

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

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT



COMPREHENSIVE ANNUAL FINANCIAL REPORT
BRADLEY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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State Auditors

D. GARY DAVIS
County Mayor
Bradley County, Tennessee

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

BRADLEY COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2016.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ A cash shortage of \$15,818.50 existed in the office at June 30, 2016.
- ◆ Several county departments violated the county's credit card policy.

COUNTY COMMISSION

- ◆ The county's audit committee is not a functioning committee.

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 10, 2016

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, 2016.

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, 2016, 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, 2016, 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 104,091. 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. They recently announced an expansion to add a SUV production line, which will add another 2,000 jobs.
- Wacker Chemie AG, a Munich, Germany-based Company, has completed construction of a new facility in Bradley County with an estimated capital investment of \$2.4 billion and initial employment of approximately 650 highly skilled workers. The new facility produces 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 employs more than 1,000 people with a permanent workforce of approximately 400 employees.
- The Industrial Development Board continues to recruit new industries as well as 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 first Wednesday in April of each year. The county mayor then presents the budget requests to the full County Commission for review prior to the first Monday in April. The county mayor uses these requests as the starting point for developing a proposed budget. The Finance Committee may 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, 2015. This is the eleventh 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 seven 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, and Angie Kaylor. 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

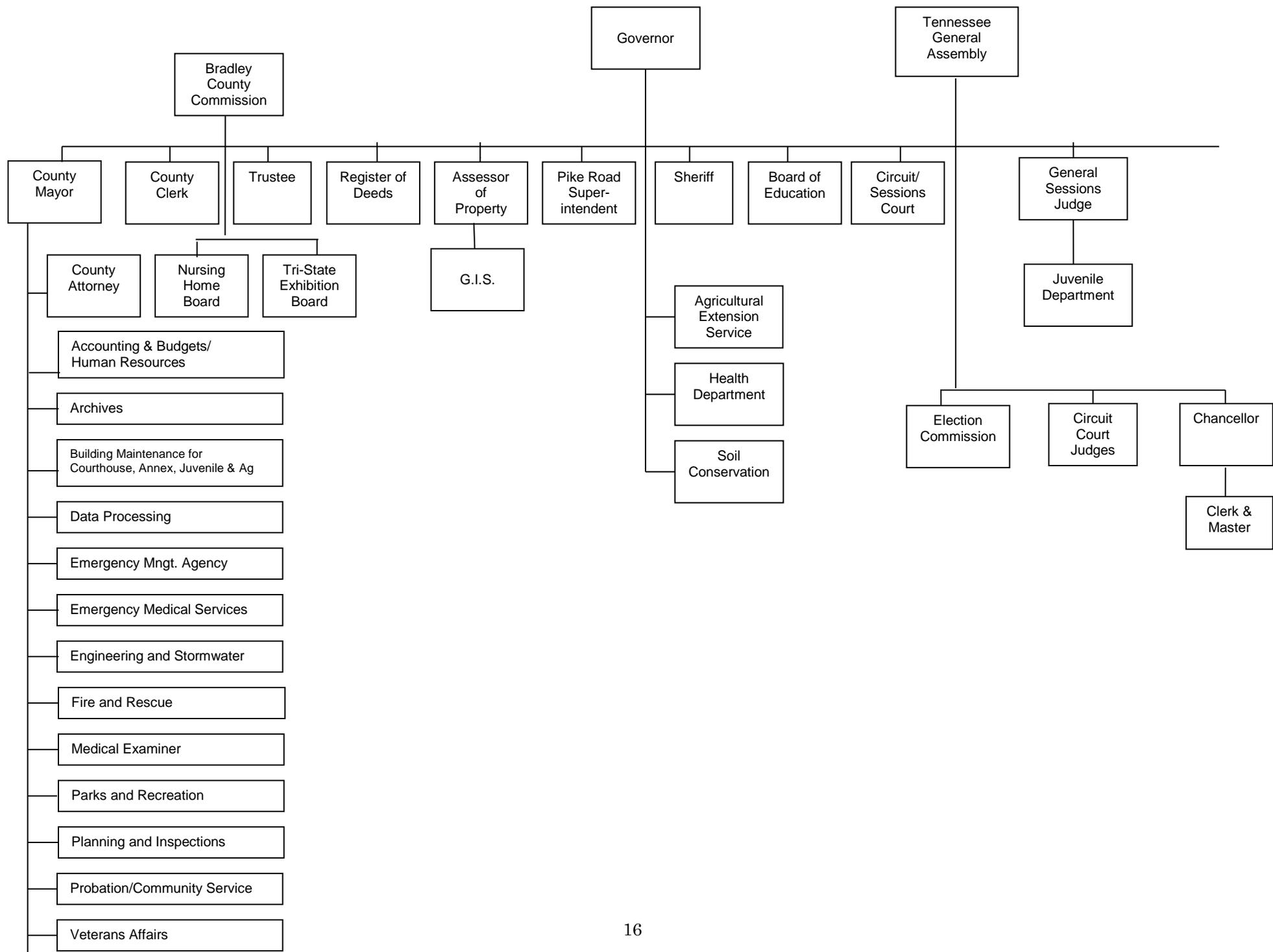
Presented to

**Bradley County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Bradley County Officials
June 30, 2016

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	Shawn Fairbanks
Building Inspection	Don Wyatt
County Attorney	Crystal Freiberg
Emergency Management	Troy Spence
Engineering and Planning	Bentley Thomas
Fire Chief	Shawn Fairbanks
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, 2016, 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 6.59 percent, 8.40 percent, and 14.93 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, 2016, 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. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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 24-34 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 122-129 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 section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

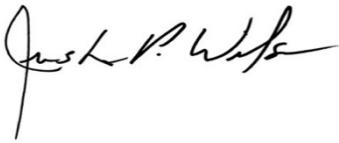
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bradley County School Department (a discretely presented component unit), and miscellaneous 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 10, 2016, on our consideration of Bradley County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 10, 2016

JPW/sb

Management's Discussion and Analysis

As management of Bradley County, we offer readers of the Bradley County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2016. 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 \$44,321,327 (net position).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$45,488,877. Of this amount, \$16,044,227 is set aside for endowments, \$5,424,647 is restricted funds with externally enforceable limitations on use, \$14,737,551 is committed by the county's legislative body to a specific fund or use, and \$1,224,494 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,057,958 or 23.44 percent of total General Fund expenditures while total fund balance of \$11,076,378 represents 32.23 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 \$4,401,300 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, 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 \$44,321,327 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, 2016, Bradley County had outstanding debt totaling \$47,961,831 for capital purposes of education (\$32,681,014 for county schools and \$15,280,817 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	
	2016	2015	2016	2015
Current and Other Assets	\$ 80,766,992	\$ 79,393,757	\$ 30,323,477	\$ 29,869,650
Capital Assets	54,374,734	54,642,599	63,278,082	65,082,166
Total Assets	<u>\$ 135,141,726</u>	<u>\$ 134,036,356</u>	<u>\$ 93,601,559</u>	<u>\$ 94,951,816</u>
Deferred Outflows of Resources	<u>\$ 6,382,474</u>	<u>\$ 5,660,575</u>	<u>\$ 5,784,589</u>	<u>\$ 5,021,634</u>
Long-term Liabilities	\$ 62,060,886	\$ 65,717,025	\$ 10,253,760	\$ 8,630,737
Other Liabilities	9,021,610	8,375,440	8,150,419	7,825,427
Total Liabilities	<u>\$ 71,082,496</u>	<u>\$ 74,092,465</u>	<u>\$ 18,404,179</u>	<u>\$ 16,456,164</u>
Deferred Inflows of Resources	<u>\$ 26,120,377</u>	<u>\$ 28,850,639</u>	<u>\$ 20,629,413</u>	<u>\$ 27,150,104</u>
Net Position:				
Net Investment in				
Capital Assets	\$ 41,407,445	\$ 40,684,983	\$ 63,278,082	\$ 65,082,166
Restricted	22,871,780	24,072,985	1,607,266	3,074,624
Unrestricted	<u>(19,957,898)</u>	<u>(28,004,141)</u>	<u>(4,532,792)</u>	<u>(11,789,608)</u>
Total Net Position	<u><u>\$ 44,321,327</u></u>	<u><u>\$ 36,753,827</u></u>	<u><u>\$ 60,352,556</u></u>	<u><u>\$ 56,367,182</u></u>

Table 1b

BRADLEY COUNTY'S NET POSITION

	Bradley Healthcare and Rehabilitation	
	2016	2015
Current and Other Assets	\$ 4,859,778	\$ 3,326,317
Capital Assets	1,746,725	1,868,977
Total Assets	<u>\$ 6,606,503</u>	<u>\$ 5,195,294</u>
Long-term Liabilities	\$ 89,959	\$ 65,838
Other Liabilities	983,116	921,594
Total Liabilities	<u>\$ 1,073,075</u>	<u>\$ 987,432</u>
Net Position:		
Net Investment in Capital Assets	\$ 1,746,726	\$ 1,868,976
Restricted	356,214	378,435
Unrestricted	<u>3,430,488</u>	<u>1,960,451</u>
Total Net Position	<u><u>\$ 5,533,428</u></u>	<u><u>\$ 4,207,862</u></u>

An additional portion of Bradley County's governmental activities assets (\$22,871,780) 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

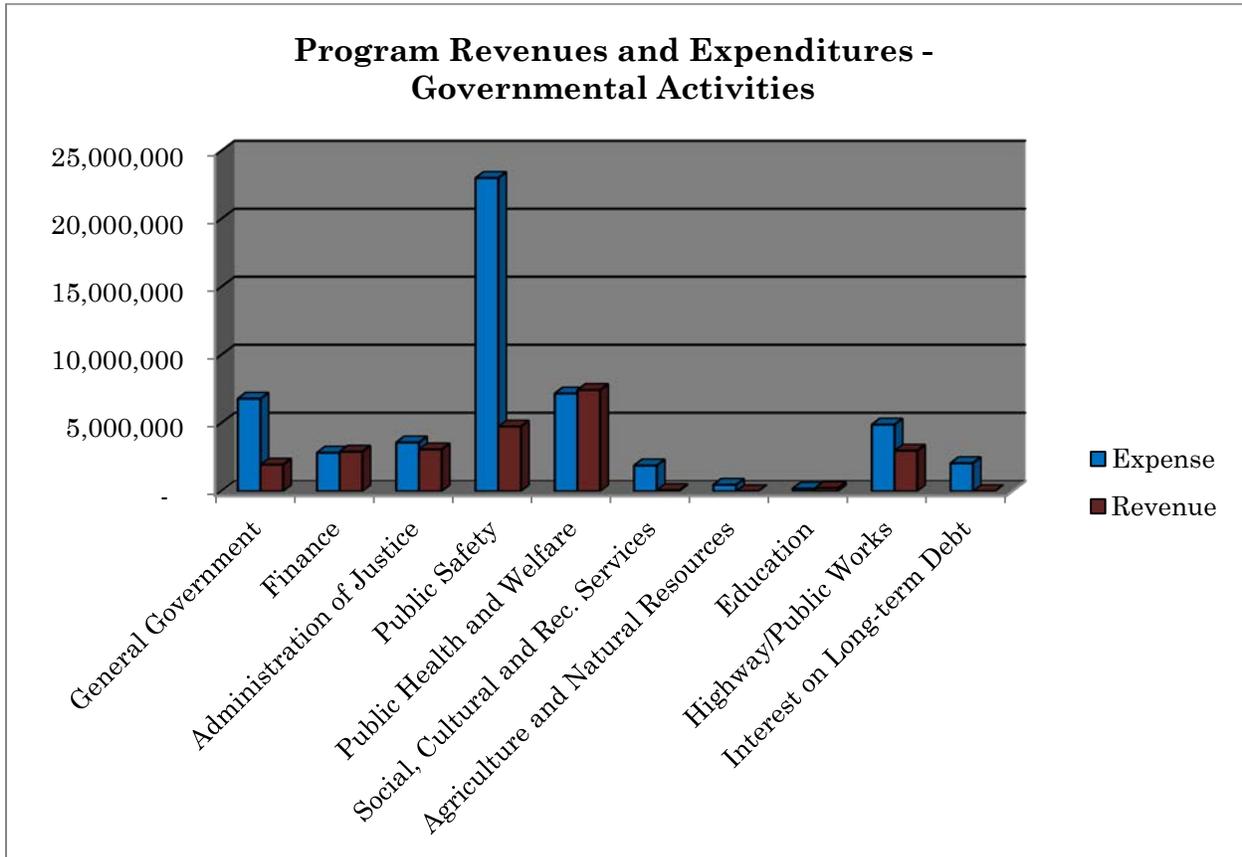
BRADLEY COUNTY'S CHANGES IN NET POSITION

	Bradley County Government		Bradley County School Department	
	2016	2015	2016	2015
Revenues				
Program Revenues:				
Charges for Services	\$ 16,286,291	\$ 19,491,420	\$ 1,665,877	\$ 1,701,751
Operating Grants and Contributions	5,387,611	4,780,315	11,013,030	11,496,289
Capital Grants and Contributions	1,735,496	828,101	0	0
General Revenues:				
Property Taxes	24,650,316	24,187,888	12,043,514	12,252,672
Other Taxes	8,657,368	7,899,061	11,825,816	10,841,288
Grants and Contributions not Restricted to Specific Programs	2,264,258	1,851,278	46,883,719	45,521,858
Other	1,493,458	995,910	59,265	200,228
Total Revenues	<u>\$ 60,474,798</u>	<u>\$ 60,033,973</u>	<u>\$ 83,491,221</u>	<u>\$ 82,014,086</u>
Expenses				
General Government	\$ 6,790,993	\$ 5,528,271	\$ 0	\$ 0
Finance	2,829,690	2,816,104	0	0
Administration of Justice	3,582,051	3,499,575	0	0
Public Safety	23,016,771	21,600,283	0	0
Public Health and Welfare	7,173,245	6,806,388	0	0
Social, Cultural, and Rec. Services	1,893,626	1,919,845	0	0
Agriculture and Natural Resources	472,436	478,789	0	0
Highways/Public Works	4,892,293	4,330,329	0	0
Education	193,550	11,731	79,782,432	80,927,446
Interest on Long-term Debt	2,062,643	2,184,949	0	0
Total Expenses	<u>\$ 52,907,298</u>	<u>\$ 49,176,264</u>	<u>\$ 79,782,432</u>	<u>\$ 80,927,446</u>
Insurance Recovery	\$ 0	\$ 0	\$ 276,585	\$ 0
Increase (Decrease) in Net Position	\$ 7,567,500	\$ 10,857,709	\$ 3,985,374	\$ 1,086,640
Net Position, July 1	36,753,827	27,935,799	56,367,182	68,829,988
Restatement	0	(2,039,681)	0	(13,549,446)
Net Position, June 30	<u>\$ 44,321,327</u>	<u>\$ 36,753,827</u>	<u>\$ 60,352,556</u>	<u>\$ 56,367,182</u>

