

COMPREHENSIVE ANNUAL FINANCIAL REPORT
BRADLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BRADLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

**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

BRADLEY COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		7-8
<u>INTRODUCTORY SECTION</u>		9
Letter of Transmittal		10-15
GFOA Certificate of Achievement for FY14 Report		16
Organization Chart		17
Bradley County Officials		18-19
<u>FINANCIAL SECTION</u>		20
Independent Auditor's Report		21-24
Management's Discussion and Analysis		25-35
BASIC FINANCIAL STATEMENTS:		36
Government-wide Financial Statements:		
Statement of Net Position	A	37-38
Statement of Activities	B	39-40
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	41-43
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	44
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	45-46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	47
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	48-51
Highway/Public Works Fund	C-6	52-53
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	54
Index and Notes to the Financial Statements		55-118

	Exhibit	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION:		119
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	120
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	121
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Bradley County School Department	E-3	122
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Bradley County School Department	E-4	123
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Bradley County School Department	E-5	124
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Bradley County School Department	E-6	125
Notes to the Required Supplementary Information		126
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		127
Nonmajor Governmental Funds:		128-129
Combining Balance Sheet	F-1	130-135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	136-141
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Law Library Fund	F-3	142
Public Library Fund	F-4	143
Solid Waste/Sanitation Fund	F-5	144
Local Purpose Tax Fund	F-6	145
Special Purpose Fire Tax Fund	F-7	146
Drug Control Fund	F-8	147
Agriculture Center Fund	F-9	148
Major Governmental Fund:		149
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	150
Fiduciary Funds:		151
Combining Statement of Fiduciary Assets and Liabilities	H-1	152
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	153-154
Component Unit:		
Discretely Presented Bradley County School Department:		155
Statement of Activities	I-1	156
Balance Sheet – Governmental Funds	I-2	157
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	158

	Exhibit	Page(s)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	159
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	160
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	161
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	162
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	163-164
School Federal Projects Fund	I-9	165
Central Cafeteria Fund	I-10	166
Miscellaneous Schedules:		167
Schedule of Changes in Long-term Bonds, Other Loans, and Capital Leases	J-1	168
Schedule of Long-term Debt Requirements by Year	J-2	169
Schedule of Notes Receivable	J-3	170
Schedule of Transfers – Primary Government and Discretely Presented Bradley County School Department	J-4	171
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Bradley County School Department	J-5	172
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	173-193
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Bradley County School Department	J-7	194-197
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	198-225
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Bradley County School Department	J-9	226-236
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	J-10	237
<u>STATISTICAL SECTION</u>		238
	Table	
Financial Trends:		
Net Position by Component	1	239
Changes in Net Position	2-2a	240-242
Governmental Activities Tax Revenue by Source	3	243
General Government Fund Balances – Primary Government and Discretely Presented Component Unit	4	244
Changes in Fund Balances – General Government and Discretely Presented Component Unit	5	245-246
Revenue Capacity:		
Assessed and Estimated Value of Taxable Property	6	247
Property Tax Rates – Direct and Overlapping Governments	7	248
Principal Taxpayers	8	249
Property Tax Levies and Collections – by Tax Year	9	250

Table

Debt Capacity:		
Ratio of Outstanding Debt by Type	10	251
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	11	252
Direct and Overlapping Debt	12	253
Computation of Legal Debt Margin	13	254
Pledged-Revenue Coverage	14	255
Demographic and Economic Information:		
Demographic Statistics	15	256
Principal Employers	16	257
Operating Information:		
Full-time Employees by Function	17	258
Operating Indicators by Function	18	259
Capital Assets by Function	19	260
<u>SINGLE AUDIT SECTION</u>		261
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		262-263
Auditor's 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		264-266
Schedule of Expenditures of Federal Awards and State Grants		267-268
Schedule of Audit Findings Not Corrected		269
Schedule of Findings and Questioned Costs		270-275
Auditee Reporting Responsibilities		276

Summary of Audit Findings

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
 - ◆ Usernames and passwords were shared by employees in the Misdemeanor Probation Office.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund required material audit adjustments for proper financial statement presentation.
 - ◆ An interfund loan was not authorized in accordance with state statute.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Multiple employees operated from the same cash drawer.
-

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

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

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

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

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

November 12, 2015

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, 2015.

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

Bradley County's financial statements have been audited by the State of Tennessee, Comptroller of the Treasury, Division of Local Government Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bradley County for the fiscal year ended June 30, 2015, 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, 2015, 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 102,975. 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 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, 2014. This is the tenth 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 six 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, 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**

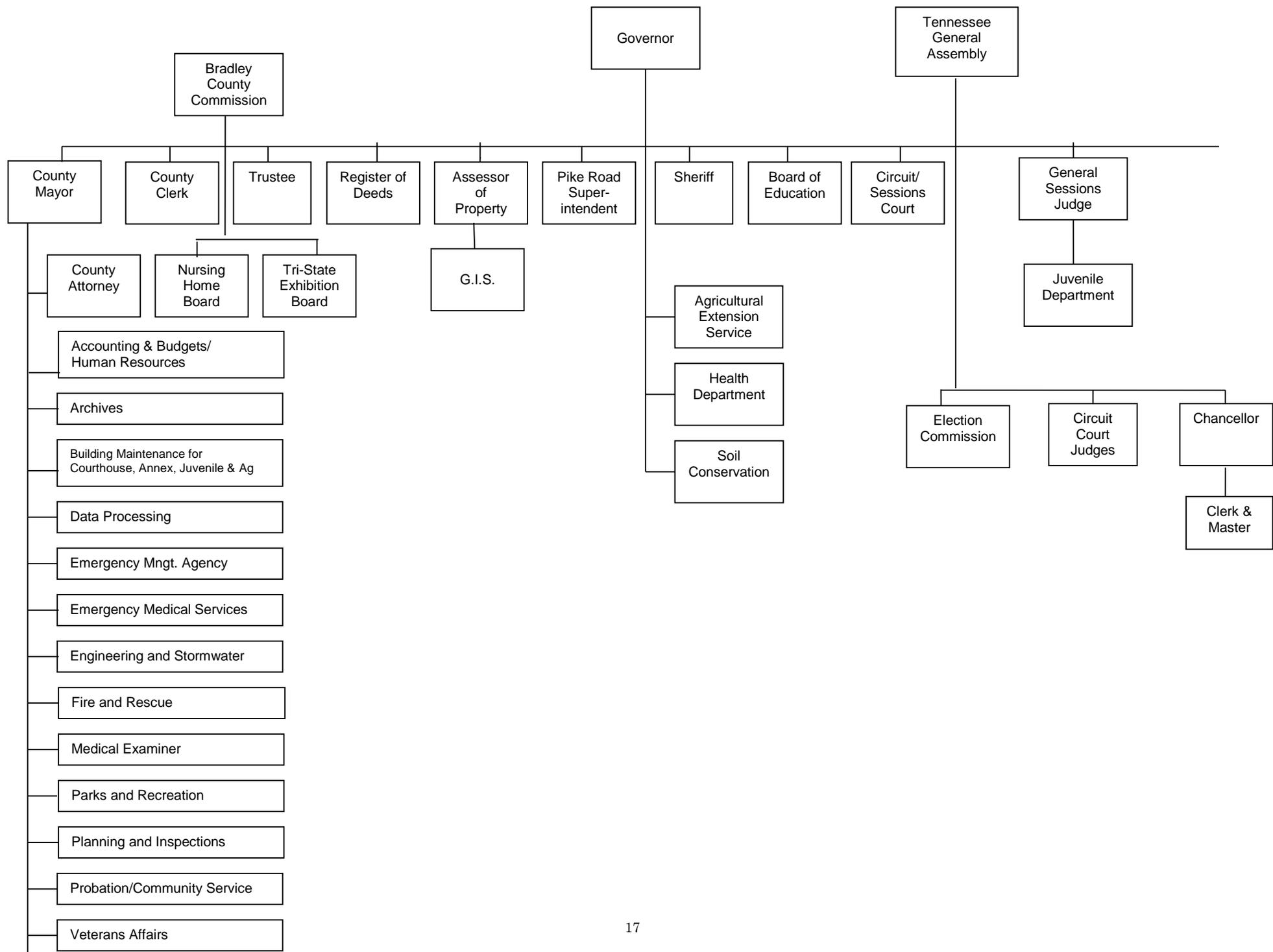
Presented to

**Bradley County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Bradley County Officials
June 30, 2015

Officials

County Mayor	D. Gary Davis
Road Superintendent	Sandra Collins
Director of Schools	Dr. Linda Cash
Trustee	Mike Smith
Assessor of Property	Stanley Thompson
County Clerk	Donna Alley Simpson
Circuit and General Sessions Courts Clerk	Gayla Miller
Clerk and Master	Sarah Coleman
Register of Deeds	Dina Swafford
Sheriff	Eric Watson
Finance Director	Rena Samples
Agricultural Extension Director	Kim Frady
Ambulance Service Director	Danny Lawson
Building Inspection	Don Wyatt
County Attorney	Crystal Freiberg
Emergency Management	Troy Spence
Engineering and Planning	Bentley Thomas
Fire Chief	Troy Maney
GIS	Wayne Owenby
Health Department	Eloise Waters
Human Resources Administrator	Tracy Cook
Information Systems	Michael Sullivan
Juvenile Services	Terry Gallaher
Parks and Recreation Director	Andy Lockhart
Probation Services/Courts Community Service	Rich Kienlen
Veterans Affairs	Larry McDaris

Board of County Commissioners

District 1	Terry Caywood
District 1	Mike Hughes
District 2	Louie Alford, Chairman
District 2	Thom Crye
District 3	Milan Blake
District 3	Johnny Mull
District 4	Howard Thompson
District 4	Charlotte Peak
District 5	Bobby Goins
District 5	Jeff Yarber

Bradley County Officials (Cont.)

Board of County Commissioners (Cont.)

District 6	Dan Rawls
District 6	Robert Rominger
District 7	Mark Hall
District 7	Bill Winters

Audit Committee

Dan Rawls, Chairman	Mike Hughes
Milan Blake	Charlotte Peak
Alan Burns	William Stuart
Thom Crye	Dr. Dewayne Thompson

Board of Education

Chris Turner, Chairman	Amanda Lee
Vicki Beaty	Nicholas Lillios
Dianna Calfee	Charlie Rose
Rodney Dillard	

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bradley Healthcare and Rehabilitation Center, which represent 5.19 percent, 6.95 percent, and 13.72 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, 2015, and the respective changes in financial position and the respective budgetary comparison for the General 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$2,039,681 and the discretely presented Bradley County School Department's net position by \$13,549,446 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25-35 and the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 120-126 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 November 12, 2015, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 12, 2015

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, 2015. 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 \$36,753,827 (net position).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$43,762,072. Of this amount, \$16,021,681 is set aside for endowments, \$5,488,891 is restricted funds with externally enforceable limitations on use, \$15,207,279 is committed by the county's legislative body to a specific fund or use, and \$1,443,213 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,601,008 or 16.47 percent of total General Fund expenditures while total fund balance of \$8,088,668 represents 23.79 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 \$4,111,094 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 \$36,753,827 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, 2015, Bradley County had outstanding debt totaling \$51,376,156 for capital purposes of education (\$34,983,392 for county schools and \$16,392,764 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	
	2015	2014	2015	2014
Current and Other Assets	\$ 79,393,757	\$ 68,265,670	\$ 29,869,650	\$ 28,117,886
Capital Assets	54,642,599	55,065,796	65,082,166	67,396,979
Total Assets	<u>\$ 134,036,356</u>	<u>\$ 123,331,466</u>	<u>\$ 94,951,816</u>	<u>\$ 95,514,865</u>
Deferred Outflows of Resources	\$ 5,660,575	\$ 3,001,623	\$ 5,021,634	\$ 0
Long-term Liabilities	\$ 65,717,025	\$ 68,955,524	\$ 8,630,737	\$ 7,281,430
Other Liabilities	8,375,440	8,449,782	7,825,427	7,703,683
Total Liabilities	<u>\$ 74,092,465</u>	<u>\$ 77,405,306</u>	<u>\$ 16,456,164</u>	<u>\$ 14,985,113</u>
Deferred Inflows of Resources	\$ 28,850,639	\$ 20,991,984	\$ 27,150,104	\$ 11,699,764
Net Position:				
Net Investment in				
Capital Assets	\$ 40,684,983	\$ 40,349,670	\$ 65,082,166	\$ 67,396,979
Restricted	24,072,985	22,313,233	3,074,624	2,182,996
Unrestricted	(28,004,141)	(34,727,104)	(11,789,608)	(749,987)
Total Net Position	<u>\$ 36,753,827</u>	<u>\$ 27,935,799</u>	<u>\$ 56,367,182</u>	<u>\$ 68,829,988</u>

Table 1b

BRADLEY COUNTY'S NET POSITION

	Bradley Healthcare and Rehabilitation	
	2015	2014
Current and Other Assets	\$ 3,326,317	\$ 2,854,869
Capital Assets	1,868,977	2,006,222
Total Assets	<u>\$ 5,195,294</u>	<u>\$ 4,861,091</u>
Long-term Liabilities	\$ 65,838	\$ 53,411
Other Liabilities	921,594	990,728
Total Liabilities	<u>\$ 987,432</u>	<u>\$ 1,044,139</u>
Net Position:		
Net Investment in Capital Assets	\$ 1,868,976	\$ 2,006,222
Restricted	378,435	135,263
Unrestricted	1,960,451	1,675,467
Total Net Position	<u>\$ 4,207,862</u>	<u>\$ 3,816,952</u>

An additional portion of Bradley County's governmental activities assets (\$24,072,985) 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

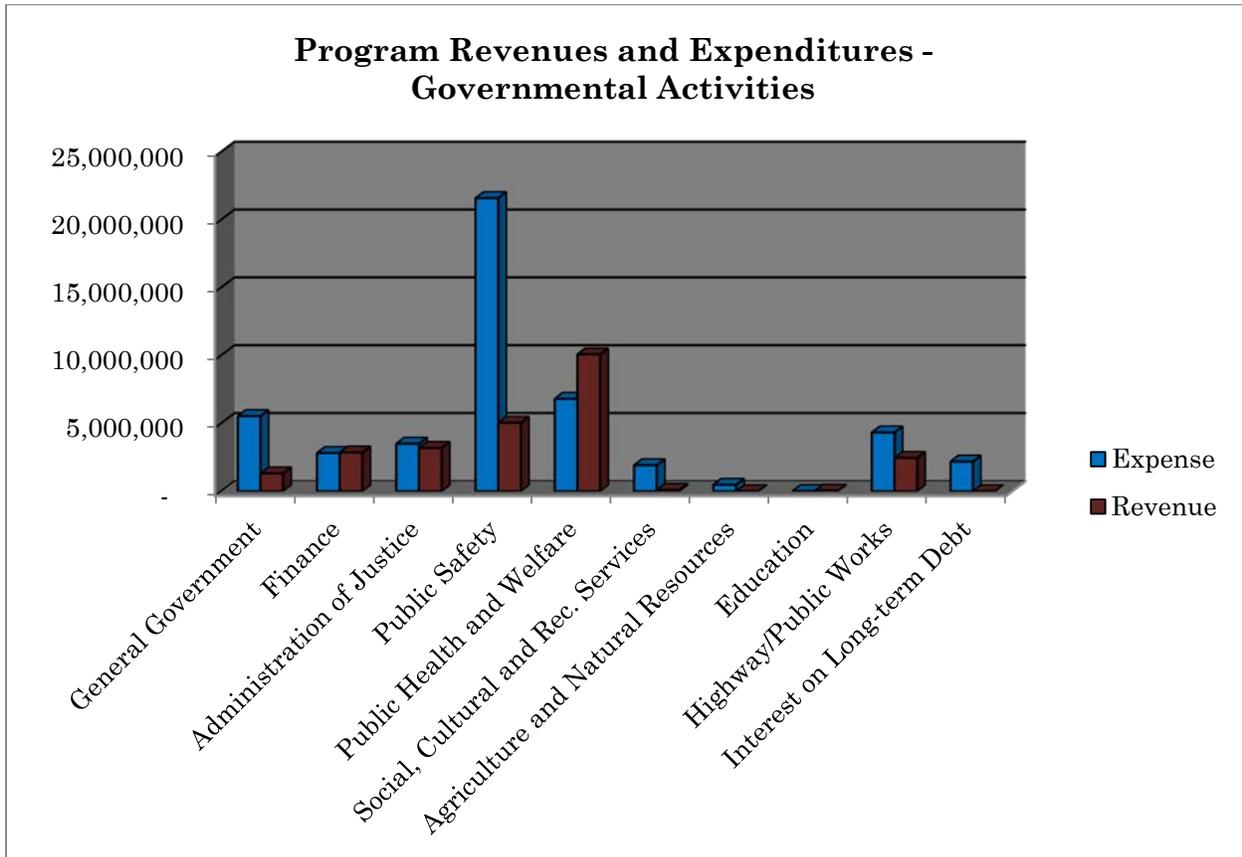
BRADLEY COUNTY'S CHANGES IN NET POSITION

	Bradley County Government		Bradley County School Department	
	2015	2014	2015	2014
Revenues				
Program Revenues:				
Charges for Services	\$ 19,491,420	\$ 14,059,721	\$ 1,701,751	\$ 1,947,300
Operating Grants and Contributions	4,780,315	4,427,953	11,496,289	12,334,426
Capital Grants and Contributions	828,101	2,906,712	0	1,300,757
General Revenues:				
Property Taxes	24,187,888	21,045,984	12,252,672	11,663,374
Other Taxes	7,899,061	7,368,172	10,841,288	10,478,435
Grants and Contributions not Restricted to Specific Programs	1,851,278	1,308,872	45,521,858	45,588,392
Other	995,910	1,006,971	200,228	77,051
Total Revenues	<u>\$ 60,033,973</u>	<u>\$ 52,124,385</u>	<u>\$ 82,014,086</u>	<u>\$ 83,389,735</u>
Expenses				
General Government	\$ 5,528,271	\$ 7,429,932	\$ 0	\$ 0
Finance	2,816,104	2,704,160	0	0
Administration of Justice	3,499,575	3,623,133	0	0
Public Safety	21,600,283	21,105,724	0	0
Public Health and Welfare	6,806,388	7,303,033	0	0
Social, Cultural, and Rec. Services	1,919,845	1,882,823	0	0
Agriculture and Natural Resources	478,789	622,063	0	0
Highways/Public Works	4,330,329	4,927,413	0	0
Education	11,731	49,457	80,927,446	85,920,300
Interest on Long-term Debt	2,184,949	2,420,649	0	0
Total Expenses	<u>\$ 49,176,264</u>	<u>\$ 52,068,387</u>	<u>\$ 80,927,446</u>	<u>\$ 85,920,300</u>
Increase (Decrease) in Net Position	\$ 10,857,709	\$ 55,998	\$ 1,086,640	\$ (2,530,565)
Net Position, July 1	27,935,799	27,879,801	68,829,988	71,360,553
Restatement	(2,039,681)	0	(13,549,446)	0
Net Position, June 30	<u>\$ 36,753,827</u>	<u>\$ 27,935,799</u>	<u>\$ 56,367,182</u>	<u>\$ 68,829,988</u>

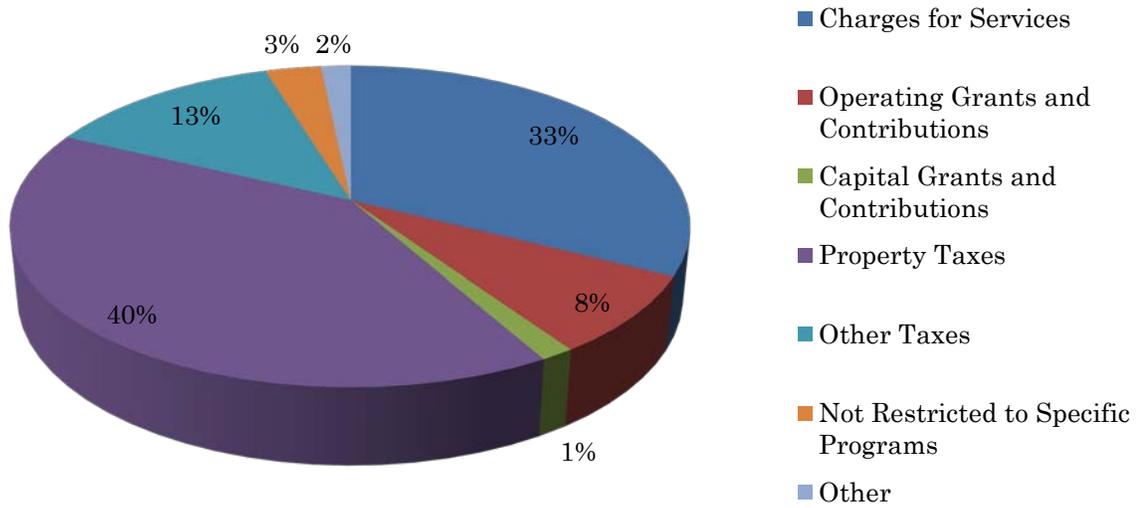
Table 2b

BRADLEY COUNTY'S CHANGES IN NET POSITION

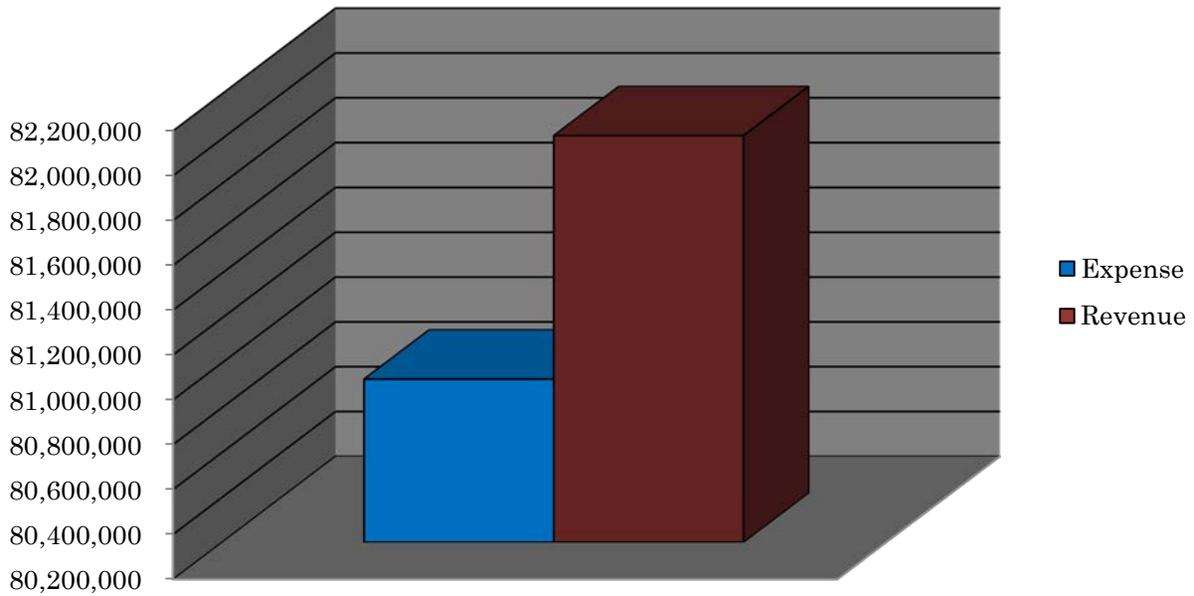
	Bradley Healthcare and Rehabilitation Center	
	2015	2014
Revenues		
Program Revenues:		
Charges for Services	\$ 12,754,466	\$ 11,704,195
Grants and Contributions	215,000	0
General Revenues:		
Other	76,343	8,958
Total Revenues	\$ 13,045,809	\$ 11,713,153
Expenses		
Other Enterprise	\$ 12,654,899	\$ 12,442,062
Total Expenses	\$ 12,654,899	\$ 12,442,062
Increase (Decrease) in Net Position	\$ 390,910	\$ (728,909)
Net Position, July 1	3,816,952	4,545,861
Net Position, June 30	\$ 4,207,862	\$ 3,816,952

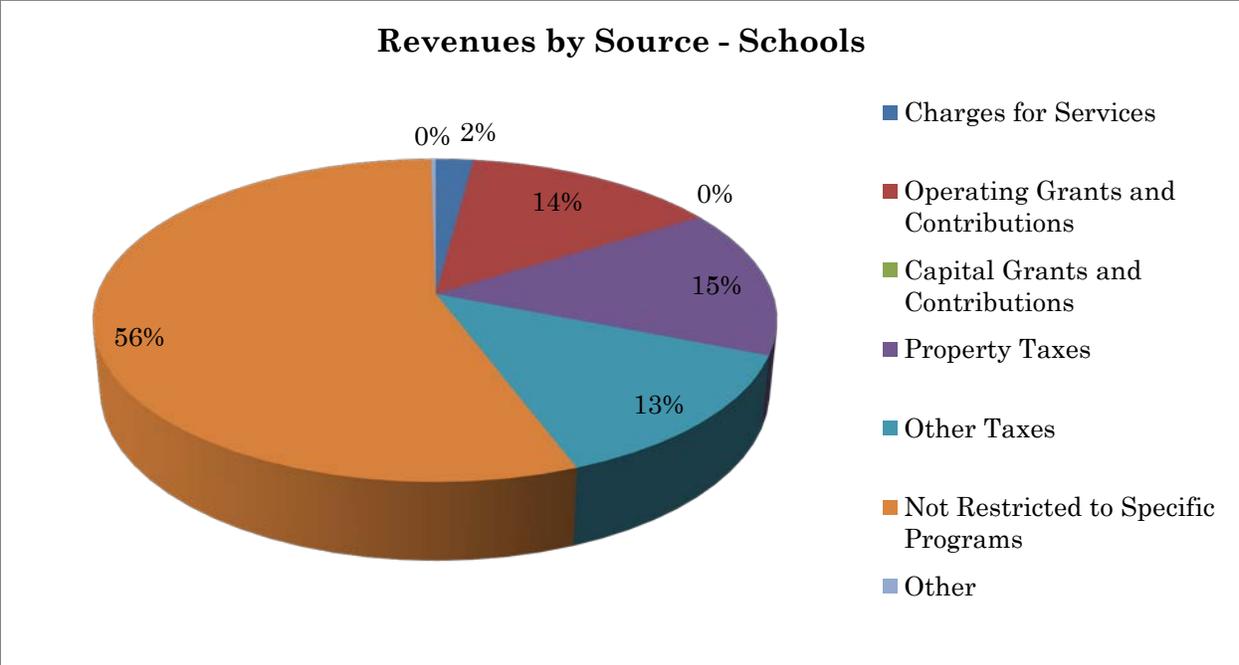


Revenues by Source - Governmental Activities



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 \$43,762,072. Of this amount, \$16,021,681 is set aside for endowments, \$5,488,891 is restricted with externally enforceable limitations on use, \$15,207,279 is committed by the county’s legislative body to a specific fund or use, and \$1,443,213 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 \$5,601,008 or 16.47 percent of total General Fund expenditures while total fund balance of \$8,088,688 represents 23.79 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 \$954,671. The key factor was a slight increase in local taxes over 2013-14. 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 \$417,362. This was mainly state funding.

The General Debt Service Fund has a total fund balance of \$10,667,964 all of which is allocated for the payment of debt service. The \$982,597 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in local taxes over 2014-15.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$1,392,623 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$14,728
- Increases allocated to Finance - \$68,823
- Increases allocated to Administration of Justice - \$390,207
- Increases allocated to Public Safety - \$615,915
- Increases allocated to Public Health and Welfare - \$146,984
- Increases allocated to Social, Cultural, and Recreational - \$33,810
- Increases allocated to Agriculture and Natural Resources - \$4,656
- Increases allocated to Other Operations - \$117,500

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 \$2,254,557, 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, 2015, totals \$40,684,983 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totals \$65,082,166 (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 eight vehicles and equipment – Sheriff's Department at \$245,857
- Purchase of equipment – Sheriff's Department at \$15,405
- Purchase of three ambulance chassis – Ambulance Service at \$235,873

- Purchase of equipment – Ambulance Service at \$30,609
- Purchase of vehicle - Fire Department at \$125,000
- Purchase of two vehicles & equipment – EMA at \$82,638.21
- Wacker infrastructure – \$296,812
- School projects – \$642,356

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

Long-term Debt

Table 3

BRADLEY COUNTY				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Bonds	\$ 2,560,000	\$ 13,464,682	\$ 6,320,318	\$ 22,345,000
Other Loans	11,194,414	21,458,140	10,072,446	42,725,000
Capital Leases	156,614	60,570	0	217,184
Total Bonds, Other Loans, and Capital Leases	\$ 13,911,028	\$ 34,983,392	\$ 16,392,764	\$ 65,287,184
Compensated Absences	1,259,482	0	0	1,259,482
Other Postemployment Benefits	3,566,762	8,630,737	0	12,197,499
Total Long-term Debt	\$ 18,737,272	\$ 43,614,129	\$ 16,392,764	\$ 78,744,165

At the end of the current fiscal year, Bradley County had total bonds, other loans, and capital leases outstanding of \$65,287,184. This amount comprises debt backed by the full faith and credit of the government. This debt decreased by \$4,111,094 during the current fiscal year.

