture and Natural Resources - \$63,162
- Increases allocated to Other Operations - \$163,553

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 \$3,829,487, 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, 2014, totals \$40,349,670 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totals \$67,396,979 (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:

- Purchase of nine vehicles and equipment – Sheriff's Department at \$220,935
- Purchase of equipment – Sheriff's Department at \$37,780.86
- Purchase of military equipment – Sheriff's Department at \$244,333

- Purchase of ambulance rechassis – Ambulance Service at \$75,000
- Purchase of equipment – Ambulance Service at \$35,842
- Improvement to garage – SPCA at \$40,000
- Wacker infrastructure – \$3,000,000
- School projects – \$2,530,565

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

### Long-term Debt

Table 3

<b>BRADLEY COUNTY</b>				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Bonds	\$ 2,715,000	\$ 13,681,114	\$ 6,823,886	\$ 23,220,000
Other Loans	11,764,231	22,951,112	11,344,657	46,060,000
Capital Leases	0	118,278	0	118,278
<b>Total Bonds, Other Loans, and Capital Leases</b>	<b>\$ 14,479,231</b>	<b>\$ 36,750,504</b>	<b>\$ 18,168,543</b>	<b>\$ 69,398,278</b>
Compensated Absences	1,271,865	0	0	1,271,865
Other Postemployment Benefits	2,938,707	7,281,430	0	10,220,137
<b>Total Long-term Debt</b>	<b>\$ 18,689,803</b>	<b>\$ 44,031,934</b>	<b>\$ 18,168,543</b>	<b>\$ 80,890,280</b>

At the end of the current fiscal year, Bradley County had total bonds, other loans, and capital leases outstanding of \$69,398,278. This amount comprises debt backed by the full faith and credit of the government. This debt decreased by \$4,265,987 during the current fiscal year.

For more detailed information on long-term debt activity, please see the relevant disclosures in the notes to the financial statements. Note IV.F. of this report provides additional information regarding capital leases, and Note IV.G. provides additional information regarding general obligation bonds 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, 2014, is 7.4 percent, which has remained level over the past year. The state's average unemployment rate is 7.4 percent and the national average is 6.2 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2014-15 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$42,404,465. Of this amount, \$15,978,783 is set aside for **endowments**, \$5,691,773 is **restricted** by externally enforceable limitations, \$15,471,396 is **committed** by the county's legislative body to a specific fund or use, and \$635,379 is **assigned** to the intended use. Unassigned fund balance for the General Fund is \$4,627,134 or 14.2 percent of total General Fund expenditures while total fund balance of \$7,133,997 represents 21.6 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.

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Bradley County, Tennessee  
Statement of Net Position  
June 30, 2014

	Primary Government Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 500,334	\$ 126,377	\$ 592,422
Equity in Pooled Cash and Investments	39,967,581	12,689,812	0
Accounts Receivable	10,242,530	0	2,173,339
Allowance for Uncollectibles	(6,122,619)	0	(149,447)
Due from Other Governments	1,851,609	3,303,570	0
Due from Component Unit	118,278	0	0
Inventories	0	0	39,146
Property Taxes Receivable	22,632,562	12,476,623	0
Allowance for Uncollectible Property Taxes	(958,246)	(478,496)	0
Prepaid Items	0	0	10,735
Restricted Assets:			
Other Restricted Assets	0	0	188,674
Notes Receivable - Long-term	33,641	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,948,505	1,610,912	1,250
Construction in Progress	388,886	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	19,249,737	65,073,132	1,669,635
Infrastructure	24,204,300	0	0
Other Capital Assets	5,274,368	712,935	335,337
Total Assets	<u>\$ 123,331,466</u>	<u>\$ 95,514,865</u>	<u>\$ 4,861,091</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 3,001,623	\$ 0	\$ 0
Total Deferred Outflows of Resources	<u>\$ 3,001,623</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 79,314	\$ 393,322
Accrued Payroll	0	6,393,862	517,231
Payroll Deductions Payable	309,820	1,112,229	0
Accrued Interest Payable	248,701	0	0
Due to Primary Government	0	118,278	0
Derivative - Interest Rate Swap	3,001,623	0	0
Other Current Liabilities	0	0	80,175
Other Long-term Liabilities	0	0	53,411
Noncurrent Liabilities:			
Due Within One Year	4,889,638	0	0
Due in More Than One Year (net of unamortized premiums on debt)	68,955,524	7,281,430	0
Total Liabilities	<u>\$ 77,405,306</u>	<u>\$ 14,985,113</u>	<u>\$ 1,044,139</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 20,991,984	\$ 11,699,764	\$ 0
Total Deferred Inflows of Resources	<u>\$ 20,991,984</u>	<u>\$ 11,699,764</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	\$ 40,349,670	\$ 67,396,979	\$ 2,006,222
Restricted for:			
General Government	896,364	0	0
Finance	23,217	0	0
Administration of Justice	288,434	0	0
Public Safety	1,180,512	0	0
Public Health and Welfare	6,316	0	0
Social, Cultural, and Recreational Services	197,543	0	0
Highways/Public Works	1,814,879	0	0
Capital Projects	1,287,500	0	0
Education	0	2,182,996	0
Permanent Endowment:			
Nonexpendable	15,978,783	0	122,000
Expendable	639,685	0	13,263
Unrestricted	(34,727,104)	(749,987)	1,675,467
Total Net Position	\$ 27,935,799	\$ 68,829,988	\$ 3,816,952

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, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues			Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center			
Primary Government:										
Governmental Activities:										
General Government	\$ 7,429,932	\$ 758,422	\$ 38,028	\$ 2,229,651	\$ (4,403,831)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,704,160	2,740,069	0	0	35,909	0	0	0	0	0
Administration of Justice	3,623,133	2,965,703	61,338	0	(596,092)	0	0	0	0	0
Public Safety	21,105,724	3,222,592	1,004,450	205,425	(16,673,257)	0	0	0	0	0
Public Health and Welfare	7,303,033	4,233,066	1,195,000	0	(1,874,967)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,882,823	133,496	0	0	(1,749,327)	0	0	0	0	0
Agriculture and Recreational Resources	622,063	0	0	0	(622,063)	0	0	0	0	0
Highways/Public Works	4,927,413	6,373	2,116,244	471,636	(2,333,160)	0	0	0	0	0
Education (Payments for the benefit of component unit)	49,457	0	12,893	0	(36,564)	0	0	0	0	0
Interest on Long-term Debt	2,420,649	0	0	0	(2,420,649)	0	0	0	0	0
Total Governmental Activities	\$ 52,068,387	\$ 14,059,721	\$ 4,427,953	\$ 2,906,712	\$ (30,674,001)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 52,068,387	\$ 14,059,721	\$ 4,427,953	\$ 2,906,712	\$ (30,674,001)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bradley County School Department	\$ 85,930,300	\$ 1,947,300	\$ 12,334,426	\$ 1,300,757	\$ 0	\$ (70,337,817)	\$ 0	\$ 0	\$ 0	\$ 0
Bradley Healthcare and Rehabilitation Center	12,442,062	11,704,195	0	0	0	0	0	0	0	(737,867)
Total Component Units	\$ 98,362,362	\$ 13,651,495	\$ 12,334,426	\$ 1,300,757	\$ 0	\$ (70,337,817)	\$ 0	\$ 0	\$ 0	\$ (737,867)

(Continued)

Exhibit B

Bradley County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government		Component Units		Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Bradley County School Department Healthcare and Rehabilitation Center
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes		\$ 16,453,426	\$		\$ 11,663,374	\$ 0
Property Taxes Levied for Debt Service		4,592,558			0	0
Local Option Sales Taxes		4,600,432			10,471,432	0
Hotel/Motel Tax		841,873			0	0
Litigation Tax - General		323,063			0	0
Litigation Tax - Special Purpose		67,288			0	0
Litigation Tax - Jail, Workhouse, or Courthouse		66,489			0	0
Business Tax		1,119,497			0	0
Wholesale Beer Tax		344,232			0	0
Interstate Telecommunications Tax		5,298			7,003	0
Grants and Contributions Not Restricted to Specific Programs		1,308,872			45,588,392	0
Unrestricted Investment Income		372,997			28,734	7,327
Proceeds from the Sale of Equipment		115,975			0	0
Miscellaneous		517,999			48,317	1,631
Total General Revenues		\$ 30,729,999			\$ 67,807,252	\$ 8,958
Change in Net Position		\$ 55,998			\$ (2,530,565)	\$ (728,909)
Net Position, July 1, 2013		27,879,801			71,360,553	4,545,861
Net Position, June 30, 2014		\$ 27,935,799			\$ 68,829,988	\$ 3,816,952

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

Bradley County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	5,639,626	633,496	1,742,973	11,597,008	16,535,976
Accounts Receivable	10,139,397	501	0	0	82,492
Allowance for Uncollectibles	(6,122,619)	0	0	0	0
Due from Other Governments	1,432,505	0	384,651	27,087	0
Due from Other Funds	45,676	0	0	0	0
Property Taxes Receivable	11,470,704	1,601,476	2,801,873	5,000,909	0
Allowance for Uncollectible Property Taxes	(439,990)	(151,524)	(107,474)	(191,819)	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	\$ 22,165,299	\$ 2,083,949	\$ 4,822,023	\$ 16,433,185	\$ 16,618,468
<u>LIABILITIES</u>					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Health Insurance Payments	309,820	0	0	0	0
Total Liabilities	\$ 309,820	\$ 0	\$ 0	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,756,292	\$ 1,270,787	\$ 2,627,370	\$ 4,689,457	\$ 0
Deferred Delinquent Property Taxes	193,066	126,049	47,159	84,167	0
Other Deferred/Unavailable Revenue	3,772,124	0	178,950	9,000	0
Total Deferred Inflows of Resources	\$ 14,721,482	\$ 1,396,836	\$ 2,853,479	\$ 4,782,624	\$ 0

(Continued)

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

	Major Funds					
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment	
	\$	0	\$	0	\$	15,978,783
Nonspendable:						
Endowments						
Restricted:						
Restricted for General Government	896,364	0	0	0	0	0
Restricted for Finance	23,217	0	0	0	0	0
Restricted for Administration of Justice	260,551	0	0	0	0	0
Restricted for Public Safety	43,478	601,318	0	0	0	0
Restricted for Public Health and Welfare	6,316	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	1,968,544	0	0	0
Restricted for Capital Outlay	0	0	0	0	0	0
Committed:						
Committed for General Government	418,754	0	0	0	0	0
Committed for Finance	0	0	0	0	0	0
Committed for Administration of Justice	283,086	0	0	0	0	0
Committed for Public Safety	35,000	0	0	0	0	0
Committed for Public Health and Welfare	0	0	0	0	0	639,685
Committed for Social, Cultural, and Recreational Services	18,964	0	0	0	0	0
Committed for Other Operations	22,864	0	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Debt Service	0	0	0	0	11,650,561	0
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for General Government	125,021	0	0	0	0	0
Assigned for Finance	100,874	0	0	0	0	0
Assigned for Administration of Justice	30,050	0	0	0	0	0

(Continued)

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

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
\$	138,857	\$ 85,795	\$ 0	\$ 0	\$ 0
	15,472	0	0	0	0
	79,259	0	0	0	0
	7,698	0	0	0	0
	1,038	0	0	0	0
	4,627,134	0	0	0	0
	<u>7,133,997</u>	<u>687,113</u>	<u>1,968,544</u>	<u>11,650,561</u>	<u>16,618,468</u>
\$	22,165,299	\$ 2,083,949	\$ 4,822,023	\$ 16,433,185	\$ 16,618,468

FUND BALANCES (Cont.)

Assigned (Cont.):	
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	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>ASSETS</u>			
Cash	\$ 500,334	\$ 500,334	500,334
Equity in Pooled Cash and Investments	3,818,502	39,967,581	39,967,581
Accounts Receivable	20,140	10,242,530	10,242,530
Allowance for Uncollectibles	0	(6,122,619)	(6,122,619)
Due from Other Governments	7,366	1,851,609	1,851,609
Due from Other Funds	0	45,676	45,676
Property Taxes Receivable	1,757,600	22,632,562	22,632,562
Allowance for Uncollectible Property Taxes	(67,439)	(958,246)	(958,246)
Notes Receivable - Long-term	33,641	33,641	33,641
Total Assets	<u>\$ 6,070,144</u>	<u>\$ 68,193,068</u>	<u>68,193,068</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 45,676	\$ 45,676	45,676
Health Insurance Payments	0	309,820	309,820
Total Liabilities	<u>\$ 45,676</u>	<u>\$ 355,496</u>	<u>355,496</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,648,078	\$ 20,991,984	20,991,984
Deferred Delinquent Property Taxes	29,608	480,049	480,049
Other Deferred/Unavailable Revenue	1,000	3,961,074	3,961,074
Total Deferred Inflows of Resources	<u>\$ 1,678,686</u>	<u>\$ 25,433,107</u>	<u>25,433,107</u>

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
	\$	0	\$ 15,978,783
<u>FUND BALANCES</u>			
Nonspendable:			
Endowments			
Restricted:			
Restricted for General Government	0		896,364
Restricted for Finance	0		23,217
Restricted for Administration of Justice	27,883		288,434
Restricted for Public Safety	409,667		1,054,463
Restricted for Public Health and Welfare	0		6,316
Restricted for Social, Cultural, and Recreational Services	186,209		186,209
Restricted for Highways/Public Works	0		1,968,544
Restricted for Capital Outlay	1,268,226		1,268,226
Committed:			
Committed for General Government	84,854		503,608
Committed for Finance	302,837		302,837
Committed for Administration of Justice	66,967		350,053
Committed for Public Safety	0		35,000
Committed for Public Health and Welfare	1,292,575		1,932,260
Committed for Social, Cultural, and Recreational Services	123,830		142,794
Committed for Other Operations	0		22,864
Committed for Capital Outlay	131,755		131,755
Committed for Debt Service	0		11,650,561
Committed for Capital Projects	399,664		399,664
Assigned:			
Assigned for General Government	0		125,021
Assigned for Finance	0		100,874
Assigned for Administration of Justice	0		30,050

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
\$	212	\$	224,864
	31,103		46,575
	20,000		99,259
	0		7,698
	0		1,038
	0		4,627,134
\$	<u>4,345,782</u>	\$	<u>42,404,465</u>
\$	<u>6,070,144</u>	\$	<u>68,193,068</u>

FUND BALANCES (Cont.)

Assigned (Cont.):

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	
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, 2014

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)		\$ 42,404,465
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add: land	\$ 5,948,505	
Add: construction in progress	388,886	
Add: buildings and improvements net of accumulated depreciation	19,249,737	
Add: infrastructure net of accumulated depreciation	24,204,300	
Add: other capital assets net of accumulated depreciation	<u>5,274,368</u>	55,065,796
(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	\$ (23,220,000)	
Less: other loans payable	(46,060,000)	
Less: capital leases payable	(118,278)	
Add: debt to be contributed by the School Department	118,278	
Less: interest accrued on bonds and other loans	(248,701)	
Less: other postemployment benefits liability	(2,938,707)	
Less: compensated absences payable	(1,271,865)	
Less: unamortized premium on debt	<u>(236,312)</u>	(73,975,585)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,441,123</u>
Net position of governmental activities (Exhibit A)		<u>\$ 27,935,799</u>

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

Bradley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
<u>Revenues</u>					
Local Taxes	\$ 17,942,281	\$ 1,766,672	\$ 2,633,534	\$ 4,699,670	\$ 0
Licenses and Permits	408,740	0	0	0	0
Fines, Forfeitures, and Penalties	676,392	0	0	0	0
Charges for Current Services	4,917,406	5	0	0	0
Other Local Revenues	852,187	1,892,893	40,925	1,836	221,226
Fees Received from County Officials	2,535,893	0	0	0	0
State of Tennessee	3,704,304	91,065	2,753,369	146,140	0
Federal Government	352,757	333,993	0	303,714	0
Other Governments and Citizens Groups	1,697,000	400	0	204,834	0
Total Revenues	\$ 33,086,960	\$ 4,085,028	\$ 5,427,828	\$ 5,356,194	\$ 221,226
<u>Expenditures</u>					
Current:					
General Government	\$ 2,422,516	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,398,934	0	0	0	0
Administration of Justice	3,292,598	0	0	0	0
Public Safety	15,990,256	3,832,029	0	0	0
Public Health and Welfare	6,658,399	0	0	0	214,948
Social, Cultural, and Recreational Services	972,291	0	0	0	0
Agriculture and Natural Resources	618,665	0	0	0	0
Other Operations	1,135,656	35,103	0	95,300	0
Highways	0	0	5,149,798	0	0
Debt Service:					
Principal on Debt	0	0	0	4,265,987	0
Interest on Debt	0	0	0	2,299,575	0
Other Debt Service	0	0	0	223,314	0

(Continued)

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

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 251,194	\$ 0	\$ 0
Total Expenditures	\$ 32,489,315	\$ 3,867,132	\$ 5,400,992	\$ 6,884,176	\$ 214,948
Excess (Deficiency) of Revenues Over Expenditures	\$ 597,645	\$ 217,896	\$ 26,836	\$ (1,527,982)	\$ 6,278
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 10,259	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	213,413	0
Transfers Out	0	(213,413)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ (203,154)	\$ 0	\$ 213,413	\$ 0
Net Change in Fund Balances	\$ 597,645	\$ 14,742	\$ 26,836	\$ (1,314,569)	\$ 6,278
Fund Balance, July 1, 2013	6,536,352	672,371	1,941,708	12,965,130	16,612,190
Fund Balance, June 30, 2014	\$ 7,133,997	\$ 687,113	\$ 1,968,544	\$ 11,650,561	\$ 16,618,468

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>Revenues</u>			
Local Taxes	\$ 1,864,250	\$	28,906,407
Licenses and Permits	0		408,740
Fines, Forfeitures, and Penalties	122,792		799,184
Charges for Current Services	2,198,581		7,115,992
Other Local Revenues	215,772		3,224,839
Fees Received from County Officials	0		2,535,893
State of Tennessee	80,432		6,775,310
Federal Government	0		990,464
Other Governments and Citizens Groups	20,000		1,922,234
Total Revenues	\$ 4,501,827	\$	52,679,063
<u>Expenditures</u>			
Current:			
General Government	\$ 339,127	\$	2,761,643
Finance	1,256,322		2,655,256
Administration of Justice	253,148		3,545,746
Public Safety	184,753		20,007,038
Public Health and Welfare	144,802		7,018,149
Social, Cultural, and Recreational Services	812,920		1,785,211
Agriculture and Natural Resources	0		618,665
Other Operations	1,189,336		2,455,395
Highways	0		5,149,798
Debt Service:			
Principal on Debt	0		4,265,987
Interest on Debt	0		2,299,575
Other Debt Service	0		223,314

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 2,156,285	\$	\$ 2,407,479
Total Expenditures	<u>\$ 6,336,693</u>	<u>\$</u>	<u>\$ 55,193,256</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,834,866)</u>	<u>\$</u>	<u>(2,514,193)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$	0 \$	10,259
Transfers In		0	213,413
Transfers Out		0	(213,413)
Total Other Financing Sources (Uses)	<u>\$</u>	<u>0 \$</u>	<u>10,259</u>
Net Change in Fund Balances	\$ (1,834,866)	\$	(2,503,934)
Fund Balance, July 1, 2013	6,180,648		44,908,399
Fund Balance, June 30, 2014	<u>\$ 4,345,782</u>	<u>\$</u>	<u>42,404,465</u>

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, 2014

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (2,503,934)
<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	\$ 2,631,954	
Less: current-year depreciation expense	<u>(2,987,296)</u>	(355,342)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of capital assets disposed		(24,006)
<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, 2013	\$ (4,771,751)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>4,441,123</u>	(330,628)
<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>		
Add: change in premium on debt issuance	\$ 41,382	
Add: principal payments on bonds	855,000	
Add: principal payments on notes	71,426	
Add: principal payments on other loans	3,195,000	
Add: principal payments on capital leases	144,561	
Less: contributions from School Department for notes and capital leases	<u>(191,941)</u>	4,115,428
<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	\$ (62,616)	
Change in other postemployment benefits liability	(661,830)	
Change in accrued interest payable	<u>(121,074)</u>	(845,520)
Change in net position of governmental activities (Exhibit B)		<u>\$ 55,998</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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 17,942,281	\$ 0	\$ 0	\$ 17,942,281	\$ 18,494,881	\$ 18,183,781	\$ (241,500)
Licenses and Permits	408,740	0	0	408,740	393,010	363,510	45,230
Fines, Forfeitures, and Penalties	676,392	0	0	676,392	626,163	661,590	14,802
Charges for Current Services	4,917,406	0	0	4,917,406	4,879,166	4,994,932	(77,526)
Other Local Revenues	852,187	0	0	852,187	418,119	855,248	(3,061)
Fees Received from County Officials	2,535,893	0	0	2,535,893	2,407,022	2,460,270	75,623
State of Tennessee	3,704,304	0	0	3,704,304	3,919,668	3,960,907	(256,603)
Federal Government	352,757	0	0	352,757	79,969	393,785	(41,028)
Other Governments and Citizens Groups	1,697,000	0	0	1,697,000	1,479,234	1,506,234	190,766
<b>Total Revenues</b>	<b>\$ 33,086,960</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,086,960</b>	<b>\$ 32,697,232</b>	<b>\$ 33,380,257</b>	<b>\$ (293,297)</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 324,357	\$ 0	\$ 6,025	\$ 330,382	\$ 338,625	\$ 348,865	\$ 18,483
Board of Equalization	1,128	0	0	1,128	2,500	2,500	1,372
Beer Board	2,036	0	0	2,036	2,350	2,400	364
Other Boards and Committees	32,264	0	71	32,335	35,890	35,890	3,555
County Mayor/Executive	259,054	(294)	600	259,360	267,250	267,250	7,890
Personnel Office	184,176	(16,666)	42,307	209,817	210,459	210,459	642
County Attorney	193,168	0	236	193,404	195,302	195,302	1,898
Election Commission	420,432	(138)	1,446	421,740	290,297	436,124	14,384
Register of Deeds	78,583	(1,042)	3,171	80,712	72,679	117,908	37,196
Planning	205,213	(14)	60	205,259	208,593	208,593	3,334
Geographical Information Systems	314,724	(39,756)	38,149	313,117	216,922	313,122	5
County Buildings	405,884	(57,800)	32,956	381,040	423,482	423,482	42,442
Other Facilities	1,497	0	0	1,497	4,000	4,000	2,503
<b>Finance</b>							
Accounting and Budgeting	180,433	(4,697)	6,221	181,957	190,242	190,242	8,285
Property Assessor's Office	731,900	(29,317)	25,455	728,038	789,103	789,103	61,065
Reappraisal Program	46,607	(31,199)	50,964	66,372	73,000	73,000	6,628
County Trustee's Office	78,587	0	324	78,911	83,723	83,723	4,812

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<b>Expenditures (Cont.)</b>							
<b>Finance (Cont.)</b>							
County Clerk's Office	\$ 206,477	\$ (426)	\$ 2,245	\$ 208,296	\$ 184,823	\$ 233,065	\$ 24,769
Data Processing	154,930	(21,278)	15,664	149,316	166,208	166,208	16,892
<b>Administration of Justice</b>							
Circuit Court	76,752	0	0	76,752	0	76,752	0
General Court Clerk	1,274,992	0	295	1,275,287	1,402,811	1,358,003	82,716
General Sessions Judge	529,874	(128)	856	530,602	538,403	538,403	7,801
Drug Court	196,990	(2,295)	17,945	212,640	194,636	222,556	9,916
Chancery Court	47,492	(313)	370	47,549	49,812	52,312	4,763
Juvenile Court	629,982	(11,776)	8,307	626,513	616,416	659,915	33,402
Judicial Commissioners	39,651	(16,488)	0	23,163	35,000	35,000	11,837
Other Administration of Justice	118,692	(673)	1,303	119,322	119,485	119,885	563
Probation Services	377,178	(3,412)	974	374,740	348,560	392,064	17,324
Courtroom Security	995	0	0	995	0	995	0
<b>Public Safety</b>							
Sheriff's Department	6,885,176	(82,344)	27,047	6,829,879	6,894,507	7,063,752	233,873
Special Patrols	282,114	(2,839)	1,188	280,463	288,203	338,190	57,727
Traffic Control	12,279	0	0	12,279	18,700	18,700	6,421
Jail	6,065,317	(43,720)	20,585	6,042,182	6,314,109	6,336,341	294,159
Correctional Incentive Program Improvements	1,035,613	(12,333)	22,800	1,046,080	1,126,285	1,126,285	80,205
Juvenile Services	74,316	(247)	97	74,166	75,581	75,581	1,415
Work Release Program	315,033	0	829	315,862	343,803	346,711	30,849
Civil Defense	369,995	(3,222)	36,518	403,291	397,370	408,145	4,854
Rescue Squad	800	(800)	0	0	0	0	0
Other Emergency Management	65,084	(27,671)	0	37,413	0	63,849	26,436
Inspection and Regulation	170,947	0	11,165	182,112	182,123	182,123	11
County Coroner/Medical Examiner	163,582	(16,484)	18,628	165,726	166,463	166,463	737
Other Public Safety	550,000	0	0	550,000	550,000	550,000	0
<b>Public Health and Welfare</b>							
Local Health Center	405,051	(21,560)	5,780	389,271	389,313	390,974	1,703
Rabies and Animal Control	186,667	0	0	186,667	180,000	186,667	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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Expenditures (Cont.)</b>							
<u>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 4,940,022	\$ (13,670)	\$ 6,281	\$ 4,932,633	\$ 5,017,903	\$ 5,063,125	\$ 130,492
Alcohol and Drug Programs	41,481	(108)	181	41,554	50,000	50,000	8,446
Other Local Health Services	989,438	(2,051)	3,230	990,617	1,070,731	1,041,600	50,983
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Other Local Welfare Services	88,944	0	0	88,944	88,944	88,944	0
Other Public Health and Welfare	5,296	(336)	0	4,960	12,500	14,988	10,028
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0
Senior Citizens Assistance	93,391	0	0	93,391	93,391	93,391	0
Other Social, Cultural, and Recreational	869,400	(5,551)	79,259	943,108	963,223	971,223	28,115
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	342,214	(9,886)	5,530	337,858	310,332	372,276	34,418
Soil Conservation	45,540	0	0	45,540	46,972	46,972	1,432
Storm Water Management	225,439	(34)	2,169	227,574	228,744	228,744	1,170
Other Agriculture and Natural Resources	5,472	(5,295)	0	177	0	1,218	1,041
<u>Other Operations</u>							
Tourism	267,000	0	0	267,000	225,000	267,000	0
Industrial Development	267,000	0	0	267,000	225,000	267,000	0
Public Transportation	42,000	0	0	42,000	42,000	42,000	0
Veterans' Services	115,721	(1,657)	1,038	115,102	116,193	116,193	1,091
Other Charges	360,138	0	0	360,138	350,000	377,800	17,662
Contributions to Other Agencies	77,433	0	0	77,433	78,259	78,259	826
Miscellaneous	6,364	0	0	6,364	0	51,753	45,389
<b>Total Expenditures</b>	<b>\$ 32,489,315</b>	<b>\$ (487,520)</b>	<b>\$ 498,269</b>	<b>\$ 32,500,064</b>	<b>\$ 32,917,220</b>	<b>\$ 33,994,388</b>	<b>\$ 1,494,324</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 597,645</b>	<b>\$ 487,520</b>	<b>\$ (498,269)</b>	<b>\$ 586,896</b>	<b>\$ (219,988)</b>	<b>\$ (614,131)</b>	<b>\$ 1,201,027</b>