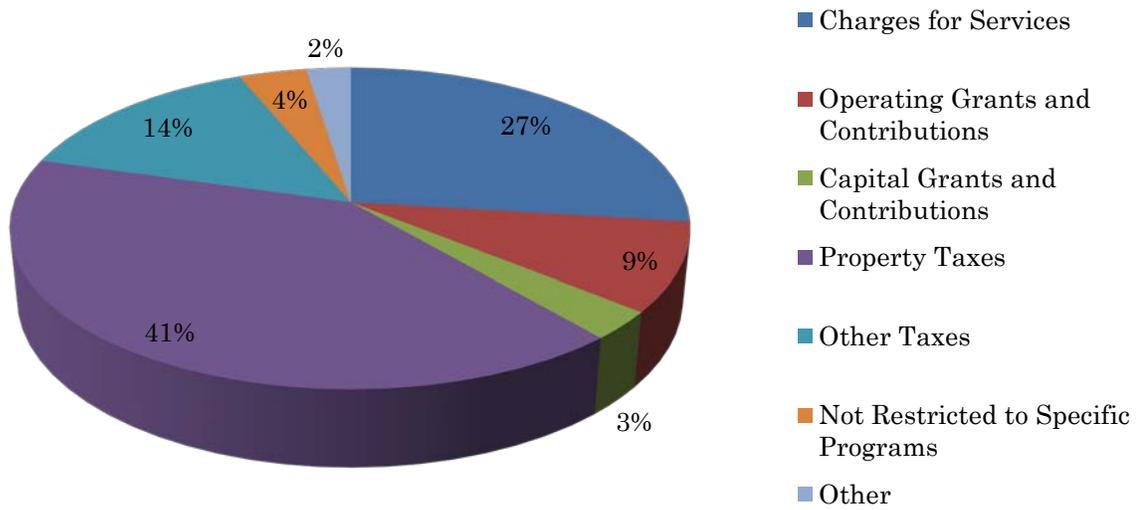
Table 2b

BRADLEY COUNTY'S CHANGES IN NET POSITION

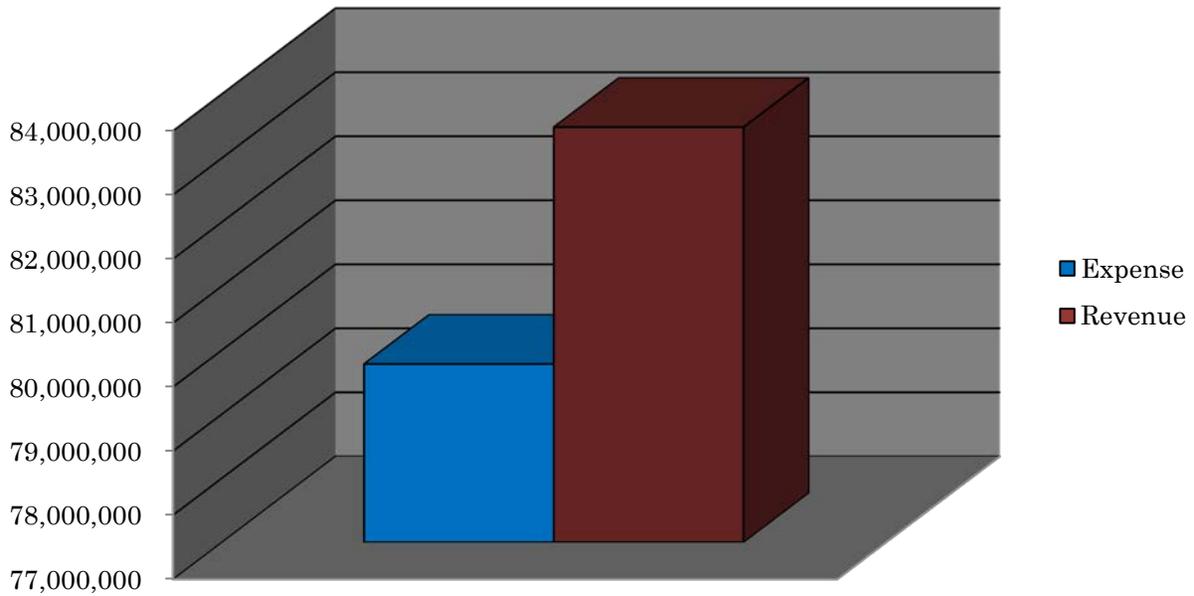
	Bradley Healthcare and Rehabilitation Center	
	2016	2015
Revenues		
Program Revenues:		
Charges for Services	\$ 14,650,821	\$ 12,754,466
Grants and Contributions	0	215,000
General Revenues:		
Other	2,968	76,343
Total Revenues	\$ 14,653,789	\$ 13,045,809
Expenses		
Other Enterprise	\$ 13,328,223	\$ 12,654,899
Total Expenses	\$ 13,328,223	\$ 12,654,899
Increase (Decrease) in Net Position	\$ 1,325,566	\$ 390,910
Net Position, July 1	4,207,862	3,816,952
Net Position, June 30	\$ 5,533,428	\$ 4,207,862

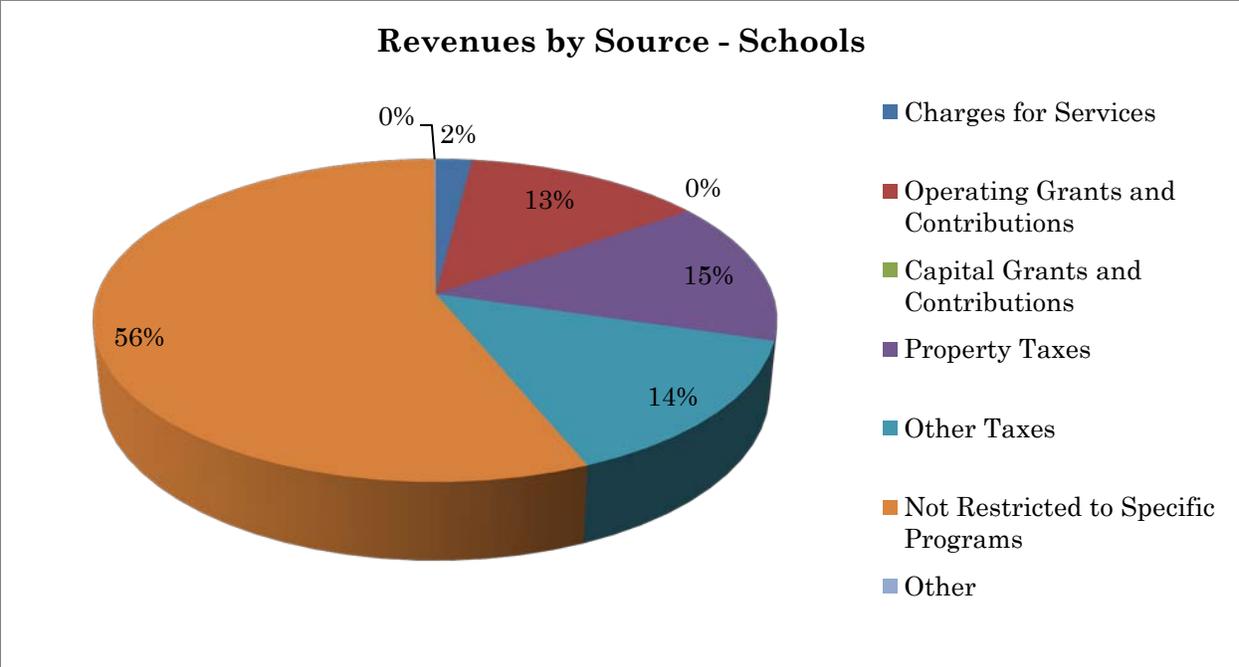


Revenues by Source - Governmental Activities



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 \$45,488,877. Of this amount, \$16,044,227 is set aside for endowments, \$5,424,647 is restricted with externally enforceable limitations on use, \$14,737,551 is committed by the county’s legislative body to a specific fund or use, and \$1,224,494 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 \$8,057,958 or 23.44 percent of total General Fund expenditures while total fund balance of \$11,076,378 represents 32.23 percent of that same amount. The minimum fund balance policy of the county requires a minimum unassigned fund balance of at least ten percent, which is within the boundaries of our policy. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

During the current fiscal year, the fund balance of Bradley County's General Fund increased by \$2,987,710. The key factor was a slight increase in local taxes over 2015-16. 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 decreased by \$55,813. This was mainly due to the Commission moving the Litter Grant to the General Fund Sheriff's Department.

The General Debt Service Fund has a total fund balance of \$10,242,491 all of which is allocated for the payment of debt service. The \$425,473 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in local taxes over 2015-16.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$1,211,596 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$53,448
- Increases allocated to Finance - \$38,036
- Increases allocated to Administration of Justice - \$326,490
- Increases allocated to Public Safety - \$401,719
- Increases allocated to Public Health and Welfare - \$148,695
- Increases allocated to Social, Cultural, and Recreational - \$26,999
- Increases allocated to Agriculture and Natural Resources - \$7,892
- Increases allocated to Other Operations - \$208,317

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

The General Purpose School Fund had an increase in allocations totaling \$3,719,190, 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, 2016, totals \$41,407,445 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totals \$63,278,082 (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 twelve vehicles and equipment – Sheriff's Department at \$260,615
- Purchase of equipment – Sheriff's Department at \$18,641

- Purchase of two ambulances – Ambulance Service at \$161,827
- Purchase of equipment – GIS at \$25,979
- Purchase of equipment – Juvenile Court at \$12,988
- School projects – \$1,166,419

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 and Other Obligations

Table 3

BRADLEY COUNTY				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Bonds	\$ 2,400,000	\$ 12,967,880	\$ 6,087,120	\$ 21,455,000
Other Loans	10,405,230	19,586,073	9,193,697	39,185,000
Capital Leases	118,823	127,061	0	245,884
Total Bonds, Other Loans, and Capital Leases	\$ 12,924,053	\$ 32,681,014	\$ 15,280,817	\$ 60,885,884
Compensated Absences	1,473,786	0	0	1,473,786
Other Postemployment Benefits	4,332,189	9,841,385	0	14,173,574
Net Pension Liability	0	412,375	0	412,375
Total Long-term Debt and Other Obligations	\$ 18,730,028	\$ 42,934,774	\$ 15,280,817	\$ 76,945,619

At the end of the current fiscal year, Bradley County had total bonds, other loans, and capital leases outstanding of \$60,885,884. This amount comprises debt backed by the full faith and credit of the government. This debt decreased by \$4,401,300 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, 2016, is 4.7 percent, which has remained level over the past year. The state's average unemployment rate is five percent and the national average is 4.9 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 2016-2017 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$45,488,877. Of this amount, \$16,044,227 is set aside for endowments, \$5,424,647 is restricted by externally enforceable limitations, \$14,737,551 is committed by the county's legislative body to a specific fund or use, and \$1,224,494 is assigned to the intended use. Unassigned fund balance for the General Fund is \$8,057,958 or 23.44 percent of total General Fund expenditures while total fund balance of \$11,076,378 represents 32.23 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, 2016

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 533,456	\$ 3,573	\$ 1,561,811
Equity in Pooled Cash and Investments	42,991,595	16,216,917	0
Accounts Receivable	12,574,217	20,000	2,853,347
Allowance for Uncollectibles	(3,752,410)	0	(55,375)
Due from Other Governments	2,726,768	2,749,358	0
Due from Component Unit	287,061	0	0
Inventories	0	0	46,700
Property Taxes Receivable	25,521,065	11,426,838	0
Allowance for Uncollectible Property Taxes	(1,085,043)	(411,976)	0
Prepaid Items	0	0	7,122
Net Pension Asset - Agent Plan	936,918	293,926	0
Net Pension Asset - Teacher Retirement Plan	0	24,841	0
Restricted Assets:			
Other Restricted Assets	0	0	446,173
Notes Receivable - Long-term	33,365	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,788,355	1,610,912	1,250
Construction in Progress	1,290,337	755,012	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	17,353,545	60,046,722	1,332,783
Infrastructure	24,303,098	0	0
Other Capital Assets	5,639,399	865,436	412,692
Total Assets	<u>\$ 135,141,726</u>	<u>\$ 93,601,559</u>	<u>\$ 6,606,503</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 3,393,509	\$ 0	\$ 0
Pension Changes in Experience	57,928	349,121	0
Pension Other Deferrals	0	443,496	0
Pension Contributions After Measurement Date	2,931,037	4,991,972	0
Total Deferred Outflows of Resources	<u>\$ 6,382,474</u>	<u>\$ 5,784,589</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 135,648	\$ 398,104
Accrued Payroll	0	6,598,410	551,940
Payroll Deductions Payable	625,896	1,129,300	0
Accrued Interest Payable	217,682	0	0
Due to Primary Government	0	287,061	0
Derivative - Interest Rate Swap	3,393,509	0	0
Other Current Liabilities	0	0	33,072
Other Long-term Liabilities	0	0	89,959
Noncurrent Liabilities:			
Due Within One Year	4,784,523	0	0
Due in More Than One Year	62,060,886	10,253,760	0
Total Liabilities	<u>\$ 71,082,496</u>	<u>\$ 18,404,179</u>	<u>\$ 1,073,075</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 24,026,350	\$ 10,885,317	\$ 0
Pension Changes in Experience	1,429,874	6,875,330	0
Pension Changes in Investment Earnings	664,153	2,868,766	0
Total Deferred Inflows of Resources	<u>\$ 26,120,377</u>	<u>\$ 20,629,413</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	\$ 41,407,445	\$ 63,278,082	\$ 1,746,726
Restricted for:			
General Government	1,042,830	0	0
Finance	33,455	0	0
Administration of Justice	280,008	0	0
Public Safety	546,119	0	0
Public Health and Welfare	10,664	0	0
Social, Cultural, and Recreational Services	191,274	0	0
Highways/Public Works	1,721,232	0	0
Capital Projects	1,491,214	0	0
Education	0	1,607,266	0
Other Purposes	936,918	0	0
Permanent Endowment:			
Nonexpendable	16,044,227	0	337,000
Expendable	573,839	0	19,214
Unrestricted	<u>(19,957,898)</u>	<u>(4,532,792)</u>	<u>3,430,488</u>
Total Net Position	<u>\$ 44,321,327</u>	<u>\$ 60,352,556</u>	<u>\$ 5,533,428</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, 2016