For more detailed information on long-term debt activity, please see the relevant disclosures in the notes to the financial statements. Note IV.G. of this report provides additional information regarding capital leases, and Note IV.H. provides additional information regarding general obligation bonds 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, 2015, is 6.3 percent, which has remained level over the past year. The state's average unemployment rate is 6.4 percent and the national average is 5.3 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 2015-2016 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$43,762,072. Of this amount, \$16,021,681 is set aside for endowments, \$5,488,891 is restricted by externally enforceable limitations, \$15,207,279 is committed by the county's legislative body to a specific fund or use, and \$1,443,213 is assigned to the intended use. Unassigned fund balance for the General Fund is \$5,601,008 or 16.47 percent of total General Fund expenditures while total fund balance of \$8,088,668 represents 23.79 percent of projected expenditures. The minimum fund balance policy of the county requires a fund balance of at least ten percent, which is within the boundaries of our policy.

Request for Information

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Bradley County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 512,005	\$ 2,177	\$ 613,987
Equity in Pooled Cash and Investments	41,823,967	13,316,164	0
Accounts Receivable	11,791,507	0	2,293,640
Allowance for Uncollectibles	(3,609,591)	0	(73,069)
Due from Other Governments	1,999,592	3,710,859	0
Due from Component Unit	60,570	0	0
Inventories	0	0	38,416
Property Taxes Receivable	25,731,660	11,979,356	0
Allowance for Uncollectible Property Taxes	(1,087,798)	(431,609)	0
Prepaid Items	0	0	9,070
Net Pension Asset - Agent Plan	2,138,364	1,131,806	0
Net Pension Asset - Cost-sharing Plan	0	160,897	0
Restricted Assets:			
Other Restricted Assets	0	0	444,273
Notes Receivable - Long-term	33,481	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,858,505	1,610,912	1,250
Construction in Progress	626,752	41,656	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	18,335,896	62,568,359	1,491,578
Infrastructure	24,457,257	0	0
Other Capital Assets	5,364,189	861,239	376,149
Total Assets	<u>\$ 134,036,356</u>	<u>\$ 94,951,816</u>	<u>\$ 5,195,294</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 2,943,966	\$ 0	\$ 0
Pension Changes in Experience	0	390,617	0
Pension Other Deferrals	0	320,121	0
Pension Contributions After Measurement Date	2,716,609	4,310,896	0
Total Deferred Outflows of Resources	<u>\$ 5,660,575</u>	<u>\$ 5,021,634</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 153,329	\$ 400,274
Accrued Payroll	0	6,498,445	487,072
Payroll Deductions Payable	610,537	1,113,083	0
Accrued Interest Payable	229,602	0	0
Due to Primary Government	0	60,570	0
Derivative - Interest Rate Swap	2,943,966	0	0
Other Current Liabilities	0	0	34,248
Other Long-term Liabilities	0	0	65,838
Noncurrent Liabilities:			
Due Within One Year	4,591,335	0	0
Due in More Than One Year (net of unamortized premiums on debt)	65,717,025	8,630,737	0
Total Liabilities	<u>\$ 74,092,465</u>	<u>\$ 16,456,164</u>	<u>\$ 987,432</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 24,047,301	\$ 11,350,894	\$ 0
Pension Changes in Experience	1,535,396	812,664	0
Pension Changes in Investment Earnings	3,267,942	14,986,546	0
Total Deferred Inflows of Resources	<u>\$ 28,850,639</u>	<u>\$ 27,150,104</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	\$ 40,684,983	\$ 65,082,166	\$ 1,868,976
Restricted for:			
General Government	970,437	0	0
Finance	17,968	0	0
Administration of Justice	145,802	0	0
Public Safety	1,015,828	0	0
Public Health and Welfare	8,629	0	0
Social, Cultural, and Recreational Services	208,586	0	0
Highways/Public Works	1,369,272	0	0
Capital Projects	1,574,479	0	0
Education	0	3,074,624	0
Other Purposes	2,138,364	0	0
Permanent Endowment:			
Nonexpendable	16,021,681	0	337,000
Expendable	601,939	0	41,435
Unrestricted	(28,004,141)	(11,789,608)	1,960,451
Total Net Position	<u>\$ 36,753,827</u>	<u>\$ 56,367,182</u>	<u>\$ 4,207,862</u>

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

Exhibit B

Bradley County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center
Primary Government:							
Governmental Activities:							
General Government	\$ 5,528,271	\$ 922,543	\$ 45,224	\$ 353,587	\$ (4,206,917)	\$ 0	\$ 0
Finance	2,816,104	2,791,378	63,062	0	38,336	0	0
Administration of Justice	3,499,575	3,018,838	169,091	0	(311,646)	0	0
Public Safety	21,600,283	3,540,777	1,288,476	218,633	(16,552,397)	0	0
Public Health and Welfare	6,806,388	9,103,220	973,411	0	3,270,243	0	0
Social, Cultural, and Recreational Services	1,919,845	108,063	0	0	(1,811,782)	0	0
Agriculture and Natural Resources	478,789	0	0	0	(478,789)	0	0
Highways/Public Works	4,330,329	6,601	2,196,099	255,881	(1,871,748)	0	0
Education (Payments for the benefit of component unit)	11,731	0	44,952	0	33,221	0	0
Interest on Long-term Debt	2,184,949	0	0	0	(2,184,949)	0	0
Total Governmental Activities	\$ 49,176,264	\$ 19,491,420	\$ 4,780,315	\$ 828,101	\$ (24,076,428)	\$ 0	\$ 0
Total Primary Government	\$ 49,176,264	\$ 19,491,420	\$ 4,780,315	\$ 828,101	\$ (24,076,428)	\$ 0	\$ 0
Component Units:							
Bradley County School Department	\$ 80,927,446	\$ 1,701,751	\$ 11,496,289	\$ 0	\$ 0	\$ (67,729,406)	\$ 0
Bradley Healthcare and Rehabilitation Center	12,654,899	12,754,466	0	215,000	0	0	314,567
Total Component Units	\$ 93,582,345	\$ 14,456,217	\$ 11,496,289	\$ 215,000	\$ 0	\$ (67,729,406)	\$ 314,567

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Government	Bradley County School Department	Bradley Healthcare and Rehabilitation Center
				Total Governmental Activities			
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 19,364,871	\$ 12,252,672	\$ 0	
Property Taxes Levied for Debt Service				4,823,017	0	0	
Local Option Sales Taxes				4,905,518	10,834,748	0	
Hotel/Motel Tax				951,845	0	0	
Litigation Tax - General				319,223	0	0	
Litigation Tax - Special Purpose				65,770	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse				63,673	0	0	
Business Tax				1,248,747	0	0	
Wholesale Beer Tax				339,131	0	0	
Interstate Telecommunications Tax				5,154	6,540	0	
Grants and Contributions Not Restricted to Specific Programs				1,851,278	45,521,858	47,474	
Unrestricted Investment Income				286,349	23,014	697	
Proceeds from the Sale of Equipment				368,089	2,298	0	
Miscellaneous				341,472	90,280	28,172	
Pension Income				0	84,636	0	
Total General Revenues				\$ 34,934,137	\$ 68,816,046	\$ 76,343	
Change in Net Position				\$ 10,857,709	\$ 1,086,640	\$ 390,910	
Net Position, July 1, 2014				27,935,799	68,829,988	3,816,952	
Restatement - See Note I.D.9				(2,039,681)	(13,549,446)	0	
Net Position, June 30, 2015				\$ 36,753,827	\$ 56,367,182	\$ 4,207,862	

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

Exhibit C-1

Bradley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 512,005	\$ 512,005
Equity in Pooled Cash and Investments	7,181,043	2,154,295	10,595,681	16,615,395	5,277,553	41,823,967
Accounts Receivable	11,749,528	0	0	8,225	33,754	11,791,507
Allowance for Uncollectibles	(3,609,591)	0	0	0	0	(3,609,591)
Due from Other Governments	1,552,217	388,038	48,083	0	11,254	1,999,592
Due from Other Funds	15,325	0	0	0	0	15,325
Property Taxes Receivable	11,386,442	2,718,289	5,669,080	0	5,957,849	25,731,660
Allowance for Uncollectible Property Taxes	(406,991)	(98,100)	(192,118)	0	(390,589)	(1,087,798)
Notes Receivable - Long-term	0	0	0	0	33,481	33,481
Total Assets	\$ 27,867,973	\$ 5,162,522	\$ 16,120,726	\$ 16,623,620	\$ 11,435,307	\$ 77,210,148
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 190,524	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,524
Due to Other Funds	0	0	0	0	15,325	15,325
Health Insurance Payments	420,013	0	0	0	0	420,013
Total Liabilities	\$ 610,537	\$ 0	\$ 0	\$ 0	\$ 15,325	\$ 625,862
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 10,795,862	\$ 2,575,345	\$ 5,396,922	\$ 0	\$ 5,279,172	\$ 24,047,301
Deferred Delinquent Property Taxes	91,381	22,321	39,840	0	143,396	296,938
Other Deferred/Unavailable Revenue	8,281,525	178,950	16,000	0	1,500	8,477,975
Total Deferred Inflows of Resources	\$ 19,168,768	\$ 2,776,616	\$ 5,452,762	\$ 0	\$ 5,424,068	\$ 32,822,214

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 16,021,681	\$ 0	\$ 16,021,681
Restricted:						
Restricted for General Government	970,437	0	0	0	0	970,437
Restricted for Finance	17,968	0	0	0	0	17,968
Restricted for Administration of Justice	117,106	0	0	0	28,696	145,802
Restricted for Public Safety	11,703	0	0	0	945,955	957,658
Restricted for Public Health and Welfare	8,629	0	0	0	0	8,629
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	202,199	202,199
Restricted for Highways/Public Works	0	1,620,834	0	0	0	1,620,834
Restricted for Capital Outlay	0	0	0	0	1,565,364	1,565,364
Committed:						
Committed for General Government	503,771	0	0	0	87,434	591,205
Committed for Finance	0	0	0	0	313,829	313,829
Committed for Administration of Justice	328,653	0	0	0	95,417	424,070
Committed for Public Safety	35,000	0	0	0	127,480	162,480
Committed for Public Health and Welfare	0	0	0	601,939	2,055,817	2,657,756
Committed for Social, Cultural, and Recreational Services	11,564	0	0	0	128,098	139,662
Committed for Other Operations	22,864	0	0	0	0	22,864
Committed for Capital Outlay	0	0	0	0	132,477	132,477
Committed for Debt Service	0	0	10,667,964	0	0	10,667,964
Committed for Capital Projects	0	0	0	0	94,972	94,972
Assigned:						
Assigned for General Government	129,978	0	0	0	0	129,978
Assigned for Finance	141,985	0	0	0	0	141,985
Assigned for Administration of Justice	22,824	0	0	0	0	22,824

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Public Safety	\$ 100,856	\$ 0	\$ 0	\$ 0	\$ 205,916	\$ 306,772
Assigned for Public Health and Welfare	15,626	0	0	0	10,272	25,898
Assigned for Social, Cultural, and Recreational Services	22,153	0	0	0	0	22,153
Assigned for Agriculture and Natural Resources	23,244	0	0	0	0	23,244
Assigned for Other Operations	3,299	0	0	0	0	3,299
Assigned for Highways/Public Works	0	765,072	0	0	0	765,072
Assigned for Capital Projects	0	0	0	0	1,988	1,988
Unassigned	5,601,008	0	0	0	0	5,601,008
Total Fund Balances	<u>\$ 8,088,668</u>	<u>\$ 2,385,906</u>	<u>\$ 10,667,964</u>	<u>\$ 16,623,620</u>	<u>\$ 5,995,914</u>	<u>\$ 43,762,072</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,867,973</u>	<u>\$ 5,162,522</u>	<u>\$ 16,120,726</u>	<u>\$ 16,623,620</u>	<u>\$ 11,435,307</u>	<u>\$ 77,210,148</u>

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, 2015

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)		\$ 43,762,072
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add: land	\$ 5,858,505	
Add: construction in progress	626,752	
Add: buildings and improvements net of accumulated depreciation	18,335,896	
Add: infrastructure net of accumulated depreciation	24,457,257	
Add: other capital assets net of accumulated depreciation	<u>5,364,189</u>	54,642,599
(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	\$ (22,345,000)	
Less: other loans payable	(42,725,000)	
Less: capital leases payable	(217,184)	
Add: debt to be contributed by the School Department	60,570	
Less: interest accrued on bonds, other loans, and capital leases	(229,602)	
Less: other postemployment benefits liability	(3,566,762)	
Less: compensated absences payable	(1,259,482)	
Less: unamortized premium on debt	<u>(194,932)</u>	(70,477,392)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 2,716,609	
Less: deferred inflows of resources related to pensions	<u>(4,803,338)</u>	(2,086,729)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		2,138,364
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>8,774,913</u>
Net position of governmental activities (Exhibit A)		<u>\$ 36,753,827</u>

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

Exhibit C-3

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 19,203,826	\$ 2,830,300	\$ 5,055,239	\$ 0	\$ 6,103,972	\$ 33,193,337
Licenses and Permits	515,552	0	0	0	0	515,552
Fines, Forfeitures, and Penalties	656,361	0	0	0	303,344	959,705
Charges for Current Services	5,183,640	0	0	0	2,290,537	7,474,177
Other Local Revenues	980,928	101,839	2,100	151,742	359,374	1,595,983
Fees Received from County Officials	2,570,682	0	0	0	0	2,570,682
State of Tennessee	3,668,792	2,581,599	166,573	0	265,514	6,682,478
Federal Government	260,323	61,115	303,387	0	471,025	1,095,850
Other Governments and Citizens Groups	1,818,327	0	63,574	0	13,262	1,895,163
Total Revenues	\$ 34,858,431	\$ 5,574,853	\$ 5,590,873	\$ 151,742	\$ 9,807,028	\$ 55,982,927
<u>Expenditures</u>						
Current:						
General Government	\$ 2,255,710	\$ 0	\$ 0	\$ 0	\$ 347,215	\$ 2,602,925
Finance	1,515,060	0	0	0	1,304,842	2,819,902
Administration of Justice	3,390,762	0	0	0	257,105	3,647,867
Public Safety	17,081,263	0	0	0	4,398,630	21,479,893
Public Health and Welfare	6,882,028	0	0	146,590	164,957	7,193,575
Social, Cultural, and Recreational Services	1,190,849	0	0	0	874,485	2,065,334
Agriculture and Natural Resources	505,080	0	0	0	0	505,080
Other Operations	1,173,617	0	104,882	0	1,013,891	2,292,390
Highways	0	4,938,155	0	0	0	4,938,155
Debt Service:						
Principal on Debt	0	0	4,267,708	0	0	4,267,708
Interest on Debt	0	0	2,204,048	0	0	2,204,048
Other Debt Service	0	0	207,145	0	0	207,145

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 219,336	\$ 0	\$ 0	\$ 468,271	\$ 687,607
Total Expenditures	\$ 33,994,369	\$ 5,157,491	\$ 6,783,783	\$ 146,590	\$ 8,829,396	\$ 54,911,629
Excess (Deficiency) of Revenues Over Expenditures	\$ 864,062	\$ 417,362	\$ (1,192,910)	\$ 5,152	\$ 977,632	\$ 1,071,298
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,700	\$ 195,700
Insurance Recovery	90,609	0	0	0	0	90,609
Transfers In	0	0	210,313	0	2,343,216	2,553,529
Transfers Out	0	0	0	0	(2,553,529)	(2,553,529)
Total Other Financing Sources (Uses)	\$ 90,609	\$ 0	\$ 210,313	\$ 0	\$ (14,613)	\$ 286,309
Net Change in Fund Balances	\$ 954,671	\$ 417,362	\$ (982,597)	\$ 5,152	\$ 963,019	\$ 1,357,607
Fund Balance, July 1, 2014	7,133,997	1,968,544	11,650,561	16,618,468	5,032,895	42,404,465
Fund Balance, June 30, 2015	\$ 8,088,668	\$ 2,385,906	\$ 10,667,964	\$ 16,623,620	\$ 5,995,914	\$ 43,762,072

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, 2015

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)		\$ 1,357,607
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,042,067	
Less: current-year depreciation expense	<u>(3,117,807)</u>	(75,740)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(347,457)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (4,441,123)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>8,774,913</u>	4,333,790
(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:		
Less: capital lease proceeds	\$ (195,700)	
Add: change in premium on debt issuance	41,380	
Add: principal payments on bonds	875,000	
Add: principal payments on other loans	3,335,000	
Add: principal payments on capital leases	96,794	
Less: contributions from the School Department for notes and capital leases	<u>(57,708)</u>	4,094,766
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 19,099	
Change in compensated absences payable	12,383	
Change in net pension liability/asset	4,178,045	
Change in deferred outflows related to pensions	2,716,609	
Change in deferred inflows related to pensions	(4,803,338)	
Change in other postemployment benefits liability	<u>(628,055)</u>	1,494,743
Change in net position of governmental activities (Exhibit B)		<u>\$ 10,857,709</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 19,203,826	\$ 0	\$ 0	\$ 19,203,826	\$ 18,857,313	\$ 19,009,721	\$ 194,105
Licenses and Permits	515,552	0	0	515,552	373,500	424,500	91,052
Fines, Forfeitures, and Penalties	656,361	0	0	656,361	657,409	655,910	451
Charges for Current Services	5,183,640	0	0	5,183,640	4,907,816	5,081,605	102,035
Other Local Revenues	980,928	0	0	980,928	412,017	1,066,895	(85,967)
Fees Received from County Officials	2,570,682	0	0	2,570,682	2,477,022	2,492,222	78,460
State of Tennessee	3,668,792	0	0	3,668,792	3,861,726	4,028,327	(359,535)
Federal Government	260,323	0	0	260,323	151,131	329,000	(68,677)
Other Governments and Citizens Groups	1,818,327	0	0	1,818,327	1,437,188	1,695,229	123,098
Total Revenues	\$ 34,858,431	\$ 0	\$ 0	\$ 34,858,431	\$ 33,135,122	\$ 34,783,409	\$ 75,022
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 400,120	\$ (6,025)	\$ 5,377	\$ 399,472	\$ 458,998	\$ 419,905	\$ 20,433
Board of Equalization	301	0	0	301	3,032	3,032	2,731
Beer Board	2,665	0	0	2,665	2,693	2,693	28
Other Boards and Committees	33,682	(71)	71	33,682	36,268	36,268	2,586
County Mayor/Executive	259,412	(600)	924	259,736	262,040	262,040	2,304
Personnel Office	154,407	(42,307)	62,213	174,313	175,795	178,795	4,482
County Attorney	195,262	(236)	2,729	197,755	198,566	198,566	811
Election Commission	309,797	(1,446)	1,744	310,095	333,922	333,922	23,827
Register of Deeds	72,970	(3,171)	8,899	78,698	67,918	113,979	35,281
Planning	178,920	(60)	3,556	182,416	214,381	215,241	32,825
Geographical Information Systems	223,308	(38,149)	22,780	207,939	220,603	220,603	12,664
County Buildings	419,441	(32,956)	21,634	408,119	445,182	445,182	37,063
Other Facilities	1,525	0	50	1,575	4,000	4,000	2,425
Other General Administration	3,900	0	0	3,900	0	3,900	0
<u>Finance</u>							
Accounting and Budgeting	189,104	(6,221)	21,797	204,680	207,468	207,468	2,788
Property Assessor's Office	783,465	(25,455)	8,596	766,606	785,923	785,923	19,317
Reappraisal Program	77,660	(50,964)	87,242	113,938	115,000	135,000	21,062

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 95,369	\$ (324)	\$ 260	\$ 95,305	\$ 90,315	\$ 95,329	\$ 24
County Clerk's Office	209,484	(2,245)	2,709	209,948	176,150	219,959	10,011
Data Processing	159,978	(15,664)	21,380	165,694	166,920	166,920	1,226
<u>Administration of Justice</u>							
Circuit Court	79,338	0	0	79,338	0	79,338	0
Circuit Court Clerk	1,259,789	(295)	370	1,259,864	1,383,401	1,371,063	111,199
General Sessions Judge	535,490	(856)	1,405	536,039	541,932	547,262	11,223
Drug Court	296,927	(17,945)	11,571	290,553	70,001	292,401	1,848
Chancery Court	44,362	(370)	542	44,534	48,042	48,042	3,508
Juvenile Court	630,371	(8,307)	5,178	627,242	616,778	670,881	43,639
Judicial Commissioners	29,852	0	0	29,852	35,000	35,000	5,148
Other Administration of Justice	102,021	(1,303)	2,648	103,366	121,188	121,188	17,822
Probation Services	412,612	(974)	1,111	412,749	386,914	428,288	15,539
<u>Public Safety</u>							
Sheriff's Department	7,585,188	(27,047)	41,373	7,599,514	7,060,739	7,620,670	21,156
Special Patrols	75,882	(1,188)	0	74,694	289,805	77,358	2,664
Traffic Control	17,364	0	888	18,252	18,500	18,500	248
Administration of the Sexual Offender Registry	27,000	0	0	27,000	0	27,000	0
Jail	6,550,298	(20,585)	16,902	6,546,615	6,422,336	6,549,636	3,021
Correctional Incentive Program Improvements	1,052,574	(22,800)	7,406	1,037,180	1,119,599	1,119,599	82,419
Juvenile Services	55,510	(97)	8	55,421	75,755	75,581	20,160
Work Release Program	321,789	(829)	1,549	322,509	343,898	349,858	27,349
Civil Defense	470,715	(36,518)	11,902	446,099	410,119	453,505	7,406
Other Emergency Management	50,112	0	0	50,112	43,697	50,112	0
Inspection and Regulation	228,190	(11,165)	16,554	233,579	185,193	233,737	158
County Coroner/Medical Examiner	196,641	(18,628)	4,275	182,288	176,086	186,086	3,798
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	344,093	(5,780)	8,984	347,297	383,818	383,818	36,521
Rabies and Animal Control	80,000	0	0	80,000	80,000	80,000	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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 5,291,120	\$ (6,281)	\$ 5,396	\$ 5,290,235	\$ 5,350,867	\$ 5,439,192	\$ 148,957
Nursing Home	12,500	0	0	12,500	0	50,000	37,500
Alcohol and Drug Programs	53,126	(181)	389	53,334	50,001	54,451	1,117
Other Local Health Services	1,000,178	(3,230)	857	997,805	1,131,560	1,131,560	133,755
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Other Local Welfare Services	90,011	0	0	90,011	90,011	90,011	0
Other Public Health and Welfare	9,500	0	0	9,500	12,500	16,709	7,209
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0
Senior Citizens Assistance	94,326	0	0	94,326	94,326	94,326	0
Parks and Fair Boards	29,511	0	0	29,511	50,000	50,000	20,489
Other Social, Cultural, and Recreational	1,057,512	(79,259)	22,153	1,000,406	978,235	1,012,045	11,639
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	288,610	(5,530)	5,673	288,753	315,812	315,812	27,059
Soil Conservation	48,066	0	0	48,066	48,624	48,624	558
Storm Water Management	164,834	(2,169)	16,758	179,423	237,789	237,789	58,366
Other Agriculture and Natural Resources	3,570	0	813	4,383	0	4,656	273
<u>Other Operations</u>							
Tourism	238,664	0	0	238,664	250,000	250,000	11,336
Industrial Development	238,664	0	0	238,664	250,000	250,000	11,336
Public Transportation	42,000	0	0	42,000	42,000	42,000	0
Veterans' Services	116,276	(1,038)	1,219	116,457	118,465	118,465	2,008
Other Charges	383,446	0	0	383,446	400,000	450,000	66,554
Contributions to Other Agencies	77,383	0	0	77,383	78,517	78,517	1,134
Miscellaneous	77,184	0	2,080	79,264	75,753	143,253	63,989
Total Expenditures	\$ 33,994,369	\$ (498,269)	\$ 459,965	\$ 33,956,065	\$ 33,813,435	\$ 35,206,058	\$ 1,249,993
Excess (Deficiency) of Revenues Over Expenditures	\$ 864,062	\$ 498,269	\$ (459,965)	\$ 902,366	\$ (678,313)	\$ (422,649)	\$ 1,325,015

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 90,609	\$ 0	\$ 0	\$ 90,609	\$ 0	\$ 90,610	\$ (1)
Total Other Financing Sources	\$ 90,609	\$ 0	\$ 0	\$ 90,609	\$ 0	\$ 90,610	\$ (1)
Net Change in Fund Balance	\$ 954,671	\$ 498,269	\$ (459,965)	\$ 992,975	\$ (678,313)	\$ (332,039)	\$ 1,325,014
Fund Balance, July 1, 2014	7,133,997	(498,269)	0	6,635,728	6,045,222	6,045,222	590,506
Fund Balance, June 30, 2015	\$ 8,088,668	\$ 0	\$ (459,965)	\$ 7,628,703	\$ 5,366,909	\$ 5,713,183	\$ 1,915,520

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
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,830,300	\$ 0	\$ 2,830,300	\$ 2,735,078	\$ 2,732,487	\$ 97,813
Other Local Revenues	101,839	0	101,839	11,100	60,300	41,539
State of Tennessee	2,581,599	0	2,581,599	3,394,466	2,436,587	145,012
Federal Government	61,115	0	61,115	0	61,114	1
Total Revenues	\$ 5,574,853	\$ 0	\$ 5,574,853	\$ 6,140,644	\$ 5,290,488	\$ 284,365
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 568,332	\$ 0	\$ 568,332	\$ 513,337	\$ 578,575	\$ 10,243
Highway and Bridge Maintenance	2,081,849	0	2,081,849	2,358,910	2,214,635	132,786
Operation and Maintenance of Equipment	470,754	0	470,754	602,544	563,699	92,945
Quarry Operations	0	0	0	100	100	100
Litter and Trash Collection	102,600	0	102,600	104,108	106,508	3,908
Other Charges	188,106	0	188,106	194,967	196,467	8,361
Employee Benefits	771,224	0	771,224	801,480	804,054	32,830
Capital Outlay	755,290	765,072	1,520,362	1,955,816	1,566,215	45,853
<u>Capital Projects</u>						
Highway and Street Capital Projects	219,336	0	219,336	357,310	257,710	38,374
Total Expenditures	\$ 5,157,491	\$ 765,072	\$ 5,922,563	\$ 6,888,572	\$ 6,287,963	\$ 365,400
Excess (Deficiency) of Revenues Over Expenditures	\$ 417,362	\$ (765,072)	\$ (347,710)	\$ (747,928)	\$ (997,475)	\$ 649,765
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 100	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 100	\$ 0	\$ 0

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 417,362	\$ (765,072)	\$ (347,710)	\$ (747,828)	\$ (997,475)	\$ 649,765
Fund Balance, July 1, 2014	1,968,544	0	1,968,544	1,480,418	1,480,418	488,126
Fund Balance, June 30, 2015	\$ 2,385,906	\$ (765,072)	\$ 1,620,834	\$ 732,590	\$ 482,943	\$ 1,137,891

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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,931,297
Equity in Pooled Cash and Investments	18,819
Due from Other Governments	3,138,964
Property Taxes Receivable	6,354,374
Allowance for Uncollectible Taxes	<u>(227,214)</u>
Total Assets	<u>\$ 16,216,240</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 9,284,943
Due to Litigants, Heirs, and Others	<u>6,931,297</u>
Total Liabilities	<u>\$ 16,216,240</u>

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

BRADLEY COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	57
B. Government-wide and Fund Financial Statements	58
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	58
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	61
2. Receivables and Payables	62
3. Capital Assets	62
4. Deferred Outflows/Inflows of Resources	63
5. Compensated Absences	64
6. Long-term Obligations	64
7. Net Position and Fund Balance	65
8. Minimum Fund Balance Policy	67
9. Restatement	67
E. Pension Plans	68
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	68
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	69
III. Stewardship, Compliance, and Accountability	
Budgetary Information	69
IV. Detailed Notes on All Funds	
A. Deposits and Investments	70
B. Notes Receivable	72
C. Derivative Instruments	72
D. Capital Assets	77
E. Construction Commitments	80
F. Interfund Receivables, Payables, and Transfers	80
G. Capital Lease	81
H. Long-term Obligations	82
I. On-Behalf Payments	86
J. Short-term Debt	87

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

Note	Page(s)
V. Other Information	
A. Risk Management	87
B. Accounting Changes	88
C. Subsequent Event	88
D. Contingent Liabilities	88
E. Financial Guarantees	89
F. Changes in Administration	89
G. Landfill Closure/Postclosure Care Costs	89
H. Joint Ventures	90
I. Jointly Governed Organization	91
J. Retirement Commitments	91
K. Other Postemployment Benefits (OPEB)	105
L. Termination Benefits	111
M. Purchasing Laws	111
VI. Other Notes - Discretely Presented Bradley Healthcare and Rehabilitation Center	112

BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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.

Bradley County issues all debt for the discretely presented Bradley County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2015.

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.

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 2.08 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. Deferred outflows of resources represent 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 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 items are for pension changes in experience, changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and 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. Deferred

inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in experience, and changes in investment earnings. 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.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes totaling \$2,138,364 for the primary government consists of an amount restricted to recognize the net pension asset of the county's agent pension plan.

As of June 30, 2015, Bradley County had \$51,376,156 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.

9. **Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Bradley County's and the Bradley County School Department's beginning net position has been recognized on the Statement of Activities totaling \$2,039,681 and \$13,549,446, respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Bradley County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bradley County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Bradley County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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, 2015, Bradley County and the Bradley County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Funds:		
General	Geographical Aerial Surveys	\$ 50,000
"	Software	27,475
"	Scanner/Plotter	12,747
"	Stream and Water Testing	10,958
"	Unemployment Insurance	50,320
Highway/Public Works	Bridge Construction	765,072
Nonmajor Funds:		
Solid Waste/Sanitation	Environmental Services	10,272
Special Purpose Fire Tax	Vehicle Repairs	39,242
"	Insurance	45,330
"	Building Renovations	22,000
"	Excavating	61,775
"	Architects	4,104
School Department:		
Major Fund:		
General Purpose School	Auditorium Renovations	289,735

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, 2015, Bradley County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Bradley County and the discretely presented Bradley County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	\$ 2,042

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, 2015, 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 \$33,481 and is included in the restricted fund balance account.