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	12,622 \$	(12,622)
Total Other Financing Sources	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	12,622 \$	(12,622)
Net Change in Fund Balance	\$ 597,645 \$	487,520 \$	(498,269) \$	586,896 \$	(219,988) \$	(601,509) \$	1,188,405
Fund Balance, July 1, 2013	6,536,352	(487,520)	0	6,048,832	4,428,244	4,428,244	1,620,588
Fund Balance, June 30, 2014	\$ 7,133,997 \$	0 \$	(498,269) \$	6,635,728 \$	4,208,256 \$	3,826,735 \$	2,808,993

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 1,766,672 \$	0 \$	0 \$	1,766,672 \$	1,883,986 \$	1,829,821 \$	(63,149)
Charges for Current Services	5	0	0	5	0	0	5
Other Local Revenues	1,892,893	0	0	1,892,893	25,000	1,997,550	(104,657)
State of Tennessee	91,065	0	0	91,065	0	91,065	0
Federal Government	333,993	0	0	333,993	0	335,644	(1,651)
Other Governments and Citizens Groups	400	0	0	400	0	400	0
<b>Total Revenues</b>	<b>\$ 4,085,028 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>4,085,028 \$</b>	<b>1,908,986 \$</b>	<b>4,254,480 \$</b>	<b>(169,452)</b>
<b>Expenditures</b>							
Public Safety							
Fire Prevention and Control	\$ 3,819,359 \$	(95,449) \$	85,795 \$	3,809,705 \$	3,695,176 \$	3,914,632 \$	104,927
Rescue Squad	12,670	(1,687)	0	10,983	0	15,118	4,135
Other Operations							
Other Charges	35,103	0	0	35,103	38,000	38,000	2,897
<b>Total Expenditures</b>	<b>\$ 3,867,132 \$</b>	<b>(97,136) \$</b>	<b>85,795 \$</b>	<b>3,855,791 \$</b>	<b>3,733,176 \$</b>	<b>3,967,750 \$</b>	<b>111,959</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 217,896 \$</b>	<b>97,136 \$</b>	<b>(85,795) \$</b>	<b>229,237 \$</b>	<b>(1,824,190) \$</b>	<b>286,730 \$</b>	<b>(57,493)</b>
<b>Other Financing Sources (Uses)</b>							
Proceeds from Sale of Capital Assets	\$ 10,259 \$	0 \$	0 \$	10,259 \$	0 \$	8,609 \$	1,650
Insurance Recovery	0	0	0	0	0	1,027	(1,027)
Transfers In	0	0	0	0	1,950,000	0	0
Transfers Out	(213,413)	0	0	(213,413)	(213,413)	(213,413)	0
<b>Total Other Financing Sources</b>	<b>\$ (203,154) \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>(203,154) \$</b>	<b>1,736,587 \$</b>	<b>(203,777) \$</b>	<b>623</b>

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 14,742 \$ 672,371	\$ 97,136 \$ (97,136)	(85,795) \$ 0	26,083 \$ 575,235	(87,603) \$ 660,164	82,953 \$ 660,164	(56,870) (84,929)
Fund Balance, June 30, 2014	\$ 687,113 \$	0 \$	(85,795) \$	601,318 \$	572,561 \$	743,117 \$	(141,799)

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,633,534	\$ 2,720,485	\$ 2,605,092	\$ 28,442
Other Local Revenues	40,925	11,100	38,747	2,178
State of Tennessee	2,753,369	3,093,943	2,678,063	75,306
Total Revenues	\$ 5,427,828	\$ 5,825,528	\$ 5,321,902	\$ 105,926
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 442,883	\$ 494,772	\$ 481,722	\$ 38,839
Highway and Bridge Maintenance	1,943,540	2,218,972	2,107,022	163,482
Operation and Maintenance of Equipment	523,211	596,810	604,060	80,849
Quarry Operations	0	8,000	0	0
Litter and Trash Collection	95,756	103,748	103,748	7,992
Other Charges	161,779	181,015	176,715	14,936
Employee Benefits	745,817	862,270	810,270	64,453
Capital Outlay	1,236,812	1,832,000	1,259,000	22,188
<u>Capital Projects</u>				
Highway and Street Capital Projects	251,194	296,575	277,575	26,381
Total Expenditures	\$ 5,400,992	\$ 6,594,162	\$ 5,820,112	\$ 419,120
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,836	\$ (768,634)	\$ (498,210)	\$ 525,046
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 100	\$ 12,903	\$ (12,903)
Total Other Financing Sources	\$ 0	\$ 100	\$ 12,903	\$ (12,903)
Net Change in Fund Balance	\$ 26,836	\$ (768,534)	\$ (485,307)	\$ 512,143
Fund Balance, July 1, 2013	1,941,708	1,465,073	1,465,073	476,635
Fund Balance, June 30, 2014	\$ 1,968,544	\$ 696,539	\$ 979,766	\$ 988,778

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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 5,986,739
Equity in Pooled Cash and Investments	86,194
Due from Other Governments	2,773,798
Property Taxes Receivable	8,867,829
Allowance for Uncollectible Taxes	<u>(440,191)</u>
Total Assets	<u>\$ 17,274,369</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 11,287,630
Due to Litigants, Heirs, and Others	<u>5,986,739</u>
Total Liabilities	<u>\$ 17,274,369</u>

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

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**BRADLEY COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**BRADLEY COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements (Cont.)**

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**BRADLEY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**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, 2014.

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 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.

**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 2.31 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.

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

**3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000; for buildings and 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 as discussed in 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 the general government and Highway Department 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 government and Highway Department. 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 displayed in three 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. 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.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Bradley County had \$54,732,091 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 and Special Purpose Fire Tax funds – Ten percent of current-year expenditures and transfers to other funds.

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

Public Library and Agriculture Center funds – Five percent of current-year expenditures and transfers to other funds.

Debt Service Funds – the county will typically have at least 13 months 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.

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**

**Budgetary Information**

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

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

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

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

At June 30, 2014, Bradley County reported the following significant encumbrances:

Funds	Description	Amount
Major Funds:		
General	Geographical Aerial Surveys	\$ 22,200
"	Tax Audit Fees	14,595
"	Servers	12,900
"	Sheriff's Department Vehicle	32,035
"	Concrete Repair	19,285
"	Various Contracted Services	31,114
Special Purpose Fire Tax	Professional Services	27,680
"	Insurance	17,666
Nonmajor Funds:		
Public Library	Repairs	20,000
Solid Waste/Sanitation	Paving	19,131

#### 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 reflected on the balance sheets or statements of net position represents 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, 2014, 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.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	109	\$ 2,040

**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, 2014, 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 \$33,641.

**C. Derivative Instruments**

At June 30, 2014, 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, 2014, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2014 financial statements are as follows:

Type	Classification	Changes in Fair Value		Fair Value at June 30, 2014		6-30-14
		Classification	Amount	Classification	Amount	Notional Amount
<b>Governmental Activities</b>						
Cash Flow Hedges:						
Pay-fixed interest rate swaps:						
\$10M Swap - Series IV-C-2	Deferred Outflow		\$ 132,685	Debt	\$ (847,853)	\$ 7,585,000
\$10M Swap - Series IV-G-1	Deferred Outflow		(38,775)	Debt	(2,153,770)	10,000,000
Total			<u>\$ 93,910</u>		<u>\$(3,001,623)</u>	<u>\$17,585,000</u>

## Derivative Swap Agreement Detail

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

The Public Building Authority of Sevier 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, 2014, 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>-1.080</u>
Net interest rate swap payments		3.300 %
Variable-rate bond coupon payments		<u>0.060</u>
Synthetic interest rate on bonds		<u><u>3.360 %</u></u>

**Fair value.** As of June 30, 2014, the swap had a negative fair value of \$847,853. 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, 2014, 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, 2014, 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, 2014, 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	
2015	\$ 575,000	\$ 4,551	\$ 250,343	\$ 829,894
2016	615,000	4,206	231,365	850,571
2017	645,000	3,837	211,067	859,904
2018	685,000	3,450	189,779	878,229
2019	2,455,000	3,039	167,170	2,625,209
2020	2,610,000	1,566	86,143	2,697,709
Total	\$ 7,585,000	\$ 20,649	\$ 1,135,867	\$ 8,741,516

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

The Public Building Authority of Sevier 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, 2014, 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>-1.080</u>
Net interest rate swap payments		3.370 %
Variable-rate bond coupon payments		<u>0.060</u>
		<u>3.430 %</u>
Synthetic interest rate on bonds		

**Fair value.** As of June 30, 2014, the swap had a negative fair value of \$2,153,770. 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, 2014, 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, 2014, 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, 2014, 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		
2015	\$ 0	\$ 6,000	\$ 337,050	\$ 343,050	
2016	0	6,000	337,050	343,050	
2017	0	6,000	337,050	343,050	
2018	0	6,000	337,050	343,050	
2019	0	6,000	337,050	343,050	
2020-2024	3,850,000	28,878	1,622,222	5,501,100	
2025-2026	6,150,000	6,126	344,128	6,500,254	
Total	\$ 10,000,000	\$ 65,004	\$ 3,651,600	\$ 13,716,604	

#### D. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 5,948,505	\$ 0	\$ 0	\$ 5,948,505
Construction in Progress	352,311	36,575	0	388,886
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 6,300,816</b>	<b>\$ 36,575</b>	<b>\$ 0</b>	<b>\$ 6,337,391</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 33,948,239	\$ 86,325	\$ (27,954)	\$ 34,006,610
Infrastructure	35,530,795	1,238,956	(100,901)	36,668,850
Other Capital Assets	16,718,529	1,270,098	(357,947)	17,630,680
<b>Total Capital Assets Depreciated</b>	<b>\$ 86,197,563</b>	<b>\$ 2,595,379</b>	<b>\$ (486,802)</b>	<b>\$ 88,306,140</b>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 13,864,402	\$ 909,321	\$ (16,850)	\$ 14,756,873
Infrastructure	11,386,260	1,176,548	(98,258)	12,464,550
Other Capital Assets	11,802,573	901,427	(347,688)	12,356,312
<b>Total Accumulated Depreciation</b>	<b>\$ 37,053,235</b>	<b>\$ 2,987,296</b>	<b>\$ (462,796)</b>	<b>\$ 39,577,735</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 49,144,328</b>	<b>\$ (391,917)</b>	<b>\$ (24,006)</b>	<b>\$ 48,728,405</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 55,445,144</b>	<b>\$ (355,342)</b>	<b>\$ (24,006)</b>	<b>\$ 55,065,796</b>

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

**Governmental Activities:**

General Government	\$	78,809
Finance		3,595
Administration of Justice		4,639
Public Safety		1,216,902
Public Health and Welfare		221,813
Social, Cultural, and Recreational Services		104,469
Agriculture and Natural Resources		959
Highways/Public Works		<u>1,356,110</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,987,296</u></u>

**Discretely Presented Bradley County School Department**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,610,912	\$ 0	\$ 0	\$ 1,610,912
Construction in Progress	<u>73,598</u>	<u>0</u>	<u>(73,598)</u>	<u>0</u>
Total Capital Assets Not Depreciated	<u>\$ 1,684,510</u>	<u>\$ 0</u>	<u>\$ (73,598)</u>	<u>\$ 1,610,912</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 104,529,627	\$ 2,232,231	\$ 0	\$ 106,761,858
Other Capital Assets	<u>1,571,042</u>	<u>106,980</u>	<u>(90,700)</u>	<u>1,587,322</u>
Total Capital Assets Depreciated	<u>\$ 106,100,669</u>	<u>\$ 2,339,211</u>	<u>\$ (90,700)</u>	<u>\$ 108,349,180</u>

**Governmental Activities (Cont):**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 38,927,384	\$ 2,761,342	\$ 0	\$ 41,688,726
Other Capital Assets	851,064	114,023	(90,700)	874,387
Total Accumulated Depreciation	<u>\$ 39,778,448</u>	<u>\$ 2,875,365</u>	<u>\$ (90,700)</u>	<u>\$ 42,563,113</u>
Total Capital Assets Depreciated, Net	<u>\$ 66,322,221</u>	<u>\$ (536,154)</u>	<u>\$ 0</u>	<u>\$ 65,786,067</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,006,731</u>	<u>\$ (536,154)</u>	<u>\$ (73,598)</u>	<u>\$ 67,396,979</u>

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

**Governmental Activities:**

Instruction	\$ 2,774,884
Support Services	74,097
Operation of Non-instructional Services	<u>26,384</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,875,365</u>

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

The composition of interfund balances as of June 30, 2014, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 45,676

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

**Due to/from Primary Government and Component Unit:**

Receivable Fund	Payable Fund	Amount
Primary Government	Component Unit: School Department	\$ 118,278

The Due to Primary Government is the balance of a capital lease issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this lease. This long-term obligation is reflected in the governmental activities on the Statement of Net Position.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

**Primary Government**

Transfer Out	Transfer In
	General Debt Service Fund
Special Purpose Fire Tax Fund	\$ 213,413

**Discretely Presented Bradley County School Department**

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 65,628

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.

**F. Capital Lease**

On June 18, 2012, Bradley County entered into a three-year lease-purchase agreement for energy efficient upgrades and equipment for the School Department. 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 contributing the lease payments to the primary government. 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, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 63,574
2016	<u>63,574</u>
Total Minimum Lease Payments	\$ 127,148
Less: Amount Representing Interest	<u>(8,870)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 118,278</u></u>

**G. Long-term Obligations**

**Primary Government**

**General Obligation Bonds 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 bonds and other loans outstanding were issued for original terms of up to 20 years for bonds 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, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2 to 5.55 %	6-1-29	\$ 20,420,000	\$ 20,265,000
General Obligation Bonds - Refunding	2	6-1-18	4,255,000	2,955,000
Other Loans - Variable Rate	Variable	6-1-26	48,210,000	36,875,000
Other Loans	3 to 4.25	6-30-21	12,050,000	9,185,000
Capital Leases	4.85	7-31-15	302,000	118,278

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, 2014:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-14	Interest Type	Interest Rates as of 6-30-14	Fee Rates as of 6-30-14
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 9,185,000	Fixed	3 to 4.25 %	.65%
Series E-6-A:	28,210,000	19,290,000	Variable	.06	.976
Series IV-C-2	10,000,000	7,585,000	Synthetic Fixed by Swap	3.36	.976
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by Swap	3.43	.976
Total		<u>\$ 46,060,000</u>			

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2014, 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
2015	\$ 875,000	\$ 1,049,493	\$ (327,278)	\$ 1,597,215
2016	890,000	1,031,992	(327,278)	1,594,714
2017	910,000	1,014,193	(327,278)	1,596,915
2018	925,000	995,992	(327,278)	1,593,714
2019	170,000	977,493	(327,278)	820,215
2020-2024	6,750,000	4,552,759	(1,537,583)	9,765,176
2025-2029	12,700,000	2,298,133	(781,746)	14,216,387
<b>Total</b>	<b>\$ 23,220,000</b>	<b>\$ 11,920,055</b>	<b>\$ (3,955,719)</b>	<b>\$ 31,184,336</b>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 3,335,000	\$ 316,348	\$ 419,603	\$ 4,070,951
2016	3,540,000	279,946	396,813	4,216,759
2017	3,700,000	239,811	373,047	4,312,858
2018	3,860,000	196,631	347,769	4,404,400
2019	4,905,000	155,272	321,173	5,381,445
2020-2024	18,175,000	226,815	924,116	19,325,931
2025-2026	8,545,000	8,580	139,568	8,693,148
<b>Total</b>	<b>\$ 46,060,000</b>	<b>\$ 1,423,403</b>	<b>\$ 2,922,089</b>	<b>\$ 50,405,492</b>

There is \$11,650,561 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$701, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt 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.

Description of Indebtedness	Outstanding 6-30-14
<u>Capital Lease</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Upgrades and Equipment	\$ 118,278

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 24,075,000	\$ 71,426	\$ 49,255,000
Reductions	(855,000)	(71,426)	(3,195,000)
Balance, June 30, 2014	\$ 23,220,000	\$ 0	\$ 46,060,000
Balance Due Within One Year	\$ 875,000	\$ 0	\$ 3,335,000

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 262,839	\$ 1,209,249	\$ 2,276,877
Additions	0	1,278,915	730,032
Reductions	(144,561)	(1,216,299)	(68,202)
Balance, June 30, 2014	\$ 118,278	\$ 1,271,865	\$ 2,938,707
Balance Due Within One Year	\$ 57,708	\$ 621,930	\$ 0

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 73,608,850
Less: Balances Due Within One Year	(4,889,638)
Add: Unamortized Premium on Debt	<u>236,312</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 68,955,524</u>

**Discretely Presented Bradley County School Department**

**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Bradley County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2013	\$ 6,068,972
Additions	2,124,253
Reductions	<u>(911,795)</u>
Balance, June 30, 2014	<u>\$ 7,281,430</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 7,281,430
Less: Balances Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,281,430</u>

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

**H. On-Behalf Payments**

**Discretely Presented Bradley County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bradley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, 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.

**I. Short-term Debt**

Bradley County issued tax anticipation notes of \$1,000,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

Bradley County's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in a public entity risk pool. 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. Bradley County's plan was administered by Cigna for the period July 1, 2013, to December 31, 2013, and Blue Cross/Blue Shield from January 1, 2014, to the present. 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 a public entity risk pool. 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**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

**C. Subsequent Events**

On August 31, 2014, Tom Collins left the Office of Road Superintendent and was succeeded by Sandra Knight, and James Ruth left the Office of Sheriff and was succeeded by Eric Watson.

On September 18, 2014, the county's General Debt Service Fund issued a \$700,000 tax anticipation note to the Special Purpose Fire Tax 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. Financial Guarantees**

In October 2007, Bradley and McMinn counties guaranteed the 35-year, \$12 million public improvement bonds issuance of a joint venture, the Hiwassee Utilities Commission. The bonds mature annually through June 1, 2042, with semiannual interest payments. In the event that the

Hiwassee Utilities Commission is unable to make a payment, Bradley County will be required to make one-half of that payment. See Note V.G.

**F. 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 54.2 years based on current usage – and the life of additional cells that might be opened in the future. The \$1,773,009 estimated closure and postclosure costs of the landfill at June 30, 2014, 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 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission, the Cleveland City Council, and eight ex-officio members, who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and the Cleveland City Council. The center is funded through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2014, the county appropriated an operating subsidy of \$550,000 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, 2014, future principal and interest requirements, which Bradley County would be liable for, were \$5,485,500 and \$4,705,650, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2014.

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, 2014.

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

Administrative Offices:

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

Hiwassee Utilities Commission  
3973 Chatata Valley Road  
Charleston, TN 37310

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

## **H. Jointly Governed Organization**

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

## **I. Retirement Commitments**

### **Tennessee Consolidated Retirement System (TCRS)**

#### **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, 2014, 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, 2014, the county's annual pension cost of \$3,729,911 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 postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 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
6-30-14	\$3,729,911	100%	\$0
6-30-13	3,502,832	100	0
6-30-12	3,442,852	100	0

## Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 93.86 percent funded. The actuarial accrued liability for benefits was \$76.18 million, and the actuarial value of assets was \$71.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.68 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$25.3 million, and the ratio of the UAAL to the covered payroll was 18.49 percent.

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

## **SCHOOL TEACHERS**

### **Plan Description**

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer

rate for the fiscal year ended June 30, 2014, 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, 2014, 2013, and 2012, were \$3,451,104, \$3,333,261, and \$3,321,043, respectively, equal to the required contributions for each year.

**J. Other Postemployment Benefits (OPEB)**

Plan Description

The School Department participates 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 local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$0 to \$479 per month. The School Department recognized expenditures of \$911,795 for postemployment health care during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,118,000
Interest on the NOPEBO	242,759
Adjustment to the ARC	(236,506)
Annual OPEB cost	<hr/> \$ 2,124,253
Amount of contribution	(911,795)
Increase/decrease in NOPEBO	<hr/> \$ 1,212,458
Net OPEB obligation, 7-1-13	<hr/> 6,068,972
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 7,281,430

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
<hr/>				
6-30-12	Local Education Group	\$ 2,210,945	35.85%	\$ 4,693,807
6-30-13	"	2,227,457	38.26	6,068,972
6-30-14	"	2,124,253	42.92	7,281,430

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 17,608,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 17,608,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 44,103,534
UAAL as a % of covered payroll	39.92%

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, 2013, 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 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 Blue Cross/Blue Shield. 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. Although a formal written policy is not in place, it is assumed that spouses are eligible to continue coverage until age 65; however a spouse

cannot be added after the employee's retirement date. The retiree pays 100 percent of the excess contribution between the family rate and the individual rate for additional spouse coverage.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Commercial Plan
ARC	\$ 728,826
Interest on the NOPEBO	102,459
Adjustment to the ARC	(101,253)
Annual OPEB cost	<u>\$ 730,032</u>
Less amount of contribution*	<u>(38,202)</u>
Increase/decrease in NOPEBO	\$ 691,830
Net OPEB obligation, 7-1-13	<u>2,276,877</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 2,968,707</u></u>

\* - Includes estimated employer contribution of \$11,780 for 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
6-30-12	Commercial	\$ 665,197	8.10%	\$ 1,641,779
6-30-13	"	702,807	9.63	2,276,877
6-30-14	"	730,032	9.34	2,938,707

## Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	<u>Primary Government Commercial Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 5,593,404
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,593,404
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 20,516,706
UAAL as a % of covered payroll	27.26%

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, 2013, actuarial valuation, the projected unit cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual healthcare cost trend rate of six percent. Rates include a 1.5 percent real rate of return plus three percent inflation assumption. The actuarial accrued liability (the liability or obligation for benefits earned through the valuation date based on certain actuarial methods and assumptions) represents 38.08 percent of the present value, at July 1, 2013, of all those benefits.

**K. Termination Benefits**

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the postemployment health insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are made only when employees choose to accept the incentive. During the year ended June 30, 2014, one School Department employee chose to accept the retirement incentive for a cash payment of \$6,000; therefore, the total cost of the cash payments reported in the government-wide Statement of Net Position by function was \$6,000.

**L. Purchasing Laws**

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

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

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

A. **Summary of Significant Accounting Policies**

Reporting Entity

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

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. Expendable 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, expendable 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 revenues, expenses and change in net position as net position released from restrictions. Nonexpendable restricted net position is subject to donor-imposed stipulations that are required to be maintained permanently by the nursing center. Generally, the donors of nonexpendable 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 position invested in capital assets or restricted net position.

Operating and Nonoperating 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 nonoperating.