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	
					Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center
Primary Government:							
Governmental Activities:							
General Government	\$ 6,790,993	\$ 986,165	\$ 84,570	\$ 888,033	\$ (4,832,225)	\$ 0	\$ 0
Finance	2,829,690	2,864,805	41,985	0	77,100	0	0
Administration of Justice	3,582,051	2,868,102	202,035	0	(511,914)	0	0
Public Safety	23,016,771	3,528,601	1,028,806	189,283	(18,270,081)	0	0
Public Health and Welfare	7,173,245	5,951,449	1,476,216	0	254,420	0	0
Social, Cultural, and Recreational Services	1,893,626	86,400	0	0	(1,807,226)	0	0
Agriculture and Natural Resources	472,436	0	0	0	(472,436)	0	0
Highways/Public Works	4,892,293	769	2,319,654	658,180	(1,913,690)	0	0
Education (Payments for the benefit of component unit)	193,550	0	234,345	0	40,795	0	0
Interest on Long-term Debt	2,062,643	0	0	0	(2,062,643)	0	0
Total Governmental Activities	\$ 52,907,298	\$ 16,286,291	\$ 5,387,611	\$ 1,735,496	\$ (29,497,900)	\$ 0	\$ 0
Total Primary Government	\$ 52,907,298	\$ 16,286,291	\$ 5,387,611	\$ 1,735,496	\$ (29,497,900)	\$ 0	\$ 0
Component Units:							
Bradley County School Department	\$ 79,782,432	\$ 1,665,877	\$ 11,013,030	\$ 0	\$ 0	\$ (67,103,525)	\$ 0
Bradley Healthcare and Rehabilitation Center	13,328,223	14,650,821	0	0	0	0	1,322,598
Total Component Units	\$ 93,110,655	\$ 16,316,698	\$ 11,013,030	\$ 0	\$ 0	\$ (67,103,525)	\$ 1,322,598

(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				\$ 19,148,661	\$ 12,043,514	\$ 0	0
Property Taxes Levied for Debt Service				5,501,655	0	0	0
Local Option Sales Taxes				5,403,996	11,615,978	0	0
Hotel/Motel Tax				909,319	0	0	0
Litigation Tax - General				313,932	0	0	0
Litigation Tax - Special Purpose				66,110	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				62,572	0	0	0
Business Tax				1,565,684	0	0	0
Wholesale Beer Tax				331,390	0	0	0
Other Local Taxes				4,365	209,838	0	0
Grants and Contributions Not Restricted to Specific Programs				2,264,258	46,883,719	0	0
Unrestricted Investment Income				373,530	32,444	2,968	
Proceeds from the Sale of Equipment				13,339	0	0	
Miscellaneous				1,106,589	26,821	0	
Total General Revenues				<u>\$ 37,065,400</u>	<u>\$ 70,812,314</u>	<u>\$ 2,968</u>	
Insurance Recovery				\$ 0	\$ 276,585	\$ 0	
Change in Net Position				\$ 7,567,500	\$ 3,985,374	\$ 1,325,566	
Net Position, July 1, 2015				<u>36,753,827</u>	<u>56,367,182</u>	<u>4,207,862</u>	
Net Position, June 30, 2016				<u>\$ 44,321,327</u>	<u>\$ 60,352,556</u>	<u>\$ 5,533,428</u>	

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, 2016

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 533,456	\$ 533,456
Equity in Pooled Cash and Investments	10,372,390	2,053,383	10,170,204	16,618,066	3,777,552	42,991,595
Accounts Receivable	12,562,092	0	0	0	12,125	12,574,217
Allowance for Uncollectibles	(3,752,410)	0	0	0	0	(3,752,410)
Due from Other Governments	1,474,196	460,339	97,358	0	694,875	2,726,768
Due from Other Funds	0	1,776	0	0	10,941	12,717
Due from Component Units	0	0	0	0	160,000	160,000
Property Taxes Receivable	11,029,967	2,571,665	5,001,399	0	6,918,034	25,521,065
Allowance for Uncollectible Property Taxes	(395,357)	(93,091)	(187,126)	0	(409,469)	(1,085,043)
Notes Receivable - Long-term	0	0	0	0	33,365	33,365
Total Assets	<u>\$ 31,290,878</u>	<u>\$ 4,994,072</u>	<u>\$ 15,081,835</u>	<u>\$ 16,618,066</u>	<u>\$ 11,730,879</u>	<u>\$ 79,715,730</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 12,717	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,717
Health Insurance Payments	625,896	0	0	0	0	625,896
Total Liabilities	<u>\$ 638,613</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 638,613</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 10,511,252	\$ 2,449,147	\$ 4,752,605	\$ 0	\$ 6,313,346	\$ 24,026,350
Deferred Delinquent Property Taxes	108,499	25,882	54,239	0	185,184	373,804
Other Deferred/Unavailable Revenue	8,956,136	188,950	32,500	0	10,500	9,188,086
Total Deferred Inflows of Resources	<u>\$ 19,575,887</u>	<u>\$ 2,663,979</u>	<u>\$ 4,839,344</u>	<u>\$ 0</u>	<u>\$ 6,509,030</u>	<u>\$ 33,588,240</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 16,044,227	\$ 0	\$ 16,044,227
Restricted:						
Restricted for General Government	1,042,830	0	0	0	0	1,042,830
Restricted for Finance	33,455	0	0	0	0	33,455
Restricted for Administration of Justice	250,758	0	0	0	29,250	280,008
Restricted for Public Safety	22,078	0	0	0	355,347	377,425
Restricted for Public Health and Welfare	10,664	0	0	0	0	10,664
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	182,656	182,656
Restricted for Highways/Public Works	0	2,024,767	0	0	0	2,024,767
Restricted for Capital Outlay	0	0	0	0	1,472,842	1,472,842
Committed:						
Committed for General Government	581,804	0	0	0	89,822	671,626
Committed for Finance	0	0	0	0	369,584	369,584
Committed for Administration of Justice	163,367	0	0	0	76,929	240,296
Committed for Public Safety	35,000	0	0	0	0	35,000
Committed for Public Health and Welfare	0	0	0	573,839	2,200,804	2,774,643
Committed for Social, Cultural, and Recreational Services	11,564	0	0	0	110,058	121,622
Committed for Other Operations	22,864	0	0	0	0	22,864
Committed for Capital Outlay	0	0	0	0	133,235	133,235
Committed for Debt Service	0	0	10,242,491	0	0	10,242,491
Committed for Capital Projects	0	0	0	0	126,190	126,190
Assigned:						
Assigned for General Government	175,535	0	0	0	0	175,535
Assigned for Finance	150,743	0	0	0	0	150,743
Assigned for Administration of Justice	36,870	0	0	0	0	36,870

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Funds Other Govern- mental Funds	
<u>FUND BALANCES (CONT.)</u>						
Assigned (Cont.):						
Assigned for Public Safety	\$ 273,619	\$ 0	\$ 0	\$ 0	\$ 59,839	\$ 333,458
Assigned for Public Health and Welfare	32,554	0	0	0	0	32,554
Assigned for Social, Cultural, and Recreational Services	140,530	0	0	0	1,293	141,823
Assigned for Agriculture and Natural Resources	26,618	0	0	0	0	26,618
Assigned for Other Operations	7,567	0	0	0	0	7,567
Assigned for Highways/Public Works	0	305,326	0	0	0	305,326
Assigned for Capital Projects	0	0	0	0	14,000	14,000
Unassigned	8,057,958	0	0	0	0	8,057,958
Total Fund Balances	<u>\$ 11,076,378</u>	<u>\$ 2,330,093</u>	<u>\$ 10,242,491</u>	<u>\$ 16,618,066</u>	<u>\$ 5,221,849</u>	<u>\$ 45,488,877</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,290,878</u>	<u>\$ 4,994,072</u>	<u>\$ 15,081,835</u>	<u>\$ 16,618,066</u>	<u>\$ 11,730,879</u>	<u>\$ 79,715,730</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, 2016

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)		\$ 45,488,877
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add: land	\$ 5,788,355	
Add: construction in progress	1,290,337	
Add: buildings and improvements net of accumulated depreciation	17,353,545	
Add: infrastructure net of accumulated depreciation	24,303,098	
Add: other capital assets net of accumulated depreciation	<u>5,639,399</u>	54,374,734
(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	\$ (21,455,000)	
Less: other loans payable	(39,185,000)	
Less: capital leases payable	(245,884)	
Add: debt to be contributed by the School Department	127,061	
Less: interest accrued on bonds, other loans, and capital leases	(217,682)	
Less: other postemployment benefits liability	(4,332,189)	
Less: compensated absences payable	(1,473,786)	
Less: unamortized premium on debt	<u>(153,550)</u>	(66,936,030)
(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	\$ 2,988,965	
Less: deferred inflows of resources related to pensions	<u>(2,094,027)</u>	894,938
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		936,918
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>9,561,890</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 44,321,327</u></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, 2016

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Endowment	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 19,936,459	\$ 2,748,327	\$ 5,743,777	\$ 0	\$ 5,985,182	\$ 34,413,745
Licenses and Permits	464,100	0	0	0	0	464,100
Fines, Forfeitures, and Penalties	614,951	0	0	0	118,405	733,356
Charges for Current Services	5,896,626	0	0	0	2,196,224	8,092,850
Other Local Revenues	1,110,769	100,605	1,875	145,044	166,267	1,524,560
Fees Received From County Officials	2,692,784	0	0	0	0	2,692,784
State of Tennessee	4,581,456	3,075,314	219,826	0	371,261	8,247,857
Federal Government	362,110	0	305,023	0	525,000	1,192,133
Other Governments and Citizens Groups	1,655,398	0	130,066	0	647,075	2,432,539
Total Revenues	\$ 37,314,653	\$ 5,924,246	\$ 6,400,567	\$ 145,044	\$ 10,009,414	\$ 59,793,924
<u>Expenditures</u>						
Current:						
General Government	\$ 2,196,958	\$ 0	\$ 0	\$ 0	\$ 350,976	\$ 2,547,934
Finance	1,489,377	0	0	0	1,342,345	2,831,722
Administration of Justice	3,445,988	0	0	0	248,244	3,694,232
Public Safety	17,398,045	0	0	0	4,775,918	22,173,963
Public Health and Welfare	7,115,139	0	0	150,598	170,638	7,436,375
Social, Cultural, and Recreational Services	944,811	0	0	0	880,270	1,825,081
Agriculture and Natural Resources	488,745	0	0	0	0	488,745
Other Operations	1,292,076	0	119,711	0	2,061,614	3,473,401
Highways	0	5,364,537	0	0	0	5,364,537
Debt Service:						
Principal on Debt	0	0	4,557,059	0	0	4,557,059
Interest on Debt	0	0	2,074,563	0	0	2,074,563
Other Debt Service	0	0	286,920	0	0	286,920

(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	\$ 615,522	\$ 0	\$ 0	\$ 903,006	\$ 1,518,528
Capital Projects - Donated	0	0	0	0	193,550	193,550
Total Expenditures	<u>\$ 34,371,139</u>	<u>\$ 5,980,059</u>	<u>\$ 7,038,253</u>	<u>\$ 150,598</u>	<u>\$ 10,926,561</u>	<u>\$ 58,466,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,943,514</u>	<u>\$ (55,813)</u>	<u>\$ (637,686)</u>	<u>\$ (5,554)</u>	<u>\$ (917,147)</u>	<u>\$ 1,327,314</u>
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,550	\$ 193,550
Proceeds from Sale of Capital Assets	44,196	0	0	0	161,745	205,941
Transfers In	0	0	212,213	0	127,480	339,693
Transfers Out	0	0	0	0	(339,693)	(339,693)
Total Other Financing Sources (Uses)	<u>\$ 44,196</u>	<u>\$ 0</u>	<u>\$ 212,213</u>	<u>\$ 0</u>	<u>\$ 143,082</u>	<u>\$ 399,491</u>
Net Change in Fund Balances	\$ 2,987,710	\$ (55,813)	\$ (425,473)	\$ (5,554)	\$ (774,065)	\$ 1,726,805
Fund Balance, July 1, 2015	<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>
Fund Balance, June 30, 2016	<u>\$ 11,076,378</u>	<u>\$ 2,330,093</u>	<u>\$ 10,242,491</u>	<u>\$ 16,618,066</u>	<u>\$ 5,221,849</u>	<u>\$ 45,488,877</u>