C. Derivative Instruments

At June 30, 2015, 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, 2015, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2015 financial statements are as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2015</u>		6-30-15
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred	\$ 132,169	Debt	\$ (715,414)	\$ 7,010,000
	Outflow				
\$10M Swap - Series IV-G-1	Deferred	(57,387)	Debt	(2,228,552)	10,000,000
	Outflow				
Total		<u>\$ 74,782</u>		<u>\$(2,943,966)</u>	<u>\$17,010,000</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 63.50 percent of the five-year London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10 million and the associated variable-rate bond has a \$10 million principal amount. At no time will the notional amount on 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™ (the "SIFMA"). The swap agreement matures on June 1, 2020. As of June 30, 2015, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.38 %
Variable payment from counterparty	% of LIBOR	<u>(1.13)</u>
Net interest rate swap payments		3.25 %
Variable-rate bond coupon payments		<u>0.06</u>
Synthetic interest rate on bonds		<u>3.31 %</u>

Fair value. As of June 30, 2015, the swap had a negative fair value of \$715,414. 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, 2015, 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 swap's fair value. As of June 30, 2015, the swap counterparty, Deutsche Bank, was rated A3/BBB+/A by Moody's, Standard & Poor's and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should BMA increase to above 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 63.5 percent of LIBOR, then the synthetic rate on the bonds would 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, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2016	\$ 615,000	\$ 4,206	\$ 227,804	\$ 847,010
2017	645,000	3,837	207,818	856,655
2018	685,000	3,450	186,858	875,308
2019	2,455,000	3,039	164,597	2,622,636
2020	2,610,000	1,566	84,818	2,696,384
Total	\$ 7,010,000	\$ 16,098	\$ 871,895	\$ 7,897,993

\$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. In order 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 63.50 percent of the five-year London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10 million and the associated variable-rate bond has a \$10 million principal amount. At no time will the notional amount on 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™ (the “SIFMA”). The swap agreement matures on June 1, 2026. As of June 30, 2015, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.45 %
Variable payment from counterparty	% of LIBOR	<u>(1.13)</u>
Net interest rate swap payments		3.32 %
Variable-rate bond coupon payments		<u>0.06</u>
Synthetic interest rate on bonds		<u><u>3.38 %</u></u>

Fair value. As of June 30, 2015, the swap had a negative fair value of \$2,228,552. 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, 2015, 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 swap's fair value. As of June 30, 2015, the swap counterparty, Deutsche Bank, was rated A3/BBB+/A by Moody's, Standard & Poor's and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should BMA increase to above 63.50% of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 63.50% of LIBOR, then the synthetic rate on the bonds would 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, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2016	\$ 0	\$ 6,000	\$ 331,970	\$ 337,970
2017	0	6,000	331,970	337,970
2018	0	6,000	331,970	337,970
2019	0	6,000	331,970	337,970
2020	0	6,000	331,970	337,970
2021-2025	5,940,000	26,568	1,469,963	7,436,531
2026	4,060,000	2,436	134,780	4,197,216
Total	\$ 10,000,000	\$ 59,004	\$ 3,264,593	\$ 13,323,597

D. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 5,948,505	\$ 0	\$ (90,000)	\$ 5,858,505
Construction in Progress	388,886	237,866	0	626,752
Total Capital Assets Not Depreciated	\$ 6,337,391	\$ 237,866	\$ (90,000)	\$ 6,485,257
Capital Assets Depreciated:				
Buildings and Improvements	\$ 34,006,610	\$ 0	\$ 0	\$ 34,006,610
Infrastructure	36,668,850	1,603,797	(206,751)	38,065,896
Other Capital Assets	17,630,680	1,200,404	(1,702,148)	17,128,936
Total Capital Assets Depreciated	\$ 88,306,140	\$ 2,804,201	\$ (1,908,899)	\$ 89,201,442

Governmental Activities (Cont.):

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 14,756,873	\$ 913,841	\$ 0	\$ 15,670,714
Infrastructure	12,464,550	1,230,722	(86,633)	13,608,639
Other Capital Assets	12,356,312	973,244	(1,564,809)	11,764,747
Total Accumulated Depreciation	<u>\$ 39,577,735</u>	<u>\$ 3,117,807</u>	<u>\$ (1,651,442)</u>	<u>\$ 41,044,100</u>
Total Capital Assets Depreciated, Net	<u>\$ 48,728,405</u>	<u>\$ (313,606)</u>	<u>\$ (257,457)</u>	<u>\$ 48,157,342</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,065,796</u>	<u>\$ (75,740)</u>	<u>\$ (347,457)</u>	<u>\$ 54,642,599</u>

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

Governmental Activities:

General Government	\$ 84,932
Finance	3,845
Administration of Justice	4,288
Public Safety	1,235,203
Public Health and Welfare	256,839
Social, Cultural, and Recreational Services	101,710
Agriculture and Natural Resources	959
Highways/Public Works	<u>1,430,031</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,117,807</u>

Discretely Presented Bradley County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,610,912	\$ 0	\$ 0	\$ 1,610,912
Construction in Progress	0	41,656	0	41,656
Total Capital Assets Not Depreciated	\$ 1,610,912	\$ 41,656	\$ 0	\$ 1,652,568
Capital Assets Depreciated:				
Buildings and Improvements	\$ 106,761,858	\$ 311,320	\$ 0	\$ 107,073,178
Other Capital Assets	1,587,322	289,380	(28,832)	1,847,870
Total Capital Assets Depreciated	\$ 108,349,180	\$ 600,700	\$ (28,832)	\$ 108,921,048
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 41,688,726	\$ 2,816,093	\$ 0	\$ 44,504,819
Other Capital Assets	874,387	118,851	(6,607)	986,631
Total Accumulated Depreciation	\$ 42,563,113	\$ 2,934,944	\$ (6,607)	\$ 45,491,450
Total Capital Assets Depreciated, Net	\$ 65,786,067	\$ (2,334,244)	\$ (22,225)	\$ 63,429,598
Governmental Activities Capital Assets, Net	\$ 67,396,979	\$ (2,292,588)	\$ (22,225)	\$ 65,082,166

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

Governmental Activities:

Instruction	\$ 2,829,767
Support Services	76,128
Operation of Non-instructional Services	<u>29,049</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,934,944</u>

E. Construction Commitments

Primary Government

At June 30, 2015, the Highway Department had uncompleted construction contracts of approximately \$765,072 for the construction of a bridge. Funding has been received for these future expenditures.

Discretely Presented Bradley County School Department

At June 30, 2015, the School Department had uncompleted construction contracts of approximately \$289,735 for the renovation of a school auditorium. Funding has been received for these future expenditures.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 15,325
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	263,332

The balance of \$198,500 due to the General Purpose School Fund from the School Federal Projects Fund resulted from an advance to the School Federal Projects Fund for cash flow purposes.

The remainder of these balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government	Component Unit: School Department	\$ 60,570

The Due to Primary Government consists of 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 debt. These long-term debt obligations are reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

	Transfer In	
	General Debt Service Fund	Nonmajor Governmental Fund
Transfer Out		
Nonmajor governmental funds	\$ 210,313	\$ 2,343,216

Discretely Presented Bradley County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 64,832

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

G. Capital 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.

On November 3, 2014, Bradley County entered into a five-year lease-purchase agreement for turnout gear for the county's Fire Department. The terms of the agreement require total lease payments of \$195,700 plus interest of

3.37 percent. Title to the turnout gear transferred to the county immediately upon acceptance of each item of equipment. The Special Purpose Fire Tax Fund is making the lease payments. In the government-wide financial statements, the turnout gear was 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, 2015, were as follows:

Year Ending June 30	Governmental Funds
2016	\$ 105,951
2017	42,376
2018	42,376
2019	42,377
Total Minimum Lease Payments	\$ 233,080
Less: Amount Representing Interest	(15,896)
Present Value of Minimum Lease Payments	<u>\$ 217,184</u>

H. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Bradley County issues general obligation bonds 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.

General obligation bonds 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, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	2 to 5.55 %	6-1-29	\$ 20,420,000	\$ 20,110,000
General Obligation Bonds - Refunding	2	6-1-18	4,255,000	2,235,000
Other Loans - Variable Rate	Variable	6-1-26	48,210,000	34,540,000
Other Loans	3 to 4.25	6-30-21	12,050,000	8,185,000
Capital Leases	3.37 to 4.85	4-41-19	497,700	217,184

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 created the new Build America Bond program, which authorized 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, 2015:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-15	Interest Type	Interest Rates as of 6-30-15	Fee Rates as of 6-30-15
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 8,185,000	Fixed	3 to 4.25 %	.65%
Series E-6-A:	28,210,000	17,530,000	Variable	.06	.976
Series IV-C-2	10,000,000	7,010,000	Synthetic Fixed by Swap	3.31	.976
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by Swap	3.38	.976
Total		<u>\$ 42,725,000</u>			

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2015, 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
2016	\$ 890,000	\$ 1,031,993	\$ (327,278)	\$ 1,594,715
2017	910,000	1,014,193	(327,278)	1,596,915
2018	925,000	995,993	(327,278)	1,593,715
2019	170,000	977,492	(327,278)	820,214
2020	175,000	974,093	(327,278)	821,815
2021-2025	8,915,000	4,238,968	(1,434,057)	11,719,911
2026-2029	10,360,000	1,637,831	(557,994)	11,439,837
Total	\$ 22,345,000	\$ 10,870,563	\$ (3,628,441)	\$ 29,587,122

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 3,540,000	\$ 286,446	\$ 390,313	\$ 4,216,759
2017	3,700,000	246,310	366,547	4,312,857
2018	3,860,000	203,131	341,269	4,404,400
2019	4,905,000	161,772	314,673	5,381,445
2020	5,140,000	126,726	275,292	5,542,018
2021-2025	15,825,000	118,217	719,224	16,662,441
2026	5,755,000	3,453	56,169	5,814,622
Total	\$ 42,725,000	\$ 1,146,055	\$ 2,463,487	\$ 46,334,542

There is \$10,667,964 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, and capital leases totaled \$660, 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.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
------------------------------------	--------------------------------

Capital Lease

Contributions from the General Purpose School Fund

Energy Efficient Upgrades and Equipment	\$ 60,570
---	-----------

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Other Loans</u>
Balance, July 1, 2014	\$ 23,220,000	\$ 46,060,000
Reductions	(875,000)	(3,335,000)
Balance, June 30, 2015	<u>\$ 22,345,000</u>	<u>\$ 42,725,000</u>
Balance Due Within One Year	<u>\$ 890,000</u>	<u>\$ 3,540,000</u>

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 118,278	\$ 1,271,865	\$ 2,938,707
Additions	195,700	1,126,749	763,097
Reductions	(96,794)	(1,139,132)	(135,042)
Balance, June 30, 2015	<u>\$ 217,184</u>	<u>\$ 1,259,482</u>	<u>\$ 3,566,762</u>
Balance Due Within One Year	<u>\$ 98,361</u>	<u>\$ 62,974</u>	<u>\$ 0</u>

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 70,113,428
Less: Balances Due Within One Year	(4,591,335)
Add: Unamortized Premium on Debt	<u>194,932</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 65,717,025</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, 2015, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 7,281,430
Additions	2,202,502
Reductions	<u>(853,195)</u>
Balance, June 30, 2015	<u>\$ 8,630,737</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 8,630,737
Less: Balances Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,630,737</u>

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

I. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Bradley County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$3,900. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Bradley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bradley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of

Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$338,720 and \$71,150, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Bradley County issued tax anticipation notes of \$700,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the Special Revenue Fire Tax 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, 2015, was as follows:

	Balance			Balance
	7-1-14	Issued	Paid	6-30-15
Tax Anticipation Notes	\$ 0	\$ 700,000	\$ (700,000)	\$ 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 Blue Cross/Blue Shield. 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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Event

On September 11, 2015, the county's General Debt Service Fund issued a \$500,000 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.H.

F. Changes in Administration

On August 31, 2014, Tom Collins left the Office of Road Superintendent and was succeeded by Sandra (Knight) Collins, and James Ruth left the Office of Sheriff and was succeeded by Eric Watson. On February 28, 2015, Johnny McDaniel left the Office of Director of Schools and was succeeded by Dr. Linda Cash on June 1, 2015. On May 29, 2015, Carl Shrewsbury left the Office of Clerk and Master and was succeeded by Sarah Coleman.

G. Landfill Closure/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 53.2 years based on current usage – and the life of additional cells that might be opened in the future. The \$2,009,466 estimated closure and postclosure costs of the landfill at June 30, 2015, 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 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

H. 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, 2015, the county appropriated an operating subsidy of \$450,000 to the district.

The Hiwassee Utilities Commission is a joint venture that is operated by Bradley and McMinn counties. The commission is governed by a six-member board that is appointed by the participating governments. Bradley County and McMinn County are contingently liable for certain revenue bonds of the Hiwassee Utilities Commission. On October 18, 2007, the Hiwassee Utilities Commission issued \$12,000,000 in public improvement bonds. The principal of these bonds is reflected on the financial statements of the Hiwassee Utilities Commission. Bradley County would become liable for one-half of these bonds and the interest thereon in the event of default by the Hiwassee Utilities Commission. As of June 30, 2015, future principal and interest requirements, which Bradley County would be liable for, were \$5,382,500 and \$4,443,100, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2015.

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, 2015.

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

I. 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.

J. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Bradley County and non-certified employees of the discretely presented Bradley County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.39 percent and the non-certified employees of the discretely present School Department comprise 34.61 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the

TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	422
Inactive Employees Entitled to But Not Yet Receiving Benefits	669
Active Employees	835
Total	1,926

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Bradley County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Bradley County were \$3,568,845 based on a rate of 13.57 percent of pensionable payroll.

By law, employer contributions are required to be paid. The TCRS may intercept Bradley County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Bradley County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third

technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Bradley County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 75,071,870	\$ 68,222,704	\$ 6,849,166
Changes for the year:			
Service Cost	\$ 2,108,007	\$ 0	\$ 2,108,007
Interest	5,697,980	0	5,697,980
Differences Between Expected and Actual Experience	(2,817,672)	0	(2,817,672)
Contributions-Employer	0	3,729,911	(3,729,911)
Contributions-Employees	0	0	0
Net Investment Income	0	11,411,807	#####
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)	(2,413,625)	0
Administrative Expense	0	(34,067)	34,067
Other Changes	0	0	0
Net Changes	\$ 2,574,690	\$ 12,694,026	\$ #####
Balance, June 30, 2014	\$ 77,646,560	\$ 80,916,730	\$ (3,270,170)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.39%	\$ 50,773,086	\$ 52,911,450	\$ (2,138,364)
School Department	34.61%	26,873,474	28,005,280	(1,131,806)
Total		\$ 77,646,560	\$ 80,916,730	\$ (3,270,170)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Bradley County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Bradley County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
----------------	------------------------	-------------------------------------	------------------------

Net Pension Liability \$ 7,613,905 \$ (3,270,170) \$ (12,293,041)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2015, Bradley County recognized pension expense of \$956,252.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Bradley County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 2,348,060
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,997,617
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	3,568,845	N/A
Total	\$ 3,568,845	\$ 7,345,677

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,716,609	\$ 4,803,338
School Department	<u>852,236</u>	<u>2,542,339</u>
Total	<u>\$ 3,568,845</u>	<u>\$ 7,345,677</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,719,016)
2017	(1,719,016)
2018	(1,719,016)
2019	(1,719,016)
2020	(469,612)
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Bradley County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Bradley County and non-certified employees of the discretely presented Bradley County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.39 percent and the non-certified employees of the discretely present School Department comprise 34.61 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bradley County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability

controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$50,880, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Bradley County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Bradley County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 50,880	N/A

The Bradley County School Department's employer contributions of \$50,880 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bradley County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Bradley County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$3,407,780, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Bradley County School Department reported an asset of \$160,897 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Bradley County School Department's proportion of the net pension asset was based on the Bradley County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Bradley County School Department's proportion was .990162 percent. The proportion measured as of June 30, 2013, was .967467 percent.

Pension Income. For the year ended June 30, 2015, the Bradley County School Department recognized a pension income of \$84,636.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Bradley County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 390,617	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,256,871
Changes in Proportion and Differences Between LEA Contributions and Proportionate Share of Contributions	320,121	0
LEA Contributions Subsequent to the Measurement Date of June 30, 2014	<u>3,407,780</u>	<u>N/A</u>
Total	<u>\$ 4,118,518</u>	<u>\$ 13,256,871</u>

The Bradley County School Department's employer contributions of \$3,407,780 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (3,195,761)
2017	(3,195,761)
2018	(3,195,761)
2019	(3,195,761)
2020	118,456
Thereafter	118,456

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Bradley County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Bradley County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
--	---------------------	-------------------------------	---------------------

Net Pension Liability \$ 27,137,061 \$ (160,897) \$ (22,760,646)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Bradley County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Bradley County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Bradley County School Department contributed \$63,600 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

K. 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 plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for 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 health care 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 \$827 per month. The School Department recognized expenditures of \$853,195 for postemployment health care during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,195,000
Interest on the NOPEBO	291,257
Adjustment to the ARC	(283,755)
Annual OPEB cost	<hr/> \$ 2,202,502
Amount of contribution	(853,195)
Increase/decrease in NOPEBO	<hr/> \$ 1,349,307
Net OPEB obligation, 7-1-14	<hr/> 7,281,430
	<hr/>
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 8,630,737

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-13	Local Education Group	\$ 2,227,457	38.26	% \$ 6,068,972
6-30-14	"	2,124,253	42.92	7,281,430
6-30-15	"	2,202,502	38.74	8,630,737

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
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 health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in 2016, 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
	<hr/>
ARC	\$ 761,540
Interest on the NOPEBO	132,242
Adjustment to the ARC	(130,685)
Annual OPEB cost	\$ 763,097
Less amount of contribution*	(135,042)
Increase/decrease in NOPEBO	\$ 628,055
Net OPEB obligation, 7-1-14**	<hr/> 2,938,707 <hr/>
Net OPEB obligation, 6-30-15	<hr/> \$ 3,566,762 <hr/>

* - Includes estimated employer contribution of \$10,892 for employees who retired prior to July 1, 2009.

** - The Net OPEB obligation, 6-30-14 reflected in this schedule in the previous audit report was \$2,968,707, but should have been \$2,938,707. The difference was caused by a keystroke error on this schedule. The proper balance was reflected in the rest of the financial statements; therefore, no restatement is necessary and the proper beginning balance is reflected in the schedule above.

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-13	Commercial	\$ 702,807	9.63	% \$ 2,276,877
6-30-14	"	730,032	9.34	2,938,707
6-30-15	"	763,097	17.69	3,566,762

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.

L. 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, 2015, no School Department employees chose to accept the retirement incentive. Certified employees who retire are paid for accrued sick leave at the rate of \$10 per day up to a maximum of two-hundred days. During the year ended June 30, 2015, 19 certified School Department employees, at retirement, received the \$10 per day payout of unused sick leave for a cash payment of \$16,400; therefore, the total cost of the sick leave cash payments reported in the government-wide Statement of Net Position by function was \$16,400.

M. 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 until the specifications are met. These items are not considered cash equivalents until they are transferred to unrestricted net position.

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 50 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 position invested in capital assets consists 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 Non-operating Revenues

The nursing center defines operating revenue as any revenue derived from the provision of services to patients or ancillary thereto. Any revenue earned that

is not related to the provision of patient care services is considered non-operating.

B. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the nursing center's deposits may not be returned to it. The nursing center's deposits are made to a local bank that participates in the Tennessee Bank Collateral Pool, a multi-entity risk pool that assumes the burden of collateralizing public funds on deposit with local banks. The Treasury Department of the State of Tennessee administers the pool. The Treasury Department, using uniform procedures, centralizes the collateralization of public funds. The funds in the pool are collateralized at 105 percent of the face amount of the deposits uninsured by the Federal Deposit Insurance Corporation (FDIC). All deposits are either insured by the FDIC or through the pool resulting in no custodial credit risk.

C. Inventories

Inventories consist of the following at June 30, 2015:

General Stores	\$ 25,632
Foods and Dietary	11,593
Enteral Feeding Supplies	<u>1,191</u>
 Total	 <u><u>\$ 38,416</u></u>

D. Assets Whose Use Is Limited

Assets whose use is limited are as follows at June 30, 2015:

Patient Trust Funds	\$ 65,838
Scholarship Fund	13,605
Activities Fund	29,080
Chapel Fund	1,485
Country Store Fund	4,141
Citizens' Endowment Fund	<u>330,124</u>
 Total	 <u><u>\$ 444,273</u></u>

These assets represent cash and certificates of deposit with a local financial institution. The patient trust funds are patients' personal assets and are reflected in the financial statements as both an asset and a liability. The Scholarship, Activities, Chapel, Country Store, and Citizens' Endowment 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:

	Balance 7-1-14	Increases/ (Decreases)	Balance 6-30-15
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	75,667	1,025,826
Major Movable	1,836,023	33,065	1,869,088
Computer Software	43,695	0	43,695
Computer Hardware	132,985	0	132,985
Vehicles	106,444	6,500	112,944
Total	<u>\$ 8,993,491</u>	<u>\$ 115,232</u>	<u>\$ 9,108,723</u>
Less: Accumulated Depreciation:			
Land Improvements	289,403	16,180	305,583
Buildings	3,963,897	161,877	4,125,774
Fixed Equipment	833,262	17,821	851,083
Major Movable	1,626,898	50,333	1,677,231
Computer Software	43,529	167	43,696
Computer Hardware	123,836	5,016	128,852
Vehicles	106,444	1,083	107,527
Total	<u>\$ 6,987,269</u>	<u>\$ 252,477</u>	<u>\$ 7,239,746</u>
Property and Equipment, Net	<u>\$ 2,006,222</u>	<u>\$ (137,245)</u>	<u>\$ 1,868,977</u>

F. Nonexpendable Restricted Net Position

Assets whose use is permanently restricted are as follows at June 30, 2015:

Scholarship	\$ 12,000
Citizens' Endowment Fund	<u>325,000</u>
Total	<u>\$ 337,000</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 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, 2015, follows:

Medicare	\$ 3,921,049
Medicaid	7,751,386
Other	<u>1,377,599</u>
Gross Patient Service Revenues	\$ 13,050,034
Contractual Adjustments and Uncollectible Accounts	<u>(823,199)</u>
Net Patient Service Revenue	<u><u>\$ 12,226,835</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, 2015 was \$271,290, 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 \$88,399 for the year ended June 30, 2015. There was no unpaid liability at June 30, 2015.

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, 2015, 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, 2015, which have initial or remaining terms of one year or more.

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

Total rental expense for all operating leases was \$22,190 for 2015 and is included in the general services expense classification.

K. Risk Financing and Related Insurance Issues

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

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

L. Subsequent Events

As required by FASB ASC 850-10, subsequent events for the nursing center have been evaluated through the financial statement date of issuance. Subsequent to the date of the balance sheet, the nursing center received a visit from the survey team from the State of Tennessee. The results of that survey are currently unknown and could have a financial impact if deficiencies are noted. The ultimate outcome of this contingency is uncertain and a reasonable estimate of the impact, if any, is not determinable.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bradley County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 2,108,007
Interest	5,697,980
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(2,817,672)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)
Net Change in Total Pension Liability (Asset)	<u>\$ 2,574,690</u>
Total Pension Liability (Asset), Beginning	<u>75,071,870</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 77,646,560</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,729,911
Contributions - Employee	0
Net Investment Income	11,411,807
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)
Administrative Expense	(34,067)
Net Change in Plan Fiduciary Net Position	<u>\$ 12,694,026</u>
Plan Fiduciary Net Position, Beginning	<u>68,222,704</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 80,916,730</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u><u>\$ (3,270,170)</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 104.21%
Covered Employee Payroll	\$ 26,910,220
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	12.15%

Note: ten years of data will be presented when available.

Note: data presented is 65.39% primary government and 34.61% discretely presented non-certified employees of the School Department.

Exhibit E-2

Bradley County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,729,911	\$ 3,568,845
Less Contributions in Relation to the Actuarially Determined Contribution	(3,729,911)	(3,568,845)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 26,910,220	\$ 26,295,447
Contributions as a Percentage of Covered Employee Payroll	13.86%	13.57%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-3

Bradley County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Bradley County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 31,800
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(50,880)</u>
Contribution Deficiency (Excess)	<u>\$ (19,080)</u>
Covered Employee Payroll	\$ 1,271,995
Contributions as a Percentage of Covered Employee Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Bradley County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Bradley County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,451,104	\$ 3,407,780
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(3,451,104)</u>	<u>(3,407,780)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 38,863,861	\$ 37,599,363
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.06%

Note: ten years of data will be presented when available.

Exhibit E-5

Bradley County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Bradley County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.990162%
School Department's Proportionate Share of the Net Pension Asset	\$ 160,897
Covered Employee Payroll	\$ 38,863,861
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2015

(Dollar amounts in thousands)

<u>Plans</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Projected Unit Credit (b)</u>	<u>Actuarial Accrued Liability (AAL) (b-a)</u>	<u>Unfunded AAL (UAAL) (b)-(a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<u>PRIMARY GOVERNMENT</u>								
Commercial	7-1-10	\$ 0	\$ 4,228	\$ 4,228	0 %	\$ 19,046	22	%
"	7-1-11	0	5,046	5,046	0	21,249	24	
"	7-1-13	0	5,593	5,593	0	20,517	27	
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	7-1-10	0	13,800	13,800	0	41,860	33	
"	7-1-11	0	16,790	16,790	0	43,379	39	
"	7-1-13	0	17,608	17,608	0	44,104	40	

BRADLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Four Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Local Purpose Tax Fund – The Local Purpose 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.

Special Purpose Fire Tax Fund – The Special Purpose Fire Tax Fund is used to account for transactions of the county’s Fire Department. A property tax rate is assessed on citizens living in Bradley County but outside of the cities of Cleveland and Charleston. Proceeds of the tax must be expended on fire protection for those citizens.

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.