**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 at June 30, 2014:

General Stores	\$ 26,588
Foods and Dietary	11,737
Enteral Feeding Supplies	<u>821</u>
Total	<u><u>\$ 39,146</u></u>

**D. Assets Whose Use Is Limited**

Assets whose use is limited are as follows at June 30, 2014:

Patient Trust Funds	\$ 53,411
Scholarship Fund	13,591
Activities Fund	1,876
Chapel Fund	1,484
Country Store Fund	4,849
Endowment Fund	<u>113,463</u>
Total	<u><u>\$ 188,674</u></u>

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

**E. Property and Equipment**

Property and equipment consist of the following:

	7-1-13	(Decreases)	6-30-14
Land	\$ 1,250	\$ 0	\$ 1,250
Land Improvements	379,814	0	379,814
Buildings	5,543,121	0	5,543,121
Fixed Equipment	950,159	0	950,159
Major Movable	1,822,031	13,992	1,836,023
Computer Software	43,695	0	43,695
Computer Hardware	132,985	0	132,985
Vehicles	106,444	0	106,444
Total	<u>\$ 8,979,499</u>	<u>\$ 13,992</u>	<u>\$ 8,993,491</u>
Less: Accumulated Depreciation	<u>(6,731,263)</u>	<u>(256,006)</u>	<u>(6,987,269)</u>
Property and Equipment, Net	<u>\$ 2,248,236</u>	<u>\$ (242,014)</u>	<u>\$ 2,006,222</u>

**F. Nonexpendable Restricted Net Position**

Assets whose use is permanently restricted are as follows at June 30, 2014:

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

**Citizens' Endowment Fund**

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

Donations may be made to the fund and 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, 2014, follows:

Medicare	\$ 2,656,065
Medicaid	7,961,213
Other	<u>1,277,306</u>
Gross Patient Service Revenues	\$ 11,894,584
Contractual Adjustments and Uncollectible Accounts	<u>(259,499)</u>
Net Patient Service Revenue	<u><u>\$ 11,635,085</u></u>

**H. Accrued Leave**

The nursing center has an all-purpose paid time off (PTO) policy. Employees who work 30 hours or more per week are eligible to earn and use PTO. PTO is accrued using a formula based on length of employment at the nursing center. Accrued but unpaid PTO benefits at June 30, 2014, were \$297,979 and are included in accrued payroll as a current liability.

**I. Pension Plan**

The nursing center sponsors a 403(b) salary deferral plan for the benefit of its employees. Under the plan, employees are allowed to defer a portion of their earnings up to certain maximum amounts. The nursing center matches the employee contributions at the amount deferred up to four percent. The employer match totaled \$88,979 for the year ended June 30, 2014. There was no unpaid liability at June 30, 2014.

**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. Coverage was renewed under a binder of coverage at June 30, 2014, 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, 2014, which have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2015	\$ 29,320
2016	29,320
2017	26,876

Total rental expense for all operating leases was \$29,338 for 2014 and is included in the general services expense classification.

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

The nursing center is subject to the risks of torts by its employees; theft, destruction or damage to its capital assets; business interruptions; errors or omissions; injury or illness of employees while in the course of their employment and acts of God, such as fires, floods, and earthquakes. The nursing center insures itself against losses due to this exposure through the purchase of commercial liability and workers' compensation insurance from reputable insurers. There have been no substantial losses incurred in prior years, and the amount of coverage purchased has not been reduced. Management is unaware of any potential claims that would result in reductions to or cancellation of coverage by the insurer.

**L. Subsequent Event**

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 in a formal report. The nursing center has responded to the report in writing. The ultimate outcome of this contingency is uncertain, and a reasonable estimate of the impact, if any, is not determinable.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Bradley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Bradley County School Department  
June 30, 2014

(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)
7-1-13	\$ 71,502	\$ 76,179	\$ 4,677	93.86 %	\$ 25,297	18.49 %
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

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, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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
"	7-1-13	0	5,593	5,593	0	20,517	27.26
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	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
"	7-1-13	0	17,608	17,608	0	44,104	39.92

**BRADLEY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

Agriculture Center Fund – The Agriculture Center 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. This fund closed during the year.

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 of deeds, and sheriff.

# Capital Projects Funds

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

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

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

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

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

Bradley County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center
<u>ASSETS</u>					
Cash	0 \$	0 \$	0 \$	0 \$	0
Equity in Pooled Cash and Investments	27,883	199,633	1,323,678	394,685	123,830
Accounts Receivable	0	0	0	15,194	0
Due from Other Governments	0	3,222	0	0	0
Property Taxes Receivable	0	613,461	0	0	0
Allowance for Uncollectible Property Taxes	0	(23,538)	0	0	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	\$ 27,883	\$ 792,778	\$ 1,323,678	\$ 409,879	\$ 123,830
<u>LIABILITIES</u>					
Due to Other Funds	0 \$	0 \$	0 \$	0 \$	0
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	0 \$	575,235	0 \$	0 \$	0
Deferred Delinquent Property Taxes	0	10,334	0	0	0
Other Deferred/Unavailable Revenue	0	1,000	0	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 586,569	\$ 0	\$ 0	\$ 0

(Continued)

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

		Special Revenue Funds				
		Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice		\$ 27,883	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Public Safety		0	0	0	409,667	0
Restricted for Social, Cultural, and Recreational Services		0	186,209	0	0	0
Restricted for Capital Outlay		0	0	0	0	0
Committed:						
Committed for General Government		0	0	0	0	0
Committed for Finance		0	0	0	0	0
Committed for Administration of Justice		0	0	0	0	0
Committed for Public Health and Welfare		0	0	1,292,575	0	0
Committed for Social, Cultural, and Recreational Services		0	0	0	0	123,830
Committed for Capital Outlay		0	0	0	0	0
Committed for Capital Projects		0	0	0	0	0
Assigned:						
Assigned for Public Safety		0	0	0	212	0
Assigned for Public Health and Welfare		0	0	31,103	0	0
Assigned for Social, Cultural, and Recreational Services		0	20,000	0	0	0
Total Fund Balances		\$ 27,883	\$ 206,209	\$ 1,323,678	\$ 409,879	\$ 123,830
Total Liabilities, Deferred Inflows of Resources, and Fund Balances		\$ 27,883	\$ 792,778	\$ 1,323,678	\$ 409,879	\$ 123,830

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds		
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects
<u>ASSETS</u>					
Cash	\$ 500,334	\$ 500,334	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	0	2,069,709	394,769	1,043,508	131,704
Accounts Receivable	0	15,194	4,895	0	51
Due from Other Governments	0	3,222	0	4,013	0
Property Taxes Receivable	0	613,461	0	1,108,018	0
Allowance for Uncollectible Property Taxes	0	(23,538)	0	(42,502)	0
Notes Receivable - Long-term	0	0	0	0	33,641
Total Assets	\$ 500,334	\$ 3,178,382	\$ 399,664	\$ 2,113,037	\$ 165,396
<u>LIABILITIES</u>					
Due to Other Funds	\$ 45,676	\$ 45,676	\$ 0	\$ 0	0
Total Liabilities	\$ 45,676	\$ 45,676	\$ 0	\$ 0	0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 575,235	\$ 0	\$ 1,039,006	\$ 0
Deferred Delinquent Property Taxes	0	10,334	0	18,651	0
Other Deferred/Unavailable Revenue	0	1,000	0	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 586,569	\$ 0	\$ 1,057,657	\$ 0

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park	HUD Grant	Projects
<b>FUND BALANCES</b>						
Restricted:						
Restricted for Administration of Justice	\$ 0	\$ 27,883	\$ 0	\$ 0	\$ 0	0
Restricted for Public Safety	0	409,667	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	186,209	0	0	0	0
Restricted for Capital Outlay	0	0	0	1,055,380	0	33,641
Committed:						
Committed for General Government	84,854	84,854	0	0	0	0
Committed for Finance	302,837	302,837	0	0	0	0
Committed for Administration of Justice	66,967	66,967	0	0	0	0
Committed for Public Health and Welfare	0	1,292,575	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	123,830	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	131,755
Committed for Capital Projects	0	0	399,664	0	0	0
Assigned:						
Assigned for Public Safety	0	212	0	0	0	0
Assigned for Public Health and Welfare	0	31,103	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	0	20,000	0	0	0	0
<b>Total Fund Balances</b>	\$ 454,658	\$ 2,546,137	\$ 399,664	\$ 1,055,380	\$ 165,396	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	\$ 500,334	\$ 3,178,382	\$ 399,664	\$ 2,113,037	\$ 165,396	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		
	Education Capital Projects	Total	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 500,334
Equity in Pooled Cash and Investments	178,812	1,748,793	3,818,502
Accounts Receivable	0	4,946	20,140
Due from Other Governments	131	4,144	7,366
Property Taxes Receivable	36,121	1,144,139	1,757,600
Allowance for Uncollectible Property Taxes	(1,399)	(43,901)	(67,439)
Notes Receivable - Long-term	0	33,641	33,641
Total Assets	\$ 213,665	\$ 2,891,762	\$ 6,070,144
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 0	\$ 45,676
Total Liabilities	\$ 0	\$ 0	\$ 45,676
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 33,837	\$ 1,072,843	\$ 1,648,078
Deferred Delinquent Property Taxes	623	19,274	29,608
Other Deferred/Unavailable Revenue	0	0	1,000
Total Deferred Inflows of Resources	\$ 34,460	\$ 1,092,117	\$ 1,678,686

(Continued)

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

		<u>Capital Projects Funds (Cont.)</u>			
		<u>Education</u>	<u>Total</u>	<u>Total</u>	
		<u>Capital</u>		<u>Nonmajor</u>	
		<u>Projects</u>		<u>Governmental</u>	
				<u>Funds</u>	
		\$	0 \$	0 \$	27,883
			0	0	409,667
			0	0	186,209
			179,205	1,268,226	1,268,226
			0	0	84,854
			0	0	302,837
			0	0	66,967
			0	0	1,292,575
			0	0	123,830
			0	131,755	131,755
			0	399,664	399,664
			0	0	212
			0	0	31,103
			0	0	20,000
		\$	179,205 \$	1,799,645 \$	4,345,782
		\$	213,665 \$	2,891,762 \$	6,070,144

FUND BALANCES

Restricted:

- Restricted for Administration of Justice
- Restricted for Public Safety
- Restricted for Social, Cultural, and Recreational Services
- Restricted for Capital Outlay

Committed:

- Committed for General Government
- Committed for Finance
- Committed for Administration of Justice
- Committed for Public Health and Welfare
- Committed for Social, Cultural, and Recreational Services
- Committed for Capital Outlay
- Committed for Capital Projects

Assigned:

- Assigned for Public Safety
- Assigned for Public Health and Welfare
- Assigned for Social, Cultural, and Recreational Services

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit F-2

Bradley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

		Special Revenue Funds						
		Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center	Veterans Nursing Home	
<u>Revenues</u>								
Local Taxes	\$	495	577,001	0	0	210,468	0	
Fines, Forfeitures, and Penalties		1,350	0	0	121,442	0	0	
Charges for Current Services		11,250	0	299,152	0	0	0	
Other Local Revenues		0	0	14,696	96,694	0	3,087	
State of Tennessee		0	17,939	29,032	0	0	0	
Other Governments and Citizens Groups		0	0	20,000	0	0	0	
Total Revenues	\$	13,095	594,940	362,880	218,136	210,468	3,087	
<u>Expenditures</u>								
Current:	\$							
General Government		0	0	0	0	0	0	
Finance		0	0	0	0	0	0	
Administration of Justice		0	0	0	0	0	0	
Public Safety		0	0	1,332	183,421	0	0	
Public Health and Welfare		0	0	144,802	0	0	0	
Social, Cultural, and Recreational Services		10,288	608,100	0	0	194,532	0	
Other Operations		129	11,691	29,992	1,197	2,100	0	
Capital Projects		0	0	0	0	0	14,219	
Total Expenditures	\$	10,417	619,791	176,126	184,618	196,632	14,219	
Excess (Deficiency) of Revenues Over Expenditures	\$	2,678	(24,851)	186,754	33,518	13,836	(11,132)	

(Continued)

Exhibit F-2

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

	Special Revenue Funds						
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center	Veterans Nursing Home	
Net Change in Fund Balances	\$ 2,678 \$	(24,851) \$	186,754 \$	33,518 \$	13,836 \$	(11,132)	
Fund Balance, July 1, 2013	25,205	231,060	1,136,924	376,361	109,994	11,132	
Fund Balance, June 30, 2014	\$ 27,883 \$	206,209 \$	1,323,678 \$	409,879 \$	123,830 \$	0	

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 787,964	\$ 0	\$ 1,041,432	\$ 0	0
Fines, Forfeitures, and Penalties	0	122,792	0	0	0	0
Charges for Current Services	1,888,179	2,198,581	0	0	0	0
Other Local Revenues	0	114,477	100,679	0	616	616
State of Tennessee	0	46,971	0	32,383	0	0
Other Governments and Citizens Groups	0	20,000	0	0	0	0
Total Revenues	\$ 1,888,179	\$ 3,290,785	\$ 100,679	\$ 1,073,815	\$ 616	616
<u>Expenditures</u>						
Current:						
General Government	\$ 339,127	\$ 339,127	\$ 0	\$ 0	\$ 0	0
Finance	1,256,322	1,256,322	0	0	0	0
Administration of Justice	253,148	253,148	0	0	0	0
Public Safety	0	184,753	0	0	0	0
Public Health and Welfare	0	144,802	0	0	0	0
Social, Cultural, and Recreational Services	0	812,920	0	0	0	0
Other Operations	0	45,109	1,012	1,142,529	0	6
Capital Projects	0	14,219	2,131,495	0	0	0
Total Expenditures	\$ 1,848,597	\$ 3,050,400	\$ 2,132,507	\$ 1,142,529	\$ 0	6
Excess (Deficiency) of Revenues Over Expenditures	\$ 39,582	\$ 240,385	\$ (2,031,828)	\$ (68,714)	\$ 610	610

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant	Projects
Net Change in Fund Balances	\$ 39,582	\$ 240,385	\$ (2,031,828)	\$ (68,714)	\$ 610	
Fund Balance, July 1, 2013	415,076	2,305,752	2,431,492	1,124,094	164,786	
Fund Balance, June 30, 2014	\$ 454,658	\$ 2,546,137	\$ 399,664	\$ 1,055,380	\$ 165,396	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		
	Education Capital Projects	Total	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 34,854	\$ 1,076,286	\$ 1,864,250
Fines, Forfeitures, and Penalties	0	0	122,792
Charges for Current Services	0	0	2,198,581
Other Local Revenues	0	101,295	215,772
State of Tennessee	1,078	33,461	80,432
Other Governments and Citizens Groups	0	0	20,000
Total Revenues	\$ 35,932	\$ 1,211,042	\$ 4,501,827
<u>Expenditures</u>			
Current:			
General Government	0	0	339,127
Finance	0	0	1,256,322
Administration of Justice	0	0	253,148
Public Safety	0	0	184,753
Public Health and Welfare	0	0	144,802
Social, Cultural, and Recreational Services	0	0	812,920
Other Operations	680	1,144,227	1,189,336
Capital Projects	10,571	2,142,066	2,156,285
Total Expenditures	\$ 11,251	\$ 3,286,293	\$ 6,336,693
Excess (Deficiency) of Revenues Over Expenditures	\$ 24,681	\$ (2,075,251)	\$ (1,834,866)

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Education		Nonmajor
	Capital	Total	Governmental
	Projects	Funds	Funds
Net Change in Fund Balances	\$ 24,681	\$ (2,075,251)	\$ (1,834,866)
Fund Balance, July 1, 2013	154,524	3,874,896	6,180,648
Fund Balance, June 30, 2014	\$ 179,205	\$ 1,799,645	\$ 4,345,782

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 495	\$ 500	\$ 500	\$ (5)
Fines, Forfeitures, and Penalties	1,350	1,250	1,250	100
Charges for Current Services	11,250	11,000	11,000	250
Total Revenues	<u>\$ 13,095</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ 345</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 10,288	\$ 12,060	\$ 12,060	\$ 1,772
<u>Other Operations</u>				
Other Charges	129	150	180	51
Total Expenditures	<u>\$ 10,417</u>	<u>\$ 12,210</u>	<u>\$ 12,240</u>	<u>\$ 1,823</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,678</u>	<u>\$ 540</u>	<u>\$ 510</u>	<u>\$ 2,168</u>
Net Change in Fund Balance	\$ 2,678	\$ 540	\$ 510	2,168
Fund Balance, July 1, 2013	<u>25,205</u>	<u>24,477</u>	<u>24,477</u>	<u>728</u>
Fund Balance, June 30, 2014	<u>\$ 27,883</u>	<u>\$ 25,017</u>	<u>\$ 24,987</u>	<u>\$ 2,896</u>

Exhibit F-4

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Public Library Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 577,001 \$	0 \$	577,001 \$	594,876 \$	573,229 \$	3,772
State of Tennessee	17,939	0	17,939	14,900	14,900	3,039
Total Revenues	\$ 594,940 \$	0 \$	594,940 \$	609,776 \$	588,129 \$	6,811
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 608,100 \$	20,000 \$	628,100 \$	608,100 \$	628,100 \$	0
Other Operations	11,691	0	11,691	14,000	14,000	2,309
Other Charges	619,791 \$	20,000 \$	639,791 \$	622,100 \$	642,100 \$	2,309
Total Expenditures	\$ (24,851) \$	(20,000) \$	(44,851) \$	(12,324) \$	(53,971) \$	9,120
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,851) \$	(20,000) \$	(44,851) \$	(12,324) \$	(53,971) \$	9,120
Net Change in Fund Balance Fund Balance, July 1, 2013	231,060	0	231,060	222,105	222,105	8,955
Fund Balance, June 30, 2014	\$ 206,209 \$	(20,000) \$	186,209 \$	209,781 \$	168,134 \$	18,075

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Charges for Current Services	\$ 299,152	\$ 0	\$ 0	\$ 299,152	\$ 250,000	\$ 250,000	\$ 49,152
Other Local Revenues	14,696	0	0	14,696	27,200	27,200	(12,504)
State of Tennessee	29,032	0	0	29,032	65,000	65,000	(35,968)
Other Governments and Citizens Groups	20,000	0	0	20,000	20,000	20,000	0
<b>Total Revenues</b>	<b>\$ 362,880</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,880</b>	<b>\$ 362,200</b>	<b>\$ 362,200</b>	<b>\$ 680</b>
<b>Expenditures</b>							
<u>Public Safety</u>							
Disaster Relief	\$ 1,332	\$ 0	\$ 0	1,332	0	1,332	0
<u>Public Health and Welfare</u>							
Waste Pickup	11,570	0	0	11,570	0	11,570	0
Other Waste Collection	24,300	0	0	24,300	65,000	65,000	40,700
Recycling Center	86,244	(19,131)	31,103	98,216	98,589	98,452	236
Other Public Health and Welfare	22,688	0	0	22,688	0	22,800	112
<u>Other Operations</u>							
Other Charges	2,992	0	0	2,992	3,363	3,500	508
Contributions to Other Agencies	27,000	0	0	27,000	27,000	27,000	0
<b>Total Expenditures</b>	<b>\$ 176,126</b>	<b>\$ (19,131)</b>	<b>\$ 31,103</b>	<b>\$ 188,098</b>	<b>\$ 193,952</b>	<b>\$ 229,654</b>	<b>\$ 41,556</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 186,754</b>	<b>\$ 19,131</b>	<b>\$ (31,103)</b>	<b>\$ 174,782</b>	<b>\$ 168,248</b>	<b>\$ 132,546</b>	<b>\$ 42,236</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2013</b>	<b>\$ 1,136,924</b>	<b>\$ 19,131</b>	<b>\$ (31,103)</b>	<b>\$ 174,782</b>	<b>\$ 168,248</b>	<b>\$ 132,546</b>	<b>\$ 42,236</b>
		<b>(19,131)</b>	<b>0</b>	<b>1,117,793</b>	<b>1,120,522</b>	<b>1,120,522</b>	<b>(2,729)</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 1,323,678</b>	<b>\$ 0</b>	<b>\$ (31,103)</b>	<b>\$ 1,292,575</b>	<b>\$ 1,288,770</b>	<b>\$ 1,253,068</b>	<b>\$ 39,507</b>

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Fines, Forfeitures, and Penalties	\$ 121,442 \$	0 \$	0 \$	121,442 \$	197,194 \$	197,194 \$	(75,752)
Other Local Revenues	96,694	0	0	96,694	0	81,365	15,329
Total Revenues	\$ 218,136 \$	0 \$	0 \$	218,136 \$	197,194 \$	278,559 \$	(60,423)
<b>Expenditures</b>							
Public Safety							
Sheriff's Department	\$ 80,560 \$	0 \$	0 \$	80,560 \$	64,787 \$	90,716 \$	10,156
Drug Enforcement	102,861	(3,156)	212	99,917	124,793	124,793	24,876
Public Health and Welfare							
Alcohol and Drug Programs	0	0	0	0	10,000	10,000	10,000
Other Operations	1,197	0	0	1,197	3,500	3,500	2,303
Other Charges	184,618	(3,156)	212	181,674	203,080	229,009	47,335
Total Expenditures	\$ 33,518 \$	3,156 \$	(212) \$	36,462 \$	(5,886) \$	49,550 \$	(13,088)
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,518 \$	3,156 \$	(212) \$	36,462 \$	(5,886) \$	49,550 \$	(13,088)
Net Change in Fund Balance Fund Balance, July 1, 2013	376,361	(3,156)	0	373,205	238,363	238,363	134,842
Fund Balance, June 30, 2014	\$ 409,879 \$	0 \$	(212) \$	409,667 \$	232,477 \$	287,913 \$	121,754

Exhibit F-7

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Agriculture Center Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 210,468	\$ 200,000	\$ 200,000	\$ 10,468
Other Local Revenues	0	36,964	36,964	(36,964)
Total Revenues	<u>\$ 210,468</u>	<u>\$ 236,964</u>	<u>\$ 236,964</u>	<u>\$ (26,496)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 194,532	\$ 203,670	\$ 203,670	\$ 9,138
<u>Other Operations</u>				
Other Charges	2,100	2,100	2,100	0
Total Expenditures	<u>\$ 196,632</u>	<u>\$ 205,770</u>	<u>\$ 205,770</u>	<u>\$ 9,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,836</u>	<u>\$ 31,194</u>	<u>\$ 31,194</u>	<u>\$ (17,358)</u>
Net Change in Fund Balance	\$ 13,836	\$ 31,194	\$ 31,194	\$ (17,358)
Fund Balance, July 1, 2013	<u>109,994</u>	<u>116,777</u>	<u>116,777</u>	<u>(6,783)</u>
Fund Balance, June 30, 2014	<u><u>\$ 123,830</u></u>	<u><u>\$ 147,971</u></u>	<u><u>\$ 147,971</u></u>	<u><u>\$ (24,141)</u></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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 3,087 \$	0 \$	3,087 \$	0 \$	3,087 \$	0
Total Revenues	\$ 3,087 \$	0 \$	3,087 \$	0 \$	3,087 \$	0
<u>Expenditures</u>						
<u>Capital Projects</u>						
Other General Government Projects	\$ 14,219 \$	(3,510) \$	10,709 \$	0 \$	14,219 \$	3,510
Total Expenditures	\$ 14,219 \$	(3,510) \$	10,709 \$	0 \$	14,219 \$	3,510
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,132) \$	3,510 \$	(7,622) \$	0 \$	(11,132) \$	3,510
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (11,132) \$	3,510 \$	(7,622) \$	0 \$	(11,132) \$	3,510
	11,132	(3,510)	7,622	25,018	25,018	(17,396)
Fund Balance, June 30, 2014	\$ 0 \$	0 \$	0 \$	25,018 \$	13,886 \$	(13,886)

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Bradley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,699,670	\$ 4,956,414	\$ 4,801,037	\$ (101,367)
Other Local Revenues	1,836	0	1,836	0
State of Tennessee	146,140	149,000	149,000	(2,860)
Federal Government	303,714	313,041	313,041	(9,327)
Other Governments and Citizens Groups	204,834	0	204,834	0
Total Revenues	\$ 5,356,194	\$ 5,418,455	\$ 5,469,748	\$ (113,554)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 95,300	\$ 115,990	\$ 115,990	\$ 20,690
<u>Principal on Debt</u>				
General Government	885,697	885,700	885,700	3
Education	3,380,290	3,188,349	3,380,290	0
<u>Interest on Debt</u>				
General Government	325,365	429,276	429,276	103,911
Education	1,974,210	2,153,051	2,182,400	208,190
<u>Other Debt Service</u>				
General Government	64,399	250,000	250,000	185,601
Education	158,915	600,000	583,544	424,629
Total Expenditures	\$ 6,884,176	\$ 7,622,366	\$ 7,827,200	\$ 943,024
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,527,982)	\$ (2,203,911)	\$ (2,357,452)	\$ 829,470
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 213,413	\$ 213,413	\$ 213,413	\$ 0
Total Other Financing Sources	\$ 213,413	\$ 213,413	\$ 213,413	\$ 0
Net Change in Fund Balance	\$ (1,314,569)	\$ (1,990,498)	\$ (2,144,039)	\$ 829,470
Fund Balance, July 1, 2013	12,965,130	11,909,046	11,909,046	1,056,084
Fund Balance, June 30, 2014	\$ 11,650,561	\$ 9,918,548	\$ 9,765,007	\$ 1,885,554

# Fiduciary Funds

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

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

Cities - Mixed Drink Tax in Litigation Fund – The Cities - Mixed Drink Tax in Litigation Fund is used to account for mixed drink tax proceeds received subsequent to March 2014. The City of Cleveland had asked for a ruling from the court as to how the proceeds are to be prorated between Bradley County and the cities. The county trustee is holding these proceeds until a ruling is made.

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.

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. In prior years the City of Cleveland provided the fire protection for this area. The county is currently providing this protection. Taxes collected in this fund are remitted to the Special Purpose Fire Tax Fund.