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

Exhibit C-4

Bradley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

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)		\$ 1,726,805
(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	\$ 3,070,750	
Less: current-year depreciation expense	<u>(3,074,354)</u>	(3,604)
(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		(264,261)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 9,561,890	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(8,774,913)</u>	786,977
(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:		
Add: change in premium on debt issuance	\$ 41,382	
Add: principal payments on bonds	890,000	
Add: principal payments on other loans	3,540,000	
Add: principal payments on capital leases	164,850	
Less: contributions from the School Department for notes and capital leases	<u>(127,059)</u>	4,509,173
(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	\$ 11,920	
Change in compensated absences payable	(214,304)	
Change in net pension asset	(1,201,446)	
Change in deferred outflows related to pensions	272,356	
Change in deferred inflows related to pensions	2,709,311	
Change in other postemployment benefits liability	<u>(765,427)</u>	812,410
Change in net position of governmental activities (Exhibit B)		<u>\$ 7,567,500</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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 19,936,459	\$ 0	\$ 0	\$ 19,936,459	\$ 18,995,308	\$ 19,251,593	\$ 684,866
Licenses and Permits	464,100	0	0	464,100	433,500	432,700	31,400
Fines, Forfeitures, and Penalties	614,951	0	0	614,951	661,040	656,663	(41,712)
Charges for Current Services	5,896,626	0	0	5,896,626	5,166,950	5,340,735	555,891
Other Local Revenues	1,110,769	0	0	1,110,769	638,195	1,197,908	(87,139)
Fees Received From County Officials	2,692,784	0	0	2,692,784	2,557,000	2,563,290	129,494
State of Tennessee	4,581,456	0	0	4,581,456	4,067,784	4,297,957	283,499
Federal Government	362,110	0	0	362,110	166,740	229,408	132,702
Other Governments and Citizens Groups	1,655,398	0	0	1,655,398	1,611,833	1,756,437	(101,039)
Total Revenues	\$ 37,314,653	\$ 0	\$ 0	\$ 37,314,653	\$ 34,298,350	\$ 35,726,691	\$ 1,587,962
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 331,279	\$ (5,377)	\$ 1,260	\$ 327,162	\$ 480,953	\$ 469,133	\$ 141,971
Board of Equalization	958	0	0	958	3,032	3,032	2,074
Beer Board	2,595	0	0	2,595	2,693	2,693	98
Other Boards and Committees	35,792	(71)	0	35,721	37,229	37,229	1,508
County Mayor/Executive	262,434	(924)	2,745	264,255	266,519	266,519	2,264
Personnel Office	154,025	(62,213)	71,057	162,869	177,857	179,019	16,150
County Attorney	199,632	(2,729)	6,316	203,219	201,855	204,070	851
Election Commission	278,603	(1,744)	522	277,381	288,862	288,862	11,481
Register of Deeds	88,859	(8,899)	5,117	85,077	64,439	121,543	36,466
Planning	210,535	(3,556)	9,734	216,713	237,165	237,165	20,452
Geographical Information Systems	187,798	(22,780)	60,809	225,827	239,096	239,096	13,269
County Buildings	438,691	(21,634)	17,925	434,982	448,502	448,502	13,520
Other Facilities	970	(50)	50	970	3,500	3,500	2,530
Other General Administration	4,787	0	0	4,787	0	4,787	0
<u>Finance</u>							
Accounting and Budgeting	188,990	(21,797)	22,090	189,283	201,366	202,866	13,583
Property Assessor's Office	782,868	(8,596)	7,889	782,161	798,967	798,967	16,806

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 57,494	\$ (87,242)	\$ 89,220	\$ 59,472	\$ 65,000	\$ 65,000	\$ 5,528
County Trustee's Office	92,495	(260)	17	92,252	90,451	92,311	59
County Clerk's Office	202,186	(2,709)	4,379	203,856	200,398	225,074	21,218
Data Processing	165,344	(21,380)	27,148	171,112	166,497	176,497	5,385
<u>Administration of Justice</u>							
Circuit Court	80,925	0	0	80,925	0	80,925	0
Circuit Court Clerk	1,291,408	(370)	87	1,291,125	1,391,188	1,396,006	104,881
General Sessions Judge	547,671	(1,405)	1,505	547,771	552,239	552,239	4,468
Drug Court	254,116	(11,571)	1,044	243,589	70,320	259,320	15,731
Chancery Court	48,383	(542)	433	48,274	49,695	49,695	1,421
Juvenile Court	643,311	(5,178)	24,972	663,105	650,966	678,466	15,361
Office of Public Defender	30,974	0	1,365	32,339	36,831	36,831	4,492
Judicial Commissioners	23,216	0	0	23,216	35,000	35,000	11,784
Other Administration of Justice	107,461	(2,648)	3,859	108,672	122,441	122,441	13,769
Probation Services	418,523	(1,111)	3,605	421,017	409,089	433,336	12,319
<u>Public Safety</u>							
Sheriff's Department	7,932,124	(41,373)	177,613	8,068,364	7,912,708	8,320,859	252,495
Special Patrols	19,600	0	0	19,600	0	35,020	15,420
Traffic Control	12,196	(888)	9,187	20,495	20,500	20,500	5
Administration of the Sexual Offender Registry	826	0	1,174	2,000	0	2,000	0
Jail	6,709,056	(16,902)	34,126	6,726,280	6,840,678	6,772,409	46,129
Correctional Incentive Program Improvements	1,049,537	(7,406)	14,694	1,056,825	1,179,826	1,179,826	123,001
Juvenile Services	74,964	(8)	20	74,976	76,137	76,137	1,161
Work Release Program	313,377	(1,549)	0	311,828	348,656	348,656	36,828
Civil Defense	417,850	(11,902)	26,889	432,837	424,212	443,960	11,123
Other Emergency Management	43,833	0	0	43,833	50,248	50,248	6,415
Inspection and Regulation	195,678	(16,554)	6,547	185,671	185,672	185,672	1
County Coroner/Medical Examiner	179,004	(4,275)	3,368	178,097	177,692	182,761	4,664
Other Public Safety	450,000	0	0	450,000	450,000	450,000	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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 364,543	\$ (8,984)	\$ 2,608	\$ 358,167	\$ 386,760	\$ 387,010	\$ 28,843
Rabies and Animal Control	93,333	0	0	93,333	120,000	120,000	26,667
Ambulance/Emergency Medical Services	5,313,074	(5,396)	29,061	5,336,739	5,499,477	5,499,476	162,737
Alcohol and Drug Programs	52,030	(389)	396	52,037	50,000	52,290	253
Other Local Health Services	1,138,841	(857)	0	1,137,984	1,139,871	1,222,900	84,916
General Welfare Assistance	1,500	0	0	1,500	1,500	1,500	0
Other Local Welfare Services	91,361	0	0	91,361	91,361	91,361	0
Other Waste Disposal	52,391	0	490	52,881	0	55,000	2,119
Other Public Health and Welfare	8,066	0	0	8,066	12,500	20,627	12,561
<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	96,213	96,213	1,887
Parks and Fair Boards	10,346	0	0	10,346	50,009	50,009	39,663
Other Social, Cultural, and Recreational	830,639	(22,153)	140,530	949,016	988,049	1,015,048	66,032
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	296,816	(5,673)	7,885	299,028	321,971	321,971	22,943
Soil Conservation	49,490	0	0	49,490	49,636	49,692	202
Storm Water Management	141,626	(16,758)	18,733	143,601	177,476	185,312	41,711
Other Agriculture and Natural Resources	813	(813)	0	0	0	0	0
<u>Other Operations</u>							
Tourism	277,135	0	0	277,135	250,000	295,000	17,865
Industrial Development	277,135	0	0	277,135	250,000	295,000	17,865
Public Transportation	44,000	0	0	44,000	44,000	44,000	0
Veterans' Services	121,074	(1,219)	3,925	123,780	123,793	123,935	155
Other Charges	399,620	0	0	399,620	400,000	450,000	50,380
Contributions to Other Agencies	78,192	0	0	78,192	78,192	78,192	0
Miscellaneous	94,920	(2,080)	3,642	96,482	67,500	135,675	39,193
Total Expenditures	\$ 34,371,139	\$ (459,965)	\$ 844,036	\$ 34,755,210	\$ 35,166,287	\$ 36,377,883	\$ 1,622,673

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,943,514	\$ 459,965	\$ (844,036)	\$ 2,559,443	\$ (867,937)	\$ (651,192)	\$ 3,210,635
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 44,196	\$ 0	\$ 0	\$ 44,196	\$ 0	\$ 0	\$ 44,196
Insurance Recovery	0	0	0	0	0	27,190	(27,190)
Special Items (Revenues)	0	0	0	0	180,678	0	0
Extraordinary Items (Revenues)	0	0	0	0	156,500	0	0
Total Other Financing Sources	\$ 44,196	\$ 0	\$ 0	\$ 44,196	\$ 337,178	\$ 27,190	\$ 17,006
Net Change in Fund Balance	\$ 2,987,710	\$ 459,965	\$ (844,036)	\$ 2,603,639	\$ (530,759)	\$ (624,002)	\$ 3,227,641
Fund Balance, July 1, 2015	8,088,668	(459,965)	0	7,628,703	6,890,702	6,890,702	738,001
Fund Balance, June 30, 2016	\$ 11,076,378	\$ 0	\$ (844,036)	\$ 10,232,342	\$ 6,359,943	\$ 6,266,700	\$ 3,965,642

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,748,327	\$ 0	\$ 0	\$ 2,748,327	\$ 2,746,095	\$ 2,771,871	\$ (23,544)
Other Local Revenues	100,605	0	0	100,605	11,100	94,367	6,238
State of Tennessee	3,075,314	0	0	3,075,314	3,878,660	3,652,197	(576,883)
Total Revenues	\$ 5,924,246	\$ 0	\$ 0	\$ 5,924,246	\$ 6,635,855	\$ 6,518,435	\$ (594,189)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 535,907	\$ 0	\$ 0	\$ 535,907	\$ 562,688	\$ 553,775	\$ 17,868
Highway and Bridge Maintenance	2,037,487	0	58,330	2,095,817	2,333,960	2,507,660	411,843
Operation and Maintenance of Equipment	386,657	0	0	386,657	639,039	442,039	55,382
Quarry Operations	0	0	0	0	100	100	100
Litter and Trash Collection	42,638	0	0	42,638	108,751	43,468	830
Other Charges	188,710	0	0	188,710	196,667	199,147	10,437
Employee Benefits	783,307	0	0	783,307	855,989	810,048	26,741
Capital Outlay	1,389,831	(765,072)	246,996	871,755	1,342,107	1,360,424	488,669
<u>Capital Projects</u>							
Highway and Street Capital Projects	615,522	0	0	615,522	731,853	627,603	12,081
Total Expenditures	\$ 5,980,059	\$ (765,072)	\$ 305,326	\$ 5,520,313	\$ 6,771,154	\$ 6,544,264	\$ 1,023,951
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (55,813)	\$ 765,072	\$ (305,326)	\$ 403,933	\$ (135,299)	\$ (25,829)	\$ 429,762
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100	\$ 13,557	\$ (13,557)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100	\$ 13,557	\$ (13,557)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2015	\$ 2,385,906	(765,072)	0	1,620,834	1,033,000	1,033,000	587,834
Fund Balance, June 30, 2016	\$ 2,330,093	\$ 0	\$ (305,326)	\$ 2,024,767	\$ 897,801	\$ 1,020,728	\$ 1,004,039

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, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,372,816
Equity in Pooled Cash and Investments	22,184
Due from Other Governments	3,138,180
Property Taxes Receivable	6,098,510
Allowance for Uncollectible Taxes	<u>(219,679)</u>
Total Assets	<u>\$ 16,412,011</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 9,039,195
Due to Litigants, Heirs, and Others	<u>7,372,816</u>
Total Liabilities	<u>\$ 16,412,011</u>

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

BRADLEY COUNTY, TENNESSEE
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BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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. Net debt issues totaling \$193,550 were contributed by the county to the School Department during the year ended June 30, 2016.

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 amortized cost using a Stable Net Asset Value. 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 2.05 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, pension changes in investment earnings, 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 pension 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 \$936,918 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, 2016, Bradley County had \$47,961,831 in outstanding debt for capital purposes for the discretely presented Bradley County School Department and the City of Cleveland's School System. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Cleveland School System) based on an average daily attendance proration. This debt is a liability of Bradley County, but the capital assets acquired are reported in the financial statements of the county

School Department and the City of Cleveland School System. Therefore, Bradley County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

8. Minimum Fund Balance Policy

Primary Government

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

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

Special Purpose Fire Tax Fund – Eight 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 – Typically the county will 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.

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 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. 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

A. 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, 2016, Bradley County and the Bradley County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Funds:		
General	Geographical Aerial Surveys	\$ 94,666
"	Software Maintenance	61,168
"	Insurance	23,434
"	Uniforms	30,773
"	Unemployment Insurance	55,799
"	Radios	13,144
"	Vehicles	79,765
"	Recreation Department Equipment	59,075
Highway/Public Works	Road Construction	305,326
Nonmajor Funds:		
Special Purpose Fire Tax	Parking Lot Repairs	32,488
School Department:		
Major Fund:		
General Purpose School	Auditorium Seats	67,450
"	Roof	29,000

B. Cash Shortage

The Office of County Mayor had a cash shortage of \$15,818.50 as of June 30, 2016, as a result of fraudulent payments made by a former employee in a prior year and discovered by county personnel during the period under examination. The District Attorney General has been made aware of this shortage. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

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, 2016, Bradley County had the following investments carried at amortized cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Bradley County and the discretely presented Bradley County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	4 to 117	\$ 2,047

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, 2016, 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 \$33,365 and is included in the restricted fund balance account.