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

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

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

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

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

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

Exhibit F-1

Bradley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax	Drug Control
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	28,696	193,945	2,066,089	55,611	513,474	554,440
Accounts Receivable	0	0	0	0	3,923	21,338
Due from Other Governments	0	4,823	0	0	0	0
Property Taxes Receivable	0	590,262	0	2,650,095	1,576,674	0
Allowance for Uncollectible Property Taxes	0	(21,376)	0	(187,566)	(140,946)	0
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	<u>\$ 28,696</u>	<u>\$ 767,654</u>	<u>\$ 2,066,089</u>	<u>\$ 2,518,140</u>	<u>\$ 1,953,125</u>	<u>\$ 575,778</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 559,068	\$ 0	\$ 2,319,436	\$ 1,318,862	0
Deferred Delinquent Property Taxes	0	4,887	0	71,224	58,170	0
Other Deferred/Unavailable Revenue	0	1,500	0	0	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 565,455</u>	<u>\$ 0</u>	<u>\$ 2,390,660</u>	<u>\$ 1,377,032</u>	<u>0</u>

(Continued)

Exhibit F-1

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

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax	Drug Control
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice	\$ 28,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	0	0	0	373,159	572,796
Restricted for Social, Cultural, and Recreational Services	0	202,199	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	0	0	0	0
Committed for Finance	0	0	0	0	0	0
Committed for Administration of Justice	0	0	0	0	0	0
Committed for Public Safety	0	0	0	127,480	0	0
Committed for Public Health and Welfare	0	0	2,055,817	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for Public Safety	0	0	0	0	202,934	2,982
Assigned for Public Health and Welfare	0	0	10,272	0	0	0
Assigned for Capital Projects	0	0	0	0	0	0
Total Fund Balances	\$ 28,696	\$ 202,199	\$ 2,066,089	\$ 127,480	\$ 576,093	\$ 575,778
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,696	\$ 767,654	\$ 2,066,089	\$ 2,518,140	\$ 1,953,125	\$ 575,778

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Capital Projects Funds</u>		
	<u>Agriculture Center</u>	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>General Capital Projects</u>	<u>Community Development/ Industrial Park</u>	<u>HUD Grant Projects</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 512,005	\$ 512,005	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	128,098	0	3,540,353	88,518	1,312,328	132,426
Accounts Receivable	0	0	25,261	8,442	0	51
Due from Other Governments	0	0	4,823	0	6,239	0
Property Taxes Receivable	0	0	4,817,031	0	1,106,702	0
Allowance for Uncollectible Property Taxes	0	0	(349,888)	0	(39,456)	0
Notes Receivable - Long-term	0	0	0	0	0	33,481
Total Assets	<u>\$ 128,098</u>	<u>\$ 512,005</u>	<u>\$ 8,549,585</u>	<u>\$ 96,960</u>	<u>\$ 2,385,813</u>	<u>\$ 165,958</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 15,325	\$ 15,325	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 15,325</u>	<u>\$ 15,325</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	4,197,366	\$ 0	1,049,513	\$ 0
Deferred Delinquent Property Taxes	0	0	134,281	0	8,827	0
Other Deferred/Unavailable Revenue	0	0	1,500	0	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,333,147</u>	<u>\$ 0</u>	<u>\$ 1,058,340</u>	<u>\$ 0</u>

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)			Capital Projects Funds		
	Agriculture Center	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 28,696	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	0	945,955	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	202,199	0	0	0
Restricted for Capital Outlay	0	0	0	0	1,327,473	33,481
Committed:						
Committed for General Government	0	87,434	87,434	0	0	0
Committed for Finance	0	313,829	313,829	0	0	0
Committed for Administration of Justice	0	95,417	95,417	0	0	0
Committed for Public Safety	0	0	127,480	0	0	0
Committed for Public Health and Welfare	0	0	2,055,817	0	0	0
Committed for Social, Cultural, and Recreational Services	128,098	0	128,098	0	0	0
Committed for Capital Outlay	0	0	0	0	0	132,477
Committed for Capital Projects	0	0	0	94,972	0	0
Assigned:						
Assigned for Public Safety	0	0	205,916	0	0	0
Assigned for Public Health and Welfare	0	0	10,272	0	0	0
Assigned for Capital Projects	0	0	0	1,988	0	0
Total Fund Balances	\$ 128,098	\$ 496,680	\$ 4,201,113	\$ 96,960	\$ 1,327,473	\$ 165,958
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 128,098	\$ 512,005	\$ 8,549,585	\$ 96,960	\$ 2,385,813	\$ 165,958

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Education Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 512,005
Equity in Pooled Cash and Investments	203,928	1,737,200	5,277,553
Accounts Receivable	0	8,493	33,754
Due from Other Governments	192	6,431	11,254
Property Taxes Receivable	34,116	1,140,818	5,957,849
Allowance for Uncollectible Property Taxes	(1,245)	(40,701)	(390,589)
Notes Receivable - Long-term	0	33,481	33,481
Total Assets	<u>\$ 236,991</u>	<u>\$ 2,885,722</u>	<u>\$ 11,435,307</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 0	\$ 15,325
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,325</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 32,293	\$ 1,081,806	\$ 5,279,172
Deferred Delinquent Property Taxes	288	9,115	143,396
Other Deferred/Unavailable Revenue	0	0	1,500
Total Deferred Inflows of Resources	<u>\$ 32,581</u>	<u>\$ 1,090,921</u>	<u>\$ 5,424,068</u>

(Continued)

Exhibit F-1

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

FUND BALANCES

<u>Capital Projects Funds (Cont.)</u>			Total
<u>Education</u>			<u>Nonmajor</u>
<u>Capital</u>			<u>Governmental</u>
<u>Projects</u>	<u>Total</u>		<u>Funds</u>
Restricted:			
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 28,696
Restricted for Public Safety	0	0	945,955
Restricted for Social, Cultural, and Recreational Services	0	0	202,199
Restricted for Capital Outlay	204,410	1,565,364	1,565,364
Committed:			
Committed for General Government	0	0	87,434
Committed for Finance	0	0	313,829
Committed for Administration of Justice	0	0	95,417
Committed for Public Safety	0	0	127,480
Committed for Public Health and Welfare	0	0	2,055,817
Committed for Social, Cultural, and Recreational Services	0	0	128,098
Committed for Capital Outlay	0	132,477	132,477
Committed for Capital Projects	0	94,972	94,972
Assigned:			
Assigned for Public Safety	0	0	205,916
Assigned for Public Health and Welfare	0	0	10,272
Assigned for Capital Projects	0	1,988	1,988
Total Fund Balances	\$ 204,410	\$ 1,794,801	\$ 5,995,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 236,991	\$ 2,885,722	\$ 11,435,307

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, 2015

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 502	\$ 619,900	\$ 0	\$ 2,449,255	\$ 1,640,122	\$ 0
Fines, Forfeitures, and Penalties	1,318	0	0	0	0	302,026
Charges for Current Services	11,059	0	328,284	0	10	0
Other Local Revenues	0	0	0	69,221	55,564	79,312
State of Tennessee	0	19,820	148,054	0	39,400	21,041
Federal Government	0	0	435,454	0	35,571	0
Other Governments and Citizens Groups	0	0	13,000	0	0	262
Total Revenues	<u>\$ 12,879</u>	<u>\$ 639,720</u>	<u>\$ 924,792</u>	<u>\$ 2,518,476</u>	<u>\$ 1,770,667</u>	<u>\$ 402,641</u>
<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	0	0	4,177,606	221,024
Public Health and Welfare	0	0	152,098	0	0	12,859
Social, Cultural, and Recreational Services	11,935	631,181	0	0	0	0
Other Operations	131	12,549	30,283	47,780	32,684	2,859
Capital Projects	0	0	0	0	0	0
Total Expenditures	<u>\$ 12,066</u>	<u>\$ 643,730</u>	<u>\$ 182,381</u>	<u>\$ 47,780</u>	<u>\$ 4,210,290</u>	<u>\$ 236,742</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 813	\$ (4,010)	\$ 742,411	\$ 2,470,696	\$ (2,439,623)	\$ 165,899

(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	Local Purpose Tax	Special Purpose Fire Tax	Drug Control
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,700	\$ 0
Transfers In	0	0	0	0	2,343,216	0
Transfers Out	0	0	0	(2,343,216)	(210,313)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (2,343,216)	\$ 2,328,603	\$ 0
Net Change in Fund Balances	\$ 813	\$ (4,010)	\$ 742,411	\$ 127,480	\$ (111,020)	\$ 165,899
Fund Balance, July 1, 2014	27,883	206,209	1,323,678	0	687,113	409,879
Fund Balance, June 30, 2015	\$ 28,696	\$ 202,199	\$ 2,066,089	\$ 127,480	\$ 576,093	\$ 575,778

(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		
	Agriculture Center	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects
<u>Revenues</u>						
Local Taxes	\$ 237,961	\$ 0	\$ 4,947,740	\$ 0	\$ 1,119,743	\$ 0
Fines, Forfeitures, and Penalties	0	0	303,344	0	0	0
Charges for Current Services	0	1,951,184	2,290,537	0	0	0
Other Local Revenues	0	0	204,097	154,709	0	568
State of Tennessee	0	0	228,315	0	36,037	0
Federal Government	0	0	471,025	0	0	0
Other Governments and Citizens Groups	0	0	13,262	0	0	0
Total Revenues	<u>\$ 237,961</u>	<u>\$ 1,951,184</u>	<u>\$ 8,458,320</u>	<u>\$ 154,709</u>	<u>\$ 1,155,780</u>	<u>\$ 568</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 347,215	\$ 347,215	\$ 0	\$ 0	\$ 0
Finance	0	1,304,842	1,304,842	0	0	0
Administration of Justice	0	257,105	257,105	0	0	0
Public Safety	0	0	4,398,630	0	0	0
Public Health and Welfare	0	0	164,957	0	0	0
Social, Cultural, and Recreational Services	231,369	0	874,485	0	0	0
Other Operations	2,324	0	128,610	873	883,687	6
Capital Projects	0	0	0	456,540	0	0
Total Expenditures	<u>\$ 233,693</u>	<u>\$ 1,909,162</u>	<u>\$ 7,475,844</u>	<u>\$ 457,413</u>	<u>\$ 883,687</u>	<u>\$ 6</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,268	\$ 42,022	\$ 982,476	\$ (302,704)	\$ 272,093	\$ 562

(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		
	Agriculture Center	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 195,700	\$ 0	\$ 0	\$ 0
Transfers In	0	0	2,343,216	0	0	0
Transfers Out	0	0	(2,553,529)	0	0	0
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,613)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 4,268	\$ 42,022	\$ 967,863	\$ (302,704)	\$ 272,093	\$ 562
Fund Balance, July 1, 2014	123,830	454,658	3,233,250	399,664	1,055,380	165,396
Fund Balance, June 30, 2015	<u>\$ 128,098</u>	<u>\$ 496,680</u>	<u>\$ 4,201,113</u>	<u>\$ 96,960</u>	<u>\$ 1,327,473</u>	<u>\$ 165,958</u>

(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 Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 36,489	\$ 1,156,232	\$ 6,103,972
Fines, Forfeitures, and Penalties	0	0	303,344
Charges for Current Services	0	0	2,290,537
Other Local Revenues	0	155,277	359,374
State of Tennessee	1,162	37,199	265,514
Federal Government	0	0	471,025
Other Governments and Citizens Groups	0	0	13,262
Total Revenues	<u>\$ 37,651</u>	<u>\$ 1,348,708</u>	<u>\$ 9,807,028</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 347,215
Finance	0	0	1,304,842
Administration of Justice	0	0	257,105
Public Safety	0	0	4,398,630
Public Health and Welfare	0	0	164,957
Social, Cultural, and Recreational Services	0	0	874,485
Other Operations	715	885,281	1,013,891
Capital Projects	11,731	468,271	468,271
Total Expenditures	<u>\$ 12,446</u>	<u>\$ 1,353,552</u>	<u>\$ 8,829,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,205</u>	<u>\$ (4,844)</u>	<u>\$ 977,632</u>

(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 Capital Projects	Total	Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 0	\$ 0	\$ 195,700
Transfers In	0	0	2,343,216
Transfers Out	0	0	(2,553,529)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,613)</u>
Net Change in Fund Balances	\$ 25,205	\$ (4,844)	\$ 963,019
Fund Balance, July 1, 2014	179,205	1,799,645	5,032,895
Fund Balance, June 30, 2015	<u>\$ 204,410</u>	<u>\$ 1,794,801</u>	<u>\$ 5,995,914</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 502	\$ 500	\$ 500	\$ 2
Fines, Forfeitures, and Penalties	1,318	1,250	1,250	68
Charges for Current Services	11,059	11,000	11,000	59
Total Revenues	<u>\$ 12,879</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ 129</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 11,935	\$ 12,200	\$ 13,716	\$ 1,781
<u>Other Operations</u>				
Other Charges	131	150	150	19
Total Expenditures	<u>\$ 12,066</u>	<u>\$ 12,350</u>	<u>\$ 13,866</u>	<u>\$ 1,800</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 813</u>	<u>\$ 400</u>	<u>\$ (1,116)</u>	<u>\$ 1,929</u>
Net Change in Fund Balance	\$ 813	\$ 400	\$ (1,116)	\$ 1,929
Fund Balance, July 1, 2014	<u>27,883</u>	<u>25,715</u>	<u>25,715</u>	<u>2,168</u>
Fund Balance, June 30, 2015	<u>\$ 28,696</u>	<u>\$ 26,115</u>	<u>\$ 24,599</u>	<u>\$ 4,097</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 619,900	\$ 0	\$ 619,900	\$ 602,728	\$ 611,205	\$ 8,695
State of Tennessee	19,820	0	19,820	14,900	15,080	4,740
Total Revenues	\$ 639,720	\$ 0	\$ 639,720	\$ 617,628	\$ 626,285	\$ 13,435
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 631,181	\$ (20,000)	\$ 611,181	\$ 614,181	\$ 631,181	\$ 20,000
<u>Other Operations</u>						
Other Charges	12,549	0	12,549	15,000	15,000	2,451
Total Expenditures	\$ 643,730	\$ (20,000)	\$ 623,730	\$ 629,181	\$ 646,181	\$ 22,451
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,010)	\$ 20,000	\$ 15,990	\$ (11,553)	\$ (19,896)	\$ 35,886
Net Change in Fund Balance	\$ (4,010)	\$ 20,000	\$ 15,990	\$ (11,553)	\$ (19,896)	\$ 35,886
Fund Balance, July 1, 2014	206,209	(20,000)	186,209	177,089	177,089	9,120
Fund Balance, June 30, 2015	\$ 202,199	\$ 0	\$ 202,199	\$ 165,536	\$ 157,193	\$ 45,006

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 328,284	\$ 0	\$ 0	\$ 328,284	\$ 250,000	\$ 328,300	\$ (16)
State of Tennessee	148,054	0	0	148,054	65,000	130,901	17,153
Federal Government	435,454	0	0	435,454	0	435,454	0
Other Governments and Citizens Groups	13,000	0	0	13,000	20,000	20,000	(7,000)
Total Revenues	\$ 924,792	\$ 0	\$ 0	\$ 924,792	\$ 335,000	\$ 914,655	\$ 10,137
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Other Waste Collection	\$ 44,254	\$ 0	\$ 0	\$ 44,254	\$ 65,000	\$ 65,000	\$ 20,746
Recycling Center	107,844	(31,103)	10,272	87,013	102,361	108,464	21,451
<u>Other Operations</u>							
Other Charges	3,283	0	0	3,283	3,363	3,363	80
Contributions to Other Agencies	27,000	0	0	27,000	27,000	27,000	0
Total Expenditures	\$ 182,381	\$ (31,103)	\$ 10,272	\$ 161,550	\$ 197,724	\$ 203,827	\$ 42,277
Excess (Deficiency) of Revenues Over Expenditures	\$ 742,411	\$ 31,103	\$ (10,272)	\$ 763,242	\$ 137,276	\$ 710,828	\$ 52,414
Net Change in Fund Balance	\$ 742,411	\$ 31,103	\$ (10,272)	\$ 763,242	\$ 137,276	\$ 710,828	\$ 52,414
Fund Balance, July 1, 2014	1,323,678	(31,103)	0	1,292,575	1,269,470	1,269,470	23,105
Fund Balance, June 30, 2015	\$ 2,066,089	\$ 0	\$ (10,272)	\$ 2,055,817	\$ 1,406,746	\$ 1,980,298	\$ 75,519

Exhibit F-6

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,449,255	\$ 2,384,332	\$ 2,403,332	\$ 45,923
Other Local Revenues	69,221	0	0	69,221
Total Revenues	<u>\$ 2,518,476</u>	<u>\$ 2,384,332</u>	<u>\$ 2,403,332</u>	<u>\$ 115,144</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 47,780	\$ 39,000	\$ 58,000	\$ 10,220
Total Expenditures	<u>\$ 47,780</u>	<u>\$ 39,000</u>	<u>\$ 58,000</u>	<u>\$ 10,220</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,470,696</u>	<u>\$ 2,345,332</u>	<u>\$ 2,345,332</u>	<u>\$ 125,364</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (2,343,216)	\$ (2,353,216)	\$ (2,353,216)	\$ 10,000
Total Other Financing Sources	<u>\$ (2,343,216)</u>	<u>\$ (2,353,216)</u>	<u>\$ (2,353,216)</u>	<u>\$ 10,000</u>
Net Change in Fund Balance	\$ 127,480	\$ (7,884)	\$ (7,884)	\$ 135,364
Fund Balance, July 1, 2014	0	27,884	27,884	(27,884)
Fund Balance, June 30, 2015	<u>\$ 127,480</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 107,480</u>

Exhibit F-7

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fire Tax Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,640,122	\$ 0	\$ 0	\$ 1,640,122	\$ 1,672,719	\$ 1,696,772	\$ (56,650)
Charges for Current Services	10	0	0	10	0	0	10
Other Local Revenues	55,564	0	0	55,564	25,000	56,976	(1,412)
State of Tennessee	39,400	0	0	39,400	0	39,400	0
Federal Government	35,571	0	0	35,571	0	35,571	0
Total Revenues	\$ 1,770,667	\$ 0	\$ 0	\$ 1,770,667	\$ 1,697,719	\$ 1,828,719	\$ (58,052)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 4,170,504	\$ (85,795)	\$ 202,934	\$ 4,287,643	\$ 4,000,681	\$ 4,312,081	\$ 24,438
Rescue Squad	7,102	0	0	7,102	0	7,820	718
<u>Other Operations</u>							
Other Charges	32,684	0	0	32,684	38,000	38,000	5,316
Total Expenditures	\$ 4,210,290	\$ (85,795)	\$ 202,934	\$ 4,327,429	\$ 4,038,681	\$ 4,357,901	\$ 30,472
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,439,623)	\$ 85,795	\$ (202,934)	\$ (2,556,762)	\$ (2,340,962)	\$ (2,529,182)	\$ (27,580)
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 195,700	\$ 0	\$ 0	\$ 195,700	\$ 0	\$ 195,700	\$ 0
Transfers In	2,343,216	0	0	2,343,216	2,353,216	2,353,216	(10,000)
Transfers Out	(210,313)	0	0	(210,313)	(210,313)	(210,313)	0
Total Other Financing Sources	\$ 2,328,603	\$ 0	\$ 0	\$ 2,328,603	\$ 2,142,903	\$ 2,338,603	\$ (10,000)
Net Change in Fund Balance	\$ (111,020)	\$ 85,795	\$ (202,934)	\$ (228,159)	\$ (198,059)	\$ (190,579)	\$ (37,580)
Fund Balance, July 1, 2014	687,113	(85,795)	0	601,318	764,720	764,720	(163,402)
Fund Balance, June 30, 2015	\$ 576,093	\$ 0	\$ (202,934)	\$ 373,159	\$ 566,661	\$ 574,141	\$ (200,982)

Exhibit F-8

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 302,026	\$ 0	\$ 0	\$ 302,026	\$ 123,500	\$ 263,171	\$ 38,855
Other Local Revenues	79,312	0	0	79,312	40,000	109,049	(29,737)
State of Tennessee	21,041	0	0	21,041	0	21,041	0
Other Governments and Citizens Groups	262	0	0	262	0	0	262
Total Revenues	\$ 402,641	\$ 0	\$ 0	\$ 402,641	\$ 163,500	\$ 393,261	\$ 9,380
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 127,451	\$ 0	\$ 486	\$ 127,937	\$ 64,787	\$ 128,885	\$ 948
Drug Enforcement	93,573	(212)	2,496	95,857	124,793	125,199	29,342
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	12,859	0	0	12,859	10,000	14,950	2,091
<u>Other Operations</u>							
Other Charges	2,859	0	0	2,859	1,500	3,075	216
Total Expenditures	\$ 236,742	\$ (212)	\$ 2,982	\$ 239,512	\$ 201,080	\$ 272,109	\$ 32,597
Excess (Deficiency) of Revenues Over Expenditures	\$ 165,899	\$ 212	\$ (2,982)	\$ 163,129	\$ (37,580)	\$ 121,152	\$ 41,977
Net Change in Fund Balance	\$ 165,899	\$ 212	\$ (2,982)	\$ 163,129	\$ (37,580)	\$ 121,152	\$ 41,977
Fund Balance, July 1, 2014	409,879	(212)	0	409,667	425,910	425,910	(16,243)
Fund Balance, June 30, 2015	\$ 575,778	\$ 0	\$ (2,982)	\$ 572,796	\$ 388,330	\$ 547,062	\$ 25,734

Exhibit F-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Agriculture Center Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 237,961	\$ 204,000	\$ 204,000	\$ 33,961
Other Local Revenues	0	36,964	36,964	(36,964)
Total Revenues	<u>\$ 237,961</u>	<u>\$ 240,964</u>	<u>\$ 240,964</u>	<u>\$ (3,003)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 231,369	\$ 210,809	\$ 241,509	\$ 10,140
<u>Other Operations</u>				
Other Charges	2,324	2,100	2,400	76
Total Expenditures	<u>\$ 233,693</u>	<u>\$ 212,909</u>	<u>\$ 243,909</u>	<u>\$ 10,216</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,268</u>	<u>\$ 28,055</u>	<u>\$ (2,945)</u>	<u>\$ 7,213</u>
Net Change in Fund Balance	\$ 4,268	\$ 28,055	\$ (2,945)	\$ 7,213
Fund Balance, July 1, 2014	123,830	141,288	141,288	(17,458)
Fund Balance, June 30, 2015	<u>\$ 128,098</u>	<u>\$ 169,343</u>	<u>\$ 138,343</u>	<u>\$ (10,245)</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,055,239	\$ 5,041,864	\$ 5,060,857	\$ (5,618)
Other Local Revenues	2,100	0	2,100	0
State of Tennessee	166,573	149,000	149,000	17,573
Federal Government	303,387	313,041	313,041	(9,654)
Other Governments and Citizens Groups	63,574	0	63,574	0
Total Revenues	\$ 5,590,873	\$ 5,503,905	\$ 5,588,572	\$ 2,301
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 104,882	\$ 127,406	\$ 127,406	\$ 22,524
<u>Principal on Debt</u>				
General Government	899,935	899,935	899,935	0
Education	3,367,773	3,310,065	3,367,773	0
<u>Interest on Debt</u>				
General Government	308,866	393,525	432,205	123,339
Education	1,895,182	1,953,643	2,194,311	299,129
<u>Other Debt Service</u>				
General Government	59,843	250,000	211,320	151,477
Education	147,302	600,000	365,198	217,896
Total Expenditures	\$ 6,783,783	\$ 7,534,574	\$ 7,598,148	\$ 814,365
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,192,910)	\$ (2,030,669)	\$ (2,009,576)	\$ 816,666
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 210,313	\$ 210,313	\$ 210,313	\$ 0
Total Other Financing Sources	\$ 210,313	\$ 210,313	\$ 210,313	\$ 0
Net Change in Fund Balance	\$ (982,597)	\$ (1,820,356)	\$ (1,799,263)	\$ 816,666
Fund Balance, July 1, 2014	11,650,561	10,812,764	10,812,764	837,797
Fund Balance, June 30, 2015	\$ 10,667,964	\$ 8,992,408	\$ 9,013,501	\$ 1,654,463

Fiduciary Funds

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

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

Cities - 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. This fund was closed during the year and its assets were transferred to the Local Purpose Tax Fund, a special revenue 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, 2015

	Agency Funds				
	Cities - Sales Tax	Cities - Mixed Drink Tax In Litigation	City School ADA - Cleveland	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 6,931,297	\$ 6,931,297
Equity in Pooled Cash and Investments	0	6,368	12,451	0	18,819
Due from Other Governments	2,079,897	706	1,058,361	0	3,138,964
Property Taxes Receivable	0	0	6,354,374	0	6,354,374
Allowance for Uncollectible Property Taxes	0	0	(227,214)	0	(227,214)
Total Assets	<u>\$ 2,079,897</u>	<u>\$ 7,074</u>	<u>\$ 7,197,972</u>	<u>\$ 6,931,297</u>	<u>\$ 16,216,240</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 2,079,897	\$ 7,074	\$ 7,197,972	\$ 0	\$ 9,284,943
Due to Litigants, Heirs, and Others	0	0	0	6,931,297	6,931,297
Total Liabilities	<u>\$ 2,079,897</u>	<u>\$ 7,074</u>	<u>\$ 7,197,972</u>	<u>\$ 6,931,297</u>	<u>\$ 16,216,240</u>

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,544,058	\$ 11,544,058	\$ 0
Due from Other Governments	1,836,140	2,079,897	1,836,140	2,079,897
Total Assets	\$ 1,836,140	\$ 13,623,955	\$ 13,380,198	\$ 2,079,897
<u>Liabilities</u>				
Due to Other Taxing Units	1,836,140	13,623,955	13,380,198	2,079,897
Total Liabilities	\$ 1,836,140	\$ 13,623,955	\$ 13,380,198	\$ 2,079,897
<u>Cities - Mixed Drink Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,834	\$ 3,534	\$ 0	\$ 6,368
Due from Other Governments	785	706	785	706
Total Assets	\$ 3,619	\$ 4,240	\$ 785	\$ 7,074
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,619	\$ 4,240	\$ 785	\$ 7,074
Total Liabilities	\$ 3,619	\$ 4,240	\$ 785	\$ 7,074
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 14,139	\$ 12,093,302	\$ 12,094,990	\$ 12,451
Due from Other Governments	936,873	1,058,361	936,873	1,058,361
Taxes Receivable	6,230,146	6,354,374	6,230,146	6,354,374
Allowance for Uncollectible Taxes	(239,058)	(227,214)	(239,058)	(227,214)
Total Assets	\$ 6,942,100	\$ 19,278,823	\$ 19,022,951	\$ 7,197,972
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,942,100	\$ 19,278,823	\$ 19,022,951	\$ 7,197,972
Total Liabilities	\$ 6,942,100	\$ 19,278,823	\$ 19,022,951	\$ 7,197,972

(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	\$ 69,221	\$ 0	\$ 69,221	\$ 0
Taxes Receivable	2,637,683	0	2,637,683	0
Allowance for Uncollectible Taxes	(201,133)	0	(201,133)	0
Total Assets	\$ 2,505,771	\$ 0	\$ 2,505,771	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,505,771	\$ 0	\$ 2,505,771	\$ 0
Total Liabilities	\$ 2,505,771	\$ 0	\$ 2,505,771	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,986,739	\$ 22,051,391	\$ 21,106,833	\$ 6,931,297
Total Assets	\$ 5,986,739	\$ 22,051,391	\$ 21,106,833	\$ 6,931,297
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 5,986,739	\$ 22,051,391	\$ 21,106,833	\$ 6,931,297
Total Liabilities	\$ 5,986,739	\$ 22,051,391	\$ 21,106,833	\$ 6,931,297
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,986,739	\$ 22,051,391	\$ 21,106,833	\$ 6,931,297
Equity in Pooled Cash and Investments	86,194	23,640,894	23,708,269	18,819
Due from Other Governments	2,773,798	3,138,964	2,773,798	3,138,964
Taxes Receivable	8,867,829	6,354,374	8,867,829	6,354,374
Allowance for Uncollectible Taxes	(440,191)	(227,214)	(440,191)	(227,214)
Total Assets	\$ 17,274,369	\$ 54,958,409	\$ 56,016,538	\$ 16,216,240
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,287,630	\$ 32,907,018	\$ 34,909,705	\$ 9,284,943
Due to Litigants, Heirs, and Others	5,986,739	22,051,391	21,106,833	6,931,297
Total Liabilities	\$ 17,274,369	\$ 54,958,409	\$ 56,016,538	\$ 16,216,240

Bradley County School Department

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

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

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

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

Exhibit I-1

Bradley County, Tennessee
Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 49,707,714	\$ 31,150	\$ 7,970,324	\$ (41,706,240)
Support Services	24,182,290	8,012	0	(24,174,278)
Operation of Non-instructional Services	7,037,442	1,662,589	3,525,965	(1,848,888)
Total Governmental Activities	<u>\$ 80,927,446</u>	<u>\$ 1,701,751</u>	<u>\$ 11,496,289</u>	<u>\$ (67,729,406)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 12,252,672
Local Option Sales Taxes				10,834,748
Interstate Telecommunications Tax				6,540
Grants and Contributions Not Restricted to Specific Programs				45,521,858
Unrestricted Investment Earnings				23,014
Proceeds from Sale of Equipment				2,298
Miscellaneous				90,280
Pension Income				84,636
Total General Revenues				<u>\$ 68,816,046</u>
Change in Net Position				\$ 1,086,640
Net Position, July 1, 2014				68,829,988
Restatement - See Note I.D.9				(13,549,446)
Net Position, June 30, 2015				<u><u>\$ 56,367,182</u></u>

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2015

	<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	\$ 2,177	\$ 2,177
Equity in Pooled Cash and Investments	12,599,328	716,836	13,316,164
Due from Other Governments	2,396,088	1,314,771	3,710,859
Due from Other Funds	263,332	0	263,332
Property Taxes Receivable	11,979,356	0	11,979,356
Allowance for Uncollectible Property Taxes	(431,609)	0	(431,609)
Total Assets	<u>\$ 26,806,495</u>	<u>\$ 2,033,784</u>	<u>\$ 28,840,279</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 153,329	\$ 0	\$ 153,329
Accrued Payroll	6,071,165	427,280	6,498,445
Payroll Deductions Payable	1,001,794	111,289	1,113,083
Due to Other Funds	0	263,332	263,332
Total Liabilities	<u>\$ 7,226,288</u>	<u>\$ 801,901</u>	<u>\$ 8,028,189</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 11,350,894	\$ 0	\$ 11,350,894
Deferred Delinquent Property Taxes	97,983	0	97,983
Other Deferred/Unavailable Revenue	930,000	0	930,000
Total Deferred Inflows of Resources	<u>\$ 12,378,877</u>	<u>\$ 0</u>	<u>\$ 12,378,877</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 850,038	\$ 931,883	\$ 1,781,921
Committed:			
Committed for Education	0	300,000	300,000
Committed for Capital Projects	1,664,028	0	1,664,028
Assigned:			
Assigned for Support Services	1,036	0	1,036
Assigned for Capital Projects	289,735	0	289,735
Unassigned	4,396,493	0	4,396,493
Total Fund Balances	<u>\$ 7,201,330</u>	<u>\$ 1,231,883</u>	<u>\$ 8,433,213</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,806,495</u>	<u>\$ 2,033,784</u>	<u>\$ 28,840,279</u>

Exhibit I-3

Bradley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Bradley County School Department
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	8,433,213
(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: construction in progress		41,656	
Add: buildings and improvements net of accumulated depreciation		62,568,359	
Add: other capital assets net of accumulated depreciation		<u>861,239</u>	65,082,166
(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	\$	(60,570)	
Less: other postemployment benefits liability		<u>(8,630,737)</u>	(8,691,307)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	5,021,634	
Less: deferred inflows of resources related to pensions		<u>(15,799,210)</u>	(10,777,576)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	1,131,806	
Add: net pension assets - cost-sharing plan		<u>160,897</u>	1,292,703
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,027,983</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>56,367,182</u></u>

Exhibit I-4

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2015

	<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	\$ 23,284,460	\$ 0	\$ 23,284,460
Licenses and Permits	5,453	0	5,453
Charges for Current Services	11,232	1,662,631	1,673,863
Other Local Revenues	138,217	5,263	143,480
State of Tennessee	46,437,638	0	46,437,638
Federal Government	721,687	9,767,296	10,488,983
Total Revenues	<u>\$ 70,598,687</u>	<u>\$ 11,435,190</u>	<u>\$ 82,033,877</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 45,804,078	\$ 2,607,282	\$ 48,411,360
Support Services	21,106,755	3,643,878	24,750,633
Operation of Non-instructional Services	1,622,850	5,500,089	7,122,939
Capital Outlay	1,045,248	0	1,045,248
Total Expenditures	<u>\$ 69,578,931</u>	<u>\$ 11,751,249</u>	<u>\$ 81,330,180</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,019,756</u>	<u>\$ (316,059)</u>	<u>\$ 703,697</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 29,209	\$ 0	\$ 29,209
Transfers In	64,832	0	64,832
Transfers Out	0	(64,832)	(64,832)
Total Other Financing Sources (Uses)	<u>\$ 94,041</u>	<u>\$ (64,832)</u>	<u>\$ 29,209</u>
Net Change in Fund Balances	\$ 1,113,797	\$ (380,891)	\$ 732,906
Fund Balance, July 1, 2014	6,087,533	1,612,774	7,700,307
Fund Balance, June 30, 2015	<u>\$ 7,201,330</u>	<u>\$ 1,231,883</u>	<u>\$ 8,433,213</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, 2015