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 of deeds, 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, 2014

	Agency Funds							Total
	Cities - Sales Tax	Cities - Mixed Drink Tax In Litigation	City School ADA - Cleveland	Inside Urban Fringe Area Fire Tax	Constitu- tional Officers - Agency			
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,986,739	\$ 0	\$ 5,986,739	
Equity in Pooled Cash and Investments	0	2,834	14,139	69,221	0	0	86,194	
Due from Other Governments	1,836,140	785	936,873	0	0	0	2,773,798	
Property Taxes Receivable	0	0	6,230,146	2,637,683	0	0	8,867,829	
Allowance for Uncollectible Property Taxes	0	0	(239,058)	(201,133)	0	0	(440,191)	
Total Assets	\$ 1,836,140	\$ 3,619	\$ 6,942,100	\$ 2,505,771	\$ 5,986,739	\$ 0	\$ 17,274,369	
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 1,836,140	\$ 3,619	\$ 6,942,100	\$ 2,505,771	\$ 0	\$ 0	\$ 11,287,630	
Due to Litigants, Heirs, and Others	0	0	0	0	5,986,739	0	5,986,739	
Total Liabilities	\$ 1,836,140	\$ 3,619	\$ 6,942,100	\$ 2,505,771	\$ 5,986,739	\$ 0	\$ 17,274,369	

Exhibit H-2

Bradley County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,179,437	\$ 11,179,437	\$ 0
Due from Other Governments	1,857,078	1,836,140	1,857,078	1,836,140
<b>Total Assets</b>	<b>\$ 1,857,078</b>	<b>\$ 13,015,577</b>	<b>\$ 13,036,515</b>	<b>\$ 1,836,140</b>
<u>Liabilities</u>				
Due to Other Taxing Units	1,857,078	13,015,577	13,036,515	1,836,140
<b>Total Liabilities</b>	<b>\$ 1,857,078</b>	<b>\$ 13,015,577</b>	<b>\$ 13,036,515</b>	<b>\$ 1,836,140</b>
<u>Cities - Mixed Drink Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,834	\$ 0	\$ 2,834
Due from Other Governments	0	785	0	785
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 3,619</b>	<b>\$ 0</b>	<b>\$ 3,619</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 3,619	\$ 0	\$ 3,619
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 3,619</b>	<b>\$ 0</b>	<b>\$ 3,619</b>
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,284	\$ 11,154,929	\$ 11,152,074	\$ 14,139
Due from Other Governments	961,372	936,873	961,372	936,873
Taxes Receivable	5,009,647	6,230,146	5,009,647	6,230,146
Allowance for Uncollectible Taxes	(232,186)	(239,058)	(232,186)	(239,058)
<b>Total Assets</b>	<b>\$ 5,750,117</b>	<b>\$ 18,082,890</b>	<b>\$ 16,890,907</b>	<b>\$ 6,942,100</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,750,117	\$ 18,082,890	\$ 16,890,907	\$ 6,942,100
<b>Total Liabilities</b>	<b>\$ 5,750,117</b>	<b>\$ 18,082,890</b>	<b>\$ 16,890,907</b>	<b>\$ 6,942,100</b>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 26,976	\$ 1,930,783	\$ 1,888,538	\$ 69,221
Taxes Receivable	2,191,002	2,637,683	2,191,002	2,637,683
Total Assets	\$ 2,008,963	\$ 4,367,333	\$ 3,870,525	\$ 2,505,771
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,008,963	\$ 4,367,333	\$ 3,870,525	\$ 2,505,771
Total Liabilities	\$ 2,008,963	\$ 4,367,333	\$ 3,870,525	\$ 2,505,771
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,475,440	\$ 20,345,745	\$ 19,834,446	\$ 5,986,739
Total Assets	\$ 5,475,440	\$ 20,345,745	\$ 19,834,446	\$ 5,986,739
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 5,475,440	\$ 20,345,745	\$ 19,834,446	\$ 5,986,739
Total Liabilities	\$ 5,475,440	\$ 20,345,745	\$ 19,834,446	\$ 5,986,739
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,475,440	\$ 20,345,745	\$ 19,834,446	\$ 5,986,739
Equity in Pooled Cash and Investments	38,260	24,267,983	24,220,049	86,194
Due from Other Governments	2,818,450	2,773,798	2,818,450	2,773,798
Taxes Receivable	7,200,649	8,867,829	7,200,649	8,867,829
Allowance for Uncollectible Taxes	(441,201)	(440,191)	(441,201)	(440,191)
Total Assets	\$ 15,091,598	\$ 55,815,164	\$ 53,632,393	\$ 17,274,369
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,616,158	\$ 35,469,419	\$ 33,797,947	\$ 11,287,630
Due to Litigants, Heirs, and Others	5,475,440	20,345,745	19,834,446	5,986,739
Total Liabilities	\$ 15,091,598	\$ 55,815,164	\$ 53,632,393	\$ 17,274,369

# Bradley County School Department

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

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

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

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

Exhibit I-1

Bradley County, Tennessee  
Statement of Activities  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2014

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	\$ 53,873,829	\$ 47,409	\$ 9,038,898	\$ 1,300,757	\$ (43,486,765)
Support Services	24,789,427	9,985	0	0	(24,779,442)
Operation of Non-instructional Services	7,257,044	1,889,906	3,295,528	0	(2,071,610)
Total Governmental Activities	\$ 85,920,300	\$ 1,947,300	\$ 12,334,426	\$ 1,300,757	\$ (70,337,817)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,663,374
Local Option Sales Taxes					10,471,432
Interstate Telecommunications Tax					7,003
Grants and Contributions Not Restricted to Specific Programs					45,588,392
Unrestricted Investment Earnings					28,734
Miscellaneous					48,317
Total General Revenues					\$ 67,807,252
Change in Net Position					\$ (2,530,565)
Net Position, July 1, 2013					71,360,553
Net Position, June 30, 2014					\$ 68,829,988

Exhibit I-2

Bradley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 126,377	\$ 126,377
Equity in Pooled Cash and Investments	11,611,983	1,077,829	12,689,812
Due from Other Governments	2,453,937	849,633	3,303,570
Property Taxes Receivable	12,476,623	0	12,476,623
Allowance for Uncollectible Property Taxes	(478,496)	0	(478,496)
<b>Total Assets</b>	<b>\$ 26,064,047</b>	<b>\$ 2,053,839</b>	<b>\$ 28,117,886</b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 77,304	\$ 2,010	\$ 79,314
Accrued Payroll	6,048,014	345,848	6,393,862
Payroll Deductions Payable	1,019,022	93,207	1,112,229
<b>Total Liabilities</b>	<b>\$ 7,144,340</b>	<b>\$ 441,065</b>	<b>\$ 7,585,405</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 11,699,764	\$ 0	\$ 11,699,764
Deferred Delinquent Property Taxes	209,910	0	209,910
Other Deferred/Unavailable Revenue	922,500	0	922,500
<b>Total Deferred Inflows of Resources</b>	<b>\$ 12,832,174</b>	<b>\$ 0</b>	<b>\$ 12,832,174</b>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 870,222	\$ 1,312,774	\$ 2,182,996
Committed:			
Committed for Education	0	300,000	300,000
Committed for Capital Projects	309,736	0	309,736
Unassigned	4,907,575	0	4,907,575
<b>Total Fund Balances</b>	<b>\$ 6,087,533</b>	<b>\$ 1,612,774</b>	<b>\$ 7,700,307</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 26,064,047</b>	<b>\$ 2,053,839</b>	<b>\$ 28,117,886</b>

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, 2014

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)		\$ 7,700,307
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,610,912	
Add: buildings and improvements net of accumulated depreciation	65,073,132	
Add: other capital assets net of accumulated depreciation	<u>712,935</u>	67,396,979
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for capital leases	\$ (118,278)	
Less: other postemployment benefits liability	<u>(7,281,430)</u>	(7,399,708)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,132,410</u>
Net position of governmental activities (Exhibit A)		<u>\$ 68,829,988</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, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 22,198,153	\$ 0	\$ 22,198,153
Licenses and Permits	5,605	0	5,605
Charges for Current Services	13,975	1,889,906	1,903,881
Other Local Revenues	237,759	13,148	250,907
State of Tennessee	47,400,102	0	47,400,102
Federal Government	2,226,008	9,419,473	11,645,481
Total Revenues	<u>\$ 72,081,602</u>	<u>\$ 11,322,527</u>	<u>\$ 83,404,129</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 46,154,511	\$ 3,185,787	\$ 49,340,298
Support Services	22,034,660	2,930,831	24,965,491
Operation of Non-instructional Services	1,860,132	5,422,844	7,282,976
Capital Outlay	2,704,822	0	2,704,822
Total Expenditures	<u>\$ 72,754,125</u>	<u>\$ 11,539,462</u>	<u>\$ 84,293,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (672,523)</u>	<u>\$ (216,935)</u>	<u>\$ (889,458)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 65,628	\$ 0	\$ 65,628
Transfers Out	0	(65,628)	(65,628)
Total Other Financing Sources (Uses)	<u>\$ 65,628</u>	<u>\$ (65,628)</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (606,895)</u>	<u>\$ (282,563)</u>	<u>\$ (889,458)</u>
Fund Balance, July 1, 2013	6,694,428	1,895,337	8,589,765
Fund Balance, June 30, 2014	<u>\$ 6,087,533</u>	<u>\$ 1,612,774</u>	<u>\$ 7,700,307</u>

Exhibit I-5

Bradley County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2014

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)		\$ (889,458)
(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	\$ 2,265,613	
Less: current-year depreciation expense	<u>(2,875,365)</u>	(609,752)
(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, 2013	\$ (1,143,248)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>1,132,410</u>	(10,838)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government	\$ 144,561	
Add: principal contributions on capital leases to primary government	<u>47,380</u>	191,941
(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		<u>(1,212,458)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (2,530,565)</u>

Exhibit I-6

Bradley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Bradley County School Department  
June 30, 2014

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 126,377	\$ 126,377
Equity in Pooled Cash and Investments	117,450	960,379	1,077,829
Due from Other Governments	603,740	245,893	849,633
Total Assets	<u>\$ 721,190</u>	<u>\$ 1,332,649</u>	<u>\$ 2,053,839</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,010	\$ 0	\$ 2,010
Accrued Payroll	345,848	0	345,848
Payroll Deductions Payable	51,781	41,426	93,207
Total Liabilities	<u>\$ 399,639</u>	<u>\$ 41,426</u>	<u>\$ 441,065</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 21,551	\$ 1,291,223	\$ 1,312,774
Committed:			
Committed for Education	300,000	0	300,000
Total Fund Balances	<u>\$ 321,551</u>	<u>\$ 1,291,223</u>	<u>\$ 1,612,774</u>
Total Liabilities and Fund Balances	<u>\$ 721,190</u>	<u>\$ 1,332,649</u>	<u>\$ 2,053,839</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, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,889,906	\$ 1,889,906
Other Local Revenues	0	13,148	13,148
Federal Government	6,179,036	3,240,437	9,419,473
Total Revenues	<u>\$ 6,179,036</u>	<u>\$ 5,143,491</u>	<u>\$ 11,322,527</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,185,787	\$ 0	\$ 3,185,787
Support Services	2,930,831	0	2,930,831
Operation of Non-instructional Services	0	5,422,844	5,422,844
Total Expenditures	<u>\$ 6,116,618</u>	<u>\$ 5,422,844</u>	<u>\$ 11,539,462</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,418</u>	<u>\$ (279,353)</u>	<u>\$ (216,935)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (65,628)	\$ 0	\$ (65,628)
Total Other Financing Sources (Uses)	<u>\$ (65,628)</u>	<u>\$ 0</u>	<u>\$ (65,628)</u>
Net Change in Fund Balances	\$ (3,210)	\$ (279,353)	\$ (282,563)
Fund Balance, July 1, 2013	324,761	1,570,576	1,895,337
Fund Balance, June 30, 2014	<u>\$ 321,551</u>	<u>\$ 1,291,223</u>	<u>\$ 1,612,774</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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 22,198,153	\$ 22,629,000	\$ 22,489,000	\$ (290,847)
Licenses and Permits	5,605	5,000	5,000	605
Charges for Current Services	13,975	15,000	15,000	(1,025)
Other Local Revenues	237,759	23,000	88,000	149,759
State of Tennessee	47,400,102	45,352,997	47,182,465	217,637
Federal Government	2,226,008	375,000	2,450,020	(224,012)
Total Revenues	\$ 72,081,602	\$ 68,399,997	\$ 72,229,485	\$ (147,883)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 39,280,479	\$ 39,657,050	\$ 39,618,860	\$ 338,381
Special Education Program	3,958,240	3,959,500	3,959,500	1,260
Vocational Education Program	2,729,469	2,748,400	2,763,400	33,931
Adult Education Program	186,323	250,300	250,300	63,977
<u>Support Services</u>				
Attendance	147,544	152,725	152,725	5,181
Health Services	793,436	722,150	885,863	92,427
Other Student Support	2,161,795	2,030,500	2,168,855	7,060
Regular Instruction Program	2,142,313	2,043,950	2,186,732	44,419
Special Education Program	580,821	654,650	654,650	73,829
Vocational Education Program	131,109	131,500	131,500	391
Other Programs	447,281	0	447,281	0
Board of Education	1,390,613	1,447,600	1,447,600	56,987
Director of Schools	378,124	387,120	387,120	8,996
Office of the Principal	3,799,930	3,853,000	3,853,000	53,070
Fiscal Services	357,809	362,150	362,150	4,341
Operation of Plant	4,706,265	4,982,200	4,922,200	215,935
Maintenance of Plant	1,164,632	1,165,130	1,165,130	498
Transportation	2,377,808	2,388,875	2,388,875	11,067
Central and Other	1,455,180	1,415,500	1,455,500	320
<u>Operation of Non-instructional Services</u>				
Food Service	84,700	87,700	87,700	3,000
Community Services	393,245	0	393,450	205
Early Childhood Education	1,382,187	0	1,382,187	0
<u>Capital Outlay</u>				
Regular Capital Outlay	2,704,822	1,500,000	2,704,909	87
Total Expenditures	\$ 72,754,125	\$ 69,940,000	\$ 73,769,487	\$ 1,015,362
Excess (Deficiency) of Revenues Over Expenditures	\$ (672,523)	\$ (1,540,003)	\$ (1,540,002)	\$ 867,479
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 65,628	\$ 40,000	\$ 40,000	\$ 25,628
Total Other Financing Sources	\$ 65,628	\$ 40,000	\$ 40,000	\$ 25,628
Net Change in Fund Balance	\$ (606,895)	\$ (1,500,003)	\$ (1,500,002)	\$ 893,107
Fund Balance, July 1, 2013	6,694,428	5,991,141	5,991,141	703,287
Fund Balance, June 30, 2014	\$ 6,087,533	\$ 4,491,138	\$ 4,491,139	\$ 1,596,394

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,179,036	\$ 7,123,311	\$ 7,304,610	\$ (1,125,574)
Total Revenues	\$ 6,179,036	\$ 7,123,311	\$ 7,304,610	\$ (1,125,574)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,714,303	\$ 2,028,087	\$ 2,018,432	\$ 304,129
Special Education Program	1,357,668	1,308,130	1,425,111	67,443
Vocational Education Program	113,816	116,280	116,074	2,258
<u>Support Services</u>				
Other Student Support	991,041	1,315,117	1,376,148	385,107
Regular Instruction Program	928,699	1,057,456	1,070,416	141,717
Special Education Program	816,303	1,027,144	1,027,144	210,841
Vocational Education Program	39,919	50,500	50,687	10,768
Transportation	154,869	148,500	148,500	(6,369)
Total Expenditures	\$ 6,116,618	\$ 7,051,214	\$ 7,232,512	\$ 1,115,894
Excess (Deficiency) of Revenues Over Expenditures	\$ 62,418	\$ 72,097	\$ 72,098	\$ (9,680)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (65,628)	\$ (72,098)	\$ (72,098)	\$ 6,470
Total Other Financing Sources	\$ (65,628)	\$ (72,098)	\$ (72,098)	\$ 6,470
Net Change in Fund Balance	\$ (3,210)	\$ (1)	\$ 0	\$ (3,210)
Fund Balance, July 1, 2013	324,761	321,081	321,081	3,680
Fund Balance, June 30, 2014	\$ 321,551	\$ 321,080	\$ 321,081	\$ 470

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,889,906	\$ 2,485,000	\$ 2,485,000	\$ (595,094)
Other Local Revenues	13,148	15,000	15,000	(1,852)
Federal Government	3,240,437	3,300,000	3,545,599	(305,162)
Total Revenues	<u>\$ 5,143,491</u>	<u>\$ 5,800,000</u>	<u>\$ 6,045,599</u>	<u>\$ (902,108)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 5,422,844	\$ 5,800,000	\$ 6,045,599	\$ 622,755
Total Expenditures	<u>\$ 5,422,844</u>	<u>\$ 5,800,000</u>	<u>\$ 6,045,599</u>	<u>\$ 622,755</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (279,353)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (279,353)</u>
Net Change in Fund Balance	\$ (279,353)	\$ 0	\$ 0	\$ (279,353)
Fund Balance, July 1, 2013	1,570,576	1,547,864	1,547,864	22,712
Fund Balance, June 30, 2014	<u>\$ 1,291,223</u>	<u>\$ 1,547,864</u>	<u>\$ 1,547,864</u>	<u>\$ (256,641)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Bradley County, Tennessee  
 Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases  
 For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
<b><u>BONDS PAYABLE</u></b>							
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 \$	17,550,000
Refunding Bond Series 2014	4,255,000	2	3-15-13	6-1-18	3,655,000	700,000	2,955,000
General Obligation Series 2014	2,870,000	2 to 2.125	3-15-13	6-1-29	2,870,000	155,000	2,715,000
Total Bonds Payable	\$ 24,075,000				\$ 24,075,000	855,000 \$	23,220,000
<b><u>NOTES PAYABLE</u></b>							
Payable through General Debt Service Fund							
Energy Efficiency	168,340	0	6-4-07	6-4-14	24,046 \$	24,046 \$	0
Total Payable through General Debt Service Fund	\$ 168,340				\$ 24,046	24,046 \$	0
Contributions Due by School Department from the General Purpose School Fund to the General Debt Service Fund							
Lighting Project	331,660	0	6-4-07	6-15-14	47,380 \$	47,380 \$	0
Total Contributions Due by School Department from the General Purpose School Fund to the General Debt Service Fund	\$ 331,660				\$ 47,380	47,380 \$	0
Total Notes Payable	\$ 331,660				\$ 71,426	71,426 \$	0
<b><u>OTHER LOANS PAYABLE</u></b>							
Payable through General Debt Service Fund							
Refunding Loan Series V-I-1	12,050,000	3 to 4.25	2-18-09	6-30-21	10,165,000 \$	980,000 \$	9,185,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	39,090,000	2,215,000	36,875,000
Total Other Loans Payable	\$ 60,260,000				\$ 49,255,000	3,195,000 \$	46,060,000
<b><u>CAPITAL LEASES PAYABLE</u></b>							
Contributions Due by School Department from the General Purpose School Fund to the General Debt Service Fund							
Lighting Project	547,182	4.8	5-18-07	4-1-14	89,579 \$	89,579 \$	0
Energy Efficient Upgrades and Equipment	302,000	4.85	6-18-12	7-31-15	173,260	54,982	118,278
Total Capital Leases Payable	\$ 849,182				\$ 262,839	144,561 \$	118,278

(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)	
2015	\$ 875,000	\$ 1,049,493	\$ (327,278)	\$ 1,597,215
2016	890,000	1,031,992	(327,278)	1,594,714
2017	910,000	1,014,193	(327,278)	1,596,915
2018	925,000	995,992	(327,278)	1,593,714
2019	170,000	977,493	(327,278)	820,215
2020	175,000	974,093	(327,278)	821,815
2021	175,000	970,592	(327,278)	818,314
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	543,197	(184,095)	554,102
2027	3,250,000	539,053	(184,095)	3,604,958
2028	3,405,000	367,968	(125,702)	3,647,266
2029	3,510,000	187,612	(64,102)	3,633,510
Total	\$ 23,220,000	\$ 11,920,055	\$ (3,955,719)	\$ 31,184,336

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2015	\$ 3,335,000	\$ 316,348	\$ 419,603	\$ 4,070,951
2016	3,540,000	279,946	396,813	4,216,759
2017	3,700,000	239,811	373,047	4,312,858
2018	3,860,000	196,631	347,769	4,404,400
2019	4,905,000	155,272	321,173	5,381,445
2020	5,140,000	120,225	281,791	5,542,016
2021	5,390,000	81,879	240,360	5,712,239
2022	2,420,000	9,714	158,014	2,587,728
2023	2,545,000	8,262	134,395	2,687,657
2024	2,680,000	6,735	109,556	2,796,291
2025	2,790,000	5,127	83,399	2,878,526
2026	5,755,000	3,453	56,169	5,814,622
Total	\$ 46,060,000	\$ 1,423,403	\$ 2,922,089	\$ 50,405,492

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2015	\$ 57,708	\$ 5,866	\$ 63,574
2016	60,570	3,004	63,574
Total	\$ 118,278	\$ 8,870	\$ 127,148

Exhibit J-3

Bradley County, Tennessee  
Schedule of Notes Receivable  
June 30, 2014

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
<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	519
"	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>\$ 33,641</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, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Special Purpose Fire Tax	General Debt Service	Debt Payments	\$ 213,413
Total Transfers Primary Government			<u>\$ 213,413</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 65,628
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 65,628</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 91,649 (1)	\$ 50,000	Auto Owners (Mutual) Insurance
Road Superintendent	Section 8-24-102, TCA	84,427	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	120,650 (2)	(3)	"
Trustee	Section 8-24-102, TCA	76,752	3,057,500	"
Assessor of Property	Section 8-24-102, TCA	76,752	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, TCA	76,752	50,000	Auto Owners (Mutual) Insurance
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	76,752	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	76,752 (4)	50,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, TCA	76,752	25,000	Auto Owners (Mutual) Insurance
Sheriff	Section 8-24-102, TCA	84,427 (5)	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.
- (2) Does not include a travel allowance of \$12,331, life and disability insurance reimbursement of \$2,879, chief officer training supplement of \$1,000, and retirement reimbursement of \$6,652.
- (3) The director of schools is covered under the school employee dishonesty bond.
- (4) Does not include special commissioner fees of \$1,550.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit J-6