C. Derivative Instruments

At June 30, 2016, 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, 2016, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2016 financial statements are as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2016</u>		6-30-16
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred	\$ 41,574	Debt	\$ (673,840)	\$ 6,395,000
	Outflow				
\$10M Swap - Series IV-G-1	Deferred	(491,117)	Debt	(2,719,669)	10,000,000
	Outflow				
Total		<u>\$ (449,543)</u>		<u>\$(3,393,509)</u>	<u>\$ 16,395,000</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. 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-C-2 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series IV-C-2 bonds have since been refunded with a portion of the proceeds of the Series E-6-A bonds and the interest rate swap is now associated with the Series E-6-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.38 percent and receives a variable payment computed as 63.5 percent of the five-year London Interbank Offered Rate (LIBOR). The swap has 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, 2016, 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>(0.62)</u>
Net interest rate swap payments		3.76 %
Variable-rate bond coupon payments		<u>0.43</u>
Synthetic interest rate on bonds		<u><u>4.19 %</u></u>

Fair value. As of June 30, 2016, the swap had a negative fair value of \$673,840. 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, 2016, 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, 2016, the swap counterparty, Deutsche Bank, was rated Baa2/BBB+/BBB+ 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, 2016, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2017	\$ 645,000	\$ 27,499	\$ 240,305	\$ 912,804
2018	685,000	24,725	216,068	925,793
2019	2,455,000	21,780	190,328	2,667,108
2020	2,610,000	11,223	98,076	2,719,299
Total	\$ 6,395,000	\$ 85,227	\$ 744,777	\$ 7,225,004

\$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 63.5 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 the interest rate swap agreement exceed the outstanding principal of the Series E-6-A Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the “SIFMA”). The swap agreement matures on June 1, 2026. As of June 30, 2016, 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>(0.62)</u>
Net interest rate swap payments		3.83 %
Variable-rate bond coupon payments		<u>0.43</u>
Synthetic interest rate on bonds		<u><u>4.26 %</u></u>

Fair value. As of June 30, 2016, the swap had a negative fair value of \$2,719,669. 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, 2016, 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, 2016, the swap counterparty, Deutsche Bank, was rated Baa2/BBB+/BBB+ 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, 2016, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap		Total
	Principal	Interest	Payment		
2017	\$ 0	\$ 43,000	\$ 382,770	\$ 425,770	
2018	0	43,000	382,770	425,770	
2019	0	43,000	382,770	425,770	
2020	0	43,000	382,770	425,770	
2021	0	43,000	382,770	425,770	
2022-2025	10,000,000	164,862	1,467,540	11,632,402	
Total	\$ 10,000,000	\$ 379,862	\$ 3,381,390	\$ 13,761,252	

D. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 5,858,505	\$ 0	\$ (70,150)	\$ 5,788,355
Construction in Progress	626,752	724,474	(60,889)	1,290,337
Total Capital Assets Not Depreciated	\$ 6,485,257	\$ 724,474	\$ (131,039)	\$ 7,078,692
Capital Assets Depreciated:				
Buildings and Improvements	\$ 34,006,610	\$ 0	\$ (218,000)	\$ 33,788,610
Infrastructure	38,065,896	1,191,125	(242,059)	39,014,962
Other Capital Assets	17,128,936	1,216,040	(599,831)	17,745,145
Total Capital Assets Depreciated	\$ 89,201,442	\$ 2,407,165	\$ (1,059,890)	\$ 90,548,717
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 15,670,714	\$ 908,151	\$ (143,800)	\$ 16,435,065
Infrastructure	13,608,639	1,277,523	(174,298)	14,711,864
Other Capital Assets	11,764,747	888,680	(547,681)	12,105,746
Total Accumulated Depreciation	\$ 41,044,100	\$ 3,074,354	\$ (865,779)	\$ 43,252,675
Total Capital Assets Depreciated, Net	\$ 48,157,342	\$ (667,189)	\$ (194,111)	\$ 47,296,042
Governmental Activities Capital Assets, Net	\$ 54,642,599	\$ 57,285	\$ (325,150)	\$ 54,374,734

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

Governmental Activities:

General Government	\$ 82,510
Finance	3,446
Administration of Justice	4,485
Public Safety	1,198,289
Public Health and Welfare	183,663
Social, Cultural, and Recreational Services	100,110
Agriculture and Natural Resources	959
Highways/Public Works	<u>1,500,892</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,074,354</u>

Discretely Presented Bradley County School Department**Governmental Activities:**

	Balance 7-1-15	Increases	Balance 6-30-16
Capital Assets Not Depreciated:			
Land	\$ 1,610,912	\$ 0	\$ 1,610,912
Construction in Progress	41,656	713,356	<u>755,012</u>
Total Capital Assets Not Depreciated	<u>\$ 1,652,568</u>	<u>\$ 713,356</u>	<u>\$ 2,365,924</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 107,073,178	\$ 309,550	\$ 107,382,728
Other Capital Assets	1,847,870	143,513	<u>1,991,383</u>
Total Capital Assets Depreciated	<u>\$ 108,921,048</u>	<u>\$ 453,063</u>	<u>\$ 109,374,111</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 44,504,819	\$ 2,831,187	\$ 47,336,006
Other Capital Assets	986,631	139,316	<u>1,125,947</u>
Total Accumulated Depreciation	<u>\$ 45,491,450</u>	<u>\$ 2,970,503</u>	<u>\$ 48,461,953</u>
Total Capital Assets Depreciated, Net	<u>\$ 63,429,598</u>	<u>\$ (2,517,440)</u>	<u>\$ 60,912,158</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,082,166</u>	<u>\$ (1,804,084)</u>	<u>\$ 63,278,082</u>

There were no decreases in capital assets to report during the year ended June 30, 2016.

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

Governmental Activities:

Instruction	\$ 2,856,564
Support Services	78,900
Operation of Non-instructional Services	<u>35,039</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,970,503</u></u>

E. Insurance Recovery

During the year, the discretely presented Bradley County School Department suffered wind damages to one of its schools. Insurance recovery of \$276,585, received in the current year, was used to repair the damages subsequent to June 30, 2016.

F. Construction Commitments

At June 30, 2016, the Highway Department had uncompleted construction contracts of approximately \$305,326 for road construction. Funding has been received for these future expenditures.

G. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Highway/Public Works	General	\$ 1,776
Nonmajor governmental	"	10,941

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:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Governmental Activities	Governmental Activities	\$ 127,061
Education Capital Projects	General Purpose School	160,000

The Due to Primary Government (\$127,061) represents the balance of a capital lease issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this lease. This long-term obligation is reflected in the governmental activities on the Statement of Net Position.

The Due to Primary Government (\$160,000) represents the balance of an interfund loan between the Education Capital Projects Fund and the General Purpose School Fund at year-end. See Note IV.L. for details of the interfund loan.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Primary Government

	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Fund
Transfers Out		
Nonmajor governmental funds	\$ 212,213	\$ 127,480

Discretely Presented Bradley County School Department

	Transfer In
	General Purpose School Fund
Transfer Out	
Nonmajor governmental fund	\$ 59,000

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.

H. Capital Leases

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.

On November 20, 2015, Bradley County entered into a two-year lease-purchase agreement for computer equipment for the School Department. The terms of the agreement require total lease payments of \$193,500 plus interest of 3.089 percent. Title to the computer equipment transferred to the School Department immediately upon acceptance of each item of computer equipment. The General Purpose School Fund is contributing the lease payments to the primary government. In the government-wide financial statements, the upgrades and equipment were expensed in the year of acquisition because those items did not meet criteria of the county’s capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

Year Ending June 30	Governmental Funds
2017	\$ 108,865
2018	108,865
2019	<u>42,377</u>
Total Minimum Lease Payments	\$ 260,107
Less: Amount Representing Interest	<u>(14,223)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 245,884</u></u>

I. 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,

general obligation bonds and 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, 2016, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds	2 to 5.55 %	6-1-29	\$ 20,420,000	\$ 19,950,000
General Obligation Bonds - Refunding	2	6-1-18	4,255,000	1,505,000
Other Loans - Variable Rate	Variable	6-1-26	48,210,000	32,105,000
Other Loans	3 to 4.25	6-30-21	12,050,000	7,080,000
Capital Leases	3.089 to 3.37	4-1-19	389,200	245,884

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, 2016:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-16	Interest Type	Interest Rates as of 6-30-16	Fee Rates as of 6-30-16
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 7,080,000	Fixed	3 to 4.25 %	.65%
Series E-6-A:	28,210,000	15,710,000	Variable	.43	.976
Series IV-C-2	10,000,000	6,395,000	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>\$ 39,185,000</u>			

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2016, 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
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
2022-2026	8,935,000	3,811,572	(1,290,874)	11,455,698
2027-2029	10,165,000	1,094,634	(373,899)	10,885,735
Total	<u>\$ 21,455,000</u>	<u>\$ 9,838,570</u>	<u>\$ (3,301,163)</u>	<u>\$ 27,992,407</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 3,700,000	\$ 372,282	\$ 359,365	\$ 4,431,647
2018	3,860,000	319,520	334,086	4,513,606
2019	4,905,000	268,077	307,490	5,480,567
2020	5,140,000	218,101	268,109	5,626,210
2021	5,390,000	164,048	226,678	5,780,726
2022-2026	16,190,000	238,585	541,533	16,970,118
Total	<u>\$ 39,185,000</u>	<u>\$ 1,580,613</u>	<u>\$ 2,037,261</u>	<u>\$ 42,802,874</u>

There is \$10,242,491 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, and capital leases totaled \$615, 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 6-30-16</u>
<u>Capital Lease</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computer Equipment	\$ 127,061

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Other Loans</u>
Balance, July 1, 2015	\$ 22,345,000	\$ 42,725,000
Reductions	(890,000)	(3,540,000)
Balance, June 30, 2016	<u>\$ 21,455,000</u>	<u>\$ 39,185,000</u>
Balance Due Within One Year	<u>\$ 910,000</u>	<u>\$ 3,700,000</u>

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2015	\$ 217,184	\$ 1,259,482	\$ 3,566,762
Additions	193,550	1,373,005	934,407
Reductions	(164,850)	(1,158,701)	(168,980)
Balance, June 30, 2016	<u>\$ 245,884</u>	<u>\$ 1,473,786</u>	<u>\$ 4,332,189</u>
Balance Due Within One Year	<u>\$ 100,834</u>	<u>\$ 73,689</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, 2016	\$ 66,691,859
Less: Balances Due Within One Year	(4,784,523)
Add: Unamortized Premium on Debt	<u>153,550</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 62,060,886</u></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, 2016, was as follows:

Governmental Activities:

	Other Post- employment Benefits	Net Pension Liability - Cost-sharing Plan*
	<u> </u>	<u> </u>
Balance, July 1, 2015	\$ 8,630,737	\$ (160,897)
Additions	2,060,701	4,330,870
Reductions	<u>(850,053)</u>	<u>(3,757,598)</u>
Balance, June 30, 2016	<u><u>\$ 9,841,385</u></u>	<u><u>\$ 412,375</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

*At July 1, 2015, the cost-sharing plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 10,253,760
Less: Balances Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 10,253,760</u></u>

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

J. 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, 2016, were \$4,787. 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, 2016, were \$275,296 and \$78,687, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

K. Short-term Debt

Primary Government

Bradley County issued tax anticipation notes of \$500,000 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, 2016, was as follows:

	Balance			Balance
	7-1-15	Issued	Paid	6-30-16
Tax Anticipation Notes	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

Discretely Presented Bradley County School Department

Bradley County issued revenue anticipation notes totaling \$230,105 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant

reimbursement collections. Short-term debt activity for the year ended June 30, 2016, was as follows:

	Balance 7-1-15	Issued	Paid	Balance 6-30-16
Revenue Anticipation Note	\$ 0	\$ 230,105	\$ (230,105)	\$ 0

L. Internal Financing

During the year, a local bank committed to donate \$200,000 to the discretely presented Bradley County School Department to be used at two of the county's high schools, Bradley Central and Walker Valley. The bank plans to fulfill this commitment by donating \$40,000 per year (\$20,000 per school) for five years to the School Department. The School Department received \$40,000 from the bank during the year. On December 7, 2015, based on the commitment from the bank, the County Commission voted to loan the balance of the committed funds (\$160,000) to the School Department for immediate use. This loan was made from the Education Capital Projects Fund to the General Purpose School Fund at zero interest and is to be repaid at \$40,000 annually with funds received from the bank.

The amount financed is reflected as Due from Component Unit in the Education Capital Projects Fund and as Due to Primary Government in the General Purpose School Fund in the financial statements of this report. Internal loans receivable at June 30, 2016, are reflected as follows:

Receivable Fund/Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Education Capital Projects Fund:				
School Projects	\$ 160,000	0 %	5-25-16	10-31-20
	Outstanding 6-30-15	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-16
Education Capital Projects Fund:				
School Projects	\$ 0	\$ 160,000	\$ 0	\$ 160,000
Total	\$ 0	\$ 160,000	\$ 0	\$ 160,000

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. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain*

Provisions of GASB Statements No. 67 and No. 68; Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments; Statement No. 79, Certain External Investment Pools and Pool Participants became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Subsequent Events

On August 12, 2016, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the Special Purpose Fire Tax Fund for temporary operating funds.

On September 13, 2016, the discretely presented Bradley County School Department issued a \$16,188,500 lease for energy saving capital improvements at its schools.

D. Contingent Liabilities

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

E. Financial Guarantees

In October 2007, Bradley and McMinn counties guaranteed the 35-year, \$12 million public improvement bonds issuance of a joint venture, the Hiwassee Utilities Commission. The bonds mature annually through June 1, 2042, with semiannual interest payments. In the event that the Hiwassee Utilities Commission is unable to make a payment, Bradley County will be required to make one-half of that payment. See Note V.G.

F. Landfill Closure/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 27.4 years based on current usage – and the life of additional cells that might be opened in the future. The \$2,270,035 estimated closure and postclosure costs of the landfill at June 30, 2016, 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 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission, the Cleveland City Council, and eight ex-officio members, who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and the Cleveland City Council. The center is funded

through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2016, 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, 2016, future principal and interest requirements, which Bradley County would be liable for, were \$5,277,500 and \$4,184,650, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2016.

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, 2016.

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

Administrative Offices:

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

Hiwassee Utilities Commission
3973 Chatata Valley Road
Charleston, TN 37310

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

H. Jointly Governed Organization

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

I. Retirement Commitments

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 comprised 76.12 percent and the non-certified employees of the discretely presented School Department comprised 23.88 of the plan based on contribution 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, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	449
Inactive Employees Entitled to But Not Yet Receiving Benefits	680
Active Employees	823
Total	1,952

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Bradley County employees are non-contributory. 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, the Actuarial Determined Contribution (ADC) for Bradley County was \$3,608,613 based on a rate of 13.62 percent of covered 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 ADC 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, 2015, 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, 2015, 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, 2015, 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 Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
		100 %
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, 2014	\$ 77,646,560	\$ 80,916,730	\$ (3,270,170)
Changes for the year:			
Service Cost	\$ 2,139,815	\$ 0	\$ 2,139,815
Interest	5,880,785	0	5,880,785
Differences Between Expected and Actual Experience	91,321	0	91,321
Contributions-Employer	0	3,608,613	(3,608,613)
Contributions-Employees	0	0	0
Net Investment Income	0	2,504,725	(2,504,725)
Benefit Payments, Including Refunds of Employee Contributions	(2,751,817)	(2,751,817)	0
Administrative Expense	0	(40,743)	40,743
Other Changes	0	0	0
Net Changes	\$ 5,360,104	\$ 3,320,778	\$ 2,039,326
Balance, June 30, 2015	\$ 83,006,664	\$ 84,237,508	\$ (1,230,844)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	76.12%	\$ 63,184,673	\$ 64,121,591	\$ (936,918)
School Department	23.88%	19,821,991	20,115,917	(293,926)
Total		\$ 83,006,664	\$ 84,237,508	\$ (1,230,844)

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 was

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	\$ 10,314,676	\$ (1,230,844)	\$ (10,804,378)

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

Pension Expense. For the year ended June 30, 2016, Bradley County recognized pension expense of \$977,116.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, 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
Difference Between Expected and Actual Experience	\$ 76,101	\$ 1,878,448
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,875,706	3,748,213
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	3,798,483	N/A
Total	\$ 6,750,290	\$ 5,626,661

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” 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	\$ 5,177,952	\$ 4,283,014
School Department	1,572,338	1,343,647
Total	<u>\$ 6,750,290</u>	<u>\$ 5,626,661</u>

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

Year Ending June 30	Amount
2017	\$ (984,870)
2018	(984,870)
2019	(984,870)
2020	264,534
2021	15,220
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 76.12 percent and the non-certified employees of the discretely presented School Department comprise 23.88 percent of the plan based on contribution 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 with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. 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, 2016, to the Teacher Retirement Plan were \$106,301, which is four percent of covered 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 (Assets). At June 30, 2016, the Bradley County School Department reported an asset of \$24,841 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, 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 share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Bradley County School Department's proportion was .617491 percent.