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)		\$	732,906
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	642,356	
Less: current-year depreciation expense		<u>(2,934,944)</u>	(2,292,588)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value on capital assets disposed			(22,225)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$	(1,132,410)	
Add: deferred delinquent property taxes and other deferred June 30, 2015		<u>1,027,983</u>	(104,427)
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contributions on capital leases to primary government			57,708
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability	\$	(1,349,307)	
Change in net pension liability/asset		14,842,149	
Change in deferred outflows related to pensions		5,021,634	
Change in deferred inflows related to pensions		<u>(15,799,210)</u>	<u>2,715,266</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,086,640</u>

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2015

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,177	\$ 2,177
Equity in Pooled Cash and Investments	328	716,508	716,836
Due from Other Governments	1,062,331	252,440	1,314,771
Total Assets	<u>\$ 1,062,659</u>	<u>\$ 971,125</u>	<u>\$ 2,033,784</u>
<u>LIABILITIES</u>			
Accrued Payroll	\$ 427,280	\$ 0	\$ 427,280
Payroll Deductions Payable	71,832	39,457	111,289
Due to Other Funds	263,332	0	263,332
Total Liabilities	<u>\$ 762,444</u>	<u>\$ 39,457</u>	<u>\$ 801,901</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 215	\$ 931,668	\$ 931,883
Committed:			
Committed for Education	300,000	0	300,000
Total Fund Balances	<u>\$ 300,215</u>	<u>\$ 931,668</u>	<u>\$ 1,231,883</u>
Total Liabilities and Fund Balances	<u>\$ 1,062,659</u>	<u>\$ 971,125</u>	<u>\$ 2,033,784</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, 2015

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,662,631	\$ 1,662,631
Other Local Revenues	0	5,263	5,263
Federal Government	6,294,656	3,472,640	9,767,296
Total Revenues	<u>\$ 6,294,656</u>	<u>\$ 5,140,534</u>	<u>\$ 11,435,190</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,607,282	\$ 0	\$ 2,607,282
Support Services	3,643,878	0	3,643,878
Operation of Non-instructional Services	0	5,500,089	5,500,089
Total Expenditures	<u>\$ 6,251,160</u>	<u>\$ 5,500,089</u>	<u>\$ 11,751,249</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 43,496</u>	<u>\$ (359,555)</u>	<u>\$ (316,059)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (64,832)	\$ 0	\$ (64,832)
Total Other Financing Sources (Uses)	<u>\$ (64,832)</u>	<u>\$ 0</u>	<u>\$ (64,832)</u>
Net Change in Fund Balances	\$ (21,336)	\$ (359,555)	\$ (380,891)
Fund Balance, July 1, 2014	321,551	1,291,223	1,612,774
Fund Balance, June 30, 2015	<u>\$ 300,215</u>	<u>\$ 931,668</u>	<u>\$ 1,231,883</u>

Exhibit I-8

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bradley County School Department
General Purpose School Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 23,284,460	\$ 0	\$ 23,284,460	\$ 22,503,000	\$ 22,503,000	\$ 781,460
Licenses and Permits	5,453	0	5,453	5,500	5,500	(47)
Charges for Current Services	11,232	0	11,232	15,000	15,000	(3,768)
Other Local Revenues	138,217	0	138,217	28,000	43,000	95,217
State of Tennessee	46,437,638	0	46,437,638	44,923,999	46,716,056	(278,418)
Federal Government	721,687	0	721,687	375,000	755,001	(33,314)
Total Revenues	\$ 70,598,687	\$ 0	\$ 70,598,687	\$ 67,850,499	\$ 70,037,557	\$ 561,130
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 38,891,862	\$ 0	\$ 38,891,862	\$ 39,400,200	\$ 39,347,200	\$ 455,338
Special Education Program	4,002,930	0	4,002,930	4,041,800	4,041,800	38,870
Vocational Education Program	2,698,722	0	2,698,722	2,777,300	2,792,300	93,578
Adult Education Program	210,564	0	210,564	250,300	250,300	39,736
<u>Support Services</u>						
Attendance	149,230	0	149,230	154,225	154,225	4,995
Health Services	744,929	437	745,366	730,900	760,900	15,534
Other Student Support	2,082,711	0	2,082,711	2,053,800	2,106,800	24,089
Regular Instruction Program	2,026,626	0	2,026,626	2,051,600	2,061,600	34,974
Special Education Program	728,565	0	728,565	812,400	812,400	83,835
Vocational Education Program	138,039	0	138,039	138,400	138,400	361
Other Programs	409,870	0	409,870	0	409,870	0
Board of Education	1,517,357	148	1,517,505	1,455,600	1,523,100	5,595
Director of Schools	392,467	451	392,918	393,570	393,570	652
Office of the Principal	3,786,413	0	3,786,413	3,842,900	3,842,900	56,487
Fiscal Services	357,339	0	357,339	362,150	362,150	4,811

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Operation of Plant	\$ 4,540,459	\$ 0	\$ 4,540,459	\$ 4,742,675	\$ 4,742,675	\$ 202,216
Maintenance of Plant	1,079,023	0	1,079,023	1,165,130	1,165,130	86,107
Transportation	2,357,804	0	2,357,804	2,398,875	2,398,875	41,071
Central and Other	795,923	0	795,923	796,900	796,900	977
<u>Operation of Non-Instructional Services</u>						
Food Service	88,175	0	88,175	88,775	88,775	600
Community Services	338,815	0	338,815	0	340,000	1,185
Early Childhood Education	1,195,860	0	1,195,860	0	1,382,187	186,327
<u>Capital Outlay</u>						
Regular Capital Outlay	1,045,248	289,735	1,334,983	1,403,000	1,403,000	68,017
Total Expenditures	<u>\$ 69,578,931</u>	<u>\$ 290,771</u>	<u>\$ 69,869,702</u>	<u>\$ 69,060,500</u>	<u>\$ 71,315,057</u>	<u>\$ 1,445,355</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,019,756	\$ (290,771)	\$ 728,985	\$ (1,210,001)	\$ (1,277,500)	\$ 2,006,485
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 29,209	\$ 0	\$ 29,209	\$ 0	\$ 0	\$ 29,209
Transfers In	64,832	0	64,832	60,000	60,000	4,832
Total Other Financing Sources	<u>\$ 94,041</u>	<u>\$ 0</u>	<u>\$ 94,041</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 34,041</u>
Net Change in Fund Balance	\$ 1,113,797	\$ (290,771)	\$ 823,026	\$ (1,150,001)	\$ (1,217,500)	\$ 2,040,526
Fund Balance, July 1, 2014	6,087,533	0	6,087,533	6,026,621	6,026,621	60,912
Fund Balance, June 30, 2015	<u>\$ 7,201,330</u>	<u>\$ (290,771)</u>	<u>\$ 6,910,559</u>	<u>\$ 4,876,620</u>	<u>\$ 4,809,121</u>	<u>\$ 2,101,438</u>

Exhibit I-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bradley County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,294,656	\$ 7,094,044	\$ 7,831,902	\$ (1,537,246)
Total Revenues	\$ 6,294,656	\$ 7,094,044	\$ 7,831,902	\$ (1,537,246)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,305,038	\$ 1,173,469	\$ 1,305,038	\$ 0
Special Education Program	1,212,139	1,116,330	1,224,431	12,292
Vocational Education Program	90,105	91,577	90,105	0
<u>Support Services</u>				
Other Student Support	985,760	1,233,792	1,243,290	257,530
Regular Instruction Program	1,854,243	2,562,471	2,867,816	1,013,573
Special Education Program	649,958	662,500	844,829	194,871
Vocational Education Program	11,210	10,098	11,210	0
Transportation	142,707	156,300	156,300	13,593
Total Expenditures	\$ 6,251,160	\$ 7,006,537	\$ 7,743,019	\$ 1,491,859
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,496	\$ 87,507	\$ 88,883	\$ (45,387)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (64,832)	\$ (87,508)	\$ (88,885)	\$ 24,053
Total Other Financing Sources	\$ (64,832)	\$ (87,508)	\$ (88,885)	\$ 24,053
Net Change in Fund Balance	\$ (21,336)	\$ (1)	\$ (2)	\$ (21,334)
Fund Balance, July 1, 2014	321,551	321,551	321,551	0
Fund Balance, June 30, 2015	\$ 300,215	\$ 321,550	\$ 321,549	\$ (21,334)

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,662,631	\$ 2,380,000	\$ 2,380,000	\$ (717,369)
Other Local Revenues	5,263	11,000	11,000	(5,737)
Federal Government	3,472,640	3,290,000	3,601,082	(128,442)
Total Revenues	<u>\$ 5,140,534</u>	<u>\$ 5,681,000</u>	<u>\$ 5,992,082</u>	<u>\$ (851,548)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,500,089	\$ 5,681,000	\$ 5,992,082	\$ 491,993
Total Expenditures	<u>\$ 5,500,089</u>	<u>\$ 5,681,000</u>	<u>\$ 5,992,082</u>	<u>\$ 491,993</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (359,555)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (359,555)</u>
Net Change in Fund Balance	\$ (359,555)	\$ 0	\$ 0	(359,555)
Fund Balance, July 1, 2014	1,291,223	1,766,276	1,766,276	(475,053)
Fund Balance, June 30, 2015	<u>\$ 931,668</u>	<u>\$ 1,766,276</u>	<u>\$ 1,766,276</u>	<u>\$ (834,608)</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bradley County, Tennessee
Schedule of Changes in Long-term Bonds, Other Loans, and Capital Leases
 For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Build America Bonds 2009	\$ 17,550,000	5 to 5.55 (1) %	9-10-09	6-1-29	\$ 17,550,000	\$ 0	\$ 0	\$ 17,550,000
Refunding Bond Series 2014	4,255,000	2	3-15-13	6-1-18	2,955,000	0	720,000	2,235,000
General Obligation Series 2014	2,870,000	2 to 2.125	3-15-13	6-1-29	2,715,000	0	155,000	2,560,000
Total Bonds Payable					<u>\$ 23,220,000</u>	<u>\$ 0</u>	<u>\$ 875,000</u>	<u>\$ 22,345,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Loan Series V-I-1	12,050,000	3 to 4.25	2-18-09	6-30-21	\$ 9,185,000	\$ 0	\$ 1,000,000	\$ 8,185,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	36,875,000	0	2,335,000	34,540,000
Total Other Loans Payable					<u>\$ 46,060,000</u>	<u>\$ 0</u>	<u>\$ 3,335,000</u>	<u>\$ 42,725,000</u>
<u>CAPITAL LEASES PAYABLE</u>								
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
Energy Efficient Upgrades and Equipment	302,000	4.85	6-18-12	7-31-15	\$ 118,278	\$ 0	\$ 57,708	\$ 60,570
<u>Payable through Special Purpose Fire Tax Fund</u>								
Fire Dept - Turnout Gear	195,700	3.37	11-3-14	4-1-19	0	195,700	39,086	156,614
Total Capital Leases Payable					<u>\$ 118,278</u>	<u>\$ 195,700</u>	<u>\$ 96,794</u>	<u>\$ 217,184</u>

- (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)	
2016	\$ 890,000	\$ 1,031,993	\$ (327,278)	\$ 1,594,715
2017	910,000	1,014,193	(327,278)	1,596,915
2018	925,000	995,993	(327,278)	1,593,715
2019	170,000	977,492	(327,278)	820,214
2020	175,000	974,093	(327,278)	821,815
2021	175,000	970,593	(327,278)	818,315
2022	2,030,000	967,092	(327,278)	2,669,814
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	660,302	(223,752)	2,776,550
2026	195,000	543,197	(184,095)	554,102
2027	3,250,000	539,054	(184,095)	3,604,959
2028	3,405,000	367,968	(125,702)	3,647,266
2029	3,510,000	187,612	(64,102)	3,633,510
Total	\$ 22,345,000	\$ 10,870,563	\$ (3,628,441)	\$ 29,587,122

(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	
2016	\$ 3,540,000	\$ 286,446	\$ 390,313	\$ 4,216,759
2017	3,700,000	246,310	366,547	4,312,857
2018	3,860,000	203,131	341,269	4,404,400
2019	4,905,000	161,772	314,673	5,381,445
2020	5,140,000	126,726	275,292	5,542,018
2021	5,390,000	88,379	233,860	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	\$ 42,725,000	\$ 1,146,055	\$ 2,463,487	\$ 46,334,542

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2016	\$ 98,361	\$ 7,590	\$ 105,951
2017	38,270	4,106	42,376
2018	39,592	2,784	42,376
2019	40,961	1,416	42,377
Total	\$ 217,184	\$ 15,896	\$ 233,080

Exhibit J-3

Bradley County, Tennessee
Schedule of Notes Receivable
June 30, 2015

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-15
<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	1,235
"	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	475
"	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>\$ 33,481</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, 2015

<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	\$ 210,313
Local Purpose Tax	Special Purpose Fire Tax	Operations	<u>2,343,216</u>
Total Transfers Primary Government			<u>\$ 2,553,529</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 64,832</u>
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 64,832</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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 94,636 (1)	\$ 100,000	Auto Owners (Mutual) Insurance
Road Superintendent:				
Tom Collins (July 1, 2014 through August 31, 2014)	Section 8-24-102, TCA	16,783	100,000	"
Sandra Knight (September 1, 2014 through June 30, 2015)	Section 8-24-102, TCA	70,489	100,000	"
Director of Schools:				
Johnny McDaniel (July 1, 2014 through February 28, 2015)	State Board of Education and Bradley County Board of Education	120,651 (2)	(3)	
Dan Glasscock, Pro Tem Director (March 1, 2015 through March 12, 2015)	Bradley County Board of Education	0	(3)	
Scott Humberd, Interim Director (March 13 through May 31, 2015)	Bradley County Board of Education	8,291	(3)	
Linda Cash (June 1, 2015 through June 30, 2015)	State Board of Education and Bradley County Board of Education	11,333	(3)	
Trustee	Section 8-24-102, TCA	79,338	3,402,554	Auto Owners (Mutual) Insurance
Assessor of Property	Section 8-24-102, TCA	79,338	50,000	"
County Clerk	Section 8-24-102, TCA	79,338	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	79,338	100,000	"
Clerk and Master:				
Carl Shrewsbury (July 1, 2014 through May 29, 2015)	Section 8-24-102, TCA, and Chancery Court Judge	73,231 (4)	50,000	Travelers Casualty and Surety Company of America
Sarah Coleman (June 1, 2015 through June 30, 2015)	Section 8-24-102, TCA,	6,107	50,000	Auto Owners (Mutual) Insurance
Register of Deeds	Section 8-24-102, TCA	79,338	100,000	"
Sheriff:				
James Ruth (July 1, 2014 through August 31, 2014)	Section 8-24-102, TCA	15,105 (5)	25,000	"
Eric Watson (September 1, 2014 through June 30, 2015)	Section 8-24-102, TCA	72,167	100,000	"
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 \$12,385, life and disability insurance reimbursement of \$2,984, chief officer training supplement of \$1,000, and retirement reimbursement of \$6,651. Includes \$40,217 for salary for March 1, 2015, through June 30, 2015, per buyout agreement.
(3) The director of schools, Pro Tem Director, and interim director of schools were covered under the school employee dishonesty bond.
(4) Does not include special commissioner fees of \$2,730.
(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, 2015

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,599,559	\$ 0	\$ 566,848	\$ 0	\$ 2,235,811	\$ 1,277,495
Trustee's Collections - Prior Year	337,432	0	17,117	0	54,988	33,602
Circuit/Clerk and Master Collections - Prior Years	183,321	0	10,401	0	148,478	120,159
Interest and Penalty	58,584	0	2,518	0	9,978	9,099
Payments in-Lieu-of Taxes - T.V.A.	7,360	0	361	0	0	4,685
Payments in-Lieu-of Taxes - Local Utilities	4,845	0	259	0	0	3,084
Payments in-Lieu-of Taxes - Other	363,005	0	19,413	0	0	191,998
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,830,824	0	0	0	0	0
Hotel/Motel Tax	713,884	0	0	0	0	0
Litigation Tax - General	319,223	0	0	0	0	0
Litigation Tax - Special Purpose	65,268	502	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	63,673	0	0	0	0	0
Business Tax	1,246,938	0	0	0	0	0
Mixed Drink Tax	9,827	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	55,798	0	2,983	0	0	0
Wholesale Beer Tax	339,131	0	0	0	0	0
Interstate Telecommunications Tax	5,154	0	0	0	0	0
Total Local Taxes	\$ 19,203,826	\$ 502	\$ 619,900	\$ 0	\$ 2,449,255	\$ 1,640,122
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 385,643	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Special Purpose Fire Tax
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 3,681	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	123,865	0	0	0	0	0
Other Permits	2,363	0	0	0	0	0
Total Licenses and Permits	\$ 515,552	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 9,682	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	48,149	0	0	0	0	0
Drug Control Fines	14,073	0	0	0	0	0
Data Entry Fee - Circuit Court	36,143	0	0	0	0	0
Courtroom Security Fee	1,062	0	0	0	0	0
<u>Criminal Court</u>						
Fines	171,784	1,318	0	0	0	0
Officers Costs	120,825	0	0	0	0	0
Drug Control Fines	15,540	0	0	0	0	0
Jail Fees	80,652	0	0	0	0	0
DUI Treatment Fines	20,824	0	0	0	0	0
Data Entry Fee - Criminal Court	6,146	0	0	0	0	0
Courtroom Security Fee	6,741	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	931	0	0	0	0	0
Fines for Littering	712	0	0	0	0	0
Game and Fish Fines	187	0	0	0	0	0
Jail Fees	20,841	0	0	0	0	0
Data Entry Fee - General Sessions Court	20,384	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,011	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	4	0	0	0	0	0
Victims Assistance Assessments	20,301	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	21,710	0	0	0	0	0
Officers Costs	100	0	0	0	0	0
Drug Court Fees	34,149	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	1,866	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	2,544	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 656,361	\$ 1,318	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 328,284	\$ 0	0
Water Treatment Charges	6,535	0	0	0	0	0
Patient Charges	4,329,290	0	0	0	0	0
Zoning Studies	242	0	0	0	0	0
Work Release Charges for Board	2,254	0	0	0	0	0
Service Charges	115,065	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	27	0	0	0	0	0
Recreation Fees	97,004	0	0	0	0	0
Copy Fees	4,185	0	0	0	0	10
Library Fees	0	11,059	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 181,556	\$ 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	31,858	0	0	0	0	0
Probation Fees	370,372	0	0	0	0	0
Data Processing Fee - Sheriff	1,975	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,250	0	0	0	0	0
Data Processing Fee - County Clerk	7,674	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	13,828	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	18,525	0	0	0	0	0
Total Charges for Current Services	\$ 5,183,640	\$ 11,059	\$ 0	\$ 328,284	\$ 0	\$ 10
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 94,761	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	182,008	0	0	0	0	0
Sale of Materials and Supplies	655	0	0	0	0	0
Commissary Sales	71,972	0	0	0	0	0
Sale of Maps	3,647	0	0	0	0	0
Sale of Recycled Materials	23,886	0	0	0	0	0
Miscellaneous Refunds	47,085	0	0	0	0	10
<u>Nonrecurring Items</u>						
Sale of Equipment	132,485	0	0	0	0	24,437

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Damages Recovered from Individuals	1,841	0	0	0	0	0
Contributions and Gifts	19,250	0	0	0	0	26,000
<u>Other Local Revenues</u>						
Other Local Revenues	403,338	0	0	0	69,221	5,117
Total Other Local Revenues	\$ 980,928	\$ 0	\$ 0	\$ 0	\$ 69,221	\$ 55,564
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 60,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	132,572	0	0	0	0	0
Register	72,312	0	0	0	0	0
Trustee	761,683	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	382,410	0	0	0	0	0
Criminal Court Clerk	582,265	0	0	0	0	0
General Sessions Court Clerk	554,431	0	0	0	0	0
Probate Court Clerk	2,000	0	0	0	0	0
Sheriff	22,509	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,570,682	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 57,612	\$ 0	\$ 0	\$ 0	\$ 0	0
On-behalf Contributions for OPEB	3,900	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Drug Control Grants	\$ 132,269	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Public Safety Grants	9,658	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	699,421	0	0	0	0	0
Other Health and Welfare Grants	67,500	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	64,177	0	3,323	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	20,741	0	0	0	0	0
Alcoholic Beverage Tax	130,939	0	0	0	0	0
State Revenue Sharing - T.V.A.	308,481	0	16,497	0	0	0
Contracted Prisoner Boarding	1,726,385	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	15,594	0	0	0	0	0
Other State Grants	305,031	0	0	65,902	0	4,600
Other State Revenues	93,865	0	0	82,152	0	34,800
Total State of Tennessee	\$ 3,668,792	\$ 0	\$ 19,820	\$ 148,054	\$ 0	\$ 39,400

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 56,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	73,893	0	0	435,454	0	35,571
Homeland Security Grants	50,112	0	0	0	0	0
Medicaid	44,066	0	0	0	0	0
Law Enforcement Grants	36,252	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	0
Total Federal Government	<u>\$ 260,323</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 435,454</u>	<u>\$ 0</u>	<u>\$ 35,571</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 1,523,202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	0	0
Contracted Services	295,125	0	0	13,000	0	0
<u>Other</u>						
Other	0	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,818,327</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 34,858,431</u>	<u>\$ 12,879</u>	<u>\$ 639,720</u>	<u>\$ 924,792</u>	<u>\$ 2,518,476</u>	<u>\$ 1,770,667</u>

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional - Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,592,520	\$ 4,621,151	\$ 0
Trustee's Collections - Prior Year	0	0	0	74,804	139,429	0
Circuit/Clerk and Master Collections - Prior Years	0	0	0	44,547	81,368	0
Interest and Penalty	0	0	0	13,150	25,396	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	2,551	3,209	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,184	2,112	0
Payments in-Lieu-of Taxes - Other	0	0	0	87,915	158,248	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	237,961	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	13,629	24,326	0
Wholesale Beer Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 237,961	\$ 0	\$ 2,830,300	\$ 5,055,239	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 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	Capital
	Drug Control	Agriculture Center	Constitu - tional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	21,106	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Criminal Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	15,540	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Fines for Littering	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	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	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	265,380	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 302,026	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Water Treatment Charges	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0
Zoning Studies	0	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0
Library Fees	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	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Constitutional Officers' Fees and Commissions	0	0	1,948,454	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	2,730	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
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 1,951,184	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	2,100	\$ 94,709
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	5,946	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
Miscellaneous Refunds	0	0	0	5,731	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	73,349	0	0	77,818	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	60,000
Damages Recovered from Individuals	1,013	0	0	0	0	0
Contributions and Gifts	4,950	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	12,344	0	0
Total Other Local Revenues	\$ 79,312	\$ 0	\$ 0	\$ 101,839	\$ 2,100	\$ 154,709
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Probate Court Clerk	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
On-behalf Contributions for OPEB	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	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Drug Control Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Public Safety Grants	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	46,058	0	0
State Aid Program	0	0	0	209,823	0	0
Litter Program	0	0	0	55,000	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	15,309	32,083	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	75,351	134,490	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,099,520	0	0
Petroleum Special Tax	0	0	0	71,406	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0
Other State Grants	0	0	0	9,132	0	0
Other State Revenues	21,041	0	0	0	0	0
Total State of Tennessee	\$ 21,041	\$ 0	\$ 0	\$ 2,581,599	\$ 166,573	\$ 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
	Drug Control	Agriculture Center	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	61,115	0	0
Homeland Security Grants	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	303,387	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 61,115	\$ 303,387	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	63,574	0
Contracted Services	0	0	0	0	0	0
<u>Other</u>						
Other	262	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 262	\$ 0	\$ 0	\$ 0	\$ 63,574	\$ 0
Total	\$ 402,641	\$ 237,961	\$ 1,951,184	\$ 5,574,853	\$ 5,590,873	\$ 154,709

(Continued)

Exhibit J-6

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

	Capital Projects Funds (Cont.)			Permanent	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Fund Endowment	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,023,864	\$ 0	\$ 33,083	\$ 0	\$ 22,950,331
Trustee's Collections - Prior Year	30,894	0	1,294	0	689,560
Circuit/Clerk and Master Collections - Prior Years	17,721	0	572	0	606,567
Interest and Penalty	5,630	0	186	0	124,541
Payments in-Lieu-of Taxes - T.V.A.	711	0	21	0	18,898
Payments in-Lieu-of Taxes - Local Utilities	468	0	15	0	11,967
Payments in-Lieu-of Taxes - Other	35,065	0	1,142	0	856,786
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	4,830,824
Hotel/Motel Tax	0	0	0	0	951,845
Litigation Tax - General	0	0	0	0	319,223
Litigation Tax - Special Purpose	0	0	0	0	65,770
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	63,673
Business Tax	0	0	0	0	1,246,938
Mixed Drink Tax	0	0	0	0	9,827
<u>Statutory Local Taxes</u>					
Bank Excise Tax	5,390	0	176	0	102,302
Wholesale Beer Tax	0	0	0	0	339,131
Interstate Telecommunications Tax	0	0	0	0	5,154
Total Local Taxes	\$ 1,119,743	\$ 0	\$ 36,489	\$ 0	\$ 33,193,337
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 385,643

(Continued)

Exhibit J-6

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

	Capital Projects Funds (Cont.)			Permanent	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Fund Endowment	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	3,681
Building Permits	0	0	0	0	123,865
Other Permits	0	0	0	0	2,363
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	515,552
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	9,682
Officers Costs	0	0	0	0	48,149
Drug Control Fines	0	0	0	0	35,179
Data Entry Fee - Circuit Court	0	0	0	0	36,143
Courtroom Security Fee	0	0	0	0	1,062
<u>Criminal Court</u>					
Fines	0	0	0	0	173,102
Officers Costs	0	0	0	0	120,825
Drug Control Fines	0	0	0	0	31,080
Jail Fees	0	0	0	0	80,652
DUI Treatment Fines	0	0	0	0	20,824
Data Entry Fee - Criminal Court	0	0	0	0	6,146
Courtroom Security Fee	0	0	0	0	6,741
<u>General Sessions Court</u>					
Fines	0	0	0	0	931
Fines for Littering	0	0	0	0	712
Game and Fish Fines	0	0	0	0	187
Jail Fees	0	0	0	0	20,841
Data Entry Fee - General Sessions Court	0	0	0	0	20,384

(Continued)

Exhibit J-6

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	1,011
Courtroom Security Fee	0	0	0	0	4
Victims Assistance Assessments	0	0	0	0	20,301
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	21,710
Officers Costs	0	0	0	0	100
Drug Court Fees	0	0	0	0	34,149
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	267,246
Other Fines, Forfeitures, and Penalties	0	0	0	0	2,544
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	959,705
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	328,284
Water Treatment Charges	0	0	0	0	6,535
Patient Charges	0	0	0	0	4,329,290
Zoning Studies	0	0	0	0	242
Work Release Charges for Board	0	0	0	0	2,254
Service Charges	0	0	0	0	115,065
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	27
Recreation Fees	0	0	0	0	97,004
Copy Fees	0	0	0	0	4,195
Library Fees	0	0	0	0	11,059

(Continued)

Exhibit J-6

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>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	181,556
Constitutional Officers' Fees and Commissions	0	0	0	0	1,948,454
Special Commissioner Fees/Special Master Fees	0	0	0	0	2,730
Data Processing Fee - Register	0	0	0	0	31,858
Probation Fees	0	0	0	0	370,372
Data Processing Fee - Sheriff	0	0	0	0	1,975
Sexual Offender Registration Fee - Sheriff	0	0	0	0	3,250
Data Processing Fee - County Clerk	0	0	0	0	7,674
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	13,828
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	0	0	18,525
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	7,474,177
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 568	\$ 0	\$ 94,211	\$ 286,349
Lease/Rentals	0	0	0	0	182,008
Sale of Materials and Supplies	0	0	0	0	6,601
Commissary Sales	0	0	0	0	71,972
Sale of Maps	0	0	0	0	3,647
Sale of Recycled Materials	0	0	0	0	23,886
Miscellaneous Refunds	0	0	0	57,531	110,357
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	308,089

(Continued)

Exhibit J-6

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

	Capital Projects Funds (Cont.)			Permanent	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Fund Endowment	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	60,000
Damages Recovered from Individuals	0	0	0	0	2,854
Contributions and Gifts	0	0	0	0	50,200
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	490,020
Total Other Local Revenues	\$ 0	\$ 568	\$ 0	\$ 151,742	\$ 1,595,983
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	60,500
Clerk and Master	0	0	0	0	132,572
Register	0	0	0	0	72,312
Trustee	0	0	0	0	761,683
<u>Fees in-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	382,410
Criminal Court Clerk	0	0	0	0	582,265
General Sessions Court Clerk	0	0	0	0	554,431
Probate Court Clerk	0	0	0	0	2,000
Sheriff	0	0	0	0	22,509
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	2,570,682
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	57,612
On-behalf Contributions for OPEB	0	0	0	0	3,900

(Continued)