Bradley County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2014

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Special Purpose Fire Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,959,743	0	529,238	0	1,510,927	0
Trustee's Collections - Prior Year	310,741	0	20,465	0	56,554	0
Circuit/Clerk and Master Collections - Prior Years	221,227	0	10,727	0	128,072	0
Interest and Penalty	57,605	0	3,086	0	8,490	0
Payments in-Lieu-of Taxes - T.V.A.	7,330	0	392	0	4,786	0
Payments in-Lieu-of Taxes - Local Utilities	4,687	0	251	0	3,060	0
Payments in-Lieu-of Taxes - Other	198,465	0	10,622	0	54,783	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,586,308	0	0	0	0	0
Hotel/Motel Tax	631,405	0	0	0	0	0
Litigation Tax - General	323,063	0	0	0	0	0
Litigation Tax - Special Purpose	66,793	495	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	66,489	0	0	0	0	0
Business Tax	1,108,560	0	0	0	0	0
Mixed Drink Tax	8,857	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	41,478	0	2,220	0	0	0
Wholesale Beer Tax	344,232	0	0	0	0	0
Interstate Telecommunications Tax	5,298	0	0	0	0	0
Total Local Taxes	\$ 17,942,281	495	577,001	0	1,766,672	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 269,810	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	Special Purpose Fire Tax	Drug Control
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	5,082 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	127,441	0	0	0	0	0
Electrical Permits	3,815	0	0	0	0	0
Other Permits	2,592	0	0	0	0	0
Total Licenses and Permits	408,740 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	20,555 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	48,019	0	0	0	0	0
Drug Control Fines	16,492	0	0	0	0	27,442
Data Entry Fee - Circuit Court	34,483	0	0	0	0	0
Courtroom Security Fee	1,256	0	0	0	0	0
<u>Criminal Court</u>						
Fines	166,036	1,350	0	0	0	0
Officers Costs	127,718	0	0	0	0	0
Drug Control Fines	14,842	0	0	0	0	14,845
Jail Fees	80,866	0	0	0	0	0
DUI Treatment Fines	19,583	0	0	0	0	0
Data Entry Fee - Criminal Court	6,605	0	0	0	0	0
Courtroom Security Fee	4,304	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	2,229	0	0	0	0	0
Fines for Littering	332	0	0	0	0	0
Jail Fees	39,603	0	0	0	0	0
Data Entry Fee - General Sessions Court	21,564	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	Special Purpose Fire Tax	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,167	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	3	0	0	0	0	0
Victims Assistance Assessments	10,350	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	82	0	0	0	0	0
Courtroom Security Fee	25	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	21,950	0	0	0	0	0
Drug Court Fees	33,330	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	79,155
Other Fines, Forfeitures, and Penalties	4,998	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 676,392</b>	<b>\$ 1,350</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 121,442</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 299,152	\$ 0	\$ 0
Water Treatment Charges	16,208	0	0	0	0	0
Patient Charges	4,133,348	0	0	0	0	0
Zoning Studies	650	0	0	0	0	0
Work Release Charges for Board	9,706	0	0	0	0	0
Other General Service Charges	600	0	0	0	0	0
Service Charges	75,774	0	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	1,216	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	Special Purpose Fire Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Recreation Fees	\$ 115,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	7,886	0	0	0	5	0
Library Fees	0	11,250	0	0	0	0
Telephone Commissions	93,241	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	28,776	0	0	0	0	0
Probation Fees	384,765	0	0	0	0	0
Data Processing Fee - Sheriff	2,050	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,800	0	0	0	0	0
Data Processing Fee - County Clerk	23,700	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	8,456	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	10,680	0	0	0	0	0
Total Charges for Current Services	\$ 4,917,406	\$ 11,250	\$ 0	\$ 299,152	\$ 5	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 100,677	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	172,333	0	0	0	0	0
Sale of Materials and Supplies	1,425	0	0	0	0	0
Commissary Sales	52,123	0	0	0	0	0
Sale of Maps	2,579	0	0	0	0	0
Sale of Recycled Materials	11,844	0	0	14,696	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	Special Purpose Fire Tax	Drug Control	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Miscellaneous Refunds	\$ 51,803	\$ 0	\$ 0	\$ 0	\$ 20	\$ 0	0
Expenditure Credits	4,829	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	4,212	0	0	0	2,839	96,352	0
Sale of Property	12,572	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	10,280	342	0
Contributions and Gifts	46,600	0	0	0	1,876,250	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	391,190	0	0	0	3,504	0	0
Total Other Local Revenues	\$ 852,187	\$ 0	\$ 0	\$ 14,696	\$ 1,892,893	\$ 96,694	0
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 102,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	209,456	0	0	0	0	0	0
Register	39,817	0	0	0	0	0	0
Trustee	693,927	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	389,563	0	0	0	0	0	0
Criminal Court Clerk	553,970	0	0	0	0	0	0
General Sessions Court Clerk	523,441	0	0	0	0	0	0
Sheriff	23,519	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,535,893	\$ 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	Special Purpose Fire Tax	Drug Control	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	61,338 \$	0 \$	0 \$	0 \$	0 \$	0	0
Solid Waste Grants	0	0	0	29,032	0	0	0
<u>Public Safety Grants</u>							
Drug Control Grants	96,430	0	0	0	0	0	0
Other Public Safety Grants	5,446	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	989,344	0	0	0	0	0	0
Other Health and Welfare Grants	75,753	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	41,437	0	2,216	0	0	0	0
Beer Tax	17,806	0	0	0	0	0	0
Alcoholic Beverage Tax	124,813	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	293,783	0	15,723	0	0	0	0
Contracted Prisoner Boarding	1,592,576	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
State Shared Sales Tax - Cities	15,594	0	0	0	0	0	0
Other State Grants	313,359	0	0	0	55,665	0	0
Other State Revenues	61,461	0	0	0	35,400	0	0
Total State of Tennessee	\$ 3,704,304 \$	0 \$	17,939 \$	29,032 \$	91,065 \$	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	Special Purpose Fire Tax	Drug Control	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 53,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	65,103	0	0	0	0	0	0
Medicaid	45,036	0	0	0	0	0	0
Law Enforcement Grants	43,892	0	0	0	0	0	0
Other Federal through State	145,226	0	0	0	333,993	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	0	0	0	0	0
Total Federal Government	\$ 352,757	\$ 0	\$ 0	\$ 0	\$ 333,993	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 1,406,505	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	0	0	0
Contracted Services	267,631	0	0	20,000	0	0	0
<u>Citizens Groups</u>							
Donations	22,864	0	0	0	400	0	0
Total Other Governments and Citizens Groups	\$ 1,697,000	\$ 0	\$ 0	\$ 20,000	\$ 400	\$ 0	0
Total	\$ 33,086,960	\$ 13,095	\$ 594,940	\$ 362,880	\$ 4,085,028	\$ 218,136	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,432,743	\$ 4,341,882	\$ 0	0
Trustee's Collections - Prior Year	0	0	0	75,868	135,459	0	0
Circuit/Clerk and Master Collections - Prior Years	0	0	0	49,063	87,377	0	0
Interest and Penalty	0	0	0	14,167	25,111	0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,940	3,196	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,145	2,043	0	0
Payments in-Lieu-of Taxes - Other	0	0	0	48,477	86,520	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	210,468	0	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	10,131	18,082	0	0
Wholesale Beer Tax	0	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0	0
<u>Total Local Taxes</u>	\$ 210,468	\$ 0	\$ 0	\$ 2,633,534	\$ 4,699,670	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	0	0	0	0	0	0	0
Electrical Permits	0	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0	0
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	0
Fines for Littering	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	0	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	0	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Water Treatment Charges	0	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0	0
Zoning Studies	0	0	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	0	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)				Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Recreation Fees	0 \$	0 \$	0 \$	0 \$	0 \$	0
Copy Fees	0	0	0	0	0	0
Library Fees	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,886,629	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	1,550	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Probation Fees	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0
Education Charges						
Community Service Fees - Adults	0	0	0	0	0	0
<u>Other Charges for Services</u>	0	0	0	0	0	0
Other Charges for Services	0 \$	0 \$	1,888,179 \$	0 \$	0 \$	0
Total Charges for Current Services	0 \$	0 \$	1,888,179 \$	0 \$	0 \$	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	0 \$	0 \$	1,836 \$	100,679
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	4,948	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Miscellaneous Refunds	0 \$	0 \$	0 \$	2,446 \$	0 \$	0 \$	0
Expenditure Credits	0	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	20,265	0	0	0
Contributions and Gifts	0	3,087	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	13,266	0	0	0
Total Other Local Revenues	0 \$	3,087 \$	0 \$	40,925 \$	1,836 \$	0 \$	100,679
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Clerk and Master	0	0	0	0	0	0	0
Register	0	0	0	0	0	0	0
Trustee	0	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	0	0	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
State of Tennessee							
General Government Grants							
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Solid Waste Grants	0	0	0	0	0	0	0
Public Safety Grants							
Drug Control Grants	0	0	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	0	0	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0	0	0
Public Works Grants							
Bridge Program	0	0	0	4,910	0	0	0
State Aid Program	0	0	0	466,726	0	0	0
Litter Program	0	0	0	55,835	0	0	0
Other State Revenues							
Income Tax	0	0	0	10,122	18,066	0	0
Beer Tax	0	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	71,759	128,074	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,072,611	0	0	0
Petroleum Special Tax	0	0	0	71,406	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0	0
Total State of Tennessee	0 \$	0 \$	0 \$	2,753,369 \$	146,140 \$	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)					Debt Service Fund	Capital Projects Funds
	Agriculture Center	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	0	0	303,714	0	0
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 303,714	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	204,834	0	0
Contracted Services	0	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 204,834	\$ 0	\$ 0
<u>Total</u>	\$ 210,468	\$ 3,087	\$ 1,888,179	\$ 5,427,828	\$ 5,356,194	\$ 100,679	\$ 100,679

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 962,129	\$ 0	\$ 32,123	\$ 0	\$ 0	\$ 19,768,785
Trustee's Collections - Prior Year	30,034	0	1,020	0	0	630,141
Circuit/Clerk and Master Collections - Prior Years	19,361	0	711	0	0	516,538
Interest and Penalty	5,568	0	187	0	0	114,214
Payments in-Lieu-of Taxes - T.V.A.	708	0	24	0	0	18,376
Payments in-Lieu-of Taxes - Local Utilities	453	0	15	0	0	11,654
Payments in-Lieu-of Taxes - Other	19,172	0	640	0	0	418,679
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	4,586,308
Hotel/Motel Tax	0	0	0	0	0	841,873
Litigation Tax - General	0	0	0	0	0	323,063
Litigation Tax - Special Purpose	0	0	0	0	0	67,288
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	66,489
Business Tax	0	0	0	0	0	1,108,560
Mixed Drink Tax	0	0	0	0	0	8,857
<u>Statutory Local Taxes</u>						
Bank Excise Tax	4,007	0	134	0	0	76,052
Wholesale Beer Tax	0	0	0	0	0	344,232
Interstate Telecommunications Tax	0	0	0	0	0	5,298
Total Local Taxes	\$ 1,041,432	\$ 0	\$ 34,854	\$ 0	\$ 0	\$ 28,906,407
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 269,810

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,082
Building Permits	0	0	0	0	0	127,441
Electrical Permits	0	0	0	0	0	3,815
Other Permits	0	0	0	0	0	2,592
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	408,740
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	20,555
Officers Costs	0	0	0	0	0	48,019
Drug Control Fines	0	0	0	0	0	43,934
Data Entry Fee - Circuit Court	0	0	0	0	0	34,483
Courtroom Security Fee	0	0	0	0	0	1,256
<u>Criminal Court</u>						
Fines	0	0	0	0	0	167,386
Officers Costs	0	0	0	0	0	127,718
Drug Control Fines	0	0	0	0	0	29,687
Jail Fees	0	0	0	0	0	80,866
DUI Treatment Fines	0	0	0	0	0	19,583
Data Entry Fee - Criminal Court	0	0	0	0	0	6,605
Courtroom Security Fee	0	0	0	0	0	4,304
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	2,229
Fines for Littering	0	0	0	0	0	332
Jail Fees	0	0	0	0	0	39,603
Data Entry Fee - General Sessions Court	0	0	0	0	0	21,564

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,167
Courtroom Security Fee	0	0	0	0	0	3
Victims Assistance Assessments	0	0	0	0	0	10,350
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	82
Courtroom Security Fee	0	0	0	0	0	25
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	21,950
Drug Court Fees	0	0	0	0	0	33,330
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	79,155
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	4,998
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>799,184</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	299,152
Water Treatment Charges	0	0	0	0	0	16,208
Patient Charges	0	0	0	0	0	4,133,348
Zoning Studies	0	0	0	0	0	650
Work Release Charges for Board	0	0	0	0	0	9,706
Other General Service Charges	0	0	0	0	0	600
Service Charges	0	0	0	0	0	75,774
<u>Fees</u>						
Engineer Review Fees	0	0	0	0	0	1,216

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Recreation Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	115,550
Copy Fees	0	0	0	0	0	7,891
Library Fees	0	0	0	0	0	11,250
Telephone Commissions	0	0	0	0	0	93,241
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,886,629
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	1,550
Data Processing Fee - Register	0	0	0	0	0	28,776
Probation Fees	0	0	0	0	0	384,765
Data Processing Fee - Sheriff	0	0	0	0	0	2,050
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	4,800
Data Processing Fee - County Clerk	0	0	0	0	0	23,700
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	8,456
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	10,680
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,115,992
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0	616	0	169,189	\$ 0	372,997
Lease/Rentals	0	0	0	0	0	172,333
Sale of Materials and Supplies	0	0	0	0	0	6,373
Commissary Sales	0	0	0	0	0	52,123
Sale of Maps	0	0	0	0	0	2,579
Sale of Recycled Materials	0	0	0	0	0	26,540

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Miscellaneous Refunds	\$ 0	\$ 0	\$ 0	\$ 52,037	\$ 0	106,306
Expenditure Credits	0	0	0	0	0	4,829
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	103,403
Sale of Property	0	0	0	0	0	12,572
Damages Recovered from Individuals	0	0	0	0	0	30,887
Contributions and Gifts	0	0	0	0	0	1,925,937
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	407,960
Total Other Local Revenues	\$ 0	\$ 616	\$ 0	\$ 221,226	\$ 0	\$ 3,224,839
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	102,200
Clerk and Master	0	0	0	0	0	209,456
Register	0	0	0	0	0	39,817
Trustee	0	0	0	0	0	693,927
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	389,563
Criminal Court Clerk	0	0	0	0	0	553,970
General Sessions Court Clerk	0	0	0	0	0	523,441
Sheriff	0	0	0	0	0	23,519
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,535,893

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
State of Tennessee						
<u>General Government Grants</u>						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	61,338
Solid Waste Grants	0	0	0	0	0	29,032
<u>Public Safety Grants</u>						
Drug Control Grants	0	0	0	0	0	96,430
Other Public Safety Grants	0	0	0	0	0	5,446
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	989,344
Other Health and Welfare Grants	0	0	0	0	0	75,753
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	4,910
State Aid Program	0	0	0	0	0	466,726
Litter Program	0	0	0	0	0	55,835
<u>Other State Revenues</u>						
Income Tax	4,003	0	130	0	0	75,974
Beer Tax	0	0	0	0	0	17,806
Alcoholic Beverage Tax	0	0	0	0	0	124,813
State Revenue Sharing - T.V.A.	28,380	0	948	0	0	538,667
Contracted Prisoner Boarding	0	0	0	0	0	1,592,576
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,072,611
Petroleum Special Tax	0	0	0	0	0	71,406
Registrar's Salary Supplement	0	0	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	0	0	15,594
Other State Grants	0	0	0	0	0	369,024
Other State Revenues	0	0	0	0	0	96,861
Total State of Tennessee	\$ 32,383 \$	0 \$	1,078 \$	0 \$	0 \$	6,775,310

(Continued)

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

	Capital Projects Funds (Cont.)				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Endowment		
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	53,500
Homeland Security Grants	0	0	0	0	0	65,103
Medicaid	0	0	0	0	0	45,036
Law Enforcement Grants	0	0	0	0	0	43,892
Other Federal through State	0	0	0	0	0	479,219
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	303,714
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 990,464
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	0	0	0	0	0	1,406,505
Contributions	0	0	0	0	0	204,834
Contracted Services	0	0	0	0	0	287,631
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	23,264
<u>Total Other Governments and Citizens Groups</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,922,234
<u>Total</u>	\$ 1,073,815	\$ 616	\$ 35,932	\$ 221,226	\$ 52,679,063	

Bradley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bradley County School Department  
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,740,141	\$ 0	\$ 0	\$ 0	10,740,141
Trustee's Collections - Prior Year	415,792	0	0	0	415,792
Circuit/Clerk and Master Collections - Prior Years	217,345	0	0	0	217,345
Interest and Penalty	62,620	0	0	0	62,620
Payments in-Lieu-of Taxes - T.V.A.	12,951	0	0	0	12,951
Payments in-Lieu-of Taxes - Local Utilities	5,096	0	0	0	5,096
Payments in-Lieu-of Taxes - Other	215,718	0	0	0	215,718
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,471,432	0	0	0	10,471,432
Mixed Drink Tax	4,958	0	0	0	4,958
Statutory Local Taxes					
Bank Excise Tax	45,097	0	0	0	45,097
Interstate Telecommunications Tax	7,003	0	0	0	7,003
Total Local Taxes	<u>\$ 22,198,153</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,198,153</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	5,605	0	0	0	5,605
Total Licenses and Permits	<u>\$ 5,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,605</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	0	0	1,030,211	0	1,030,211
Lunch Payments - Adults	0	0	163,470	0	163,470

(Continued)

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Income from Breakfast	0 \$	0 \$	113,500 \$		113,500
A la carte Sales	0	0	582,725		582,725
TBI Criminal Background Fee	3,990	0	0		3,990
Other Charges for Services	9,985	0	0		9,985
Total Charges for Current Services	<u>13,975 \$</u>	<u>0 \$</u>	<u>1,889,906 \$</u>		<u>1,903,881</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	22,044 \$	0 \$	6,690 \$		28,734
E-Rate Funding	43,419	0	0		43,419
Miscellaneous Refunds	110,151	0	6,458		116,609
<u>Nonrecurring Items</u>					
Sale of Equipment	3,556	0	0		3,556
Contributions and Gifts	31,033	0	0		31,033
<u>Other Local Revenues</u>	<u>27,556</u>	<u>0</u>	<u>0</u>		<u>27,556</u>
Total Other Local Revenues	<u>237,759 \$</u>	<u>0 \$</u>	<u>13,148 \$</u>		<u>250,907</u>
<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	43,597,000	0	0		43,597,000

(Continued)

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Early Childhood Education	\$ 1,382,187	\$ 0	\$ 0	\$ 0	1,382,187
School Food Service	55,091	0	0	0	55,091
Driver Education	18,330	0	0	0	18,330
Other State Education Funds	859,851	0	0	0	859,851
Career Ladder Program	265,351	0	0	0	265,351
Career Ladder - Extended Contract	75,820	0	0	0	75,820
<u>Other State Revenues</u>					
Income Tax	44,985	0	0	0	44,985
State Revenue Sharing - T.V.A.	479,120	0	0	0	479,120
Other State Grants	175,086	0	0	0	175,086
Total State of Tennessee	\$ 47,400,102	\$ 0	\$ 0	\$ 0	47,400,102
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,232,807	\$ 0	2,232,807
USDA - Commodities	0	0	245,599	0	245,599
Breakfast	0	0	753,845	0	753,845
USDA - Other	0	0	8,186	0	8,186
Adult Education State Grant Program	231,874	0	0	0	231,874
Vocational Education - Basic Grants to States	0	124,136	0	0	124,136
Title I Grants to Local Education Agencies	0	2,439,393	0	0	2,439,393
Special Education - Grants to States	63,943	2,293,344	0	0	2,357,287
Special Education Preschool Grants	0	66,646	0	0	66,646
English Language Acquisition Grants	0	9,925	0	0	9,925

(Continued)

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Eisenhower Professional Development State Grants	\$ 0	\$ 264,173	\$ 0	\$ 0	\$ 264,173
Race-to-the-Top - ARRA	0	405,787	0	0	405,787
Other Federal through State	1,464,080	202,631	0	0	1,666,711
Direct Federal Revenue	66,997	0	0	0	66,997
ROTC Reimbursement	399,114	373,001	0	0	772,115
Other Direct Federal Revenue	2,226,008	6,179,036	3,240,437	0	11,645,481
Total Federal Government	\$ 72,081,602	\$ 6,179,036	\$ 5,143,491	\$ 0	\$ 83,404,129

Exhibit J-8

Bradley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Assistant(s)	\$	32,480	
Board and Committee Members Fees		139,046	
Social Security		13,080	
State Retirement		20,468	
Life Insurance		295	
Medical Insurance		50,760	
Audit Services		37,489	
Communication		5	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		100	
Maintenance and Repair Services - Office Equipment		658	
Office Supplies		316	
Other Charges		26,293	
Other Equipment		1,417	
Total County Commission			\$ 324,357

Board of Equalization

Board and Committee Members Fees	\$	1,048	
Social Security		80	
Total Board of Equalization			1,128

Beer Board

Board and Committee Members Fees	\$	1,895	
Social Security		141	
Total Beer Board			2,036

Other Boards and Committees

Clerical Personnel	\$	20,955	
Social Security		1,549	
State Retirement		2,904	
Life Insurance		19	
Medical Insurance		5,865	
Communication		5	
Operating Lease Payments		120	
Maintenance and Repair Services - Equipment		120	
Office Supplies		727	
Total Other Boards and Committees			32,264

County Mayor/Executive

County Official/Administrative Officer	\$	91,649	
Assistant(s)		75,325	
Clerical Personnel		22,405	
Social Security		13,673	
State Retirement		23,816	
Life Insurance		77	
Medical Insurance		23,236	
Advertising		491	

(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.)

Communication	\$	1,167	
Dues and Memberships		1,950	
Travel		1,362	
Tuition		50	
Office Supplies		2,860	
Periodicals		200	
Vehicle and Equipment Insurance		773	
Other Charges		20	
Total County Mayor/Executive			\$ 259,054

Personnel Office

Supervisor/Director	\$	38,715	
Accountants/Bookkeepers		26,151	
Social Security		4,862	
State Retirement		8,991	
Life Insurance		38	
Medical Insurance		12,173	
Unemployment Compensation		16,637	
Advertising		915	
Dues and Memberships		625	
Maintenance and Repair Services - Office Equipment		6,119	
Travel		313	
Tuition		1,310	
Office Supplies		5,290	
Periodicals		2,054	
Testing		9,316	
Workers' Compensation Insurance		50,667	
Total Personnel Office			184,176

County Attorney

Assistant(s)	\$	29,441	
Paraprofessionals		30,937	
Other Salaries and Wages		74,304	
Social Security		9,497	
State Retirement		18,667	
Life Insurance		58	
Medical Insurance		17,624	
Communication		7	
Data Processing Services		5,914	
Dues and Memberships		100	
Legal Services		5,332	
Maintenance and Repair Services - Office Equipment		242	
Office Supplies		1,045	
Total County Attorney			193,168

Election Commission

County Official/Administrative Officer	\$	69,077	
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(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.)

Deputy(ies)	\$	55,496	
Part-time Personnel		12,632	
Board and Committee Members Fees		200	
Election Commission		5,775	
Election Workers		30,728	
Social Security		11,686	
State Retirement		17,266	
Life Insurance		58	
Medical Insurance		17,996	
Accounting Services		3,500	
Advertising		4,000	
Communication		1,070	
Maintenance and Repair Services - Equipment		12,357	
Postal Charges		3,000	
Printing, Stationery, and Forms		3,987	
Travel		7,976	
Office Supplies		3,148	
Other Charges		10,259	
Data Processing Equipment		5,000	
Other Equipment		145,221	
Total Election Commission			\$ 420,432

Register of Deeds

Life Insurance	\$	134	
Medical Insurance		41,304	
Communication		408	
Data Processing Services		27,743	
Maintenance and Repair Services - Equipment		4,383	
Travel		593	
Office Supplies		4,018	
Total Register of Deeds			78,583

Planning

Assistant(s)	\$	106,281	
Clerical Personnel		27,189	
Social Security		10,075	
State Retirement		18,088	
Life Insurance		72	
Medical Insurance		23,696	
Communication		1,094	
Dues and Memberships		900	
Operating Lease Payments		2,150	
Legal Notices, Recording, and Court Costs		3,234	
Maintenance and Repair Services - Office Equipment		1,773	
Maintenance and Repair Services - Vehicles		1,000	
Travel		994	
Tuition		1,782	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Gasoline	\$	1,685	
Office Supplies		3,498	
Vehicle and Equipment Insurance		1,702	
Total Planning			\$ 205,213

Geographical Information Systems

Assistant(s)	\$	32,311	
Supervisor/Director		60,969	
Social Security		7,114	
State Retirement		12,929	
Life Insurance		38	
Medical Insurance		11,638	
Communication		965	
Contracts with Government Agencies		124,306	
Data Processing Services		43,491	
Dues and Memberships		175	
Maintenance and Repair Services - Equipment		2,985	
Travel		1,737	
Tuition		3,430	
Other Contracted Services		6,680	
Gasoline		300	
Other Supplies and Materials		1,016	
Vehicle and Equipment Insurance		778	
Data Processing Equipment		3,862	
Total Geographical Information Systems			314,724

County Buildings

Custodial Personnel	\$	42,918	
Social Security		3,283	
State Retirement		5,878	
Life Insurance		19	
Medical Insurance		5,865	
Communication		24,000	
Maintenance and Repair Services - Office Equipment		481	
Postal Charges		115,899	
Travel		450	
Other Contracted Services		28,000	
Custodial Supplies		7,152	
Drugs and Medical Supplies		1,040	
Utilities		113,987	
Other Supplies and Materials		17,380	
Liability Claims		29,424	
Other Charges		250	
Building Improvements		6,591	
Heating and Air Conditioning Equipment		3,267	
Total County Buildings			405,884

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Maintenance and Repair Services - Buildings	\$ 1,497	
Total Other Facilities		\$ 1,497

Finance

Accounting and Budgeting

Supervisor/Director	\$ 58,808	
Clerical Personnel	58,316	
Social Security	9,571	
State Retirement	15,568	
Life Insurance	54	
Medical Insurance	16,548	
Accounting Services	10,000	
Dues and Memberships	2,135	
Maintenance and Repair Services - Office Equipment	6,007	
Office Supplies	1,472	
Other Supplies and Materials	1,954	
Total Accounting and Budgeting		180,433

Property Assessor's Office

County Official/Administrative Officer	\$ 76,752	
Paraprofessionals	243,746	
Clerical Personnel	146,236	
Social Security	35,167	
State Retirement	63,681	
Life Insurance	234	
Medical Insurance	70,469	
Communication	210	
Dues and Memberships	2,300	
Operating Lease Payments	5,163	
Maintenance and Repair Services - Office Equipment	2,309	
Maintenance and Repair Services - Vehicles	2,659	
Travel	2,034	
Tuition	980	
Other Contracted Services	52,215	
Gasoline	3,459	
Office Supplies	6,142	
Vehicle and Equipment Insurance	3,404	
Workers' Compensation Insurance	388	
Motor Vehicles	5,000	
Office Equipment	9,352	
Total Property Assessor's Office		731,900

Reappraisal Program

Data Processing Services	\$ 38,655	
Rentals	5,565	
Other Contracted Services	944	
Office Supplies	1,443	
Total Reappraisal Program		46,607

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

Life Insurance	\$	150	
Medical Insurance		46,023	
Communication		21	
Dues and Memberships		694	
Travel		2,623	
Tuition		750	
Other Contracted Services		24,100	
Office Supplies		4,226	
Total County Trustee's Office			\$ 78,587

County Clerk's Office

Life Insurance	\$	403	
Medical Insurance		123,079	
Communication		1,349	
Dues and Memberships		1,016	
Travel		5,198	
Office Supplies		41,377	
Other Supplies and Materials		11,773	
Other Charges		20,982	
Office Equipment		1,300	
Total County Clerk's Office			206,477

Data Processing

Data Processing Personnel	\$	58,960	
Social Security		4,478	
State Retirement		8,172	
Life Insurance		19	
Medical Insurance		5,865	
Communication		17,946	
Data Processing Services		11,182	
Travel		624	
Other Contracted Services		27,858	
Other Supplies and Materials		12	
Data Processing Equipment		19,814	
Total Data Processing			154,930

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,752	
Total Circuit Court			76,752

Circuit Court Clerk

Assistant(s)	\$	48,080	
Deputy(ies)		736,547	
Part-time Personnel		8,568	
Social Security		65,465	
State Retirement		114,974	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Life Insurance	\$	597	
Medical Insurance		178,968	
Communication		2,395	
Data Processing Services		37,164	
Dues and Memberships		498	
Custodial Supplies		1,176	
Data Processing Supplies		6,275	
Office Supplies		35,912	
Utilities		25,000	
Data Processing Equipment		10,469	
Office Equipment		2,904	
Total Circuit Court Clerk			\$ 1,274,992