Pension Expense. For the year ended June 30, 2016, the Bradley County School Department recognized pension expense of \$32,555.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, 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
Difference Between Expected and Actual Experience	\$ 0	\$ 8,085
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,008	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>106,301</u>	N/A
Total	<u>\$ 108,309</u>	<u>\$ 8,085</u>

The Bradley County School Department's employer contributions of \$106,301, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. 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
2017	\$ (172)
2018	(172)
2019	(172)
2020	(172)
2021	(674)
Thereafter	(4,717)

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, 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, 2015, 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
		100 %
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 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 the 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 the 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%) or one percentage point higher (8.5%) 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	\$ 4,405	\$ (24,841)	\$ (46,291)

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

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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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, 2016, to the Teacher Legacy Pension Plan were \$4,018,225, which is 9.04 percent of covered 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 Liability (Assets). At June 30, 2016, the Bradley County School Department reported a liability of \$412,375 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Bradley County School Department's proportion of the net pension liability (asset) was based on the Bradley County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Bradley County School Department's proportion was 1.006690 percent. The proportion measured at June 30, 2014, was .990162 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Bradley County School Department recognized negative pension expense of \$259,449.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, 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
Difference Between Expected and Actual Experience	\$ 330,948	\$ 6,418,671
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,446,193	10,108,613
Changes in Proportion of Net Pension Liability (Asset)	443,496	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>4,018,225</u>	<u>N/A</u>
Total	<u>\$ 12,238,862</u>	<u>\$ 16,527,284</u>

The Bradley County School Department's employer contributions of \$4,018,225 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, 2017. 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
2017	\$ (2,636,835)
2018	(2,636,835)
2019	(2,636,835)
2020	732,703
2021	(1,128,846)
Thereafter	0

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, 2015, 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 adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, 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	
			100	%
Total				

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 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 the 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 the 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%) or one percentage point higher (8.5%) 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%
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Net Pension Liability \$ 28,114,307 \$ 412,375 \$ (22,521,559)

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 \$132,876 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

J. Other Postemployment Benefits (OPEB)

Discretely Presented Bradley County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for health care 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/article/fa-accfin-cafr>.

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 \$1,456 per month. The School Department recognized expenditures of \$850,053 for postemployment health care during the year ended June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,062,000
Interest on the NOPEBO	323,653
Adjustment to the ARC	(324,952)
	<hr/>
Annual OPEB cost	\$ 2,060,701
Less amount of contribution	(850,053)
	<hr/>
Increase/decrease in NOPEBO	\$ 1,210,648
Net OPEB obligation, 7-1-15	8,630,737
	<hr/>
Net OPEB obligation, 6-30-16	<u>\$ 9,841,385</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-14	Local Education Group	\$ 2,124,253	43 %	\$ 7,281,430
6-30-15	"	2,202,502	39	8,630,737
6-30-16	"	2,060,701	41	9,841,385

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 17,717,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 17,717,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 41,647,924
UAAL as a % of covered payroll	43%

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, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. 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. Payroll is assumed to grow at a rate of three percent.

Primary Government – Commercial Healthcare Plan

Plan Description

Bradley County participates in a self-insured/commercial healthcare benefits plan administered by Blue Cross/Blue Shield. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Commercial Plan
ARC	\$ 932,518
Interest on the NOPEBO	160,504
Adjustment to the ARC	(158,615)
Annual OPEB cost	\$ 934,407
Less amount of contribution*	(168,980)
Increase/decrease in NOPEBO	\$ 765,427
Net OPEB obligation, 7-1-15	3,566,762
Net OPEB obligation, 6-30-16	\$ 4,332,189

* - Includes estimated fiscal year employer contribution of \$40,359.

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Commercial	\$ 730,032	9 %	\$ 2,938,707
6-30-15	"	763,097	18	3,566,762
6-30-16	"	934,407	18	4,332,189

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Primary Government Commercial Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 6,704,391
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,704,391
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 21,981,604
UAAL as a % of covered payroll	30%

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, 2015, 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 33.97 percent of the present value, at July 1, 2015, of all those benefits.

K. Termination Benefits

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the postemployment health insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are made only when employees choose to accept the incentive. During the year ended June 30, 2016, 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, 2016, four certified School Department employees, at retirement, received the \$10 per day payout of unused sick leave for a cash payment of \$2,890; therefore, the total cost of the sick leave cash payments reported in the government-wide Statement of Net Position by function was \$2,890.

L. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

Reporting Entity

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 County Board of Commissioners. 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 four 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. Investment 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 investment 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 (the “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, 2016:

General Stores	\$ 30,621
Foods and Dietary	15,412
Enteral Feeding Supplies	<u>667</u>
 Total	 <u><u>\$ 46,700</u></u>

D. Assets Whose Use Is Limited

Assets whose use is limited are as follows at June 30, 2016:

Patient Trust Funds	\$ 89,959
Scholarship Fund	13,619
Activities Fund	5,642
Chapel Fund	1,786
Country Store Fund	1,834
Citizens' Endowment Fund	<u>333,333</u>
 Total	 <u><u>\$ 446,173</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 7-1-15	Increases/ (Decreases)	Balance 6-30-16
Land	\$ 1,250	\$ 0	\$ 1,250
Land Improvements	379,814	0	379,814
Buildings	5,543,121	8,577	5,551,698
Fixed Equipment	1,025,826	54,278	1,080,104
Major Movable	1,869,088	35,035	1,904,123
Computer Software	43,695	0	43,695
Computer Hardware	132,985	5,939	138,924
Vehicles	112,944	24,588	137,532
Total	<u>\$ 9,108,723</u>	<u>\$ 128,417</u>	<u>\$ 9,237,140</u>
Less: Accumulated Depreciation:			
Land Improvements	\$ 305,583	\$ 14,918	\$ 320,501
Buildings	4,125,774	152,454	4,278,228
Fixed Equipment	851,083	24,325	875,408
Major Movable	1,677,231	47,370	1,724,601
Computer Software	43,696	0	43,696
Computer Hardware	128,852	3,830	132,682
Vehicles	107,527	7,772	115,299
Total	<u>\$ 7,239,746</u>	<u>\$ 250,669</u>	<u>\$ 7,490,415</u>
Property and Equipment, Net	<u>\$ 1,868,977</u>	<u>\$ (122,252)</u>	<u>\$ 1,746,725</u>

F. Nonexpendable Restricted Net Position

Assets whose use is permanently restricted are as follows at June 30, 2016:

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"). The fund was originally established at the bequest of a private citizen to provide a source of income for the Bradley Memorial Hospital (the "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 as 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-diem 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, 2016, follows:

Medicare	\$ 5,388,599
Medicaid	8,159,241
Other	<u>1,905,310</u>
Gross Patient Service Revenues	\$ 15,453,150
Contractual Adjustments and Uncollectible Accounts	<u>(1,661,235)</u>
Net Patient Service Revenue	<u><u>\$ 13,791,915</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, 2016, were \$280,890, 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 \$90,983 for the year ended June 30, 2016. There was no unpaid liability at June 30, 2016.

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, 2016, 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, 2016, which have initial or remaining terms of one year or more.

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

Total rental expense for all operating leases was \$25,746 for 2016 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

Subsequent events for the nursing center have been evaluated through the financial statement date of issuance.

**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

	2014	2015
Total Pension Liability (Asset)		
Service Cost	\$ 2,108,007	\$ 2,139,815
Interest	5,697,980	5,880,785
Differences Between Actual and Expected Experience	(2,817,672)	91,321
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)	(2,751,817)
Net Change in Total Pension Liability (Asset)	\$ 2,574,690	\$ 5,360,104
Total Pension Liability (Asset), Beginning	75,071,870	77,646,560
Total Pension Liability (Asset), Ending (a)	\$ 77,646,560	\$ 83,006,664
Plan Fiduciary Net Position		
Contributions - Employer	\$ 3,729,911	\$ 3,608,613
Net Investment Income	11,411,807	2,504,725
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)	(2,751,817)
Administrative Expense	(34,067)	(40,743)
Net Change in Plan Fiduciary Net Position	\$ 12,694,026	\$ 3,320,778
Plan Fiduciary Net Position, Beginning	68,222,704	80,916,730
Plan Fiduciary Net Position, Ending (b)	\$ 80,916,730	\$ 84,237,508
Net Pension Liability (Asset), Ending (a - b)	\$ (3,270,170)	\$ (1,230,844)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.21%	101.48%
Covered Employee Payroll	\$ 26,910,220	\$ 26,488,324
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	12.15%	4.65%

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

Note: data presented includes primary government and non-certified employees of the discretely presented 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>	<u>2016</u>
Actuarially Determined Contribution	\$ 3,729,911	\$ 3,608,613	\$ 3,798,483
Less Contributions in Relation to the Actuarially Determined Contribution	(3,729,911)	(3,608,613)	(3,798,483)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 26,910,220	\$ 26,488,324	\$ 27,974,019
Contributions as a Percentage of Covered Employee Payroll	13.86%	13.62%	13.58%

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

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

Exhibit E-3

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

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 32,074	\$ 66,438
Less Contributions in Relation to the Contractually Required Contribution	<u>(51,319)</u>	<u>(106,301)</u>
Contribution Deficiency (Excess)	<u>\$ (19,245)</u>	<u>\$ (39,863)</u>
Covered Employee Payroll	\$ 1,282,963	\$ 2,657,521
Contributions as a Percentage of Covered Employee Payroll	4.00%	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>	<u>2016</u>
Contractually Required Contribution	\$ 3,451,104	\$ 3,406,765	\$ 4,018,225
Less Contributions in Relation to the Contractually Required Contribution	<u>(3,451,104)</u>	<u>(3,406,765)</u>	<u>(4,018,225)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 38,863,787	\$ 37,685,370	\$ 41,866,633
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%	9.60%

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 Pension Plan of TCRS
Discretely Presented Bradley County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.617491%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (24,841)
Covered Employee Payroll	\$ 1,282,963
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

* 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 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>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.990162%	1.006690%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (160,897)	\$ 412,375
Covered Employee Payroll	\$ 38,863,787	\$ 37,685,370
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(0.414002)%	1.094256%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

* 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-7

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Commercial	7-1-11	\$ 0	\$ 5,046	\$ 5,046	0 %	\$ 21,249	24 %
"	7-1-13	0	5,593	5,593	0	20,517	27
"	7-1-15	0	6,704	6,704	0	21,981	30
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	16,790	16,790	0	43,379	39
"	7-1-13	0	17,608	17,608	0	44,104	40
"	7-1-15	0	17,717	17,717	0	41,648	43

BRADLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 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. This fund was closed during the year and its assets were transferred 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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for a Community Development Block Grant project. This fund was closed during the year.

Exhibit F-1

Bradley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Special Purpose Fire Tax	Drug Control	Agriculture Center
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	29,250	175,169	2,200,804	37,510	333,959	111,351
Accounts Receivable	0	0	0	0	0	0
Due from Other Governments	0	9,717	0	25,000	0	0
Due from Other Funds	0	0	0	10,941	0	0
Due from Component Units	0	0	0	0	0	0
Property Taxes Receivable	0	517,961	0	4,372,209	0	0
Allowance for Uncollectible Property Taxes	0	(19,381)	0	(331,541)	0	0
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	\$ 29,250	\$ 683,466	\$ 2,200,804	\$ 4,114,119	\$ 333,959	\$ 111,351
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 492,192	\$ 0	\$ 3,864,198	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	5,618	0	168,694	0	0
Other Deferred/Unavailable Revenue	0	3,000	0	0	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 500,810	\$ 0	\$ 4,032,892	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice	\$ 29,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	0	0	30,717	324,630	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Special Purpose Fire Tax	Drug Control	Agriculture Center
<u>FUND BALANCES (CONT.)</u>						
Restricted (Cont.):						
Restricted for Social, Cultural, and Recreational Services	\$ 0	\$ 182,656	\$ 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 Health and Welfare	0	0	2,200,804	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0	110,058
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	50,510	9,329	0
Assigned for Social, Cultural, and Recreational Services	0	0	0	0	0	1,293
Assigned for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 29,250</u>	<u>\$ 182,656</u>	<u>\$ 2,200,804</u>	<u>\$ 81,227</u>	<u>\$ 333,959</u>	<u>\$ 111,351</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 29,250</u>	<u>\$ 683,466</u>	<u>\$ 2,200,804</u>	<u>\$ 4,114,119</u>	<u>\$ 333,959</u>	<u>\$ 111,351</u>

(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>		
	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects
<u>ASSETS</u>					
Cash	\$ 533,456	\$ 533,456	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	2,888,043	130,999	546,291	133,180
Accounts Receivable	2,879	2,879	9,191	0	55
Due from Other Governments	0	34,717	0	660,158	0
Due from Other Funds	0	10,941	0	0	0
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	0	4,890,170	0	1,194,827	0
Allowance for Uncollectible Property Taxes	0	(350,922)	0	(40,949)	0
Notes Receivable - Long-term	0	0	0	0	33,365
Total Assets	\$ 536,335	\$ 8,009,284	\$ 140,190	\$ 2,360,327	\$ 166,600
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 4,356,390	\$ 0	\$ 1,141,886	\$ 0
Deferred Delinquent Property Taxes	0	174,312	0	10,547	0
Other Deferred/Unavailable Revenue	0	3,000	0	7,500	0
Total Deferred Inflows of Resources	\$ 0	\$ 4,533,702	\$ 0	\$ 1,159,933	\$ 0
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 0	\$ 29,250	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	355,347	0	0	0