Exhibit J-6

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>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Drug Control Grants	\$ 0	\$ 0	\$ 0	\$ 0	132,269
Other Public Safety Grants	0	0	0	0	9,658
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	699,421
Other Health and Welfare Grants	0	0	0	0	67,500
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	46,058
State Aid Program	0	0	0	0	209,823
Litter Program	0	0	0	0	55,000
<u>Other State Revenues</u>					
Income Tax	6,239	0	192	0	121,323
Beer Tax	0	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	0	20,741
Alcoholic Beverage Tax	0	0	0	0	130,939
State Revenue Sharing - T.V.A.	29,798	0	970	0	565,587
Contracted Prisoner Boarding	0	0	0	0	1,726,385
Gasoline and Motor Fuel Tax	0	0	0	0	2,099,520
Petroleum Special Tax	0	0	0	0	71,406
Registrar's Salary Supplement	0	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	0	15,594
Other State Grants	0	0	0	0	384,665
Other State Revenues	0	0	0	0	231,858
Total State of Tennessee	\$ 36,037	\$ 0	1,162	\$ 0	6,682,478

(Continued)

Exhibit J-6

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

	<u>Capital Projects Funds (Cont.)</u>			<u>Permanent</u>	<u>Total</u>
	<u>Community</u> <u>Development/</u> <u>Industrial</u> <u>Park</u>	<u>HUD</u> <u>Grant</u> <u>Projects</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	<u>Endowment</u>	
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	56,000
Disaster Relief	0	0	0	0	606,033
Homeland Security Grants	0	0	0	0	50,112
Medicaid	0	0	0	0	44,066
Law Enforcement Grants	0	0	0	0	36,252
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	303,387
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	1,095,850
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	1,523,202
Contributions	0	0	0	0	63,574
Contracted Services	0	0	0	0	308,125
<u>Other</u>					
Other	0	0	0	0	262
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	1,895,163
Total	\$ 1,155,780	\$ 568	\$ 37,651	\$ 151,742	\$ 55,982,927

Exhibit J-7

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 11,365,414	\$ 0	\$ 0	\$ 11,365,414
Trustee's Collections - Prior Year	347,729	0	0	347,729
Circuit/Clerk and Master Collections - Prior Years	194,500	0	0	194,500
Interest and Penalty	62,469	0	0	62,469
Payments in-Lieu-of Taxes - T.V.A.	12,003	0	0	12,003
Payments in-Lieu-of Taxes - Local Utilities	5,195	0	0	5,195
Payments in-Lieu-of Taxes - Other	389,292	0	0	389,292
<u>County Local Option Taxes</u>				
Local Option Sales Tax	10,834,748	0	0	10,834,748
Mixed Drink Tax	6,741	0	0	6,741
<u>Statutory Local Taxes</u>				
Bank Excise Tax	59,829	0	0	59,829
Interstate Telecommunications Tax	6,540	0	0	6,540
Total Local Taxes	<u>\$ 23,284,460</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,284,460</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 5,453	\$ 0	\$ 0	\$ 5,453
Total Licenses and Permits	<u>\$ 5,453</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,453</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 879,885	\$ 879,885
Lunch Payments - Adults	0	0	155,527	155,527

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Income from Breakfast	\$ 0	\$ 0	\$ 79,036	\$ 79,036
A la carte Sales	0	0	548,141	548,141
TBI Criminal Background Fee	3,262	0	0	3,262
<u>Other Charges for Services</u>				
Other Charges for Services	7,970	0	42	8,012
Total Charges for Current Services	<u>\$ 11,232</u>	<u>\$ 0</u>	<u>\$ 1,662,631</u>	<u>\$ 1,673,863</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 17,753	\$ 0	\$ 5,261	\$ 23,014
E-Rate Funding	27,888	0	0	27,888
Miscellaneous Refunds	11,980	0	2	11,982
<u>Nonrecurring Items</u>				
Contributions and Gifts	2,298	0	0	2,298
<u>Other Local Revenues</u>				
Other Local Revenues	78,298	0	0	78,298
Total Other Local Revenues	<u>\$ 138,217</u>	<u>\$ 0</u>	<u>\$ 5,263</u>	<u>\$ 143,480</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 409,870	\$ 0	\$ 0	\$ 409,870
<u>State Education Funds</u>				
Basic Education Program	43,628,001	0	0	43,628,001
Early Childhood Education	1,199,660	0	0	1,199,660

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 53,325	\$ 0	\$ 0	\$ 53,325
Driver Education	90,848	0	0	90,848
Other State Education Funds	148,988	0	0	148,988
Career Ladder Program	228,455	0	0	228,455
Career Ladder - Extended Contract	75,820	0	0	75,820
<u>Other State Revenues</u>				
Income Tax	28,968	0	0	28,968
State Revenue Sharing - T.V.A.	503,080	0	0	503,080
Other State Grants	70,623	0	0	70,623
Total State of Tennessee	<u>\$ 46,437,638</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,437,638</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,388,037	\$ 2,388,037
USDA - Commodities	0	0	311,082	311,082
Breakfast	0	0	751,606	751,606
USDA - Other	0	0	21,915	21,915
Adult Education State Grant Program	263,076	0	0	263,076
Vocational Education - Basic Grants to States	0	131,508	0	131,508
Title I Grants to Local Education Agencies	0	1,905,465	0	1,905,465
Special Education - Grants to States	9,048	1,977,865	0	1,986,913
Special Education Preschool Grants	0	64,939	0	64,939
English Language Acquisition Grants	0	13,024	0	13,024
Eisenhower Professional Development State Grants	0	237,200	0	237,200

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Race to the Top - ARRA	\$ 0	\$ 138,284	\$ 0	\$ 138,284
Other Federal through State	338,815	168,061	0	506,876
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	67,276	0	0	67,276
Other Direct Federal Revenue	43,472	1,658,310	0	1,701,782
Total Federal Government	<u>\$ 721,687</u>	<u>\$ 6,294,656</u>	<u>\$ 3,472,640</u>	<u>\$ 10,488,983</u>
Total	<u>\$ 70,598,687</u>	<u>\$ 6,294,656</u>	<u>\$ 5,140,534</u>	<u>\$ 82,033,877</u>

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Assistant(s)	\$	33,129	
Board and Committee Members Fees		141,827	
Social Security		12,967	
Pensions		13,208	
Life Insurance		222	
Medical Insurance		56,095	
Audit Services		37,489	
Communication		4	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		100	
Maintenance and Repair Services - Office Equipment		477	
Office Supplies		744	
Other Charges		100,908	
Other Equipment		1,000	
Total County Commission			\$ 400,120

Board of Equalization

Board and Committee Members Fees	\$	280	
Social Security		21	
Total Board of Equalization			301

Beer Board

Board and Committee Members Fees	\$	2,430	
Social Security		186	
Pensions		49	
Total Beer Board			2,665

Other Boards and Committees

Clerical Personnel	\$	21,374	
Social Security		1,581	
Pensions		2,911	
Life Insurance		19	
Medical Insurance		5,786	
Communication		5	
Operating Lease Payments		910	
Maintenance and Repair Services - Equipment		300	
Office Supplies		796	
Total Other Boards and Committees			33,682

County Mayor/Executive

County Official/Administrative Officer	\$	94,636	
Assistant(s)		68,664	
Clerical Personnel		22,941	
Social Security		13,443	
Pensions		25,366	
Life Insurance		77	
Medical Insurance		23,142	

(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.)

Advertising	\$	500	
Communication		1,178	
Dues and Memberships		1,950	
Travel		1,323	
Tuition		180	
Office Supplies		2,905	
Periodicals		100	
Vehicle and Equipment Insurance		1,025	
Other Charges		125	
Data Processing Equipment		1,857	
Total County Mayor/Executive			\$ 259,412

Personnel Office

Accountants/Bookkeepers	\$	53,959	
Social Security		4,075	
Pensions		5,214	
Life Insurance		37	
Medical Insurance		11,123	
Unemployment Compensation		16,550	
Advertising		1,784	
Dues and Memberships		385	
Maintenance and Repair Services - Office Equipment		1,551	
Tuition		75	
Office Supplies		4,989	
Periodicals		1,815	
Testing		10,898	
Workers' Compensation Insurance		40,573	
In Service/Staff Development		1,379	
Total Personnel Office			154,407

County Attorney

Assistant(s)	\$	30,030	
Paraprofessionals		31,556	
Other Salaries and Wages		75,790	
Social Security		9,679	
Pensions		18,710	
Life Insurance		58	
Medical Insurance		17,357	
Communication		7	
Data Processing Services		6,201	
Dues and Memberships		250	
Legal Services		3,665	
Office Supplies		959	
Data Processing Equipment		1,000	
Total County Attorney			195,262

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	71,405	
Deputy(ies)		56,606	
Part-time Personnel		11,640	
Board and Committee Members Fees		200	
Election Commission		9,482	
Election Workers		54,604	
Social Security		13,203	
Pensions		17,435	
Life Insurance		58	
Medical Insurance		17,357	
Accounting Services		8,500	
Advertising		8,100	
Communication		1,500	
Maintenance and Repair Services - Equipment		14,133	
Printing, Stationery, and Forms		4,000	
Travel		6,581	
Office Supplies		3,700	
Other Charges		11,293	
Total Election Commission			\$ 309,797

Register of Deeds

Life Insurance	\$	134	
Medical Insurance		40,503	
Communication		413	
Data Processing Services		21,013	
Maintenance and Repair Services - Equipment		4,896	
Travel		554	
Office Supplies		5,457	
Total Register of Deeds			72,970

Planning

Assistant(s)	\$	86,975	
Clerical Personnel		27,733	
Social Security		8,696	
Pensions		15,623	
Life Insurance		58	
Medical Insurance		17,553	
Communication		561	
Dues and Memberships		460	
Operating Lease Payments		1,920	
Legal Notices, Recording, and Court Costs		3,519	
Maintenance and Repair Services - Office Equipment		1,388	
Maintenance and Repair Services - Vehicles		986	
Travel		706	
Tuition		511	
Gasoline		2,016	
Office Supplies		3,500	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Vehicle and Equipment Insurance	\$	2,215	
Workers' Compensation Insurance		4,500	
Total Planning			\$ 178,920

Geographical Information Systems

Assistant(s)	\$	34,536	
Supervisor/Director		62,188	
Social Security		7,375	
Pensions		13,174	
Life Insurance		37	
Medical Insurance		11,055	
Communication		982	
Contracts with Government Agencies		29,834	
Data Processing Services		45,349	
Dues and Memberships		40	
Maintenance and Repair Services - Equipment		1,129	
Travel		592	
Tuition		450	
Other Contracted Services		4,500	
Gasoline		35	
Other Supplies and Materials		251	
Vehicle and Equipment Insurance		985	
Data Processing Equipment		10,796	
Total Geographical Information Systems			223,308

County Buildings

Custodial Personnel	\$	44,818	
Social Security		3,429	
Pensions		6,104	
Life Insurance		19	
Medical Insurance		5,786	
Communication		23,687	
Postal Charges		116,000	
Travel		500	
Other Contracted Services		23,426	
Custodial Supplies		18,475	
Drugs and Medical Supplies		1,167	
Utilities		115,000	
Other Supplies and Materials		17,186	
Other Charges		248	
Building Improvements		34,747	
Heating and Air Conditioning Equipment		8,849	
Total County Buildings			419,441

Other Facilities

Maintenance and Repair Services - Buildings	\$	1,525	
Total Other Facilities			1,525

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

On-behalf Payments to OPEB	\$ 3,900	
Total Other General Administration		\$ 3,900

Finance

Accounting and Budgeting

Supervisor/Director	\$ 71,145	
Clerical Personnel	61,259	
Social Security	10,085	
Pensions	17,649	
Life Insurance	58	
Medical Insurance	17,444	
Accounting Services	1,608	
Dues and Memberships	2,224	
Maintenance and Repair Services - Office Equipment	292	
Travel	282	
Tuition	292	
Office Supplies	4,267	
Other Supplies and Materials	2,499	
Total Accounting and Budgeting		189,104

Property Assessor's Office

County Official/Administrative Officer	\$ 79,338	
Paraprofessionals	275,180	
Clerical Personnel	152,646	
Social Security	37,888	
Pensions	65,822	
Life Insurance	250	
Medical Insurance	72,519	
Communication	209	
Dues and Memberships	3,178	
Operating Lease Payments	1,633	
Maintenance and Repair Services - Office Equipment	1,544	
Maintenance and Repair Services - Vehicles	2,226	
Travel	2,299	
Tuition	1,000	
Other Contracted Services	65,095	
Gasoline	2,745	
Office Supplies	7,393	
Vehicle and Equipment Insurance	4,382	
Workers' Compensation Insurance	1,028	
Office Equipment	7,090	
Total Property Assessor's Office		783,465

Reappraisal Program

Data Processing Services	\$ 52,986	
Postal Charges	4,000	
Rentals	2,435	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Contracted Services	\$	15,887	
Office Supplies		2,352	
Total Reappraisal Program			\$ 77,660

County Trustee's Office

Life Insurance	\$	150	
Medical Insurance		45,389	
Communication		21	
Dues and Memberships		706	
Travel		1,920	
Tuition		800	
Other Contracted Services		25,103	
Office Supplies		5,280	
Data Processing Equipment		16,000	
Total County Trustee's Office			95,369

County Clerk's Office

Life Insurance	\$	420	
Medical Insurance		125,261	
Communication		1,490	
Dues and Memberships		1,391	
Travel		3,000	
Office Supplies		48,926	
Other Supplies and Materials		22,105	
Other Charges		5,469	
Office Equipment		1,422	
Total County Clerk's Office			209,484

Data Processing

Data Processing Personnel	\$	60,139	
Social Security		4,585	
Pensions		8,191	
Life Insurance		19	
Medical Insurance		5,768	
Communication		17,198	
Data Processing Services		22,641	
Travel		1,253	
Other Contracted Services		18,136	
Other Supplies and Materials		34	
Data Processing Equipment		22,014	
Total Data Processing			159,978

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	79,338	
Total Circuit Court			79,338

(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

Assistant(s)	\$	49,041	
Deputy(ies)		739,664	
Part-time Personnel		840	
Social Security		65,550	
Pensions		112,178	
Life Insurance		578	
Medical Insurance		174,624	
Communication		2,364	
Data Processing Services		28,072	
Dues and Memberships		686	
Custodial Supplies		1,708	
Data Processing Supplies		3,778	
Office Supplies		33,936	
Utilities		25,000	
Data Processing Equipment		17,779	
Office Equipment		3,991	
Total Circuit Court Clerk	\$		1,259,789

General Sessions Judge

Judge(s)	\$	317,888	
Clerical Personnel		55,280	
Part-time Personnel		115	
Other Salaries and Wages		47,334	
Social Security		26,334	
Pensions		56,463	
Life Insurance		85	
Medical Insurance		26,906	
Communication		512	
Dues and Memberships		200	
Travel		2,750	
Tuition		929	
Office Supplies		281	
Periodicals		413	
Total General Sessions Judge			535,490

Drug Court

Assessment Personnel	\$	52,300	
Social Security		4,051	
Pensions		7,212	
Life Insurance		18	
Medical Insurance		5,629	
Communication		1,360	
Rentals		3,600	
Travel		4,304	
Other Contracted Services		150,716	
Office Supplies		441	
Other Supplies and Materials		65,296	
Other Charges		2,000	
Total Drug Court			296,927

(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

Jury and Witness Expense	\$	66	
Life Insurance		92	
Medical Insurance		27,739	
Communication		470	
Dues and Memberships		660	
Maintenance and Repair Services - Office Equipment		10,482	
Travel		545	
Tuition		321	
Office Supplies		3,987	
Total Chancery Court			\$ 44,362

Juvenile Court

County Official/Administrative Officer	\$	49,737	
Probation Officer(s)		259,673	
Youth Service Officer(s)		21,584	
Clerical Personnel		33,608	
Part-time Personnel		33,832	
Other Salaries and Wages		21,844	
Social Security		31,740	
Pensions		54,334	
Life Insurance		177	
Medical Insurance		53,358	
Communication		11,558	
Maintenance and Repair Services - Buildings		8,512	
Maintenance and Repair Services - Vehicles		879	
Medical and Dental Services		300	
Travel		4,458	
Tuition		848	
Other Contracted Services		5,072	
Gasoline		1,900	
Office Supplies		1,400	
Utilities		25,000	
Other Supplies and Materials		5,197	
Vehicle and Equipment Insurance		3,595	
Other Charges		1,765	
Total Juvenile Court			630,371

Judicial Commissioners

Jury and Witness Expense	\$	29,852	
Total Judicial Commissioners			29,852

Other Administration of Justice

Assistant(s)	\$	9,653	
Supervisor/Director		32,791	
Clerical Personnel		14,619	
Social Security		4,678	
Pensions		8,380	

(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.)

Life Insurance	\$	42	
Medical Insurance		12,385	
Communication		315	
Maintenance and Repair Services - Vehicles		217	
Gasoline		1,158	
Office Supplies		178	
Utilities		42	
Other Supplies and Materials		7,577	
Liability Insurance		7,039	
Vehicle and Equipment Insurance		1,379	
Workers' Compensation Insurance		1,568	
Total Other Administration of Justice	\$		102,021

Probation Services

Assistant(s)	\$	45,381	
Supervisor/Director		55,764	
Probation Officer(s)		176,323	
Clerical Personnel		8,931	
Social Security		21,819	
Pensions		37,489	
Life Insurance		158	
Medical Insurance		47,683	
Communication		25	
Rentals		2,700	
Travel		1,471	
Tuition		270	
Drug Treatment		7,349	
Office Supplies		5,400	
Other Supplies and Materials		1,521	
Other Charges		328	
Total Probation Services			412,612

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	87,272	
Deputy(ies)		3,405,864	
Clerical Personnel		54,440	
Custodial Personnel		9,110	
Part-time Personnel		8,432	
School Resource Officer		633,826	
Overtime Pay		101,743	
Other Salaries and Wages		81,804	
In-service Training		57,000	
Social Security		343,883	
Pensions		588,467	
Employee and Dependent Insurance		21,034	
Life Insurance		2,876	

(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.)

Medical Insurance	\$	604,419	
Communication		36,372	
Confidential Drug Enforcement Payments		3,000	
Dues and Memberships		2,000	
Maintenance and Repair Services - Equipment		492	
Maintenance and Repair Services - Vehicles		208,483	
Towing Services		2,525	
Travel		19,907	
Tuition		18,737	
Other Contracted Services		139,505	
Gasoline		371,996	
Law Enforcement Supplies		40,533	
Office Supplies		13,513	
Uniforms		41,581	
Other Supplies and Materials		12,383	
Liability Insurance		67,351	
Vehicle and Equipment Insurance		61,541	
Workers' Compensation Insurance		154,762	
Data Processing Equipment		28,284	
Law Enforcement Equipment		142,231	
Motor Vehicles		219,822	
Total Sheriff's Department			\$ 7,585,188

Special Patrols

Deputy(ies)	\$	36,275	
Overtime Pay		10,462	
Other Salaries and Wages		113	
Social Security		3,327	
Pensions		5,941	
Life Insurance		24	
Medical Insurance		6,328	
Communication		829	
Uniforms		1,199	
Law Enforcement Equipment		11,384	
Total Special Patrols			75,882

Traffic Control

Maintenance and Repair Services - Equipment	\$	13,612	
Utilities		3,752	
Total Traffic Control			17,364

Administration of the Sexual Offender Registry

Motor Vehicles	\$	27,000	
Total Administration of the Sexual Offender Registry			27,000

Jail

Deputy(ies)	\$	3,058,484	
-------------	----	-----------	--

(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)	\$	63,605	
Clerical Personnel		115,127	
Maintenance Personnel		72,352	
Part-time Personnel		18,955	
Overtime Pay		60,000	
Other Salaries and Wages		2,881	
Social Security		252,325	
Pensions		386,590	
Employee and Dependent Insurance		10,056	
Life Insurance		1,818	
Medical Insurance		545,437	
Communication		7,000	
Maintenance and Repair Services - Buildings		119,881	
Maintenance and Repair Services - Equipment		4,577	
Maintenance and Repair Services - Vehicles		16,310	
Medical and Dental Services		785,038	
Transportation - Other than Students		166	
Travel		5,942	
Tuition		2,018	
Other Contracted Services		30,929	
Custodial Supplies		51,845	
Food Supplies		389,570	
Office Supplies		15,859	
Prisoners Clothing		26,666	
Uniforms		30,037	
Utilities		370,054	
Other Supplies and Materials		16,712	
Specialized Medical Treatment		18,075	
Data Processing Equipment		14,340	
Law Enforcement Equipment		27,405	
Motor Vehicles		30,244	
Total Jail			\$ 6,550,298

Correctional Incentive Program Improvements

Supervisor/Director	\$	42,826
Salary Supplements		11,497
Guards		562,185
Part-time Personnel		79,348
Overtime Pay		11,376
Social Security		53,389
Pensions		77,905
Life Insurance		419
Medical Insurance		120,419
Communication		6,392
Maintenance and Repair Services - Buildings		5,252
Maintenance and Repair Services - Equipment		7,763
Maintenance and Repair Services - Office Equipment		1,121

(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.)

Medical and Dental Services	\$	1,650	
Travel		1,000	
Tuition		2,612	
Other Contracted Services		8,269	
Custodial Supplies		11,907	
Food Supplies		12,444	
Gasoline		5,291	
Office Supplies		2,830	
Prisoners Clothing		3,201	
Utilities		18,000	
Other Supplies and Materials		4,210	
Other Charges		1,268	
Total Correctional Incentive Program Improvements			\$ 1,052,574

Juvenile Services

Other Salaries and Wages	\$	38,369	
Social Security		2,904	
Pensions		4,874	
Life Insurance		14	
Medical Insurance		4,246	
Communication		236	
Travel		1,591	
Other Supplies and Materials		3,276	
Total Juvenile Services			55,510

Work Release Program

Supervisor/Director	\$	51,939	
Probation Officer(s)		86,706	
Clerical Personnel		24,411	
Part-time Personnel		12,446	
Social Security		12,864	
Pensions		22,617	
Life Insurance		96	
Medical Insurance		28,928	
Accounting Services		1,800	
Audit Services		802	
Communication		5,370	
Evaluation and Testing		3,194	
Maintenance and Repair Services - Equipment		1,696	
Postal Charges		334	
Printing, Stationery, and Forms		400	
Rentals		18,000	
Travel		13,692	
Tuition		2,535	
Custodial Supplies		693	
Office Supplies		2,222	
Periodicals		350	

(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.)

Utilities	\$	3,660	
Other Supplies and Materials		1,445	
Liability Insurance		8,065	
Refunds		5,960	
Workers' Compensation Insurance		1,028	
Other Charges		6,963	
Data Processing Equipment		3,573	
Total Work Release Program			\$ 321,789

Civil Defense

Supervisor/Director	\$	58,956	
Accountants/Bookkeepers		31,030	
Paraprofessionals		70,534	
Overtime Pay		877	
Social Security		12,346	
Pensions		22,051	
Life Insurance		77	
Medical Insurance		23,143	
Communication		20,088	
Contracts with Government Agencies		19,487	
Contracts with Other Public Agencies		1,155	
Dues and Memberships		1,390	
Janitorial Services		936	
Maintenance and Repair Services - Buildings		1,700	
Maintenance and Repair Services - Equipment		1,500	
Maintenance and Repair Services - Vehicles		4,386	
Travel		964	
Tuition		2,974	
Maintenance and Repair Services - Records		9,989	
Gasoline		9,700	
Office Supplies		2,500	
Uniforms		3,490	
Utilities		13,380	
Building and Contents Insurance		12,134	
Indirect Cost		63,391	
Vehicle and Equipment Insurance		8,820	
Other Charges		5,065	
Motor Vehicles		68,652	
Total Civil Defense			470,715

Other Emergency Management

Contracts with Government Agencies	\$	50,112	
Total Other Emergency Management			50,112

Inspection and Regulation

Investigator(s)	\$	19,738	
Social Security		1,510	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Pensions	\$	2,688	
Building and Contents Insurance		48,544	
Liability Insurance		155,710	
Total Inspection and Regulation			\$ 228,190

County Coroner/Medical Examiner

Supervisor/Director	\$	43,728	
Medical Personnel		13,000	
Overtime Pay		17,278	
Social Security		5,520	
Pensions		8,331	
Life Insurance		19	
Medical Insurance		5,768	
Communication		435	
Maintenance and Repair Services - Vehicles		1,199	
Medical and Dental Services		90,719	
Pauper Burials		999	
Travel		1,490	
Drugs and Medical Supplies		1,656	
Gasoline		3,729	
Office Supplies		519	
Uniforms		610	
Vehicle and Equipment Insurance		766	
In Service/Staff Development		875	
Total County Coroner/Medical Examiner			196,641

Other Public Safety

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

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	64,579	
Custodial Personnel		30,745	
Social Security		7,292	
Pensions		11,583	
Life Insurance		82	
Medical Insurance		23,071	
Communication		6,077	
Maintenance and Repair Services - Buildings		2,950	
Rentals		1,000	
Travel		8,455	
Tuition		1,000	
Custodial Supplies		3,376	
Drugs and Medical Supplies		3,017	
Office Supplies		8,582	
Utilities		25,932	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Other Supplies and Materials	\$	880	
Other Charges		145,472	
Total Local Health Center			\$ 344,093

Rabies and Animal Control

Contributions	\$	80,000	
Total Rabies and Animal Control			80,000

Ambulance/Emergency Medical Services

Supervisor/Director	\$	63,627	
Accountants/Bookkeepers		115,861	
Paraprofessionals		2,321,210	
Part-time Personnel		557,505	
Overtime Pay		243,780	
Social Security		243,804	
Pensions		335,517	
Employee and Dependent Insurance		1,031	
Life Insurance		1,142	
Medical Insurance		346,072	
Communication		20,732	
Dues and Memberships		460	
Laundry Service		12,000	
Licenses		3,250	
Maintenance and Repair Services - Buildings		3,858	
Maintenance and Repair Services - Equipment		4,000	
Maintenance and Repair Services - Vehicles		246,277	
Travel		1,500	
Tuition		2,797	
Custodial Supplies		3,927	
Drugs and Medical Supplies		179,360	
Gasoline		150,271	
Office Supplies		17,856	
Uniforms		10,053	
Utilities		28,845	
Other Supplies and Materials		5,699	
Vehicle and Equipment Insurance		16,542	
Workers' Compensation Insurance		152,512	
Data Processing Equipment		9,519	
Motor Vehicles		160,000	
Office Equipment		1,259	
Other Equipment		30,854	
Total Ambulance/Emergency Medical Services			5,291,120

Nursing Home

Other Charges	\$	12,500	
Total Nursing Home			12,500

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs

Other Salaries and Wages	\$	33,611	
Social Security		2,553	
Pensions		4,578	
Life Insurance		17	
Medical Insurance		4,981	
Communication		435	
Travel		1,892	
Other Supplies and Materials		998	
Other Charges		4,061	
Total Alcohol and Drug Programs			\$ 53,126

Other Local Health Services

Medical Personnel	\$	103,223	
Paraprofessionals		598,511	
Part-time Personnel		9,450	
Social Security		53,326	
Pensions		77,821	
Life Insurance		412	
Medical Insurance		123,753	
Dues and Memberships		1,790	
Travel		26,736	
Office Supplies		3,156	
Indirect Cost		2,000	
Total Other Local Health Services			1,000,178

General Welfare Assistance

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

Other Local Welfare Services

Contracts with Government Agencies	\$	90,011	
Total Other Local Welfare Services			90,011

Other Public Health and Welfare

Office Supplies	\$	9,500	
Total Other Public Health and Welfare			9,500

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

Contributions	\$	94,326	
Total Senior Citizens Assistance			94,326

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Temporary Personnel	\$	108	
Social Security		29	
Pensions		38	
Other Supplies and Materials		19,336	
Other Capital Outlay		10,000	
Total Parks and Fair Boards			\$ 29,511

Other Social, Cultural, and Recreational

Assistant(s)	\$	76,859	
Supervisor/Director		50,030	
Clerical Personnel		25,986	
Maintenance Personnel		125,631	
Temporary Personnel		80,286	
Social Security		29,756	
Pensions		38,127	
Life Insurance		171	
Medical Insurance		45,567	
Communication		2,922	
Maintenance and Repair Services - Buildings		75,625	
Travel		1,681	
Food Supplies		66,473	
Gasoline		12,624	
Office Supplies		2,453	
Uniforms		1,910	
Utilities		119,426	
Other Supplies and Materials		227,312	
Vehicle and Equipment Insurance		1,025	
Workers' Compensation Insurance		8,884	
Other Equipment		22,479	
Other Construction		13,000	
Other Capital Outlay		29,285	
Total Other Social, Cultural, and Recreational			1,057,512

Agriculture and Natural Resources

Agricultural Extension Service

Clerical Personnel	\$	9,620	
Part-time Personnel		14,125	
Other Salaries and Wages		191,780	
Board and Committee Members Fees		80	
Social Security		11,376	
Pensions		20,775	
Medical Insurance		13,405	
Other Fringe Benefits		297	
Communication		2,519	
Contracts with Government Agencies		4,991	
Dues and Memberships		264	
Maintenance and Repair Services - Buildings		9,760	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Travel	\$	3,590	
Office Supplies		843	
Utilities		5,185	
Total Agricultural Extension Service			\$ 288,610

Soil Conservation

Social Security	\$	1,829	
Pensions		3,890	
Life Insurance		19	
Medical Insurance		5,768	
Contracts with Government Agencies		28,560	
Other Charges		8,000	
Total Soil Conservation			48,066