General Sessions Judge

Judge(s)	\$	313,191	
Clerical Personnel		53,390	
Part-time Personnel		1,950	
Other Salaries and Wages		46,406	
Social Security		25,835	
State Retirement		57,183	
Life Insurance		84	
Medical Insurance		27,682	
Communication		454	
Dues and Memberships		200	
Travel		1,842	
Tuition		905	
Office Supplies		296	
Periodicals		456	
Total General Sessions Judge			529,874

Drug Court

Assessment Personnel	\$	52,300	
Social Security		4,272	
State Retirement		7,846	
Life Insurance		20	
Medical Insurance		5,999	
Communication		1,158	
Rentals		3,600	
Travel		5,701	
Other Contracted Services		114,128	
Office Supplies		449	
Other Supplies and Materials		500	
Other Charges		1,017	
Total Drug Court			196,990

Chancery Court

Jury and Witness Expense	\$	1,158	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Life Insurance	\$	96	
Medical Insurance		29,324	
Communication		569	
Dues and Memberships		660	
Maintenance and Repair Services - Office Equipment		10,047	
Travel		1,060	
Tuition		225	
Office Supplies		4,353	
Total Chancery Court			\$ 47,492

Juvenile Court

County Official/Administrative Officer	\$	48,322	
Probation Officer(s)		258,021	
Youth Service Officer(s)		16,091	
Clerical Personnel		32,887	
Part-time Personnel		24,610	
Other Salaries and Wages		24,025	
Social Security		31,088	
State Retirement		50,810	
Life Insurance		176	
Medical Insurance		58,647	
Communication		11,963	
Maintenance and Repair Services - Buildings		7,971	
Maintenance and Repair Services - Vehicles		987	
Medical and Dental Services		498	
Travel		4,851	
Tuition		969	
Other Contracted Services		4,170	
Gasoline		1,000	
Office Supplies		1,603	
Utilities		25,197	
Other Supplies and Materials		19,717	
Vehicle and Equipment Insurance		2,884	
Other Charges		1,779	
Data Processing Equipment		720	
Office Equipment		996	
Total Juvenile Court			629,982

Judicial Commissioners

Jury and Witness Expense	\$	39,651	
Total Judicial Commissioners			39,651

Other Administration of Justice

Assistant(s)	\$	27,341	
Supervisor/Director		32,148	
Clerical Personnel		14,289	
Social Security		5,601	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

State Retirement	\$	10,226	
Life Insurance		51	
Medical Insurance		15,550	
Communication		315	
Maintenance and Repair Services - Vehicles		138	
Gasoline		2,354	
Office Supplies		286	
Utilities		624	
Other Supplies and Materials		2,622	
Liability Insurance		5,460	
Vehicle and Equipment Insurance		1,059	
Workers' Compensation Insurance		628	
Total Other Administration of Justice			\$ 118,692

Probation Services

Assistant(s)	\$	37,486	
Supervisor/Director		48,788	
Probation Officer(s)		163,803	
Clerical Personnel		7,681	
Social Security		19,451	
State Retirement		31,693	
Life Insurance		150	
Medical Insurance		48,257	
Communication		24	
Rentals		2,400	
Travel		874	
Tuition		375	
Drug Treatment		5,001	
Other Contracted Services		3,200	
Office Supplies		6,974	
Other Supplies and Materials		763	
Other Charges		258	
Total Probation Services			377,178

Courtroom Security

Other Supplies and Materials	\$	995	
Total Courtroom Security			995

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	84,427	
Deputy(ies)		3,201,225	
Clerical Personnel		164,907	
Custodial Personnel		6,373	
Part-time Personnel		4,298	
School Resource Officer		539,359	
Overtime Pay		143,101	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

In-service Training	\$	57,600	
Social Security		316,982	
State Retirement		556,740	
Employee and Dependent Insurance		5,408	
Life Insurance		1,909	
Medical Insurance		585,940	
Communication		34,727	
Confidential Drug Enforcement Payments		3,000	
Dues and Memberships		2,999	
Maintenance and Repair Services - Vehicles		168,587	
Towing Services		1,530	
Travel		17,522	
Tuition		19,113	
Other Contracted Services		123,381	
Gasoline		399,542	
Law Enforcement Supplies		22,092	
Office Supplies		5,784	
Uniforms		32,724	
Other Supplies and Materials		3,762	
Building and Contents Insurance		3,427	
Liability Insurance		49,436	
Vehicle and Equipment Insurance		54,395	
Workers' Compensation Insurance		101,128	
Data Processing Equipment		26,283	
Law Enforcement Equipment		57,894	
Motor Vehicles		89,581	
Total Sheriff's Department			\$ 6,885,176

Special Patrols

Deputy(ies)	\$	163,908	
Overtime Pay		30,740	
Social Security		14,685	
State Retirement		30,197	
Life Insurance		88	
Medical Insurance		24,402	
Communication		2,127	
Uniforms		3,504	
Law Enforcement Equipment		12,463	
Total Special Patrols			282,114

Traffic Control

Maintenance and Repair Services - Equipment	\$	11,308	
Utilities		971	
Total Traffic Control			12,279

Jail

Deputy(ies)	\$	2,809,139	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Mechanic(s)	\$	68,632	
Clerical Personnel		104,582	
Maintenance Personnel		68,412	
Part-time Personnel		15,190	
Overtime Pay		60,000	
Social Security		235,708	
State Retirement		416,150	
Life Insurance		1,754	
Medical Insurance		564,553	
Communication		6,051	
Maintenance and Repair Services - Buildings		65,673	
Maintenance and Repair Services - Vehicles		10,000	
Medical and Dental Services		700,407	
Transportation - Other than Students		2,600	
Travel		4,149	
Tuition		1,565	
Other Contracted Services		11,724	
Custodial Supplies		44,645	
Food Supplies		390,000	
Office Supplies		13,060	
Prisoners Clothing		18,609	
Uniforms		25,980	
Utilities		382,239	
Other Supplies and Materials		15,898	
Specialized Medical Treatment		12,766	
Data Processing Equipment		9,003	
Law Enforcement Equipment		6,828	
Total Jail			\$ 6,065,317

Correctional Incentive Program Improvements

Supervisor/Director	\$	41,303
Salary Supplements		12,204
Guards		571,116
Part-time Personnel		55,303
Overtime Pay		15,000
Social Security		52,405
State Retirement		81,187
Life Insurance		433
Medical Insurance		128,946
Communication		6,946
Maintenance and Repair Services - Buildings		4,598
Maintenance and Repair Services - Equipment		1,479
Maintenance and Repair Services - Office Equipment		1,394
Medical and Dental Services		1,380
Travel		1,000
Tuition		856
Other Contracted Services		5,069

(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 (Cont.)

Custodial Supplies	\$	9,165	
Food Supplies		10,579	
Gasoline		3,203	
Office Supplies		2,921	
Prisoners Clothing		3,358	
Utilities		18,062	
Other Supplies and Materials		4,906	
Other Charges		1,300	
Data Processing Equipment		1,000	
Office Equipment		500	
Total Correctional Incentive Program Improvements			\$ 1,035,613

Juvenile Services

Other Salaries and Wages	\$	53,675	
Social Security		4,019	
State Retirement		6,075	
Life Insurance		21	
Medical Insurance		6,242	
Communication		551	
Travel		1,377	
Other Supplies and Materials		2,156	
Other Charges		200	
Total Juvenile Services			74,316

Work Release Program

Supervisor/Director	\$	51,939	
Probation Officer(s)		86,706	
Clerical Personnel		24,411	
Part-time Personnel		12,968	
Social Security		13,142	
State Retirement		23,196	
Life Insurance		96	
Medical Insurance		28,921	
Accounting Services		1,600	
Audit Services		335	
Communication		5,810	
Evaluation and Testing		3,471	
Maintenance and Repair Services - Equipment		1,270	
Postal Charges		480	
Rentals		18,000	
Travel		14,063	
Tuition		3,319	
Custodial Supplies		324	
Office Supplies		1,400	
Periodicals		100	
Utilities		4,063	
Other Supplies and Materials		425	

(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.)

Liability Insurance	\$	6,556	
Other Charges		12,438	
Total Work Release Program			\$ 315,033

Civil Defense

Supervisor/Director	\$	57,800	
Accountants/Bookkeepers		30,422	
Paraprofessionals		69,151	
Overtime Pay		3,651	
Social Security		12,291	
State Retirement		22,336	
Life Insurance		76	
Medical Insurance		23,244	
Communication		27,684	
Contracts with Government Agencies		9,426	
Contracts with Other Public Agencies		2,433	
Dues and Memberships		1,140	
Janitorial Services		1,499	
Maintenance and Repair Services - Buildings		1,830	
Maintenance and Repair Services - Equipment		1,493	
Maintenance and Repair Services - Vehicles		4,496	
Travel		2,394	
Maintenance and Repair Services - Records		9,990	
Gasoline		10,826	
Office Supplies		2,480	
Uniforms		3,465	
Utilities		14,340	
Building and Contents Insurance		10,197	
Indirect Cost		33,373	
Vehicle and Equipment Insurance		8,820	
Other Charges		4,995	
Motor Vehicles		143	
Total Civil Defense			369,995

Rescue Squad

Vehicle and Equipment Insurance	\$	800	
Total Rescue Squad			800

Other Emergency Management

Contracts with Government Agencies	\$	65,084	
Total Other Emergency Management			65,084

Inspection and Regulation

Investigator(s)	\$	19,478	
Social Security		1,479	
State Retirement		2,700	
Liability Insurance		147,290	
Total Inspection and Regulation			170,947

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Supervisor/Director	\$	42,870	
Medical Personnel		13,000	
Overtime Pay		12,000	
Social Security		4,986	
State Retirement		7,605	
Life Insurance		20	
Medical Insurance		6,209	
Communication		633	
Maintenance and Repair Services - Vehicles		348	
Medical and Dental Services		69,246	
Pauper Burials		1,000	
Travel		10	
Drugs and Medical Supplies		915	
Gasoline		2,264	
Office Supplies		81	
Uniforms		390	
Vehicle and Equipment Insurance		1,545	
In Service/Staff Development		460	
Total County Coroner/Medical Examiner			\$ 163,582

Other Public Safety

Contributions	\$	550,000	
Total Other Public Safety			550,000

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	76,196	
Custodial Personnel		30,240	
Social Security		7,752	
State Retirement		11,456	
Life Insurance		77	
Medical Insurance		24,828	
Communication		6,195	
Maintenance and Repair Services - Buildings		2,950	
Rentals		1,000	
Travel		4,655	
Tuition		1,000	
Custodial Supplies		4,247	
Drugs and Medical Supplies		838	
Office Supplies		3,266	
Utilities		25,932	
Other Supplies and Materials		1,352	
Other Charges		202,406	
Building Improvements		661	
Total Local Health Center			405,051

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Contracts with Government Agencies	\$	120,000	
Contracts with Private Agencies		66,667	
Total Rabies and Animal Control			\$ 186,667

Ambulance/Emergency Medical Services

Supervisor/Director	\$	62,362	
Accountants/Bookkeepers		111,559	
Paraprofessionals		2,329,737	
Part-time Personnel		571,597	
Overtime Pay		165,000	
Social Security		240,337	
State Retirement		347,678	
Life Insurance		1,073	
Medical Insurance		320,293	
Communication		22,082	
Dues and Memberships		330	
Laundry Service		11,624	
Licenses		3,250	
Maintenance and Repair Services - Buildings		3,212	
Maintenance and Repair Services - Equipment		4,000	
Maintenance and Repair Services - Vehicles		177,386	
Travel		1,279	
Tuition		3,996	
Custodial Supplies		4,490	
Drugs and Medical Supplies		159,012	
Gasoline		170,581	
Office Supplies		16,493	
Uniforms		10,162	
Utilities		24,000	
Other Supplies and Materials		5,037	
Vehicle and Equipment Insurance		12,518	
Workers' Compensation Insurance		105,450	
Data Processing Equipment		7,124	
Office Equipment		1,626	
Other Equipment		46,734	
Total Ambulance/Emergency Medical Services			4,940,022

Alcohol and Drug Programs

Other Salaries and Wages	\$	30,637	
Social Security		2,343	
State Retirement		1,738	
Life Insurance		14	
Medical Insurance		4,088	
Communication		420	
Travel		796	
Other Supplies and Materials		1,445	
Total Alcohol and Drug Programs			41,481

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Medical Personnel	\$	113,002	
Paraprofessionals		574,553	
Part-time Personnel		21,154	
Social Security		53,392	
State Retirement		83,465	
Life Insurance		400	
Medical Insurance		118,289	
Dues and Memberships		310	
Travel		21,285	
Office Supplies		2,488	
Indirect Cost		1,100	
Total Other Local Health Services			\$ 989,438

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	\$	5,296	
Total Other Public Health and Welfare			5,296

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Contributions	\$	93,391	
Total Senior Citizens Assistance			93,391

Other Social, Cultural, and Recreational

Assistant(s)	\$	74,859	
Supervisor/Director		52,387	
Foremen		29,763	
Clerical Personnel		20,987	
Maintenance Personnel		94,982	
Temporary Personnel		62,804	
Social Security		25,491	
State Retirement		36,155	
Life Insurance		172	
Medical Insurance		45,605	
Communication		2,984	
Maintenance and Repair Services - Buildings		73,269	

(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 (Cont.)

Travel	\$	1,416	
Food Supplies		62,845	
Gasoline		14,352	
Office Supplies		2,484	
Uniforms		1,519	
Utilities		80,763	
Other Supplies and Materials		172,693	
Vehicle and Equipment Insurance		1,043	
Workers' Compensation Insurance		5,613	
Other Equipment		6,500	
Other Capital Outlay		714	
Total Other Social, Cultural, and Recreational	\$		869,400

Agriculture and Natural Resources

Agricultural Extension Service

Clerical Personnel	\$	8,694	
Part-time Personnel		15,008	
Other Salaries and Wages		223,406	
Board and Committee Members Fees		160	
Social Security		12,971	
State Retirement		25,802	
Medical Insurance		19,548	
Other Fringe Benefits		450	
Communication		1,771	
Contracts with Government Agencies		4,972	
Dues and Memberships		225	
Maintenance and Repair Services - Buildings		15,559	
Travel		6,378	
Office Supplies		1,320	
Utilities		5,950	
Total Agricultural Extension Service			342,214

Soil Conservation

Social Security	\$	1,461	
State Retirement		2,264	
Life Insurance		19	
Medical Insurance		5,758	
Contracts with Government Agencies		27,838	
Contracts with Other Public Agencies		200	
Other Charges		8,000	
Total Soil Conservation			45,540

Storm Water Management

Assistant(s)	\$	73,275	
Supervisor/Director		60,047	
Part-time Personnel		12,000	
Social Security		10,969	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management (Cont.)

State Retirement	\$	18,327	
Life Insurance		60	
Medical Insurance		18,937	
Advertising		1,496	
Communication		5	
Data Processing Services		2,576	
Dues and Memberships		150	
Evaluation and Testing		4,978	
Legal Notices, Recording, and Court Costs		167	
Maintenance and Repair Services - Vehicles		330	
Travel		2,581	
Tuition		2,000	
Permits		3,500	
Other Contracted Services		9,300	
Gasoline		1,024	
Instructional Supplies and Materials		1,500	
Office Supplies		1,198	
Periodicals		195	
Vehicle and Equipment Insurance		824	
Total Storm Water Management			\$ 225,439

Other Agriculture and Natural Resources

Other Capital Outlay	\$	5,472	
Total Other Agriculture and Natural Resources			5,472

Other Operations

Tourism

Contributions	\$	267,000	
Total Tourism			267,000

Industrial Development

Contributions	\$	267,000	
Total Industrial Development			267,000

Public Transportation

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

Veterans' Services

Assistant(s)	\$	26,403	
Supervisor/Director		31,474	
Clerical Personnel		22,828	
Social Security		6,100	
State Retirement		11,188	
Life Insurance		58	
Medical Insurance		11,730	
Communication		613	

(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.)

Dues and Memberships	\$	50	
Operating Lease Payments		928	
Travel		1,467	
Other Contracted Services		1,197	
Office Supplies		1,610	
Periodicals		75	
Total Veterans' Services			\$ 115,721

Other Charges

Trustee's Commission	\$	360,138	
Total Other Charges			360,138

Contributions to Other Agencies

Contributions	\$	52,325	
Dues and Memberships		25,108	
Total Contributions to Other Agencies			77,433

Miscellaneous

Other Salaries and Wages	\$	742	
Social Security		97	
Consultants		3,486	
Travel		200	
Other Supplies and Materials		1,839	
Total Miscellaneous			6,364

Total General Fund \$ 32,489,315

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	10,249	
Office Supplies		39	
Total Libraries			\$ 10,288

Other Operations

Other Charges

Trustee's Commission	\$	129	
Total Other Charges			129

Total Law Library Fund 10,417

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	608,100	
Total Libraries			\$ 608,100

(Continued)

Exhibit J-8

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

<u>Public Library Fund (Cont.)</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	11,691	
Total Other Charges			\$ 11,691
Total Public Library Fund			\$ 619,791
<u>Solid Waste/Sanitation Fund</u>			
<u>Public Safety</u>			
<u>Disaster Relief</u>			
Other Charges	\$	1,332	
Total Disaster Relief			\$ 1,332
<u>Public Health and Welfare</u>			
<u>Waste Pickup</u>			
Other Charges	\$	11,570	
Total Waste Pickup			11,570
<u>Other Waste Collection</u>			
Other Contracted Services	\$	24,300	
Total Other Waste Collection			24,300
<u>Recycling Center</u>			
Maintenance Personnel	\$	16,498	
Social Security		1,278	
Other Contracted Services		66,328	
Utilities		1,030	
Other Supplies and Materials		1,110	
Total Recycling Center			86,244
<u>Other Public Health and Welfare</u>			
Motor Vehicles	\$	22,688	
Total Other Public Health and Welfare			22,688
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	2,992	
Total Other Charges			2,992
<u>Contributions to Other Agencies</u>			
Contributions	\$	27,000	
Total Contributions to Other Agencies			27,000
Total Solid Waste/Sanitation Fund			176,126
<u>Special Purpose Fire Tax Fund</u>			
<u>Public Safety</u>			
<u>Fire Prevention and Control</u>			
Supervisor/Director	\$	48,269	

(Continued)

Exhibit J-8

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

Special Purpose Fire Tax Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Investigator(s)	\$	32,450	
Paraprofessionals		1,587,487	
Clerical Personnel		29,412	
Part-time Personnel		25,332	
Overtime Pay		31,260	
Other Salaries and Wages		182,577	
In-service Training		35,400	
Social Security		143,744	
State Retirement		251,979	
Life Insurance		1,251	
Medical Insurance		381,935	
Communication		39,326	
Dues and Memberships		980	
Laundry Service		4,141	
Maintenance and Repair Services - Buildings		35,138	
Maintenance and Repair Services - Office Equipment		424	
Maintenance and Repair Services - Vehicles		84,445	
Medical and Dental Services		5,093	
Postal Charges		463	
Printing, Stationery, and Forms		158	
Travel		6,994	
Tuition		22,542	
Other Contracted Services		25,540	
Custodial Supplies		12,085	
Food Supplies		999	
Gasoline		108,787	
Instructional Supplies and Materials		1,500	
Office Supplies		4,752	
Uniforms		24,200	
Utilities		89,985	
Other Supplies and Materials		37,141	
Building and Contents Insurance		4,307	
Liability Insurance		4,811	
Vehicle and Equipment Insurance		60,326	
Workers' Compensation Insurance		151,205	
Other Charges		176	
Building Improvements		5,000	
Law Enforcement Equipment		2,500	
Motor Vehicles		31,010	
Other Equipment		111,646	
Other Capital Outlay		192,589	
Total Fire Prevention and Control			\$ 3,819,359

Rescue Squad

Other Supplies and Materials	\$	1,687	
Other Charges		10,983	
Total Rescue Squad			12,670

(Continued)

Exhibit J-8

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

Special Purpose Fire Tax Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 35,103	
Total Other Charges		\$ 35,103

Total Special Purpose Fire Tax Fund \$ 3,867,132

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$ 3,000	
Towing Services	1,000	
Travel	1,695	
Tuition	650	
Law Enforcement Equipment	11,786	
Motor Vehicles	62,429	
Total Sheriff's Department		\$ 80,560

Drug Enforcement

Overtime Pay	\$ 19,794	
Social Security	1,497	
State Retirement	2,744	
Communication	14,647	
Confidential Drug Enforcement Payments	30,000	
Other Contracted Services	25,169	
Other Supplies and Materials	9,010	
Total Drug Enforcement		102,861

Other Operations

Other Charges

Trustee's Commission	\$ 1,197	
Total Other Charges		1,197

Total Drug Control Fund 184,618

Agriculture Center Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$ 50,595	
Assistant(s)	25,769	
Supervisor/Director	23,801	
Clerical Personnel	24,766	
Social Security	9,112	
State Retirement	17,315	
Life Insurance	77	
Medical Insurance	19,063	
Utilities	14,542	
Building and Contents Insurance	8,605	
Vehicle and Equipment Insurance	773	
Workers' Compensation Insurance	114	
Total Other Social, Cultural, and Recreational		\$ 194,532

(Continued)

Exhibit J-8

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

Agriculture Center Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 2,100	
Total Other Charges		\$ 2,100

Total Agriculture Center Fund		\$ 196,632
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Veterans Nursing Home Fund

Capital Projects

Other General Government Projects

Site Development	\$ 14,219	
Total Other General Government Projects		\$ 14,219

Total Veterans Nursing Home Fund		14,219
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Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 339,127	
Total Register of Deeds		\$ 339,127

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 393,737	
Total County Trustee's Office		393,737

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 862,585	
Total County Clerk's Office		862,585

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,550	
Constitutional Officers' Operating Expenses	251,598	
Total Chancery Court		253,148

Total Constitutional Officers - Fees Fund		1,848,597
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 84,427
Assistant(s)	54,326
Supervisor/Director	31,255
Accountants/Bookkeepers	30,480
Dispatchers/Radio Operators	35,351
Overtime Pay	4,041
Other Salaries and Wages	178,746
Data Processing Services	8,733

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$	3,736	
Legal Notices, Recording, and Court Costs		750	
Maintenance and Repair Services - Office Equipment		764	
Travel		1,904	
Office Supplies		4,163	
Communication Equipment		3,023	
Office Equipment		1,184	
Total Administration	\$		442,883

Highway and Bridge Maintenance

Foremen	\$	33,350	
Equipment Operators		338,865	
Truck Drivers		226,055	
Laborers		262,940	
Overtime Pay		23,201	
Rentals		5,779	
Other Contracted Services		5,322	
Asphalt - Hot Mix		806,929	
Asphalt - Liquid		16,599	
Concrete		4,334	
Crushed Stone		61,327	
Fertilizer, Lime, and Seed		2,249	
General Construction Materials		26,652	
Pipe		18,249	
Pipe - Metal		42,224	
Road Signs		37,424	
Salt		24,025	
Sand		1,261	
Small Tools		1,684	
Wood Products		171	
Other Supplies and Materials		4,900	
Total Highway and Bridge Maintenance			1,943,540

Operation and Maintenance of Equipment

Foremen	\$	37,403	
Mechanic(s)		87,733	
Overtime Pay		762	
Laundry Service		16,900	
Other Contracted Services		725	
Diesel Fuel		191,327	
Equipment and Machinery Parts		79,286	
Garage Supplies		13,013	
Gasoline		53,400	
Lubricants		8,173	
Propane Gas		2,563	
Small Tools		4,035	
Tires and Tubes		26,729	
Other Supplies and Materials		1,162	
Total Operation and Maintenance of Equipment			523,211

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection

Truck Drivers	\$	34,282	
Guards		32,725	
Other Salaries and Wages		9,750	
Other Contracted Services		1,592	
Other Supplies and Materials		17,407	
Total Litter and Trash Collection			\$ 95,756

Other Charges

Communication	\$	8,671	
Electricity		10,968	
Water and Sewer		1,672	
Liability Insurance		65,743	
Trustee's Commission		74,725	
Total Other Charges			161,779

Employee Benefits

Social Security	\$	129,043	
State Retirement		232,491	
Employee and Dependent Insurance		5,865	
Life Insurance		1,077	
Medical Insurance		323,254	
Unemployment Compensation		1,357	
Workers' Compensation Insurance		52,730	
Total Employee Benefits			745,817

Capital Outlay

Building Improvements	\$	19,553	
Highway Construction		607,536	
Other Equipment		609,723	
Total Capital Outlay			1,236,812

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	68,471	
Truck Drivers		51,418	
Laborers		95,823	
Overtime Pay		769	
Crushed Stone		8,732	
Diesel Fuel		3,349	
Equipment and Machinery Parts		13,694	
General Construction Materials		875	
Pipe - Metal		6,791	
Small Tools		1,272	
Total Highway and Street Capital Projects			251,194

Total Highway/Public Works Fund \$ 5,400,992

(Continued)

Exhibit J-8

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

<u>General Debt Service Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 95,300	
Total Other Charges		\$ 95,300
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 155,000	
Principal on Notes	24,046	
Principal on Other Loans	706,651	
Total General Government		885,697
<u>Education</u>		
Principal on Bonds	\$ 700,000	
Principal on Notes	47,380	
Principal on Capital Leases	144,561	
Principal on Other Loans	2,488,349	
Total Education		3,380,290
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 58,412	
Interest on Other Loans	266,953	
Total General Government		325,365
<u>Education</u>		
Interest on Bonds	\$ 1,008,180	
Interest on Capital Leases	12,893	
Interest on Other Loans	953,137	
Total Education		1,974,210
<u>Other Debt Service</u>		
<u>General Government</u>		
Other Debt Service	\$ 64,399	
Total General Government		64,399
<u>Education</u>		
Other Debt Service	\$ 158,915	
Total Education		158,915
Total General Debt Service Fund		\$ 6,884,176
<u>General Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 1,012	
Total Other Charges		\$ 1,012

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects

Public Safety Projects

Motor Vehicles	\$ 44,160	
Total Public Safety Projects		\$ 44,160

Public Health and Welfare Projects

Motor Vehicles	\$ 75,000	
Total Public Health and Welfare Projects		75,000

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 12,335	
Total Social, Cultural, and Recreation Projects		12,335

Other General Government Projects

Other Capital Outlay	\$ 2,000,000	
Total Other General Government Projects		<u>2,000,000</u>

Total General Capital Projects Fund		\$ 2,132,507
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Community Development/Industrial Park Fund

Other Operations

Industrial Development

Highway Construction	\$ 112,023	
Site Development	1,000,000	
Total Industrial Development		\$ 1,112,023

Other Economic and Community Development

Other Charges	\$ 9,400	
Total Other Economic and Community Development		9,400

Other Charges

Trustee's Commission	\$ 21,106	
Total Other Charges		<u>21,106</u>

Total Community Development/Industrial Park Fund		1,142,529
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HUD Grant Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 6	
Total Other Charges		<u>\$ 6</u>

Total HUD Grant Projects Fund		6
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Education Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 680	
Total Other Charges		\$ 680

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contracts with Other School Systems	\$	10,571	
Total Education Capital Projects			\$ 10,571
Total Education Capital Projects Fund			\$ 11,251
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$	214,948	
Total Other Public Health and Welfare			\$ 214,948
Total Endowment Fund			214,948
Total Governmental Funds - Primary Government			\$ 55,193,256

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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 27,004,119	
Career Ladder Program	164,550	
Career Ladder Extended Contracts	63,750	
Educational Assistants	1,090,246	
Other Salaries and Wages	72,010	
Non-certified Substitute Teachers	337,750	
Social Security	1,684,815	
State Retirement	2,528,659	
Life Insurance	25,961	
Medical Insurance	3,978,059	
Employer Medicare	398,643	
Other Fringe Benefits	303,931	
Operating Lease Payments	3,745	
Maintenance and Repair Services - Equipment	87,353	
Travel	1,798	
Other Contracted Services	121,685	
Instructional Supplies and Materials	427,165	
Textbooks	510,348	
Other Supplies and Materials	59,840	
Fee Waivers	96,000	
Other Charges	10,399	
Regular Instruction Equipment	309,653	
Total Regular Instruction Program		\$ 39,280,479

Special Education Program

Teachers	\$ 2,251,705	
Career Ladder Program	12,500	
Educational Assistants	246,178	
Speech Pathologist	230,350	
Other Salaries and Wages	87,856	
Non-certified Substitute Teachers	16,560	
Social Security	170,041	
State Retirement	266,843	
Life Insurance	3,115	
Medical Insurance	461,508	
Employer Medicare	39,768	
Other Contracted Services	81,491	
Instructional Supplies and Materials	23,996	
Other Supplies and Materials	48,379	
Other Charges	12,658	
Special Education Equipment	5,292	
Total Special Education Program		3,958,240

Vocational Education Program

Teachers	\$ 1,980,321	
Career Ladder Program	4,500	

(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.)