(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>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>FUND BALANCES (CONT.)</u>					
Restricted (Cont.):					
Restricted for Social, Cultural, and Recreational Services	\$ 0	\$ 182,656	\$ 0	\$ 0	\$ 0
Restricted for Capital Outlay	0	0	0	1,200,394	33,365
Committed:					
Committed for General Government	89,822	89,822	0	0	0
Committed for Finance	369,584	369,584	0	0	0
Committed for Administration of Justice	76,929	76,929	0	0	0
Committed for Public Health and Welfare	0	2,200,804	0	0	0
Committed for Social, Cultural, and Recreational Services	0	110,058	0	0	0
Committed for Capital Outlay	0	0	0	0	133,235
Committed for Capital Projects	0	0	126,190	0	0
Assigned:					
Assigned for Public Safety	0	59,839	0	0	0
Assigned for Social, Cultural, and Recreational Services	0	1,293	0	0	0
Assigned for Capital Projects	0	0	14,000	0	0
Total Fund Balances	<u>\$ 536,335</u>	<u>\$ 3,475,582</u>	<u>\$ 140,190</u>	<u>\$ 1,200,394</u>	<u>\$ 166,600</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 536,335</u>	<u>\$ 8,009,284</u>	<u>\$ 140,190</u>	<u>\$ 2,360,327</u>	<u>\$ 166,600</u>

(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	\$ 533,456
Equity in Pooled Cash and Investments	79,039	889,509	3,777,552
Accounts Receivable	0	9,246	12,125
Due from Other Governments	0	660,158	694,875
Due from Other Funds	0	0	10,941
Due from Component Units	160,000	160,000	160,000
Property Taxes Receivable	833,037	2,027,864	6,918,034
Allowance for Uncollectible Property Taxes	(17,598)	(58,547)	(409,469)
Notes Receivable - Long-term	0	33,365	33,365
Total Assets	<u>\$ 1,054,478</u>	<u>\$ 3,721,595</u>	<u>\$ 11,730,879</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 815,070	\$ 1,956,956	\$ 6,313,346
Deferred Delinquent Property Taxes	325	10,872	185,184
Other Deferred/Unavailable Revenue	0	7,500	10,500
Total Deferred Inflows of Resources	<u>\$ 815,395</u>	<u>\$ 1,975,328</u>	<u>\$ 6,509,030</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 29,250
Restricted for Public Safety	0	0	355,347

(Continued)

Exhibit F-1

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

FUND BALANCES (CONT.)

Restricted (Cont.):

Restricted for Social, Cultural, and Recreational Services
 Restricted for Capital Outlay

Committed:

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

Assigned:

Assigned for Public Safety
 Assigned for Social, Cultural, and Recreational Services
 Assigned for Capital Projects

Total Fund Balances

Total Deferred Inflows of Resources and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total
Education Capital Projects	Total	Nonmajor Governmental Funds	
\$ 0	\$ 0	\$	182,656
239,083	1,472,842		1,472,842
0	0		89,822
0	0		369,584
0	0		76,929
0	0		2,200,804
0	0		110,058
0	133,235		133,235
0	126,190		126,190
0	0		59,839
0	0		1,293
0	14,000		14,000
<u>\$ 239,083</u>	<u>\$ 1,746,267</u>	<u>\$</u>	<u>5,221,849</u>
<u>\$ 1,054,478</u>	<u>\$ 3,721,595</u>	<u>\$</u>	<u>11,730,879</u>

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, 2016

	Special Revenue Funds					
	Law Library	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose Fire Tax	Drug Control
<u>Revenues</u>						
Local Taxes	\$ 432	\$ 596,613	\$ 0	\$ 0	\$ 4,010,719	\$ 0
Fines, Forfeitures, and Penalties	992	0	0	0	0	117,413
Charges for Current Services	11,228	0	203,776	0	0	0
Other Local Revenues	0	0	4,874	0	39,255	8,640
State of Tennessee	0	22,770	94,425	0	26,400	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	10,000	0	0	0
Total Revenues	\$ 12,652	\$ 619,383	\$ 313,075	\$ 0	\$ 4,076,374	\$ 126,053
<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	4,402,111	373,807
Public Health and Welfare	0	0	148,822	0	0	21,816
Social, Cultural, and Recreational Services	11,970	626,742	0	0	0	0
Other Operations	128	12,184	29,538	0	84,396	1,488
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 12,098	\$ 638,926	\$ 178,360	\$ 0	\$ 4,486,507	\$ 397,111

(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
Excess (Deficiency) of Revenues Over Expenditures	\$ 554	\$ (19,543)	\$ 134,715	\$ 0	\$ (410,133)	\$ (271,058)
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Proceeds from Sale of Capital Assets	0	0	0	0	0	29,239
Transfers In	0	0	0	0	127,480	0
Transfers Out	0	0	0	(127,480)	(212,213)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (127,480)	\$ (84,733)	\$ 29,239
Net Change in Fund Balances	\$ 554	\$ (19,543)	\$ 134,715	\$ (127,480)	\$ (494,866)	\$ (241,819)
Fund Balance, July 1, 2015	28,696	202,199	2,066,089	127,480	576,093	575,778
Fund Balance, June 30, 2016	\$ 29,250	\$ 182,656	\$ 2,200,804	\$ 0	\$ 81,227	\$ 333,959

(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	\$ 227,330	\$ 0	\$ 4,835,094	\$ 0	\$ 1,115,661	\$ 0
Fines, Forfeitures, and Penalties	0	0	118,405	0	0	0
Charges for Current Services	0	1,981,220	2,196,224	0	0	0
Other Local Revenues	0	0	52,769	112,850	0	648
State of Tennessee	0	0	143,595	176,977	49,762	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	10,000	0	637,075	0
Total Revenues	\$ 227,330	\$ 1,981,220	\$ 7,356,087	\$ 289,827	\$ 1,802,498	\$ 648
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 350,976	\$ 350,976	\$ 0	\$ 0	\$ 0
Finance	0	1,342,345	1,342,345	0	0	0
Administration of Justice	0	248,244	248,244	0	0	0
Public Safety	0	0	4,775,918	0	0	0
Public Health and Welfare	0	0	170,638	0	0	0
Social, Cultural, and Recreational Services	241,558	0	880,270	0	0	0
Other Operations	2,519	0	130,253	1,097	1,929,577	6
Capital Projects	0	0	0	378,006	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 244,077	\$ 1,941,565	\$ 7,898,644	\$ 379,103	\$ 1,929,577	\$ 6

(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
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,747)	\$ 39,655	\$ (542,557)	\$ (89,276)	\$ (127,079)	642
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Proceeds from Sale of Capital Assets	0	0	29,239	132,506	0	0
Transfers In	0	0	127,480	0	0	0
Transfers Out	0	0	(339,693)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (182,974)	\$ 132,506	\$ 0	0
Net Change in Fund Balances	\$ (16,747)	\$ 39,655	\$ (725,531)	\$ 43,230	\$ (127,079)	642
Fund Balance, July 1, 2015	128,098	496,680	4,201,113	96,960	1,327,473	165,958
Fund Balance, June 30, 2016	\$ 111,351	\$ 536,335	\$ 3,475,582	\$ 140,190	\$ 1,200,394	\$ 166,600

(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	Other Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 34,427	\$ 0	\$ 1,150,088	\$ 5,985,182
Fines, Forfeitures, and Penalties	0	0	0	118,405
Charges for Current Services	0	0	0	2,196,224
Other Local Revenues	0	0	113,498	166,267
State of Tennessee	927	0	227,666	371,261
Federal Government	0	525,000	525,000	525,000
Other Governments and Citizens Groups	0	0	637,075	647,075
Total Revenues	<u>\$ 35,354</u>	<u>\$ 525,000</u>	<u>\$ 2,653,327</u>	<u>\$ 10,009,414</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 350,976
Finance	0	0	0	1,342,345
Administration of Justice	0	0	0	248,244
Public Safety	0	0	0	4,775,918
Public Health and Welfare	0	0	0	170,638
Social, Cultural, and Recreational Services	0	0	0	880,270
Other Operations	681	0	1,931,361	2,061,614
Capital Projects	0	525,000	903,006	903,006
Capital Projects - Donated	193,550	0	193,550	193,550
Total Expenditures	<u>\$ 194,231</u>	<u>\$ 525,000</u>	<u>\$ 3,027,917</u>	<u>\$ 10,926,561</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	Other Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (158,877)	\$ 0	\$ (374,590)	\$ (917,147)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 193,550	\$ 0	\$ 193,550	\$ 193,550
Proceeds from Sale of Capital Assets	0	0	132,506	161,745
Transfers In	0	0	0	127,480
Transfers Out	0	0	0	(339,693)
Total Other Financing Sources (Uses)	\$ 193,550	\$ 0	\$ 326,056	\$ 143,082
Net Change in Fund Balances	\$ 34,673	\$ 0	\$ (48,534)	\$ (774,065)
Fund Balance, July 1, 2015	204,410	0	1,794,801	5,995,914
Fund Balance, June 30, 2016	\$ 239,083	\$ 0	\$ 1,746,267	\$ 5,221,849

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 432	\$ 500	\$ 500	\$ (68)
Fines, Forfeitures, and Penalties	992	1,250	1,250	(258)
Charges for Current Services	11,228	11,000	11,000	228
Total Revenues	<u>\$ 12,652</u>	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ (98)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 11,970	\$ 12,200	\$ 12,200	\$ 230
<u>Other Operations</u>				
Other Charges	128	150	150	22
Total Expenditures	<u>\$ 12,098</u>	<u>\$ 12,350</u>	<u>\$ 12,350</u>	<u>\$ 252</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 554</u>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 154</u>
Net Change in Fund Balance	\$ 554	\$ 400	\$ 400	154
Fund Balance, July 1, 2015	<u>28,696</u>	<u>27,167</u>	<u>27,167</u>	<u>1,529</u>
Fund Balance, June 30, 2016	<u><u>\$ 29,250</u></u>	<u><u>\$ 27,567</u></u>	<u><u>\$ 27,567</u></u>	<u><u>\$ 1,683</u></u>

Exhibit F-4

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 596,613	\$ 595,905	\$ 606,706	\$ (10,093)
State of Tennessee	22,770	14,900	14,900	7,870
Total Revenues	<u>\$ 619,383</u>	<u>\$ 610,805</u>	<u>\$ 621,606</u>	<u>\$ (2,223)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 626,742	\$ 626,742	\$ 626,742	\$ 0
<u>Other Operations</u>				
Other Charges	12,184	15,000	15,000	2,816
Total Expenditures	<u>\$ 638,926</u>	<u>\$ 641,742</u>	<u>\$ 641,742</u>	<u>\$ 2,816</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (19,543)</u>	<u>\$ (30,937)</u>	<u>\$ (20,136)</u>	<u>\$ 593</u>
Net Change in Fund Balance	\$ (19,543)	\$ (30,937)	\$ (20,136)	\$ 593
Fund Balance, July 1, 2015	<u>202,199</u>	<u>192,778</u>	<u>192,778</u>	<u>9,421</u>
Fund Balance, June 30, 2016	<u>\$ 182,656</u>	<u>\$ 161,841</u>	<u>\$ 172,642</u>	<u>\$ 10,014</u>

Exhibit F-5

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 203,776	\$ 0	\$ 203,776	\$ 250,000	\$ 203,776	\$ 0
Other Local Revenues	4,874	0	4,874	0	5,745	(871)
State of Tennessee	94,425	0	94,425	65,000	71,090	23,335
Other Governments and Citizens Groups	10,000	0	10,000	15,000	15,000	(5,000)
Total Revenues	\$ 313,075	\$ 0	\$ 313,075	\$ 330,000	\$ 295,611	\$ 17,464
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Waste Pickup	\$ 4,650	\$ 0	\$ 4,650	\$ 0	\$ 4,650	\$ 0
Other Waste Collection	48,237	0	48,237	65,000	65,000	16,763
Recycling Center	95,935	(10,272)	85,663	110,552	110,552	24,889
<u>Other Operations</u>						
Other Charges	2,038	0	2,038	3,363	3,363	1,325
Contributions to Other Agencies	27,500	0	27,500	27,500	27,500	0
Total Expenditures	\$ 178,360	\$ (10,272)	\$ 168,088	\$ 206,415	\$ 211,065	\$ 42,977
Excess (Deficiency) of Revenues Over Expenditures	\$ 134,715	\$ 10,272	\$ 144,987	\$ 123,585	\$ 84,546	\$ 60,441
Net Change in Fund Balance	\$ 134,715	\$ 10,272	\$ 144,987	\$ 123,585	\$ 84,546	\$ 60,441
Fund Balance, July 1, 2015	2,066,089	(10,272)	2,055,817	2,303,868	2,303,868	(248,051)
Fund Balance, June 30, 2016	\$ 2,200,804	\$ 0	\$ 2,200,804	\$ 2,427,453	\$ 2,388,414	\$ (187,610)

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (127,480)	\$ 0	\$ (127,480)	\$ 0
Total Other Financing Sources	\$ (127,480)	\$ 0	\$ (127,480)	\$ 0
Net Change in Fund Balance	\$ (127,480)	\$ 0	\$ (127,480)	\$ 0
Fund Balance, July 1, 2015	127,480	127,480	127,480	0
Fund Balance, June 30, 2016	\$ 0	\$ 127,480	\$ 0	\$ 0

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,010,719	\$ 0	\$ 0	\$ 4,010,719	\$ 4,302,606	\$ 4,302,787	\$ (292,068)
Other Local Revenues	39,255	0	0	39,255	25,000	30,581	8,674
State of Tennessee	26,400	0	0	26,400	0	26,400	0
Total Revenues	\$ 4,076,374	\$ 0	\$ 0	\$ 4,076,374	\$ 4,327,606	\$ 4,359,768	\$ (283,394)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 4,398,573	\$ (202,934)	\$ 50,510	\$ 4,246,149	\$ 4,249,886	\$ 4,373,164	\$ 127,015
Rescue Squad	3,538	0	0	3,538	0	3,538	0
<u>Other Operations</u>							
Other Charges	82,521	0	0	82,521	77,000	85,380	2,859
Miscellaneous	1,875	0	0	1,875	0	1,875	0
Total Expenditures	\$ 4,486,507	\$ (202,934)	\$ 50,510	\$ 4,334,083	\$ 4,326,886	\$ 4,463,957	\$ 129,874
Excess (Deficiency) of Revenues Over Expenditures	\$ (410,133)	\$ 202,934	\$ (50,510)	\$ (257,709)	\$ 720	\$ (104,189)	\$ (153,520)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 127,480	\$ 0	\$ 0	\$ 127,480	\$ 0	\$ 0	\$ 127,480
Transfers Out	(212,213)	0	0	(212,213)	(212,213)	(212,213)	0
Total Other Financing Sources	\$ (84,733)	\$ 0	\$ 0	\$ (84,733)	\$ (212,213)	\$ (212,213)	\$ 127,480
Net Change in Fund Balance	\$ (494,866)	\$ 202,934	\$ (50,510)	\$ (342,442)	\$ (211,493)	\$ (316,402)	\$ (26,040)
Fund Balance, July 1, 2015	576,093	(202,934)	0	373,159	587,257	587,257	(214,098)
Fund Balance, June 30, 2016	\$ 81,227	\$ 0	\$ (50,510)	\$ 30,717	\$ 375,764	\$ 270,855	\$ (240,138)