Storm Water Management

Assistant(s)	\$	42,831	
Supervisor/Director		46,666	
Part-time Personnel		11,731	
Social Security		7,687	
Pensions		9,502	
Life Insurance		37	
Medical Insurance		11,151	
Advertising		1,064	
Communication		15	
Data Processing Services		1,400	
Dues and Memberships		130	
Evaluation and Testing		3,849	
Maintenance and Repair Services - Vehicles		316	
Travel		1,422	
Tuition		1,847	
Permits		3,460	
Other Contracted Services		15,647	
Gasoline		2,162	
Instructional Supplies and Materials		931	
Office Supplies		918	
Periodicals		1	
Testing		1,042	
Vehicle and Equipment Insurance		1,025	
Total Storm Water Management			164,834

Other Agriculture and Natural Resources

Other Capital Outlay	\$	3,570	
Total Other Agriculture and Natural Resources			3,570

Other Operations

Tourism

Contributions	\$	238,664	
Total Tourism			238,664

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Contributions	\$ 238,664	
Total Industrial Development		\$ 238,664

Public Transportation

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

Veterans' Services

Assistant(s)	\$ 26,990	
Supervisor/Director	32,104	
Clerical Personnel	23,285	
Social Security	6,211	
Pensions	11,220	
Life Insurance	58	
Medical Insurance	11,571	
Communication	317	
Dues and Memberships	50	
Operating Lease Payments	931	
Travel	1,204	
Other Contracted Services	1,227	
Office Supplies	1,033	
Periodicals	75	
Total Veterans' Services		116,276

Other Charges

Trustee's Commission	\$ 383,446	
Total Other Charges		383,446

Contributions to Other Agencies

Contributions	\$ 52,275	
Dues and Memberships	25,108	
Total Contributions to Other Agencies		77,383

Miscellaneous

Other Salaries and Wages	\$ 9,081	
Social Security	695	
Travel	1,399	
Other Supplies and Materials	66,009	
Total Miscellaneous		77,184

Total General Fund		\$ 33,994,369
--------------------	--	---------------

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 10,419	
Data Processing Equipment	1,516	
Total Libraries		\$ 11,935

(Continued)

Exhibit J-8

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

<u>Law Library Fund (Cont.)</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	131	
Total Other Charges			\$ 131
Total Law Library Fund			\$ 12,066
<u>Public Library Fund</u>			
<u>Social, Cultural, and Recreational Services</u>			
<u>Libraries</u>			
Library Books/Media	\$	611,181	
Other Capital Outlay		20,000	
Total Libraries			\$ 631,181
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	12,549	
Total Other Charges			12,549
Total Public Library Fund			643,730
<u>Solid Waste/Sanitation Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Waste Collection</u>			
Other Contracted Services	\$	44,254	
Total Other Waste Collection			\$ 44,254
<u>Recycling Center</u>			
Maintenance Personnel	\$	16,784	
Social Security		1,284	
Other Contracted Services		85,725	
Utilities		1,101	
Other Supplies and Materials		2,950	
Total Recycling Center			107,844
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	3,283	
Total Other Charges			3,283
<u>Contributions to Other Agencies</u>			
Contributions	\$	27,000	
Total Contributions to Other Agencies			27,000
Total Solid Waste/Sanitation Fund			182,381

(Continued)

Exhibit J-8

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

Local Purpose Tax Fund

Other Operations

Other Charges

Trustee's Commission	\$ 47,780	
Total Other Charges		<u>\$ 47,780</u>

Total Local Purpose Tax Fund \$ 47,780

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$ 51,000
Investigator(s)	11,533
Paraprofessionals	1,654,135
Clerical Personnel	30,070
Part-time Personnel	40,000
Overtime Pay	60,000
Other Salaries and Wages	199,722
In-service Training	34,800
Social Security	161,254
Pensions	273,814
Life Insurance	1,394
Medical Insurance	387,824
Communication	36,014
Dues and Memberships	863
Laundry Service	3,000
Maintenance and Repair Services - Buildings	34,994
Maintenance and Repair Services - Office Equipment	2,914
Maintenance and Repair Services - Vehicles	88,747
Medical and Dental Services	7,157
Postal Charges	328
Printing, Stationery, and Forms	104
Travel	8,000
Tuition	16,834
Other Contracted Services	23,228
Custodial Supplies	14,000
Drugs and Medical Supplies	3,000
Food Supplies	1,998
Gasoline	68,454
Instructional Supplies and Materials	1,401
Office Supplies	6,000
Uniforms	29,761
Utilities	103,263
Other Supplies and Materials	41,506
Building and Contents Insurance	4,375
Liability Insurance	6,892
Vehicle and Equipment Insurance	65,414
Workers' Compensation Insurance	246,153
Principal on Capital Leases	39,086
Interest on Capital Leases	3,868

(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.)

Law Enforcement Equipment	\$	2,155	
Motor Vehicles		127,990	
Other Equipment		65,628	
Other Capital Outlay		211,831	
Total Fire Prevention and Control			\$ 4,170,504

Rescue Squad

Other Charges	\$	7,102	
Total Rescue Squad			7,102

Other Operations

Other Charges

Trustee's Commission	\$	32,684	
Total Other Charges			32,684

Total Special Purpose Fire Tax Fund \$ 4,210,290

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$	3,300	
Towing Services		1,000	
Travel		4,856	
Tuition		1,793	
Law Enforcement Equipment		73,141	
Motor Vehicles		43,361	
Total Sheriff's Department			\$ 127,451

Drug Enforcement

Overtime Pay	\$	15,283	
Social Security		1,147	
Pensions		1,597	
Communication		15,701	
Confidential Drug Enforcement Payments		10,000	
Other Contracted Services		34,270	
Other Supplies and Materials		15,575	
Total Drug Enforcement			93,573

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	12,859	
Total Alcohol and Drug Programs			12,859

Other Operations

Other Charges

Trustee's Commission	\$	2,859	
Total Other Charges			2,859

Total Drug Control Fund 236,742

(Continued)

Exhibit J-8

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

Agriculture Center Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	51,606	
Assistant(s)		26,284	
Supervisor/Director		24,277	
Clerical Personnel		25,262	
Part-time Personnel		10,124	
Social Security		10,437	
Pensions		17,416	
Life Insurance		77	
Medical Insurance		23,072	
Utilities		27,403	
Building and Contents Insurance		14,476	
Vehicle and Equipment Insurance		935	
Total Other Social, Cultural, and Recreational	\$		231,369

Other Operations

Other Charges

Trustee's Commission	\$	2,324	
Total Other Charges			2,324

Total Agriculture Center Fund \$ 233,693

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	347,215	
Total Register of Deeds	\$		347,215

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	397,376	
Total County Trustee's Office			397,376

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	907,466	
Total County Clerk's Office			907,466

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	1,350	
Constitutional Officers' Operating Expenses		254,375	
Total Chancery Court			255,725

Probate Court

Special Commissioner Fees/Special Master Fees	\$	1,380	
Total Probate Court			1,380

Total Constitutional Officers - Fees Fund 1,909,162

(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	87,272	
Assistant(s)		57,042	
Supervisor/Director		43,980	
Accountants/Bookkeepers		31,970	
Dispatchers/Radio Operators		38,522	
Overtime Pay		2,622	
Other Salaries and Wages		246,582	
Data Processing Services		13,616	
Dues and Memberships		5,091	
Legal Notices, Recording, and Court Costs		570	
Maintenance and Repair Services - Office Equipment		1,006	
Travel		3,495	
Tuition		6,240	
Office Supplies		4,932	
Communication Equipment		8,990	
Office Equipment		16,402	
Total Administration			\$ 568,332

Highway and Bridge Maintenance

Foremen	\$	34,959	
Equipment Operators		342,709	
Truck Drivers		226,141	
Laborers		288,773	
Overtime Pay		19,061	
Rentals		5,550	
Other Contracted Services		5,368	
Asphalt - Hot Mix		925,806	
Asphalt - Liquid		35,443	
Concrete		3,541	
Crushed Stone		42,671	
Fertilizer, Lime, and Seed		578	
General Construction Materials		21,257	
Pipe		14,665	
Pipe - Metal		47,467	
Road Signs		54,120	
Salt		323	
Sand		4,691	
Small Tools		114	
Wood Products		1,325	
Other Supplies and Materials		7,287	
Total Highway and Bridge Maintenance			2,081,849

Operation and Maintenance of Equipment

Foremen	\$	39,535	
Mechanic(s)		90,838	
Overtime Pay		1,131	
Laundry Service		24,154	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	128,997	
Equipment and Machinery Parts		83,984	
Garage Supplies		13,672	
Gasoline		39,686	
Lubricants		10,487	
Propane Gas		2,475	
Small Tools		5,193	
Tires and Tubes		29,386	
Other Supplies and Materials		1,216	
Total Operation and Maintenance of Equipment			\$ 470,754

Litter and Trash Collection

Truck Drivers	\$	35,968	
Guards		35,421	
Other Salaries and Wages		9,750	
Other Contracted Services		1,577	
Other Supplies and Materials		19,884	
Total Litter and Trash Collection			102,600

Other Charges

Communication	\$	9,141	
Electricity		12,688	
Water and Sewer		1,647	
Liability Insurance		85,567	
Trustee's Commission		79,063	
Total Other Charges			188,106

Employee Benefits

Social Security	\$	135,787	
Pensions		232,276	
Employee and Dependent Insurance		6,234	
Life Insurance		1,107	
Medical Insurance		327,318	
Unemployment Compensation		2,120	
Workers' Compensation Insurance		66,382	
Total Employee Benefits			771,224

Capital Outlay

Engineering Services	\$	60,889	
Bridge Construction		543	
Building Improvements		14,721	
Highway Construction		248,922	
Land		300	
Other Equipment		429,915	
Total Capital Outlay			755,290

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	58,638	
Truck Drivers		54,000	
Laborers		67,417	
Overtime Pay		1,619	
Rentals		275	
Concrete		643	
Crushed Stone		12,559	
Diesel Fuel		10,500	
Equipment and Machinery Parts		12,187	
Pipe - Metal		526	
Small Tools		972	
Total Highway and Street Capital Projects			\$ 219,336

Total Highway/Public Works Fund \$ 5,157,491

General Debt Service Fund

Other Operations

Other Charges

Accounting Services	\$	2,500	
Trustee's Commission		102,382	
Total Other Charges			\$ 104,882

Principal on Debt

General Government

Principal on Bonds	\$	155,000	
Principal on Other Loans		744,935	
Total General Government			899,935

Education

Principal on Bonds	\$	720,000	
Principal on Capital Leases		57,708	
Principal on Other Loans		2,590,065	
Total Education			3,367,773

Interest on Debt

General Government

Interest on Bonds	\$	55,312	
Interest on Other Loans		253,554	
Total General Government			308,866

Education

Interest on Bonds	\$	994,181	
Interest on Capital Leases		5,866	
Interest on Other Loans		895,135	
Total Education			1,895,182

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Other Debt Service	\$ 59,843	
Total General Government		\$ 59,843

Education

Other Debt Service	\$ 147,302	
Total Education		<u>147,302</u>

Total General Debt Service Fund		\$ 6,783,783
---------------------------------	--	--------------

General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 873	
Total Other Charges		\$ 873

Capital Projects

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 159,728	
Total Social, Cultural, and Recreation Projects		159,728

Other General Government Projects

Other Capital Outlay	\$ 296,812	
Total Other General Government Projects		<u>296,812</u>

Total General Capital Projects Fund		457,413
-------------------------------------	--	---------

Community Development/Industrial Park Fund

Other Operations

Industrial Development

Highway Construction	\$ 149,456	
Site Development	597,045	
Other Construction	<u>105,114</u>	
Total Industrial Development		\$ 851,615

Other Economic and Community Development

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

Other Charges

Trustee's Commission	\$ 22,672	
Total Other Charges		<u>22,672</u>

Total Community Development/Industrial Park Fund		883,687
--	--	---------

(Continued)

Exhibit J-8

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

<u>HUD Grant Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	6	
Total Other Charges			\$
			6
Total HUD Grant Projects Fund			\$
			6
<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	715	
Total Other Charges			\$
			715
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contracts with Other School Systems	\$	11,731	
Total Education Capital Projects			
			<u>11,731</u>
Total Education Capital Projects Fund			
			12,446
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$	146,590	
Total Other Public Health and Welfare			\$
			<u>146,590</u>
Total Endowment Fund			
			<u>146,590</u>
Total Governmental Funds - Primary Government			\$
			<u><u>54,911,629</u></u>

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 27,001,006	
Career Ladder Program	148,250	
Career Ladder Extended Contracts	66,800	
Educational Assistants	1,011,043	
Other Salaries and Wages	63,564	
Non-certified Substitute Teachers	368,001	
Social Security	1,681,475	
Pensions	2,515,528	
Life Insurance	25,246	
Medical Insurance	3,998,224	
Employer Medicare	398,735	
Other Fringe Benefits	304,217	
Operating Lease Payments	3,259	
Maintenance and Repair Services - Equipment	87,307	
Other Contracted Services	58,561	
Instructional Supplies and Materials	419,155	
Textbooks	569,593	
Other Supplies and Materials	66,556	
Fee Waivers	96,000	
Other Charges	7,696	
Regular Instruction Equipment	1,646	
Total Regular Instruction Program		\$ 38,891,862

Special Education Program

Teachers	\$ 2,295,200	
Career Ladder Program	12,000	
Educational Assistants	282,858	
Speech Pathologist	218,560	
Other Salaries and Wages	17,422	
Non-certified Substitute Teachers	16,006	
Social Security	169,794	
Pensions	266,198	
Life Insurance	3,046	
Medical Insurance	460,059	
Employer Medicare	39,842	
Other Contracted Services	95,689	
Instructional Supplies and Materials	67,169	
Other Supplies and Materials	43,968	
Other Charges	9,835	
Special Education Equipment	5,284	
Total Special Education Program		4,002,930

Vocational Education Program

Teachers	\$ 1,952,408
Career Ladder Program	3,500
Other Salaries and Wages	14,000

(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.)

Non-certified Substitute Teachers	\$	17,705	
Social Security		118,370	
Pensions		176,003	
Life Insurance		1,788	
Medical Insurance		290,472	
Employer Medicare		27,686	
Maintenance and Repair Services - Equipment		11,792	
Travel		123	
Instructional Supplies and Materials		81,900	
Other Supplies and Materials		2,975	
Total Vocational Education Program			\$ 2,698,722

Adult Education Program

Teachers	\$	108,704	
Clerical Personnel		50,932	
Other Salaries and Wages		5,852	
Social Security		9,089	
Pensions		4,073	
Life Insurance		43	
Medical Insurance		6,729	
Employer Medicare		2,391	
Travel		9,194	
Instructional Supplies and Materials		7,060	
Other Charges		3,800	
Other Equipment		2,697	
Total Adult Education Program			210,564

Support Services

Attendance

Supervisor/Director	\$	40,417	
Career Ladder Program		1,000	
Clerical Personnel		65,310	
Social Security		5,822	
Pensions		12,639	
Life Insurance		108	
Medical Insurance		19,238	
Employer Medicare		1,362	
Travel		666	
Other Supplies and Materials		2,668	
Total Attendance			149,230

Health Services

Medical Personnel	\$	412,102	
Other Salaries and Wages		96,350	
Social Security		30,109	
Pensions		55,386	

(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.)

Life Insurance	\$	609	
Medical Insurance		80,784	
Employer Medicare		7,042	
Travel		10,305	
Other Contracted Services		11,244	
Drugs and Medical Supplies		10,023	
Other Supplies and Materials		29,340	
Other Charges		821	
Other Equipment		814	
Total Health Services			\$ 744,929

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		1,340,153	
Other Salaries and Wages		152,734	
Social Security		91,058	
Pensions		134,812	
Life Insurance		1,253	
Medical Insurance		184,374	
Employer Medicare		21,296	
Communication		428	
Evaluation and Testing		98,309	
Travel		120	
Other Supplies and Materials		31,305	
In Service/Staff Development		759	
Other Equipment		19,110	
Total Other Student Support			2,082,711

Regular Instruction Program

Supervisor/Director	\$	170,916	
Career Ladder Program		12,975	
Librarians		759,316	
Materials Supervisor		25,766	
Secretary(ies)		49,542	
Educational Assistants		192,813	
Other Salaries and Wages		148,920	
Social Security		78,791	
Pensions		115,794	
Life Insurance		1,123	
Medical Insurance		170,070	
Employer Medicare		18,427	
Communication		2,314	
Travel		8,782	
Other Contracted Services		3,400	
Instructional Supplies and Materials		1,108	
Library Books/Media		253,869	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	9,091	
In Service/Staff Development		3,609	
Total Regular Instruction Program			\$ 2,026,626

Special Education Program

Supervisor/Director	\$	85,323	
Career Ladder Program		4,600	
Psychological Personnel		287,580	
Secretary(ies)		35,035	
Other Salaries and Wages		109,213	
Social Security		29,977	
Pensions		44,103	
Life Insurance		389	
Medical Insurance		56,791	
Employer Medicare		7,193	
Travel		12,649	
Instructional Supplies and Materials		839	
Other Supplies and Materials		44,587	
In Service/Staff Development		10,286	
Total Special Education Program			728,565

Vocational Education Program

Supervisor/Director	\$	76,025	
Secretary(ies)		25,155	
Social Security		6,145	
Pensions		10,299	
Life Insurance		86	
Medical Insurance		13,217	
Employer Medicare		1,437	
Travel		4,000	
Other Supplies and Materials		1,099	
Other Charges		576	
Total Vocational Education Program			138,039

Other Programs

On-behalf Payments to OPEB	\$	409,870	
Total Other Programs			409,870

Board of Education

Board and Committee Members Fees	\$	17,800	
Social Security		663	
Pensions		1,439	
Unemployment Compensation		33,377	
Employer Medicare		258	
Audit Services		28,645	
Dues and Memberships		8,154	

(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.)

Legal Services	\$	45,605	
Travel		5,334	
Other Contracted Services		11,460	
Judgments		639,761	
Liability Insurance		122,978	
Premiums on Corporate Surety Bonds		6,307	
Trustee's Commission		342,623	
Workers' Compensation Insurance		235,038	
In Service/Staff Development		2,681	
Criminal Investigation of Applicants - TBI		11,596	
Refund to Applicant for Criminal Investigation		1,786	
Other Charges		1,852	
Total Board of Education			\$ 1,517,357

Director of Schools

County Official/Administrative Officer	\$	140,275	
Career Ladder Program		1,000	
Secretary(ies)		70,462	
Other Salaries and Wages		6,200	
Social Security		13,093	
Pensions		30,706	
Life Insurance		129	
Medical Insurance		28,719	
Employer Medicare		3,288	
Other Fringe Benefits		15,133	
Communication		48,118	
Dues and Memberships		824	
Postal Charges		6,000	
Travel		3,252	
Office Supplies		2,075	
Other Supplies and Materials		15,930	
In Service/Staff Development		787	
Other Charges		3,619	
Administration Equipment		2,857	
Total Director of Schools			392,467

Office of the Principal

Principals	\$	1,323,100	
Career Ladder Program		13,000	
Assistant Principals		758,280	
Secretary(ies)		735,263	
Social Security		162,732	
Pensions		287,726	
Life Insurance		2,376	
Medical Insurance		448,822	
Employer Medicare		38,239	

(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.)

Office of the Principal (Cont.)

Dues and Memberships	\$	12,750	
Travel		398	
Other Charges		3,727	
Total Office of the Principal			\$ 3,786,413

Fiscal Services

Supervisor/Director	\$	81,627	
Career Ladder Program		2,375	
Accountants/Bookkeepers		164,886	
Social Security		14,725	
Pensions		33,594	
Life Insurance		220	
Medical Insurance		27,718	
Employer Medicare		3,462	
Data Processing Services		13,308	
Dues and Memberships		349	
Other Contracted Services		4,988	
Data Processing Supplies		3,794	
Office Supplies		3,197	
Administration Equipment		3,096	
Total Fiscal Services			357,339

Operation of Plant

Supervisor/Director	\$	71,486	
Guards		10,584	
Custodial Personnel		518,339	
Social Security		33,259	
Pensions		74,626	
Life Insurance		1,037	
Medical Insurance		150,350	
Employer Medicare		7,778	
Communication		4,182	
Janitorial Services		650,805	
Maintenance and Repair Services - Equipment		29,348	
Rentals		1,404	
Disposal Fees		36,275	
Other Contracted Services		64,899	
Custodial Supplies		136,753	
Electricity		1,690,968	
Fuel Oil		108,685	
Natural Gas		211,945	
Water and Sewer		288,681	
Other Supplies and Materials		8,241	
Boiler Insurance		20,181	
Building and Contents Insurance		355,059	
Other Charges		2,000	
Debt Service Contribution to Primary Government		63,574	
Total Operation of Plant			4,540,459

(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

Supervisor/Director	\$	62,040	
Maintenance Personnel		425,809	
Other Salaries and Wages		16,203	
Social Security		28,260	
Pensions		65,505	
Life Insurance		518	
Medical Insurance		76,445	
Employer Medicare		6,920	
Communication		4,013	
Travel		1,217	
Other Contracted Services		14,593	
Other Supplies and Materials		374,858	
Other Charges		2,642	
Total Maintenance of Plant			\$ 1,079,023

Transportation

Supervisor/Director	\$	40,417	
Clerical Personnel		34,580	
Social Security		4,289	
Pensions		8,364	
Life Insurance		65	
Medical Insurance		11,381	
Employer Medicare		1,003	
Communication		2,948	
Contracts with Vehicle Owners		1,923,352	
Maintenance and Repair Services - Vehicles		79,053	
Medical and Dental Services		3,475	
Travel		150	
Gasoline		64,483	
Other Supplies and Materials		4,969	
Vehicle and Equipment Insurance		113,518	
Other Charges		1,702	
Transportation Equipment		64,055	
Total Transportation			2,357,804

Central and Other

Supervisor/Director	\$	79,669	
Data Processing Personnel		184,685	
Other Salaries and Wages		1,000	
Social Security		15,729	
Pensions		32,447	
Life Insurance		255	
Medical Insurance		40,029	
Employer Medicare		3,679	
Communication		4,942	
Maintenance and Repair Services - Equipment		74,465	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Travel	\$	9,016	
Other Contracted Services		349,818	
Other Supplies and Materials		189	
Total Central and Other			\$ 795,923

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	56,904	
Social Security		3,503	
Pensions		7,750	
Life Insurance		3,434	
Medical Insurance		6,489	
Employer Medicare		819	
Travel		4,869	
Other Contracted Services		1,800	
Other Supplies and Materials		2,607	
Total Food Service			88,175

Community Services

Other Salaries and Wages	\$	215,926	
Social Security		13,331	
Pensions		8,675	
Medical Insurance		2,704	
Employer Medicare		3,118	
Maintenance and Repair Services - Equipment		21,122	
Travel		3,236	
Other Contracted Services		51,500	
Instructional Supplies and Materials		17,094	
Other Charges		2,109	
Total Community Services			338,815

Early Childhood Education

Contracts with Other Public Agencies	\$	1,195,860	
Total Early Childhood Education			1,195,860

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	548,516	
Other Capital Outlay		496,732	
Total Regular Capital Outlay			1,045,248

Total General Purpose School Fund \$ 69,578,931

(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	\$	694,227	
Educational Assistants		186,752	
Bonus Payments		2,000	
Non-certified Substitute Teachers		6,420	
Social Security		53,171	
Pensions		65,748	
Life Insurance		605	
Medical Insurance		95,021	
Employer Medicare		12,535	
Other Contracted Services		2,948	
Instructional Supplies and Materials		120,858	
Other Supplies and Materials		12,978	
Regular Instruction Equipment		51,775	
Total Regular Instruction Program			\$ 1,305,038

Special Education Program

Teachers	\$	166,935	
Educational Assistants		534,372	
Social Security		39,756	
Pensions		83,988	
Life Insurance		1,382	
Medical Insurance		213,136	
Employer Medicare		9,411	
Other Contracted Services		159,939	
Instructional Supplies and Materials		400	
Other Supplies and Materials		2,820	
Total Special Education Program			1,212,139

Vocational Education Program

Other Supplies and Materials	\$	8,391	
Vocational Instruction Equipment		81,714	
Total Vocational Education Program			90,105

Support Services

Other Student Support

Guidance Personnel	\$	90,330	
Social Workers		113,917	
Other Salaries and Wages		347,322	
Social Security		32,179	
Pensions		49,167	
Life Insurance		462	
Medical Insurance		73,154	
Employer Medicare		7,526	
Evaluation and Testing		3,928	
Travel		81,701	
Other Contracted Services		76,533	

(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	\$	70,650	
In Service/Staff Development		1,420	
Other Charges		37,471	
Total Other Student Support			\$ 985,760

Regular Instruction Program

Supervisor/Director	\$	123,094	
Secretary(ies)		17,517	
Educational Assistants		20,210	
Other Salaries and Wages		395,590	
Non-certified Substitute Teachers		1,860	
Social Security		30,154	
Pensions		49,510	
Life Insurance		432	
Medical Insurance		59,151	
Employer Medicare		7,820	
Consultants		21,151	
Travel		45,520	
Other Contracted Services		372,508	
Other Supplies and Materials		494,531	
In Service/Staff Development		97,434	
Other Charges		1,430	
Other Equipment		116,331	
Total Regular Instruction Program			1,854,243

Special Education Program

Secretary(ies)	\$	69,550	
Other Salaries and Wages		406,856	
Social Security		29,447	
Pensions		45,513	
Life Insurance		432	
Medical Insurance		68,006	
Employer Medicare		7,054	
Travel		5,110	
In Service/Staff Development		17,990	
Total Special Education Program			649,958

Vocational Education Program

In Service/Staff Development	\$	11,210	
Total Vocational Education Program			11,210

Transportation

Bus Drivers	\$	115,965	
Other Salaries and Wages		14,772	
Social Security		6,224	
Pensions		3,851	
Employer Medicare		1,895	
Total Transportation			142,707

Total School Federal Projects Fund \$ 6,251,160

(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	\$ 1,818,922	
Social Security	109,315	
Pensions	181,433	
Medical Insurance	442,383	
Employer Medicare	25,661	
Advertising	514	
Communication	4,140	
Dues and Memberships	1,036	
Freight Expenses	1,394	
Maintenance and Repair Services - Equipment	82,279	
Pest Control	7,095	
Travel	7,579	
Permits	1,280	
Other Contracted Services	79,959	
Food Preparation Supplies	20,597	
Food Supplies	2,013,054	
Ice	34,982	
Uniforms	10,286	
USDA - Commodities	311,082	
Other Supplies and Materials	161,805	
Refunds	1,414	
In Service/Staff Development	200	
Criminal Investigation of Applicants - TBI	1,000	
Other Charges	9,164	
Food Service Equipment	173,515	
Total Food Service		\$ 5,500,089
Total Central Cafeteria Fund		\$ 5,500,089
Total Governmental Funds - Bradley County School Department		\$ 81,330,180

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, 2015

	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	\$ 5,869,237	\$ 5,869,237
Trustee's Collections - Prior Years	0	0	218,053	218,053
Circuit/Clerk and Master Collections - Prior Years	0	0	84,253	84,253
Interest and Penalty	0	0	32,541	32,541
Payments in-Lieu-of Taxes - Local Utilities	0	0	2,706	2,706
Payments in-Lieu-of Taxes - Other	0	0	202,799	202,799
Local Option Sales Taxes	11,544,058	0	5,622,914	17,166,972
Mixed Drink Tax	0	3,534	0	3,534
Bank Excise Taxes	0	0	31,168	31,168
Interstate Telecommunications Taxes	0	0	3,415	3,415
Marriage Licenses	0	0	2,841	2,841
Other Local Revenue	0	0	201	201
Income Tax	0	0	23,174	23,174
Total Cash Receipts	\$ 11,544,058	\$ 3,534	\$ 12,093,302	\$ 23,640,894
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 11,542,714	\$ 0	\$ 11,966,325	\$ 23,509,039
Trustee's Commission	1,344	0	128,665	130,009
Total Cash Disbursements	\$ 11,544,058	\$ 0	\$ 12,094,990	\$ 23,639,048
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 3,534	\$ (1,688)	\$ 1,846
Cash Balance, July 1, 2014	0	2,834	14,139	16,973
Cash Balance, June 30, 2015	\$ 0	\$ 6,368	\$ 12,451	\$ 18,819

STATISTICAL SECTION

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

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

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)

	<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>	<u>2015</u>
PRIMARY GOVERNMENT (Note 1)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 40,684,983
Restricted	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	24,072,985
Unrestricted	(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)	(28,004,141)
Total Governmental Activities Net Position	<u>\$ 11,087,675</u>	<u>\$ 27,628,334</u>	<u>\$ 32,449,361</u>	<u>\$ 35,746,151</u>	<u>\$ 21,031,322</u>	<u>\$ 21,854,657</u>	<u>\$ 24,836,861</u>	<u>\$ 27,879,801</u>	<u>\$ 27,935,799</u>	<u>\$ 36,753,827</u>
COMPONENT UNIT - Bradley County Schools (Notes 2,3)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 65,082,166
Restricted	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	3,074,624
Unrestricted	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)	(11,789,608)
Total Governmental Activities Net Position	<u>\$ 61,874,705</u>	<u>\$ 66,632,494</u>	<u>\$ 65,392,370</u>	<u>\$ 63,234,919</u>	<u>\$ 74,361,769</u>	<u>\$ 73,724,003</u>	<u>\$ 73,606,653</u>	<u>\$ 71,360,553</u>	<u>\$ 68,829,988</u>	<u>\$ 56,367,182</u>

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)