Other Salaries and Wages	\$	14,000	
Non-certified Substitute Teachers		18,000	
Social Security		119,266	
State Retirement		176,677	
Life Insurance		1,769	
Medical Insurance		293,636	
Employer Medicare		27,900	
Maintenance and Repair Services - Equipment		12,000	
Instructional Supplies and Materials		81,400	
Total Vocational Education Program			\$ 2,729,469

Adult Education Program

Teachers	\$	77,940	
Clerical Personnel		46,647	
Other Salaries and Wages		8,514	
Social Security		7,402	
State Retirement		3,701	
Life Insurance		43	
Medical Insurance		6,556	
Employer Medicare		1,928	
Travel		7,957	
Instructional Supplies and Materials		2,594	
Other Supplies and Materials		1,282	
Other Charges		7,638	
Other Equipment		14,121	
Total Adult Education Program			186,323

Support Services

Attendance

Supervisor/Director	\$	40,417	
Career Ladder Program		1,000	
Clerical Personnel		64,405	
Social Security		5,831	
State Retirement		12,604	
Life Insurance		108	
Medical Insurance		18,811	
Employer Medicare		1,364	
Other Supplies and Materials		3,004	
Total Attendance			147,544

Health Services

Medical Personnel	\$	397,045	
Other Salaries and Wages		122,599	
Social Security		32,503	
State Retirement		58,834	
Life Insurance		588	

(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.)

Health Services (Cont.)

Medical Insurance	\$	86,358	
Employer Medicare		7,602	
Travel		14,764	
Other Contracted Services		10,624	
Drugs and Medical Supplies		6,327	
Other Supplies and Materials		24,831	
Other Charges		878	
Other Equipment		30,483	
Total Health Services			\$ 793,436

Other Student Support

Career Ladder Program	\$	8,000	
Guidance Personnel		1,280,664	
Other Salaries and Wages		281,270	
Social Security		92,585	
State Retirement		144,723	
Life Insurance		1,337	
Medical Insurance		200,107	
Employer Medicare		21,660	
Communication		513	
Evaluation and Testing		92,467	
Travel		18,812	
Other Contracted Services		18,045	
Instructional Supplies and Materials		257	
Other Supplies and Materials		1,355	
Total Other Student Support			2,161,795

Regular Instruction Program

Supervisor/Director	\$	170,916	
Career Ladder Program		13,000	
Librarians		769,465	
Materials Supervisor		25,766	
Secretary(ies)		48,862	
Educational Assistants		190,565	
Other Salaries and Wages		209,186	
Social Security		88,285	
State Retirement		123,818	
Life Insurance		1,115	
Medical Insurance		165,720	
Employer Medicare		20,647	
Communication		2,270	
Travel		9,771	
Other Contracted Services		48,739	
Instructional Supplies and Materials		1,873	
Library Books/Media		248,279	
Other Supplies and Materials		4,036	
Total Regular Instruction Program			2,142,313

(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.)

Special Education Program

Supervisor/Director	\$	84,741	
Career Ladder Program		4,975	
Psychological Personnel		203,069	
Secretary(ies)		35,035	
Other Salaries and Wages		106,801	
Social Security		26,513	
State Retirement		40,391	
Life Insurance		346	
Medical Insurance		44,031	
Employer Medicare		6,449	
Travel		9,852	
Other Supplies and Materials		15,666	
In Service/Staff Development		2,952	
Total Special Education Program			\$ 580,821

Vocational Education Program

Supervisor/Director	\$	70,415	
Secretary(ies)		24,795	
Social Security		5,779	
State Retirement		9,680	
Life Insurance		86	
Medical Insurance		12,993	
Employer Medicare		1,352	
Travel		4,078	
Other Supplies and Materials		1,100	
Other Charges		831	
Total Vocational Education Program			131,109

Other Programs

On-behalf Payments to OPEB	\$	447,281	
Total Other Programs			447,281

Board of Education

Board and Committee Members Fees	\$	18,100	
Social Security		744	
State Retirement		1,663	
Unemployment Compensation		28,280	
Employer Medicare		262	
Audit Services		27,810	
Dues and Memberships		8,139	
Legal Services		46,478	
Travel		11,149	
Other Contracted Services		3,250	
Other Supplies and Materials		2,742	
Judgments		569,073	
Liability Insurance		113,235	

(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.)

Board of Education (Cont.)

Premiums on Corporate Surety Bonds	\$	5,807	
Trustee's Commission		327,629	
Workers' Compensation Insurance		214,573	
Criminal Investigation of Applicants - TBI		7,968	
Refund to Applicant for Criminal Investigation		3,486	
Other Charges		225	
Total Board of Education			\$ 1,390,613

Director of Schools

County Official/Administrative Officer	\$	120,650	
Career Ladder Program		1,000	
Secretary(ies)		73,935	
Other Salaries and Wages		5,110	
Social Security		11,911	
State Retirement		28,855	
Life Insurance		130	
Medical Insurance		28,945	
Employer Medicare		3,049	
Other Fringe Benefits		15,210	
Communication		62,019	
Dues and Memberships		5,472	
Postal Charges		6,000	
Travel		4,534	
Office Supplies		1,278	
Other Charges		10,026	
Total Director of Schools			378,124

Office of the Principal

Principals	\$	1,324,566	
Career Ladder Program		14,000	
Assistant Principals		756,165	
Secretary(ies)		746,636	
Social Security		164,565	
State Retirement		289,237	
Life Insurance		2,424	
Medical Insurance		443,173	
Employer Medicare		38,487	
Dues and Memberships		17,600	
Travel		121	
Other Charges		2,956	
Total Office of the Principal			3,799,930

Fiscal Services

Supervisor/Director	\$	85,029	
Career Ladder Program		3,000	
Accountants/Bookkeepers		163,573	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Social Security	\$	14,704	
State Retirement		34,222	
Life Insurance		216	
Medical Insurance		25,746	
Employer Medicare		3,484	
Data Processing Services		9,822	
Dues and Memberships		391	
Travel		3,023	
Other Contracted Services		2,358	
Data Processing Supplies		4,033	
Office Supplies		2,848	
Administration Equipment		5,360	
Total Fiscal Services			\$ 357,809

Operation of Plant

Supervisor/Director	\$	71,486	
Guards		11,331	
Custodial Personnel		519,288	
Social Security		37,633	
State Retirement		76,226	
Life Insurance		1,041	
Medical Insurance		149,470	
Employer Medicare		8,801	
Communication		1,390	
Janitorial Services		664,156	
Maintenance and Repair Services - Equipment		58,436	
Rentals		973	
Disposal Fees		40,961	
Other Contracted Services		64,650	
Custodial Supplies		135,662	
Electricity		1,672,458	
Fuel Oil		151,626	
Natural Gas		196,494	
Water and Sewer		278,467	
Other Supplies and Materials		1,458	
Boiler Insurance		18,582	
Building and Contents Insurance		338,831	
Other Charges		2,011	
Debt Service Contribution to Primary Government		204,834	
Total Operation of Plant			4,706,265

Maintenance of Plant

Supervisor/Director	\$	62,040	
Maintenance Personnel		415,045	
Other Salaries and Wages		11,825	
Social Security		28,041	

(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.)

Maintenance of Plant (Cont.)

State Retirement	\$	64,337	
Life Insurance		514	
Medical Insurance		68,088	
Employer Medicare		6,828	
Communication		4,923	
Other Contracted Services		42,736	
Other Supplies and Materials		452,194	
Other Charges		8,061	
Total Maintenance of Plant			\$ 1,164,632

Transportation

Supervisor/Director	\$	40,417	
Clerical Personnel		34,580	
Social Security		4,349	
State Retirement		8,382	
Life Insurance		65	
Medical Insurance		11,269	
Employer Medicare		1,017	
Communication		2,795	
Contracts with Vehicle Owners		1,909,765	
Maintenance and Repair Services - Vehicles		95,607	
Medical and Dental Services		3,565	
Gasoline		90,052	
Other Supplies and Materials		1,616	
Vehicle and Equipment Insurance		104,524	
Other Charges		3,602	
Transportation Equipment		66,203	
Total Transportation			2,377,808

Central and Other

Supervisor/Director	\$	80,835	
Data Processing Personnel		178,685	
Social Security		15,367	
State Retirement		31,944	
Life Insurance		259	
Medical Insurance		39,333	
Employer Medicare		3,594	
Communication		5,932	
Maintenance and Repair Services - Equipment		81,810	
Travel		11,185	
Other Contracted Services		388,348	
Other Equipment		617,888	
Total Central and Other			1,455,180

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	55,776	
Social Security		3,440	
State Retirement		7,731	
Life Insurance		3,274	
Medical Insurance		6,436	
Employer Medicare		805	
Travel		3,891	
Other Contracted Services		1,800	
Other Supplies and Materials		1,447	
Other Charges		100	
Total Food Service			\$ 84,700

Community Services

Other Salaries and Wages	\$	243,260	
Social Security		15,042	
State Retirement		9,635	
Employer Medicare		3,518	
Maintenance and Repair Services - Equipment		7,594	
Travel		2,879	
Other Contracted Services		62,389	
Instructional Supplies and Materials		24,822	
Utilities		14,000	
Other Charges		10,106	
Total Community Services			393,245

Early Childhood Education

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

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	1,275	
Social Security		74	
State Retirement		113	
Employer Medicare		17	
Other Contracted Services		1,081	
Building Construction		1,521,783	
Building Improvements		570,208	
Other Capital Outlay		610,271	
Total Regular Capital Outlay			<u>2,704,822</u>

Total General Purpose School Fund \$ 72,754,125

(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

Instruction

Regular Instruction Program

Teachers	\$	617,145	
Educational Assistants		203,822	
Non-certified Substitute Teachers		51,030	
Social Security		52,635	
State Retirement		57,794	
Life Insurance		605	
Medical Insurance		85,455	
Employer Medicare		12,310	
Instructional Supplies and Materials		125,121	
Other Supplies and Materials		53,939	
Regular Instruction Equipment		454,447	
Total Regular Instruction Program			\$ 1,714,303

Special Education Program

Teachers	\$	168,982	
Educational Assistants		529,790	
Social Security		38,738	
State Retirement		84,740	
Life Insurance		1,408	
Medical Insurance		216,455	
Employer Medicare		9,409	
Other Contracted Services		180,765	
Instructional Supplies and Materials		9,306	
Other Supplies and Materials		6,560	
Special Education Equipment		111,515	
Total Special Education Program			1,357,668

Vocational Education Program

Other Supplies and Materials	\$	10,867	
Other Charges		27,742	
Vocational Instruction Equipment		75,207	
Total Vocational Education Program			113,816

Support Services

Other Student Support

Guidance Personnel	\$	88,665	
Social Workers		109,387	
Other Salaries and Wages		332,087	
Social Security		31,157	
State Retirement		46,302	
Life Insurance		432	
Medical Insurance		66,843	
Employer Medicare		7,287	
Evaluation and Testing		38,898	
Travel		64,804	
Other Contracted Services		80,175	

(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.)

Other Supplies and Materials	\$	89,921	
In Service/Staff Development		2,593	
Other Charges		32,490	
Total Other Student Support			\$ 991,041

Regular Instruction Program

Supervisor/Director	\$	60,121	
Secretary(ies)		17,517	
Educational Assistants		20,210	
Other Salaries and Wages		333,496	
Social Security		21,929	
State Retirement		36,817	
Life Insurance		311	
Medical Insurance		35,268	
Employer Medicare		6,195	
Consultants		205,639	
Travel		30,738	
Other Contracted Services		30,102	
Other Supplies and Materials		50,894	
In Service/Staff Development		79,462	
Total Regular Instruction Program			928,699

Special Education Program

Psychological Personnel	\$	132,862	
Secretary(ies)		68,205	
Other Salaries and Wages		400,152	
Social Security		33,622	
State Retirement		50,447	
Life Insurance		518	
Medical Insurance		80,100	
Employer Medicare		8,030	
Travel		22,188	
In Service/Staff Development		20,179	
Total Special Education Program			816,303

Vocational Education Program

Travel	\$	20,896	
In Service/Staff Development		18,336	
Other Equipment		687	
Total Vocational Education Program			39,919

Transportation

Bus Drivers	\$	119,862	
Other Salaries and Wages		21,853	
Social Security		7,255	
State Retirement		3,844	
Employer Medicare		2,055	
Total Transportation			154,869

Total School Federal Projects Fund \$ 6,116,618

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Food Service</u>		
Cafeteria Personnel	\$ 1,854,314	
Social Security	111,019	
State Retirement	189,006	
Medical Insurance	430,608	
Unemployment Compensation	1,296	
Employer Medicare	26,105	
Advertising	66	
Communication	3,856	
Dues and Memberships	886	
Freight Expenses	512	
Maintenance and Repair Services - Equipment	94,044	
Pest Control	3,420	
Travel	5,667	
Permits	1,400	
Other Contracted Services	67,587	
Food Preparation Supplies	42,461	
Food Supplies	2,029,708	
Ice	19,735	
Uniforms	16,284	
USDA - Commodities	245,599	
Other Supplies and Materials	134,534	
Refunds	2,005	
In Service/Staff Development	2,741	
Criminal Investigation of Applicants - TBI	1,638	
Other Charges	11,666	
Food Service Equipment	126,687	
Total Food Service		\$ 5,422,844
Total Central Cafeteria Fund		\$ 5,422,844
Total Governmental Funds - Bradley County School Department		\$ 84,293,587

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, 2014

	Cities - Sales Tax Fund	Cities - Mixed Drink Tax In Litigation Fund	City School ADA - Cleveland Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 5,370,067	\$ 5,370,067
Trustee's Collections - Prior Years	0	0	207,379	207,379
Circuit/Clerk and Master Collections - Prior Years	0	0	108,979	108,979
Interest and Penalty	0	0	31,310	31,310
Payments in-Lieu-of Taxes - Local Utilities	0	0	2,548	2,548
Payments in-Lieu-of Taxes - Other	0	0	107,859	107,859
Local Option Sales Taxes	11,179,437	0	5,256,475	16,435,912
Mixed Drink Tax	0	2,834	354	3,188
Bank Excise Taxes	0	0	22,548	22,548
Interstate Telecommunications Taxes	0	0	3,501	3,501
Marriage Licenses	0	0	2,802	2,802
Other Local Revenue	0	0	227	227
Income Tax	0	0	40,880	40,880
<b>Total Cash Receipts</b>	<b>\$ 11,179,437</b>	<b>\$ 2,834</b>	<b>\$ 11,154,929</b>	<b>\$ 22,337,200</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 11,177,986	\$ 0	\$ 11,035,541	\$ 22,213,527
Trustee's Commission	1,451	0	116,533	117,984
<b>Total Cash Disbursements</b>	<b>\$ 11,179,437</b>	<b>\$ 0</b>	<b>\$ 11,152,074</b>	<b>\$ 22,331,511</b>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 2,834	\$ 2,855	\$ 5,689
Cash Balance, July 1, 2013	0	0	11,284	11,284
<b>Cash Balance, June 30, 2014</b>	<b>\$ 0</b>	<b>\$ 2,834</b>	<b>\$ 14,139</b>	<b>\$ 16,973</b>

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## STATISTICAL SECTION

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

	Tables	Pages
<b>Financial Trends:</b>		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5	224-231
<b>Revenue Capacity:</b>		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-9	232-235
<b>Debt Capacity:</b>		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	10-14	236-240
<b>Demographic and Economic Information:</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	15-16	241-242
<b>Operating Information:</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	17-19	243-245

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>PRIMARY GOVERNMENT (Note 1)</b>										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 13,575,147	\$ 18,717,481	\$ 31,858,961	\$ 33,218,992	\$ 33,908,244	\$ 35,563,376	\$ 37,738,186	\$ 38,223,003	\$ 39,828,738	\$ 40,349,670
Restricted	42,970,084	34,951,549	39,753,370	42,966,130	47,257,104	47,311,720	44,215,069	43,150,279	22,275,369	22,313,233
Unrestricted	(40,725,118)	(42,581,355)	(43,983,997)	(43,735,761)	(45,419,197)	(61,843,774)	(60,098,598)	(56,536,421)	(34,224,306)	(34,727,104)
Total Governmental Activities Net Position	\$ 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	\$ 27,935,799
<b>COMPONENT UNIT - Bradley County Schools (Notes 2,3)</b>										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 48,899,874	\$ 50,590,530	\$ 54,255,402	\$ 59,362,230	\$ 57,653,540	\$ 64,367,319	\$ 68,712,588	\$ 67,784,079	\$ 68,006,731	\$ 67,396,979
Restricted	1,947,027	5,099,663	8,705,026	2,011,620	2,562,295	5,330,628	2,422,223	2,203,240	2,452,551	2,182,996
Unrestricted	4,850,978	6,184,512	3,672,066	4,018,520	3,019,084	4,663,822	2,589,192	3,619,334	901,271	(749,987)
Total Governmental Activities Net Position	\$ 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	\$ 68,829,988

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES (Note 1)</b>										
Governmental Activities:										
General Government	\$ 2,508,007	\$ 2,643,474	\$ 3,109,772	\$ 2,817,277	\$ 2,965,034	\$ 2,669,472	\$ 4,101,023	\$ 9,353,024	\$ 5,921,647	\$ 7,429,932
Finance	2,076,420	2,105,013	2,438,416	2,553,721	2,694,642	2,649,529	2,582,911	2,614,986	2,735,872	2,704,160
Administration of Justice	2,484,384	2,484,104	2,544,591	3,006,547	3,263,202	3,363,566	3,461,029	3,434,737	3,567,747	3,623,133
Public Safety	13,838,185	16,179,741	17,148,071	18,391,569	19,093,684	19,113,784	18,508,809	19,485,932	20,443,402	21,105,724
Public Health and Welfare	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	7,303,033
Social, Cultural, and Recreational Services	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	1,882,823
Agriculture and Natural Resources	391,320	412,796	441,046	442,092	547,161	527,160	552,058	1,028,690	530,340	622,063
Other Operations	1,432,033	1,599,541	3,314,102	2,241,926	1,580,426	4,570,149	4,580,015	4,650,587	5,006,216	4,927,413
Highways/Public Works	3,492,535	3,761,715	3,853,649	3,951,114	4,474,498	17,734,346	666,796	586,923	396,897	49,457
Education (Payments to Component Unit)	1,411,489	11,346,511	-	-	-	2,580,564	2,121,089	2,135,600	2,140,750	2,420,649
Interest on Long-term Debt	2,895,248	3,494,212	3,008,201	3,251,113	2,274,490	-	-	-	-	-
Other Debt Service	183,324	174,032	6,062,980	559,551	82,624	-	-	-	-	-
Total Governmental Activities Expenses	\$ 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	\$ 52,068,387
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ 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	\$ 758,422
Finance	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	2,740,069
Administration of Justice	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	2,965,703
Public Safety	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	3,232,592
Public Health and Welfare	3,035,866	3,433,555	3,617,068	3,809,439	4,294,395	4,391,421	4,559,478	4,424,929	5,157,557	4,233,066
Social, Cultural, and Recreational Services	-	2,913	154,874	144,459	143,499	256,213	245,372	216,977	129,801	133,496
Agriculture and Natural Resources	-	-	-	-	-	-	-	6,375	-	-
Other Operations	-	-	11,614	18,337	16,512	-	-	-	-	-
Highways/Public Works	-	-	16,299	2,236	40,662	15,375	10,282	20,344	7,739	6,373
Operating Grants and Contributions	5,222,274	7,548,175	6,382,194	6,288,479	5,112,467	4,499,218	4,930,583	6,405,791	4,822,092	4,427,953
Capital Grants and Contributions	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	2,906,712
Total Governmental Activities Program Revenues	\$ 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	\$ 21,394,386

(Continued)

Table 2

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue Governmental Activities	\$ (17,115,266)	\$ (30,706,209)	\$ (26,120,305)	\$ (24,270,054)	\$ (25,345,994)	\$ (45,077,277)	\$ (28,459,123)	\$ (27,385,024)	\$ (27,589,681)	\$ (30,674,001)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 10,837,104	\$ 11,536,253	\$ 13,820,122	\$ 15,304,176	\$ 15,484,098	\$ 16,081,162	\$ 16,557,371	\$ 16,577,507	\$ 16,784,718	\$ 16,453,426
Property Tax Levied for Debt Services	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	4,592,558
Sales Tax	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	4,600,432
Other Local Taxes	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	2,767,740
Unrestricted Grants and Contributions	480,296	894,447	868,050	909,566	1,034,691	987,536	1,016,542	1,122,283	1,341,794	1,308,872
Investment Earnings	770,396	1,196,114	2,082,608	1,583,986	1,007,863	705,170	497,460	242,552	388,253	372,997
Proceeds from Hospital Sale	-	-	15,000,000	-	-	-	-	-	-	-
Proceeds from Sale of Equipment	-	-	-	-	-	-	-	-	41,901	115,975
Insurance Recovery	-	-	-	-	-	-	-	6,028	-	-
Miscellaneous	265,881	161,287	120,302	296,445	284,422	232,934	173,099	348,692	555,613	517,999
Total Governmental Activities	\$ 24,212,163	\$ 25,973,771	\$ 42,660,964	\$ 29,091,081	\$ 28,642,784	\$ 28,817,506	\$ 29,282,458	\$ 30,332,262	\$ 31,278,824	\$ 30,729,959
<b>Change in Net Position</b>	\$ 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	\$ 55,998