	<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>	<u>2015</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 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	\$ 5,528,271
Finance	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	2,816,104
Administration of Justice	2,484,104	2,544,591	3,006,547	3,263,202	3,363,566	3,464,029	3,434,737	3,567,747	3,623,133	3,499,575
Public Safety	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	21,600,283
Public Health and Welfare	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	6,806,388
Social, Cultural, and Recreational Services	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	1,919,845
Agriculture and Natural Resources	412,796	441,046	442,092	547,161	527,160	552,058	1,028,690	530,340	622,063	478,789
Other Operations	1,599,541	3,314,102	2,241,926	1,580,426	-	-	-	-	-	-
Highways/Public Works	3,761,715	3,853,649	3,951,114	4,474,498	4,570,149	4,580,015	4,650,587	5,006,216	4,927,413	4,330,329
Education (Payments to Component Unit)	11,346,511	-	-	-	17,734,346	666,796	586,923	396,897	49,457	11,731
Interest on Long-term Debt	3,494,212	3,008,201	3,251,113	2,274,490	2,580,564	2,121,089	2,135,600	2,140,750	2,420,649	2,184,949
Other Debt Service	174,032	6,062,980	559,551	82,624	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 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	\$ 49,176,264
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 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	\$ 922,543
Finance	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	2,791,378
Administration of Justice	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	3,018,838
Public Safety	1,318,278	2,868,159	3,289,619	3,331,211	2,957,830	2,815,912	3,056,052	3,753,450	3,222,592	3,540,777
Public Health and Welfare	3,433,555	3,617,068	3,809,439	4,294,395	4,391,421	4,559,478	4,424,929	5,157,857	4,233,066	9,103,220
Social, Cultural, and Recreational Services	2,913	154,874	144,459	143,499	256,213	245,372	216,977	129,801	133,496	108,063
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	6,601
Operating Grants and Contributions	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	4,780,315
Capital Grants and Contributions	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	828,101
Total Governmental Activities Program Revenues	\$ 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	\$ 25,099,836

(Continued)

Table 2

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

	<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>	<u>2015</u>
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (24,076,428)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 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	\$ 19,364,871
Property Tax Levied for Debt Services	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	4,823,017
Sales Tax	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	4,905,518
Other Local Taxes	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	2,993,543
Unrestricted Grants and Contributions	894,447	868,050	909,566	1,034,691	987,536	1,016,542	1,122,283	1,341,794	1,308,872	1,851,278
Investment Earnings	1,196,114	2,082,608	1,583,986	1,007,863	705,170	497,460	242,552	388,253	372,997	286,349
Proceeds from Hospital Sale	-	15,000,000	-	-	-	-	-	-	-	-
Proceeds from Sale of Equipment	-	-	-	-	-	-	-	41,901	115,975	368,089
Insurance Recovery	-	-	-	-	-	-	6,028	-	-	-
Miscellaneous	161,287	120,302	296,445	284,422	232,934	173,099	348,692	555,613	517,999	341,472
Total Governmental Activities	\$ 25,973,771	\$ 42,660,964	\$ 29,091,081	\$ 28,642,784	\$ 28,817,506	\$ 29,282,458	\$ 30,332,262	\$ 31,276,824	\$ 30,729,999	\$ 34,934,137
Change in Net Position	\$ (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	\$ 10,857,709

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ 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	\$ 80,927,446
PRIMARY GOVERNMENT: (Note 1)	\$ 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	\$ 80,927,446
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 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	\$ 1,701,751
Operating Grants and Contributions	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	11,496,289
Capital Grants and Contributions	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	\$ 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	\$ 13,198,040
Component Unit - Bradley County Schools (Notes 2,3)										
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (67,729,406)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 10,690,877	\$ 10,995,203	\$ 11,169,146	\$ 11,451,060	\$ 11,555,769	\$ 11,657,251	\$ 11,692,391	\$ 11,916,342	\$ 11,663,374	\$ 12,252,672
Sales Tax	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	10,834,748
Other Local Taxes	10,698	10,783	7,399	7,196	5,141	4,989	-	5,647	7,003	6,540
Unrestricted Grants and Contributions	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	45,521,858
Investment Earnings	444,794	438,669	207,630	80,902	21,309	15,507	20,648	23,528	28,734	23,014
Sale of Land/Equipment	2,671	-	-	-	-	-	6,199	-	-	2,298
Miscellaneous	90,180	9,677	26,109	71,272	48,972	118,831	23,502	51,972	48,317	90,280
Insurance Recovery	-	-	-	-	-	-	715,276	-	-	-
Pension Income	-	-	-	-	-	-	-	-	-	84,636
Total Governmental Activities	\$ 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	\$ 68,816,046
Change in Net Position	\$ 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)	\$ 1,086,640

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
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
2015	19,364,871	12,252,672	4,905,518	10,834,748	2,993,543	6,540	50,357,892

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PRIMARY GOVERNMENT										
General Fund:										
Reserved	\$ 1,319,054	\$ 1,638,349	\$ 2,014,095	\$ 2,210,967	\$ 2,571,493	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	1,912,515	2,107,591	1,184,962	1,229,926	1,125,843
Committed	-	-	-	-	-	473,920	555,709	656,180	778,668	901,852
Assigned	-	-	-	-	-	510,608	473,584	487,520	498,269	459,965
Unreserved/Unassigned	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	5,601,008
Total General Fund	<u>\$ 7,131,666</u>	<u>\$ 8,120,094</u>	<u>\$ 7,520,768</u>	<u>\$ 5,462,934</u>	<u>\$ 3,661,891</u>	<u>\$ 3,332,414</u>	<u>\$ 4,337,857</u>	<u>\$ 6,536,352</u>	<u>\$ 7,133,997</u>	<u>\$ 8,088,668</u>
All Other Governmental Funds:										
Reserved	\$ 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	16,021,681
Restricted	-	-	-	-	-	6,326,324	6,482,944	4,466,337	4,461,847	4,363,048
Committed	-	-	-	-	-	20,062,092	18,292,224	17,855,310	14,692,728	14,305,427
Assigned	-	-	-	-	-	154,603	119,692	123,013	137,110	983,248
Unreserved, Reported in:										
Special Revenue Funds	3,785,800	4,978,832	2,153,228	6,361,629	5,509,162	-	-	-	-	-
Debt Service Funds	23,378,643	15,863,135	15,491,369	16,250,237	16,403,302	-	-	-	-	-
Capital Projects Funds	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	<u>\$ 37,600,931</u>	<u>\$ 38,327,511</u>	<u>\$ 41,434,785</u>	<u>\$ 45,277,736</u>	<u>\$ 45,168,195</u>	<u>\$ 42,484,624</u>	<u>\$ 41,388,039</u>	<u>\$ 38,372,047</u>	<u>\$ 35,270,468</u>	<u>\$ 35,673,404</u>
COMPONENT UNIT - Bradley										
County Schools										
General Purpose School Fund:										
Reserved	\$ 381,419	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,298,683	2,933,392	3,777,927	3,892,469	2,884,497	-	-	-	-	-
Restricted	-	-	-	-	-	37,772	381,315	857,214	870,222	850,038
Committed	-	-	-	-	-	-	-	-	309,736	1,664,028
Assigned	-	-	-	-	-	-	-	-	-	290,771
Unassigned	-	-	-	-	-	4,866,298	7,240,601	5,837,214	4,907,575	4,396,493
Total General Purpose School Fund	<u>\$ 5,680,102</u>	<u>\$ 5,300,214</u>	<u>\$ 4,780,871</u>	<u>\$ 4,982,916</u>	<u>\$ 6,212,566</u>	<u>\$ 4,904,070</u>	<u>\$ 7,621,916</u>	<u>\$ 6,694,428</u>	<u>\$ 6,087,533</u>	<u>\$ 7,201,330</u>
All Other School Funds:										
Reserved	\$ 3,421,028	\$ 399,481	\$ 264,450	\$ 193,276	\$ 3,356,743	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds	820,498	1,024,770	884,550	1,278,572	1,525,227	-	-	-	-	-
Capital Projects Funds	476,718	5,596,972	47,190	(141,068)	404,372	-	-	-	-	-
Restricted	-	-	-	-	-	2,084,451	1,521,925	1,595,337	1,312,774	931,883
Committed	-	-	-	-	-	300,000	300,000	300,000	300,000	300,000
Total All Other Governmental Funds	<u>\$ 4,718,244</u>	<u>\$ 7,021,223</u>	<u>\$ 1,196,190</u>	<u>\$ 1,330,780</u>	<u>\$ 5,286,342</u>	<u>\$ 2,384,451</u>	<u>\$ 1,821,925</u>	<u>\$ 1,895,337</u>	<u>\$ 1,612,774</u>	<u>\$ 1,231,883</u>

Table 5

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 56,477,797
Licenses and Permits	446,892	420,076	375,282	370,507	289,502	333,876	666,804	368,341	414,345	521,005
Fines and Forfeitures	981,503	1,708,360	899,921	939,523	698,858	946,282	1,080,260	823,299	799,184	959,705
Charges for Service	7,228,248	7,917,495	8,309,819	8,668,053	8,525,735	8,590,999	8,697,225	9,348,118	9,019,873	9,148,040
Other Local Revenue	3,231,818	4,480,890	3,834,682	2,731,501	1,787,429	2,171,170	2,567,203	2,633,582	3,475,746	1,739,463
Fees from Co. Officials	2,638,050	2,802,077	2,663,595	2,372,484	2,371,732	2,280,525	2,521,097	2,629,465	2,535,893	2,570,682
State Revenues	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	53,120,116
Federal Revenues	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	11,584,833
Other Govt/Citizens	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	1,895,163
Total Revenues	\$ 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	\$ 138,016,804
Expenditures										
General Government	\$ 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	\$ 2,602,925
Finance	1,110,913	1,244,702	2,496,405	2,656,901	2,603,230	2,543,295	2,591,243	2,679,649	2,655,256	2,819,902
Admin. of Justice	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	3,647,867
Public Safety	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	21,479,893
Public Health/Welfare	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	7,193,575
Social, Cultural/Rec.	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	2,065,334
Agriculture and Natural Resources	411,087	438,400	431,756	530,839	519,283	534,679	577,159	531,148	618,665	505,080
Other Operations	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	2,292,390
Special Revenues	3,899,970	4,216,420	-	-	-	-	-	-	-	-
Highways and Bridges	4,947,495	4,272,383	4,545,887	4,267,183	5,089,706	4,737,789	4,934,941	5,151,612	5,149,798	4,938,155
Education	58,200,686	65,052,012	70,646,423	70,854,287	73,360,474	77,541,619	76,493,967	78,317,538	81,588,765	80,284,932
Debt Service										
Principal	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	4,267,708
Interest	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	2,204,048
Other Charges/Operations	302,141	8,497,361	553,259	699,144	453,094	851,425	814,904	518,483	223,314	207,145
Endowment	-	923,104	-	198,460	232,428	629,426	321,349	-	-	-
Capital Projects-General	12,532,566	982,833	1,179,342	828,613	18,436,805	2,747,137	1,406,705	683,535	2,407,479	687,607
Cap Assets Pur/Depr. Exp - Primary	-	-	-	(191,374)	1,461,421	-	-	-	-	-
Involving Capital Assets - Primary	-	-	-	(47,333)	(93,530)	-	-	-	-	-
Capital Outlay/Projects-Schools	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	1,045,248
Cap Assets Pur /Depr. Exp - Schools	-	-	-	(1,826,931)	6,592,137	-	-	-	-	-
	\$ 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	\$ 136,241,809
Excess of Revenues Over (Under) Expenditures	\$ (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)	\$ 1,774,995

(Continued)

Table 5

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Transfers In	\$ 627,644	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724	\$ 44,599	\$ 81,929	\$ 279,041	\$ 2,618,361
Transfers Out	(627,644)	(510,416)	(308,693)	(302,483)	(942,147)	(47,724)	(44,599)	(81,929)	(279,041)	(2,618,361)
Capital Leases Issued	-	-	-	-	-	-	-	-	-	195,700
Bond Proceeds	-	-	-	-	17,550,000	-	-	2,870,000	-	-
Note Proceeds	12,146,511	500,000	-	-	240,000	-	-	-	-	-
Proceeds on Refunded Bonds	-	-	-	66,820,000	-	-	-	4,255,000	-	-
Payments to Refunded Bond Escrow	-	(9,705,000)	-	(66,275,000)	-	-	-	(4,340,000)	-	-
Discount on Debt Issued	-	-	-	-	-	-	-	(20,158)	-	-
Premiums on Debt Issued	-	-	-	103,984	21,601	-	-	202,743	-	-
Proceeds Capitalized Lease	18,219	750,922	233,252	151,579	193,736	-	302,000	-	-	-
Insurance Recovery	-	-	41,057	-	14,880	108,870	721,304	25,364	-	119,818
Proceeds on Sale of Assets	-	-	-	-	-	6,150	-	-	10,259	-
Proceeds on Sale of Hospital	-	15,000,000	-	-	-	-	-	-	-	-
Proceeds on Sale of Land	-	-	5,650	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 12,164,730	\$ 6,545,922	\$ 279,959	\$ 800,563	\$ 18,020,217	\$ 115,020	\$ 1,023,304	\$ 2,992,949	\$ 10,259	\$ 315,518
Net Change in Fund Balances	\$ (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)	\$ 2,090,513
Debt Service as a Percentage of Noncapital Expenditures	15%	4.8%	4.7%	4.2%	3.5%	4.1%	4.3%	4.5%	4.9%	4.8%

General Governmental and Discretely Presented Component Unit Tax Revenues by Source

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
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
2015	37,635,252	15,665,572	951,845	448,666	1,246,938	16,568	162,131	339,131	11,694	56,477,797

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	
2006	2005	\$ 2.02	\$ 5,020,566,900	\$ 1,429,562,610	\$ 648,911,057	\$ 194,673,307	\$ -	\$ -	\$ 5,669,477,957	\$ 1,624,235,917	28.65%
2007	2006	2.02	5,669,477,400	1,429,569,410	648,910,500	194,673,317	-	-	6,318,387,900	1,624,242,727	25.71%
2008	2007	2.02	5,239,053,700	1,496,126,215	701,160,400	194,673,317	-	-	5,940,214,100	1,690,799,532	28.46%
2009	2008	2.02	5,333,059,000	1,519,689,940	701,160,400	184,852,571	99,164,485	99,164,485	6,133,383,885	1,803,706,996	29.41%
2010	2009	1.79	6,183,241,600	1,760,820,220	709,176,752	212,753,182	108,653,195	108,653,195	7,001,071,547	2,082,226,597	29.74%
2011	2010	1.79	6,162,210,702	1,754,580,595	680,745,702	204,223,716	108,668,296	59,767,562	6,951,624,700	2,018,571,873	29.04%
2012	2011	1.79	6,253,300,000	1,786,343,575	722,568,000	215,179,703	113,197,366	62,258,551	7,089,065,366	2,063,781,829	29.11%
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%
2015	2014	1.87	6,228,628,900	1,773,480,820	719,551,600	215,865,469	118,096,800	64,953,246	7,066,277,300	2,054,299,535	29.07%

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	Tax	Bradley Co	Bradley Co	Bradley Co	Bradley Co	Cleveland	Bradley Co	Bradley Co	Bradley Co	Bradley Co	Total	Bradley Co	Bradley Co	City of	City of
Year	June 30	Year	Gen	Public	Pike	County	City	Debt	Capital	Edu Cap	Community	Bradley	Fire O/S	Fire I/S	Cleveland	Charleston
			Fund	Library	Road	Schools	Schools	Service	Projects	Projects	Development	County	Fringe	Fringe		
												Direct Rate				
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		0.5269	0.0282	0.1287	0.5734	0.2859	0.2297	-	0.0017	0.0509	1.83	0.34	0.42	1.77	0.44
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
2015	2014		0.5349	0.0277	0.1276	0.5624	0.2985	0.2674	-	0.0016	0.0520	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, 2015

Taxpayer	Type of Business	2014			Percentage of Total Taxes Levied	2005			Percentage of Total Taxes Levied
		Rank	Tax Liability			Rank	Assessed Valuation	Tax Liability	
Wacker	Solar Products	1	\$ 1,008,264		2.73%	0	\$ -	\$ -	0.00%
Community Health Systems	Hospitals	2	624,953		1.69%		-	-	0.00%
Mars, Inc.	Candies, Cookies	3	520,759		1.41%	3	19,213,969	388,122	1.32%
Olin Mathieson	Chemical Company	4	473,534		1.28%	4	17,344,528	350,359	1.19%
Duracell/Gillette	Battery Manufacturer	5	344,737		0.93%	2	22,592,896	456,377	1.55%
Whirlpool	Appliance Manufacturer	6	341,157		0.92%	1	31,543,456	637,178	2.16%
Bayer Healthcare	Health Products	7	337,779		0.91%	8	11,182,754	225,892	0.77%
Volunteer Energy Coop	Utility	8	330,122		0.89%	9	10,918,942	209,651	0.71%
Arch Chemicals	Chemical Company	9	313,341		0.85%	7	14,017,640	283,156	0.96%
Life Care Centers	Nursing Homes	10	294,025		0.80%		-	-	0.00%
					<u>9.70%</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, 2015

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	Ratio of Uncollected Taxes to Total Tax Levy
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	706,064	38,140,571	95.73	1,128,199	22,715	2.89
2014	41,876,986	39,792,289	(1)	39,792,289	95.02	(1)	32,664	0.08

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				Total Government	Percentage of Personal Income	Per Capita (1)
	General Bonded Debt	Notes	Other Loans Payable	Capital Leases			
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%	674
2015	22,345,000	-	42,725,000	217,184	65,287,184	3.01%	634

(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	(1) Population	Net Bonded Debt and Other Loans Payable Per Capita
2006	\$ 1,285,000	\$ 69,635,000	\$ 23,378,643	\$ 47,541,357	\$ 1,684,782,571	2.82%	87,965	\$ 540
2007	875,000	67,990,000	15,863,135	53,001,865	1,685,029,701	3.15	87,965	603
2008	450,000	66,275,000	15,491,369	51,233,631	1,742,833,326	2.94	87,965	582
2009	-	64,995,000	16,250,237	48,744,763	1,759,083,033	2.77	87,965	554
2010	17,550,000	62,645,000	16,403,302	63,791,698	2,033,332,659	3.14	87,965	725
2011	17,550,000	60,195,000	15,529,814	62,215,186	2,018,571,873	3.08	98,963	629
2012	17,550,000	56,660,000	14,136,118	60,073,882	2,063,781,829	2.91	101,300	593
2013	24,075,000	49,255,000	12,965,130	60,364,870	2,059,825,824	2.93	101,146	597
2014	23,220,000	46,060,000	11,650,561	57,629,439	2,032,352,325	2.84	101,848	566
2015	22,345,000	42,725,000	10,667,964	54,402,036	2,054,299,535	2.65	102,975	528

(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, 2015

	<u>Net Debt Outstanding</u>	<u>Percentage of Debt Applicable to the County</u>	<u>County's Share of Debt</u>
<u>Bradley County Direct Debt</u>			
General Bonded Debt (1)	\$ 22,345,000		
Notes Payable	-		
Public Building Authority Loan Agreements	42,725,000		
Capital Leases Payable	<u>217,184</u>		
Total County's Direct Debt	\$ 65,287,184	100.00%	\$ 65,287,184
City of Cleveland	74,936,416	100.00%	74,936,416
City of Charleston	<u>-</u>	100.00%	<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 140,223,600</u>		<u>\$ 140,223,600</u>

(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.

Table 13

Bradley County, Tennessee
Computation of Legal Debt Margin
June 30, 2015

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
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
2015	102,975	2,172,112,296	21,649	38.3	15.9	10,490	5.1

(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 Ten Years Ago

<u>Employer</u>	<u>2015</u>			<u>2005</u>		
	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		<u>18.28%</u>	4,425		<u>8.87%</u>
Total Employment - Average Annual 2015	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

	<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>	<u>2015</u>
Function:										
General Government	38	38	44	58	51	51	47	46	49	49
Finance	42	46	47	47	48	48	46	48	47	47
Administration of Justice	55	59	60	61	64	64	64	63	64	65
Public Safety	272	244	239	240	296	296	305	301	352	316
Health and Welfare	83	86	89	91	123	127	123	122	132	120
Social, Cultural, and Recreational	10	8	10	9	10	10	10	9	29	33
Agriculture and Natural Resources	2	6	7	20	19	18	20	19	13	11
Other	2	2	3	3	3	3	3	3	3	3
Road and Bridge	53	54	56	59	59	59	59	65	59	65
Total (1)	557	543	555	588	673	676	677	676	748	709
Component Unit:										
Education (2)	922	1,100	1,100	953	953	953	953	955	1183	1050

(1) Bradley County Human Resources Department

(2) Bradley County Schools

Table 18
Bradley County, Tennessee
Operating Indicators by Function
Last Ten Fiscal Years

Function:	<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>	<u>2015</u>
<u>General Government</u>										
Registered Voters (1)	53,188	55,412	57,766	55,774	55,500	60,201	58,000	62,777	62,629	62,635
Building Permits Issued (2)	831	647	457	365	325	324	338	642	331	801
<u>Public Safety</u>										
Number of Warrants (Civil and Criminal) Served (3)	3,002	4,435	3,707	12,198	8,200	9,000	18,150	18,400	22,250	26,246
Fire Dept - Call Volume	-	-	-	-	-	-	-	-	-	-
Rescue Service - Call Volume	-	-	-	-	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	1,150	702	777	678	1,302	1,265	1,300	1,310	1,559	1,579
<u>Public Health</u> (5)										
Ambulance- Call Volume	18,000	18,515	18,500	20,400	19,500	20,000	22,000	21,800	21,852	21,950
Response Time - Avg. Minutes	6.6	6.6	6.6	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<u>Road and Bridge</u> (6)										
Roads re-paved	61.9	45.5	56.2	21.8	25.0	25	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

	<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>	<u>2015</u>
Function:										
Highways and Streets (1)										
Number of Miles	744	749	759	759	759	759	759	759	759	759
Number of Roads	N/A	1,248	1,251	1,253	1,253	1,253	1,253	1,253	1,253	1,254
Traffic Signals	6	6	6	6	6	6	6	8	8	8
Public Safety (2)										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	7	7	7	8	8	8	10	13	13	13
Health and Welfare (2)										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	213	213	213	213	213	213	213	213	213	213
Dispatch Station										
Ambulance Stations	3	3	3	6	5	5	5	5	5	5
Number of Ambulance Units	10	10	10	12	12	12	12	12	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<u>Facilities and Services Not Included in the Primary Government</u>										
Education (3)										
Number of Employees *	922	1,100	1,100	953	953	953	970	988	1,183	1,050
Elementary Schools	11	11	11	11	12	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

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements, and have issued our report thereon dated November 12, 2015. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2015-001 and 2015-003.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2015-002, 2015-005, and 2015-006.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item number 2015-004.

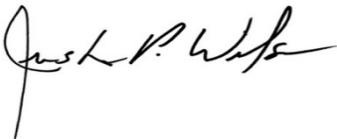
Bradley County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 12, 2015

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 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, 2015. 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 a 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, 2015.

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.

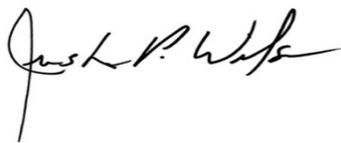
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements. We issued our report thereon dated November 12, 2015, 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 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. 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

November 12, 2015

JPW/kp

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

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	\$ 311,082 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	751,606
National School Lunch Program	10.555	N/A	2,409,952 (3)
Total U.S. Department of Agriculture			<u>\$ 3,472,640</u>
U.S. Department of Justice:			
Passed-through City of Cleveland, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21914	\$ 17,624
Total U.S. Department of Justice			<u>\$ 17,624</u>
U.S. Department of Labor:			
Direct Programs:			
YouthBuild	17.274	YC-25403-14-60-A-47	\$ 1,269,325
Total U.S. Department of Labor			<u>\$ 1,269,325</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z14-GHS038-00	\$ 18,628
Total U.S. Department of Transportation			<u>\$ 18,628</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	S215E120110	\$ 428,877
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(4)	263,076
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,915,766
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,986,913
Special Education - Preschool Grants	84.173	N/A	64,939
Career and Technical Education - Basic Grants to States	84.048	N/A	131,508
Twenty-first Century Community Learning Centers	84.287	(2)	338,815
English Language Acquisition Grants	84.365	(2)	13,024
Improving Teacher Quality State Grants	84.367	N/A	237,200
State Fiscal Stabilization Fund (SFSS) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	145,333
Passed-through Tennessee College Access and Success Network:			
Race-to-the-Top - District Grants	84.416	(2)	4,714
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	167,333
Total U.S. Department of Education			<u>\$ 5,697,498</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1974-DR-TN	\$ 606,033
Emergency Management Performance Grants	97.042	34101-02714	56,000
Homeland Security Grant Program	97.067	(5)	50,112
Total U.S. Department of Homeland Security			<u>\$ 712,145</u>
Total Expenditures of Federal Awards			<u>\$ 11,187,860</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-15-42219-00	\$ 699,421
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	13,500
Juvenile Drug Court - State Department of Mental Health and Substance Abuse	N/A	42108	54,345
Adult Drug Court - State Department of Mental Health and Substance Abuse	N/A	(2)	77,923
Custody Prevention Services - State Department of Children's Services	N/A	35910-20237	44,112
Community Corrections Program - State Board of Probation and Patrol	N/A	32901-31231	283,989
Disaster Assistance - Tennessee Emergency Management Agency	N/A	FEMA-1974-DR-TN	90,675
Three Star Grant Program - State Department of Economic and Community Development	N/A	(2)	10,000
Litter Program - State Department of Transportation	N/A	DG1338324	55,000
Early Childhood Education Pilot/State - Lottery Commission	N/A	(2)	1,199,660
Coordinated School Health Improvement - State Department of Education	N/A	(2)	95,000
Safe Schools Act - State Department of Education	N/A	(2)	51,174
ConnecTN - State Department of Education	N/A	(2)	29,324
Child Safety Seat - State Commission on Children and Youth	N/A	510390	9,658
Tobacco Control Program - State Department of Health	N/A	(2)	82,722
Student Ticket Subsidy - State Art Commission	N/A	(2)	3,727
Total State Grants			<u>\$ 2,800,230</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$2,721,034.
- (4) LWC06F141AESD15: \$210,676, LWC06F141ELCV15: \$25,567, LWC06132AESD14: \$26,833.
- (5) 34101-13914: \$43,697, 34101-13915: \$6,415.

Bradley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	256	Multiple employees operated from the same cash drawer

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-003	257	Duties were not segregated adequately

BRADLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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 significant deficiencies in internal control. Two of these deficiencies were 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 reported 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 YouthBuild (CFDA No. 17.274), the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), the Fund for the Improvement of Education (CFDA No. 84.215), and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$335,636 threshold was used to distinguish between Type A and Type B federal programs.
9. Bradley County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2015-001

THE GENERAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments totaling \$981,169 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Bradley County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of the Ambulance Service accounts receivables not being posted to the general ledger and the correction of payroll deduction accounts subsequent to June 30, 2015. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Bradley County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

This issue has been addressed and corrected and in the future will not be an issue.

FINDING 2015-002

USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES IN THE MISDEMEANOR PROBATION OFFICE

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The username and the password assigned to an office intern in the Misdemeanor Probation Office were known by other employees of the office. If inappropriate activity was to occur

using this account, the individual responsible for this activity would not be easily identified because of the shared username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should remain confidential and should not be shared by employees.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The misdemeanor probations director has responded stating that the required changes have been made. The intern's password and sign on ID to the computer have been changed. Each intern will be given a password and sign on ID to avoid this deficiency in the future.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-003

THE SCHOOL FEDERAL PROJECTS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the School Federal Projects Fund were not materially correct, and audit adjustments totaling \$331,090 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management not posting payables for an interfund loan and indirect costs and not posting a receivable from the State of Tennessee. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the finding. We have created an organizational chart for the Business Office which clearly outlines the roles of the office so that checks and balances are

in place. With the transition of personnel, and the organization chart in place, we will work to create written policies for the department in the future.

FINDING 2015-004

AN INTERFUND LOAN WAS NOT AUTHORIZED IN ACCORDANCE WITH STATE STATUTE

(Noncompliance Under Government Auditing Standards)

On June 30, 2015, a transfer of \$198,500 was made from the General Purpose School Fund to the School Federal Projects Fund to provide cash flow for operations of the School Federal Projects Fund. This transfer was, in effect, an interfund loan and was not approved by the Board of Education, the County Commission, and the state Comptroller's Office as required by Section 9-21-408, *Tennessee Code Annotated*. This loan was repaid on August 19, 2015.

RECOMMENDATION

All interfund loans should be approved by the Board of Education, the County Commission, and the state Comptroller's Office as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the finding. The process of drawing down funds was inhibited due to the inability to obtain passwords to draw down funds to two federal grants in a timely manner. The passwords have now been obtained and a monthly schedule is in place for the drawdown of federal funds. Bradley County Schools currently have procedures and policies that the business office will follow according to Section 9-21-408, *Tennessee Code Annotated*.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2015-005

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. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The circuit and general sessions courts clerk should assign each employee their own cash drawer.

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

FINDING 2015-006

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees at the Ambulance Service and the Offices of Clerk and Master and Probate Court Clerk. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Ambulance Service does not have sufficient staff to segregate all of their duties due to volume and time restraints. Action has been taken to avoid these findings in the future. The Ambulance Service has contracted with an outside collection company, who will be billing and collecting, thus making it possible to segregate the duties among the staff adequately.

**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, 2015

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