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES (Note 1)</b>										
Governmental Activities:										
Education	\$ 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	\$ 85,920,300
<b>PRIMARY GOVERNMENT: (Note 1)</b>	\$ 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	\$ 85,920,300
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services - Education	\$ 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	\$ 1,947,300
Operating Grants and Contributions	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	12,334,426
Capital Grants and Contributions	1,411,489	4,408,270	5,945,318	400,000	9,200	11,897,449	13,906	-	134,004	1,300,757
Total Governmental Activities Program Revenues	\$ 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	\$ 15,582,483
Component Unit - Bradley County Schools (Notes 2,3)										
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (70,337,817)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 9,937,003	\$ 10,690,877	\$ 10,985,203	\$ 11,169,146	\$ 11,451,060	\$ 11,555,769	\$ 11,657,251	\$ 11,692,391	\$ 11,916,342	\$ 11,663,374
Sales Tax	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	10,471,432
Other Local Taxes	8,862	10,698	10,783	7,399	7,196	5,141	4,989	-	5,647	7,003
Unrestricted Grants and Contributions	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	45,588,392
Investment Earnings	414,341	444,794	438,669	207,630	80,902	21,309	15,507	20,648	23,528	28,734
Sale of Land/Equipment	-	2,671	-	-	-	-	-	6,199	-	-
Miscellaneous	153,224	90,180	9,677	26,109	71,272	48,972	118,831	23,502	51,972	48,317
Insurance Recovery	-	-	-	-	-	-	-	715,276	-	-
Total Governmental Activities	\$ 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	\$ 67,807,252
<b>Change in Net Position</b>	\$ 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)	\$ (2,530,565)

**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
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
2014	16,453,426	11,663,374	4,600,432	10,471,432	2,767,740	7,003	45,963,407

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>PRIMARY GOVERNMENT</b>										
General Fund:										
Reserved	\$ 1,432,595	\$ 1,319,054	\$ 1,688,349	\$ 2,014,095	\$ 2,210,967	\$ 2,571,493	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	1,912,515	2,107,591	1,184,962	1,229,926
Committed	-	-	-	-	-	-	473,920	555,709	656,180	778,668
Assigned	-	-	-	-	-	-	510,608	473,584	487,520	498,269
Unreserved/Unassigned	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	4,627,134
Total General Fund	\$ 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	\$ 7,133,997
All Other Governmental Funds:										
Reserved	\$ 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	15,978,783
Restricted	-	-	-	-	-	-	6,326,324	6,482,944	4,466,337	4,461,847
Committed	-	-	-	-	-	-	20,062,092	18,292,224	17,855,310	14,692,728
Assigned	-	-	-	-	-	-	154,603	119,692	123,013	137,110
Unreserved, Reported in:										
Special Revenue Funds	4,089,594	3,785,800	4,978,832	2,153,228	6,361,629	5,509,162	-	-	-	-
Debt Service Funds	30,236,743	23,378,643	15,863,135	15,491,369	16,250,237	16,403,302	-	-	-	-
Capital Projects Funds	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	\$ 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	\$ 35,270,468
<b>COMPONENT UNIT - Bradley</b>										
County Schools										
General Purpose School Fund:										
Reserved	\$ 491,047	\$ 381,419	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069	\$ -	\$ -	\$ -	\$ -
Unreserved	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	870,222
Unassigned	-	-	-	-	-	-	4,866,298	7,240,601	5,837,214	4,907,575
Committed	-	-	-	-	-	-	-	-	-	309,736
Total General Purpose School Fund	\$ 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	\$ 6,087,533
All Other School Funds:										
Reserved	\$ 617,026	\$ 3,421,028	\$ 399,481	\$ 264,450	\$ 193,276	\$ 3,356,743	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds	726,961	820,498	1,024,770	884,550	1,278,572	1,525,227	-	-	-	-
Capital Projects Funds	111,993	476,718	5,596,972	47,190	(141,068)	404,372	-	-	-	-
Restricted	-	-	-	-	-	-	2,084,451	1,521,925	1,595,337	1,312,774
Committed	-	-	-	-	-	-	300,000	300,000	300,000	300,000
Total All Other Governmental Funds	\$ 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	\$ 1,612,774

Table 5

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 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	\$ 51,104,560
Licenses and Permits	274,184	446,892	420,076	375,282	370,507	289,802	333,876	666,804	368,341	414,345
Fines and Forfeitures	850,300	981,503	1,708,360	899,921	939,523	698,858	946,282	1,080,260	823,299	799,184
Charges for Service	4,162,521	7,228,248	7,917,495	8,309,819	8,668,083	8,525,735	8,590,999	8,697,225	9,348,118	9,019,873
Other Local Revenue	4,966,528	3,231,818	4,480,890	3,834,682	2,731,501	1,787,429	2,567,203	2,633,582	2,633,582	3,475,746
Fees from Co. Officials	2,356,183	2,638,050	2,802,077	2,663,895	2,372,484	2,371,732	2,280,525	2,521,097	2,629,465	2,535,893
State Revenues	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	54,175,412
Federal Revenues	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	12,635,945
Other Govt/Citizens	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	1,922,234
Total Revenues	\$ 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	\$ 136,083,192
<b>Expenditures</b>										
General Government	\$ 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	\$ 2,761,643
Finance	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	2,655,246
Admin. of Justice	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	3,545,746
Public Safety	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	20,007,038
Public Health/Welfare	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	7,018,149
Social, Cultural/Rec.	688,662	726,262	971,630	1,788,106	1,756,229	1,788,784	1,743,147	1,882,677	1,789,444	1,785,211
Agriculture and Natural Resources	388,227	411,087	438,400	431,756	530,839	519,283	534,679	577,159	531,148	618,665
Other Operations	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	2,455,395
Special Revenues	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	5,149,798
Highways and Bridges	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	81,588,765
Education	53,660,469	58,200,686	65,052,012							
Debt Service										
Principal	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	4,265,987
Interest	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	2,299,575
Other Charges/Operations	446,585	302,141	8,497,361	553,259	699,144	453,094	851,425	814,904	518,483	223,314
Endowment	-	-	923,104	-	198,460	232,428	629,426	321,349	-	-
Capital Projects-General	3,086,881	12,532,566	982,833	1,179,342	828,613	18,436,805	2,747,137	1,406,705	683,535	2,407,479
Cap Assets Pur/Depr. Exp - Primary	-	-	-	-	(191,374)	1,461,421	-	-	-	-
Involving Capital Assets - Primary	-	-	-	-	(47,333)	(93,530)	-	-	-	-
Capital Outlay/Projects-Schools	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	2,704,822
Cap Assets Pur /Depr. Exp - Schools	-	-	-	-	(1,826,931)	6,592,137	-	-	-	-
	\$ 98,520,913	\$ 126,288,895	\$ 121,901,582	\$ 123,944,143	\$ 117,283,445	\$ 157,848,643	\$ 132,345,903	\$ 134,883,625	\$ 138,203,063	\$ 139,486,843
Excess of Revenues Over (Under) Expenditures	\$ (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)	\$ (3,403,651)

(Continued)

Table 5

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 433,710	\$ 627,644	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724	\$ 44,599	\$ 81,929	\$ 279,041
Transfers Out	(433,710)	(627,644)	(510,416)	(308,693)	(302,483)	(942,147)	(47,724)	(44,599)	(81,929)	(279,041)
Bond Proceeds	-	-	-	-	-	17,550,000	-	-	2,870,000	-
Note Proceeds	2,923,755	12,146,511	500,000	-	-	240,000	-	-	-	-
Proceeds on Refunded Bonds	-	-	-	-	66,820,000	-	-	-	4,255,000	-
Payments on 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	215,659	18,219	750,922	233,252	151,579	193,736	-	302,000	-	-
Insurance Recovery	-	-	-	41,057	-	14,880	108,870	721,304	25,364	-
Proceeds on Sale of Assets	-	-	-	-	-	-	6,150	-	-	10,259
Proceeds on Sale of Hospital	-	-	15,000,000	-	-	-	-	-	-	-
Proceeds on Sale of Land	-	-	-	5,650	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES</b>	<b>\$ 3,139,414</b>	<b>\$ 12,164,730</b>	<b>\$ 6,545,922</b>	<b>\$ 279,959</b>	<b>\$ 800,563</b>	<b>\$ 18,020,217</b>	<b>\$ 115,020</b>	<b>\$ 1,023,304</b>	<b>\$ 2,992,949</b>	<b>\$ 10,259</b>
Net Change in Fund Balances	\$ 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)	\$ (3,393,392)
Debt Service as a Percentage of Noncapital Expenditures	6.3%	15%	4.8%	4.7%	4.2%	3.5%	4.1%	4.3%	4.5%	4.9%

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
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	1,184,507	-	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
2014	33,148,050	15,057,740	841,873	456,840	1,108,560	13,815	121,149	344,232	12,301	51,104,560

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	
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%
2009	2008	2.02	5,333,059,000	1,519,689,940	701,160,400	184,852,571	99,164,485	99,164,485	6,133,383,885	1,803,706,996	29.41%
2010	2009	1.79	6,183,241,600	1,760,820,220	709,176,752	212,753,182	108,653,195	108,653,195	7,001,071,547	2,082,226,597	29.74%
2011	2010	1.79	6,162,210,702	1,754,580,595	680,745,702	204,223,716	108,668,296	108,668,296	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%
2014	2013	1.87	6,125,024,200	1,748,268,265	734,794,500	220,438,360	115,719,500	63,645,700	6,975,538,200	2,032,352,325	29.14%

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	Tax Year	Bradley Co Gen Fund	Bradley Co Public Library	Bradley Co Pike Road	Bradley Co County Schools	Cleveland City Schools	Bradley Co Debt Service	Bradley Co Capital Projects	Bradley Co Edu Cap Projects	Bradley Co Community Development	Total Bradley County Direct Rate	Bradley Co Fire O/S Fringe	Bradley Co Fire I/S Fringe	City of Cleveland	City of Charleston
2005	2004	\$ 0.5137	\$ 0.0262	\$ 0.1325	\$ 0.6411	\$ 0.3101	\$ 0.3929	\$ -	\$ -	\$ -	\$ 2.02	\$ 0.12	\$ 0.46	\$ 1.65	\$ 0.48
2006	2005	0.5147	0.0312	0.1427	0.6529	0.2999	0.2786	0.1000	-	-	2.02	0.12	0.46	1.65	0.48
2007	2006	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
2008	2007	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
2009	2008	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
2010	2009	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	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
2012	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
2013	2012	0.5289	0.0282	0.1287	0.5734	0.2859	0.2297	-	0.0017	0.0509	1.83	0.34	0.42	1.77	0.44
2014	2013	0.5404	0.0289	0.1320	0.5878	0.2935	0.2356	-	0.0017	0.0522	1.87	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, 2014

Taxpayer	Type of Business	2013		2005		Percentage of Total Taxes Levied	Rank	Assessed Valuation	Tax Liability	Percentage of Total Taxes Levied
		Rank	Tax Liability	Rank	Assessed Valuation					
Wacker	Solar Products	1	\$ 727,862	0	-	2.06%		-	-	0.00%
Community Health Systems	Hospitals	2	618,675		-	1.75%		-	-	0.00%
Mars, Inc.	Candies, Cookies	3	571,424	3	\$ 19,213,969	1.62%	3	\$ 388,122	\$ 388,122	1.32%
Olin Mathieson	Chemical Company	4	449,055	4	17,344,528	1.27%	4	350,359	350,359	1.19%
MSD Consumer Care	Health Products	5	346,725	8	11,182,754	0.98%	8	225,892	225,892	0.77%
Duracell/Gillette	Battery Manufacturer	6	329,987	2	22,592,896	0.93%	2	456,377	456,377	1.55%
Volunteer Energy Coop	Utility	7	315,928	9	10,918,942	0.89%	9	209,651	209,651	0.71%
Arch Chemicals	Chemical Company	8	303,627	7	14,017,640	0.86%	7	283,156	283,156	0.96%
Life Care Centers	Nursing Homes	9	282,174		-	0.80%		-	-	0.00%
Whirlpool	Appliance Manufacturer	10	281,977	1	31,543,456	0.80%	1	637,178	637,178	2.16%
						<u>9.90%</u>			<u>8.64%</u>	

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, 2014

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Bankruptcies	Uncollected Taxes to Total Tax Levy
2004	\$ 31,643,573	\$ 25,315,685	\$ 6,294,059	\$ 31,609,744	99.89%	\$ 33,829	\$ -	0.11 %
2005	32,809,566	27,035,428	5,767,352	32,802,780	99.98	6,786	-	0.02
2006	36,164,240	29,515,753	5,839,655	35,355,408	97.76	8,806	-	0.02
2007	37,911,893	32,852,346	4,351,353	37,203,699	98.13	7,179	-	0.02
2008	38,914,534	36,393,488	1,708,881	38,102,369	97.91	98,144	-	0.25
2009	38,969,734	30,591,121	2,088,092	32,679,213	83.86	148,043	-	0.38
2010	40,098,446	37,607,631	2,148,571	39,756,202	99.15	250,059	-	0.62
2011	39,987,186	37,619,625	1,659,787	39,279,412	98.23	390,900	27,182	1.05
2012	40,675,006	38,085,172	847,772	38,932,946	95.72	714,854	47,651	1.87
2013	39,843,593	37,434,506	(1)	37,434,506	93.95	(1)	22,715	0.06

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

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

Table 10

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

Fiscal Year	Governmental Activities							Percentage of Personal Income	Per Capita (1)
	General Bonded Debt	Notes	Loans Payable	Other	Capital Leases	Total Government			
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		
2014	23,220,000	-	46,060,000	118,278	69,398,278	3.13%	681		

(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)
2005	\$ 1,675,000	\$ 68,818,489	\$ 30,236,743	\$ 40,256,746	\$ 1,615,300,489	2.49%	\$ 458
2006	1,285,000	69,635,000	23,378,643	47,541,357	1,684,782,571	2.82	540
2007	875,000	67,990,000	15,863,135	53,001,865	1,685,029,701	3.15	603
2008	450,000	66,275,000	15,491,369	51,233,631	1,742,833,326	2.94	582
2009	-	64,995,000	16,250,237	48,744,763	1,759,083,033	2.77	554
2010	17,550,000	62,645,000	16,403,302	63,791,698	2,033,332,659	3.14	725
2011	17,550,000	60,195,000	15,529,814	62,215,186	2,018,571,873	3.08	629
2012	17,550,000	56,660,000	14,136,118	60,073,882	2,063,781,829	2.91	593
2013	24,075,000	49,255,000	12,965,130	60,364,870	2,059,825,824	2.93	597
2014	23,220,000	46,060,000	11,650,561	57,629,439	2,032,352,325	2.84	566

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

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

Table 12

Bradley County, Tennessee  
Direct and Overlapping Debt  
General Obligation Bonds, Notes and Other Loans  
As of June 30, 2014

	<u>Net Debt Outstanding</u>	<u>Percentage of Debt Applicable to the County</u>	<u>County's Share of Debt</u>
<b><u>Bradley County Direct Debt</u></b>			
General Bonded Debt (1)	\$ 23,220,000		
Notes Payable	-		
Public Building Authority Loan Agreements	46,060,000		
Capital Leases Payable	<u>118,278</u>		
Total County's Direct Debt	\$ 69,398,278	100.00%	\$ 69,398,278
City of Cleveland	78,748,601	100.00%	78,748,601
City of Charleston	<u>-</u>	100.00%	<u>-</u>
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 148,146,879</u></b>		<b><u>\$ 148,146,879</u></b>

(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, 2014

**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
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
2014	101,848	2,172,112,296	21,327	38.3	16.8	10,031	7.0

(1) U.S. Census Bureau.

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

(3) Tennessee Department of Labor and Workforce Development.

Table 16

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

Employer	2013			2005		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Whirlpool Corporation (Maytag)	1,503	1	3.07%	2,750	1	5.51%
Bradley County Schools	1,200	2	2.45%	-	-	0.00%
SkyRidge Medical Center	1,157	3	2.36%	-	-	0.00%
Peyton's Southeastern, Inc.	950	4	1.94%	1,200	2	2.40%
Lee University	815	5	1.66%	-	-	0.00%
Jackson Furniture	800	6	1.63%	475	9	0.95%
Cleveland City Schools	664	7	1.36%	-	-	0.00%
Wal-Mart	640	8	1.31%	-	-	0.00%
Bradley County Government	620	9	1.27%	-	-	0.00%
Amazon	600	10	1.23%	-	-	0.00%
Total	8,949		18.28%	4,425		8.87%
Total Employment - Average Annual 2013	48,960					
Total Employment - Average Annual 2005	49,899					

Sources: Chamber of Commerce  
Tennessee Department of Labor

Table 17

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

<b>Function:</b>	<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>	<u>2014</u>
General Government	45	38	38	44	58	51	51	47	46	49
Finance	39	42	46	47	47	48	48	46	48	47
Administration of Justice	58	55	59	60	61	64	64	64	63	64
Public Safety	245	272	244	239	240	296	296	305	301	352
Health and Welfare	97	83	86	89	91	123	127	123	122	132
Social, Cultural, and Recreational	10	10	8	10	9	10	10	10	9	29
Agriculture and Natural Resources	3	2	6	7	20	19	18	20	19	13
Other	1	2	2	3	3	3	3	3	3	3
Road and Bridge	54	53	54	56	59	59	59	59	65	59
<b>Total (1)</b>	<b>552</b>	<b>557</b>	<b>543</b>	<b>555</b>	<b>588</b>	<b>673</b>	<b>676</b>	<b>677</b>	<b>676</b>	<b>748</b>
<b>Component Unit:</b>										
Education (2)	912	922	1,100	1,100	953	953	953	953	955	1183

(1) Bradley County Human Resources Department

(2) Bradley County Schools

Table 18

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

Function:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>General Government</u></b>										
Registered Voters (1)	51,388	53,188	55,412	57,766	55,774	55,500	60,201	58,000	62,777	62,629
Building Permits Issued (2)	608	831	647	457	365	325	324	338	642	331
<b><u>Public Safety</u></b>										
Number of Warrants (Civil and Criminal) Served (3)	N/A	3,002	4,435	3,707	12,198	8,200	9,000	18,150	18,400	22,250
Fire Dept. - Call Volume	528	-	-	-	-	-	-	-	-	-
Rescue Service - Call Volume	744	-	-	-	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	-	1,150	702	777	678	1,302	1,265	1,300	1,310	1,884
<b><u>Public Health</u></b> (5)										
Ambulance- Call Volume	17,995	18,000	18,515	18,500	20,400	19,500	20,000	22,000	21,800	21,852
Response Time - Avg. Minutes	6.6	6.6	6.6	6.6	6.0	6.0	6.0	6.0	6.0	6.0
<b><u>Road and Bridge</u></b> (6)										
Roads re-paved	N/A	61.9	45.5	56.2	21.8	25.0	25	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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Highways and Streets (1)</b>										
Number of Miles	739	744	749	759	759	759	759	759	759	759
Number of Roads	N/A	N/A	1,248	1,251	1,253	1,253	1,253	1,253	1,253	1,253
Traffic Signals	6	6	6	6	6	6	6	6	8	8
<b>Public Safety (2)</b>										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	7	7	7	7	8	8	8	10	13	13
<b>Health and Welfare (2)</b>										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	213	213	213	213	213	213	213	213	213	213
Dispatch Station										
Ambulance Stations	3	3	3	3	6	5	5	5	5	5
Number of Ambulance Units	10	10	10	10	12	12	12	12	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<b>Facilities and Services Not Included in the Primary Government</b>										
<b>Education (3)</b>										
Number of Employees *	912	922	1,100	1,100	953	953	953	970	988	1,183
Elementary Schools	11	11	11	11	11	12	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

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## SINGLE AUDIT SECTION

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

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

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, 2014, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements, and have issued our report thereon dated October 23, 2014. 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. 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: 2014-001, 2014-002, and 2014-003.

### **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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2014-004.

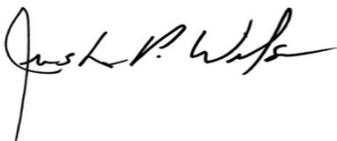
### **Bradley County's Response to Findings**

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

### **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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2014

JPW/kp



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, 2014. 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 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, 2014.

### **Report on Internal Control Over Compliance**

Management of Bradley County 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

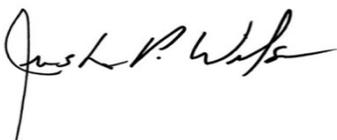
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2014, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements. We issued our report thereon dated October 23, 2014, 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 basic 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 basic 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 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2014

JPW/kp

Bradley County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

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	\$ 245,599 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	753,845
National School Lunch Program	10.555	N/A	2,240,993 (3)
Total U.S. Department of Agriculture			<u>\$ 3,240,437</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Donations/Loans of Obsolete DOD Property	12.700	N/A	\$ 244,333
Total U.S. Department of Defense			<u>\$ 244,333</u>
U.S. Department of Justice:			
Passed-through City of Cleveland, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21914	\$ 18,288
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Formula Grant Program	16.579	37746-71301000	96,430
Total U.S. Department of Justice			<u>\$ 114,718</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z14-GHS038-00	\$ 25,604
Total U.S. Department of Transportation			<u>\$ 25,604</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	S215-L-100-61	\$ 772,115
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(4)	231,874
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,439,768
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,364,298
Special Education - Preschool Grants	84.173	N/A	66,646
Career and Technical Education - Basic Grants to States	84.048	N/A	124,136
Twenty-first Century Community Learning Centers	84.287	(2)	393,246
English Language Acquisition Grants	84.365	(2)	9,931
Improving Teacher Quality State Grants	84.367	N/A	264,181
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	405,788
Passed-through Tennessee College Access and Success Network:			
Race-to-the-Top - District Grants	84.416	(2)	106,295
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	130,200
Total U.S. Department of Education			<u>\$ 7,308,478</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	\$ 145,226
Total U.S. Election Assistance Commission			<u>\$ 145,226</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(6)	\$ 1,127,493
Emergency Management Performance Grants	97.042	34101-02714	53,500
Homeland Security Grant Program	97.067	(7)	65,103
Total U.S. Department of Homeland Security			<u>\$ 1,246,096</u>
Total Expenditures of Federal Awards			<u>\$ 12,324,892</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	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG-14-37375-01	\$ 989,344
Farmers Market Promotion and Retail Grant - State Department of Agriculture	N/A	36048	956
Custody Prevention Services - State Department of Children's Services	N/A	GG-12-35226-00	61,338
Community Corrections Program - State Board of Probation and Patrol	N/A	32952-13001	312,403
Tire Recycling Grant - State Department of Environment and Conservation	N/A	(8)	29,032
Litter Program - State Department of Transportation	N/A	(2)	55,835
Early Childhood Education Pilot/State - Lottery Commission	N/A	(2)	1,382,187
Coordinated School Health Improvement - State Department of Education	N/A	(2)	95,000
Safe Schools Act - State Department of Education	N/A	(2)	52,951
ConnecTN - State Department of Education	N/A	(2)	29,419
Child Safety Seat - State Commission on Children and Youth	N/A	510390	5,446
Hazard Mitigation - Tennessee Emergency Management Agency	N/A	(2)	187,916
Tobacco - State Department of Health	N/A	SNF-TS-FY14	75,753
Student Ticket Subsidy - State Art Commission	N/A	(2)	2,956
<b>Total State Grants</b>			<b>\$ 3,280,536</b>

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) Total for CFDA No. 10.555 is \$2,486,592.
- (4) DG-36092: \$24,689; DG-36086: \$203,447; LWCO6F121ELXV13: \$3,738.
- (5) 30510-0013-06: \$1,540; 30510-00213-37: \$143,686.
- (6) 4005-0002: \$93,438; 1979-0004: \$1,276; 34101-20113: \$1,032,779.
- (7) 34101-12063: \$29,771; 34101-9331: \$35,332.
- (8) DG8-12-35171-0: \$8,579; 32701-01651: \$20,453.

Bradley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2013, which has not been corrected.

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-004	232	Duties were not segregated adequately

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**BRADLEY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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**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 three 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 Title I Grants to Local Educational Agencies (CFDA No. 84.010), the State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), and the Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$369,747 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 chairman of the County Commission's response on a certain finding is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### **OFFICE OF COUNTY MAYOR**

**FINDING 2014-001**                    **USERNAMES AND PASSWORDS OF ALL AMBULANCE SERVICE EMPLOYEES WERE KNOWN BY DESIGNATED PERSONNEL**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Each employee had been assigned a unique username and password for accessing the office's accounting software. However, a listing of usernames and passwords was maintained by designated personnel at the Ambulance Service. If inappropriate activity were to occur, determining which employee was responsible for this activity would be difficult because designated personnel had access to other employees' usernames and passwords. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was corrected in June 2014 when brought to the attention of management.

### **RECOMMENDATION**

Management should discontinue the maintenance of the username and password listing. Each employee's username and password should remain confidential.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

**FINDING 2014-002**                    **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

## RECOMMENDATION

The clerk should assign each employee their own cash drawer.

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

### FINDING 2014-003

### **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.

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## BRADLEY COUNTY COMMISSION

### FINDING 2014-004

### **THE COUNTY COMMISSION'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE**

(Noncompliance Under *Government Auditing Standards*)

Bradley County participates in the ThreeStar Program through the Tennessee Department of Economic and Community Development to assist the county's community development efforts in competing for jobs and attracting industry. One of the requirements of the ThreeStar Program is that the county must create and maintain an Audit Committee. The Bradley County Commission created an Audit Committee on December 7, 2009, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are no minutes to document that this Audit Committee has ever met or conducted any business. Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

## RECOMMENDATION

The County Commission's Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

## MANAGEMENT'S RESPONSE – CHAIRMAN OF THE COUNTY COMMISSION

The County Commission shall endeavor to correct this deficiency. We will assemble the committee and charge them with objectively reviewing the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

**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, 2014**

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