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 117,413	\$ 0	\$ 0	\$ 117,413	\$ 118,500	\$ 115,429	\$ 1,984
Charges for Current Services	0	0	0	0	0	279	(279)
Other Local Revenues	8,640	0	0	8,640	10,000	8,510	130
Total Revenues	\$ 126,053	\$ 0	\$ 0	\$ 126,053	\$ 128,500	\$ 124,218	\$ 1,835
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 115,217	\$ (486)	\$ 5,955	\$ 120,686	\$ 76,000	\$ 140,055	\$ 19,369
Drug Enforcement	258,590	(2,496)	3,374	259,468	349,174	349,119	89,651
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	21,816	0	0	21,816	15,000	23,510	1,694
<u>Other Operations</u>							
Other Charges	1,488	0	0	1,488	1,500	1,700	212
Total Expenditures	\$ 397,111	\$ (2,982)	\$ 9,329	\$ 403,458	\$ 441,674	\$ 514,384	\$ 110,926
Excess (Deficiency) of Revenues Over Expenditures	\$ (271,058)	\$ 2,982	\$ (9,329)	\$ (277,405)	\$ (313,174)	\$ (390,166)	\$ 112,761
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 29,239	\$ 0	\$ 0	\$ 29,239	\$ 0	\$ 74,055	\$ (44,816)
Total Other Financing Sources	\$ 29,239	\$ 0	\$ 0	\$ 29,239	\$ 0	\$ 74,055	\$ (44,816)
Net Change in Fund Balance	\$ (241,819)	\$ 2,982	\$ (9,329)	\$ (248,166)	\$ (313,174)	\$ (316,111)	\$ 67,945
Fund Balance, July 1, 2015	575,778	(2,982)	0	572,796	522,741	522,741	50,055
Fund Balance, June 30, 2016	\$ 333,959	\$ 0	\$ (9,329)	\$ 324,630	\$ 209,567	\$ 206,630	\$ 118,000

Exhibit F-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Agriculture Center Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive - (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 227,330	\$ 0	\$ 227,330	\$ 214,000	\$ 254,000	\$ (26,670)
Total Revenues	\$ 227,330	\$ 0	\$ 227,330	\$ 214,000	\$ 254,000	\$ (26,670)
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Other Social, Cultural, and Recreational	\$ 241,558	\$ 1,293	\$ 242,851	\$ 246,545	\$ 245,895	\$ 3,044
<u>Other Operations</u>						
Other Charges	2,519	0	2,519	2,140	2,790	271
Total Expenditures	\$ 244,077	\$ 1,293	\$ 245,370	\$ 248,685	\$ 248,685	\$ 3,315
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,747)	\$ (1,293)	\$ (18,040)	\$ (34,685)	\$ 5,315	\$ (23,355)
Net Change in Fund Balance	\$ (16,747)	\$ (1,293)	\$ (18,040)	\$ (34,685)	\$ 5,315	\$ (23,355)
Fund Balance, July 1, 2015	128,098	0	128,098	121,185	121,185	6,913
Fund Balance, June 30, 2016	\$ 111,351	\$ (1,293)	\$ 110,058	\$ 86,500	\$ 126,500	\$ (16,442)

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,743,777	\$ 5,770,858	\$ 5,856,910	\$ (113,133)
Other Local Revenues	1,875	2,000	2,000	(125)
State of Tennessee	219,826	149,000	149,000	70,826
Federal Government	305,023	327,278	327,278	(22,255)
Other Governments and Citizens Groups	130,066	0	130,063	3
Total Revenues	<u>\$ 6,400,567</u>	<u>\$ 6,249,136</u>	<u>\$ 6,465,251</u>	<u>\$ (64,684)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 119,711	\$ 154,209	\$ 154,209	\$ 34,498
<u>Principal on Debt</u>				
General Government	820,115	936,838	925,431	105,316
Education	3,736,944	3,493,162	3,736,944	0
<u>Interest on Debt</u>				
General Government	404,688	292,213	484,915	80,227
Education	1,669,875	1,658,028	1,669,875	0
<u>Other Debt Service</u>				
General Government	86,102	211,320	154,892	68,790
Education	200,818	365,198	200,818	0
Total Expenditures	<u>\$ 7,038,253</u>	<u>\$ 7,110,968</u>	<u>\$ 7,327,084</u>	<u>\$ 288,831</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (637,686)</u>	<u>\$ (861,832)</u>	<u>\$ (861,833)</u>	<u>\$ 224,147</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 212,213	\$ 212,213	\$ 212,213	\$ 0
Total Other Financing Sources	<u>\$ 212,213</u>	<u>\$ 212,213</u>	<u>\$ 212,213</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (425,473)	\$ (649,619)	\$ (649,620)	\$ 224,147
Fund Balance, July 1, 2015	<u>10,667,964</u>	<u>10,046,738</u>	<u>10,046,738</u>	<u>621,226</u>
Fund Balance, June 30, 2016	<u>\$ 10,242,491</u>	<u>\$ 9,397,119</u>	<u>\$ 9,397,118</u>	<u>\$ 845,373</u>

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.

City of Charleston Fund – The City of Charleston Fund is used to account for property taxes collected by the county trustee on behalf of the City of Charleston. These collections are remitted to the city on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register 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, 2016

	Agency Funds					Total
	Cities - Sales Tax	Cities - Mixed Drink Tax In Litigation	City School ADA - Cleveland	Constitu- tional Officers - Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 7,372,816	\$	7,372,816
Equity in Pooled Cash and Investments	0	10,573	11,611	0		22,184
Due from Other Governments	2,034,212	736	1,103,232	0		3,138,180
Property Taxes Receivable	0	0	6,098,510	0		6,098,510
Allowance for Uncollectible Property Taxes	0	0	(219,679)	0		(219,679)
Total Assets	<u>\$ 2,034,212</u>	<u>\$ 11,309</u>	<u>\$ 6,993,674</u>	<u>\$ 7,372,816</u>	<u>\$</u>	<u>16,412,011</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 2,034,212	\$ 11,309	\$ 6,993,674	\$ 0	\$	9,039,195
Due to Litigants, Heirs, and Others	0	0	0	7,372,816		7,372,816
Total Liabilities	<u>\$ 2,034,212</u>	<u>\$ 11,309</u>	<u>\$ 6,993,674</u>	<u>\$ 7,372,816</u>	<u>\$</u>	<u>16,412,011</u>

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,301,740	\$ 12,301,740	\$ 0
Due from Other Governments	2,079,897	2,034,212	2,079,897	2,034,212
Total Assets	\$ 2,079,897	\$ 14,335,952	\$ 14,381,637	\$ 2,034,212
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,079,897	\$ 14,335,952	\$ 14,381,637	\$ 2,034,212
Total Liabilities	\$ 2,079,897	\$ 14,335,952	\$ 14,381,637	\$ 2,034,212
<u>Cities - Mixed Drink Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,368	\$ 4,205	\$ 0	\$ 10,573
Due from Other Governments	706	736	706	736
Total Assets	\$ 7,074	\$ 4,941	\$ 706	\$ 11,309
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,074	\$ 4,941	\$ 706	\$ 11,309
Total Liabilities	\$ 7,074	\$ 4,941	\$ 706	\$ 11,309
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,451	\$ 12,683,283	\$ 12,684,123	\$ 11,611
Due from Other Governments	1,058,361	1,103,232	1,058,361	1,103,232
Taxes Receivable	6,354,374	6,098,510	6,354,374	6,098,510
Allowance for Uncollectible Taxes	(227,214)	(219,679)	(227,214)	(219,679)
Total Assets	\$ 7,197,972	\$ 19,665,346	\$ 19,869,644	\$ 6,993,674
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,197,972	\$ 19,665,346	\$ 19,869,644	\$ 6,993,674
Total Liabilities	\$ 7,197,972	\$ 19,665,346	\$ 19,869,644	\$ 6,993,674

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>City of Charleston</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 50,267	\$ 50,267	\$ 0
Total Assets	\$ 0	\$ 50,267	\$ 50,267	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 50,267	\$ 50,267	\$ 0
Total Liabilities	\$ 0	\$ 50,267	\$ 50,267	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,931,297	\$ 22,958,740	\$ 22,517,221	\$ 7,372,816
Total Assets	\$ 6,931,297	\$ 22,958,740	\$ 22,517,221	\$ 7,372,816
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,931,297	\$ 22,958,740	\$ 22,517,221	\$ 7,372,816
Total Liabilities	\$ 6,931,297	\$ 22,958,740	\$ 22,517,221	\$ 7,372,816
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 6,931,297	\$ 22,958,740	\$ 22,517,221	\$ 7,372,816
Equity in Pooled Cash and Investments	18,819	25,039,495	25,036,130	22,184
Due from Other Governments	3,138,964	3,138,180	3,138,964	3,138,180
Taxes Receivable	6,354,374	6,098,510	6,354,374	6,098,510
Allowance for Uncollectible Taxes	(227,214)	(219,679)	(227,214)	(219,679)
Total Assets	\$ 16,216,240	\$ 57,015,246	\$ 56,819,475	\$ 16,412,011
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,284,943	\$ 34,056,506	\$ 34,302,254	\$ 9,039,195
Due to Litigants, Heirs, and Others	6,931,297	22,958,740	22,517,221	7,372,816
Total Liabilities	\$ 16,216,240	\$ 57,015,246	\$ 56,819,475	\$ 16,412,011

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, 2016

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	\$ 48,308,873	\$ 25,113	\$ 6,760,202	\$ (41,523,558)
Support Services	24,199,237	0	0	(24,199,237)
Operation of Non-instructional Services	7,274,322	1,640,764	4,252,828	(1,380,730)
Total Governmental Activities	\$ 79,782,432	\$ 1,665,877	\$ 11,013,030	\$ (67,103,525)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 12,043,514
Local Option Sales Taxes				11,615,978
Other Local Taxes				209,838
Grants and Contributions Not Restricted to Specific Programs				46,883,719
Unrestricted Investment Earnings				32,444
Miscellaneous				26,821
Total General Revenues				\$ 70,812,314
Insurance Recovery				\$ 276,585
Change in Net Position				\$ 3,985,374
Net Position, July 1, 2015				56,367,182
Net Position, June 30, 2016				\$ 60,352,556

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2016

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,573	\$ 3,573
Equity in Pooled Cash and Investments	14,778,797	1,438,120	16,216,917
Accounts Receivable	20,000	0	20,000
Due from Other Governments	2,395,263	354,095	2,749,358
Property Taxes Receivable	11,426,838	0	11,426,838
Allowance for Uncollectible Property Taxes	(411,976)	0	(411,976)
Total Assets	<u>\$ 28,208,922</u>	<u>\$ 1,795,788</u>	<u>\$ 30,004,710</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 135,404	\$ 244	\$ 135,648
Accrued Payroll	6,195,935	402,475	6,598,410
Payroll Deductions Payable	1,026,842	102,458	1,129,300
Due to Primary Government	160,000	0	160,000
Total Liabilities	<u>\$ 7,518,181</u>	<u>\$ 505,177</u>	<u>\$ 8,023,358</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,885,317	\$ 0	\$ 10,885,317
Deferred Delinquent Property Taxes	113,940	0	113,940
Other Deferred/Unavailable Revenue	1,030,000	0	1,030,000
Total Deferred Inflows of Resources	<u>\$ 12,029,257</u>	<u>\$ 0</u>	<u>\$ 12,029,257</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 294,152	\$ 994,347	\$ 1,288,499
Committed:			
Committed for Education	0	296,264	296,264
Committed for Capital Projects	2,634,096	0	2,634,096
Assigned:			
Assigned for Capital Projects	96,450	0	96,450
Unassigned	5,636,786	0	5,636,786
Total Fund Balances	<u>\$ 8,661,484</u>	<u>\$ 1,290,611</u>	<u>\$ 9,952,095</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,208,922</u>	<u>\$ 1,795,788</u>	<u>\$ 30,004,710</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, 2016

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)		\$	9,952,095
(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		755,012	
Add: buildings and improvements net of accumulated depreciation		60,046,722	
Add: other capital assets net of accumulated depreciation		<u>865,436</u>	63,278,082
(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	\$	(127,061)	
Less: other postemployment benefits liability		(9,841,385)	
Less: net pension liability - cost sharing plan		<u>(412,375)</u>	(10,380,821)
(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	\$	5,784,589	
Less: deferred inflows of resources related to pensions		<u>(9,744,096)</u>	(3,959,507)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	293,926	
Add: net pension assets - cost-sharing plan		<u>24,841</u>	318,767
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,143,940</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>60,352,556</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, 2016

	<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	\$ 23,672,544	\$ 0	\$ 23,672,544
Licenses and Permits	5,982	0	5,982
Charges for Current Services	3,876	1,640,764	1,644,640
Other Local Revenues	314,924	5,024	319,948
State of Tennessee	47,536,853	0	47,536,853
Federal Government	787,504	9,407,793	10,195,297
Other Governments and Citizens Groups	193,550	0	193,550
Total Revenues	<u>\$ 72,515,233</u>	<u>\$ 11,053,581</u>	<u>\$ 83,568,814</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 45,296,813	\$ 2,757,266	\$ 48,054,079
Support Services	22,392,677	2,895,272	25,287,949
Operation of Non-instructional Services	1,964,777	5,283,315	7,248,092
Capital Outlay	1,736,397	0	1,736,397
Total Expenditures	<u>\$ 71,390,664</u>	<u>\$ 10,935,853</u>	<u>\$ 82,326,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,124,569</u>	<u>\$ 117,728</u>	<u>\$ 1,242,297</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 276,585	\$ 0	\$ 276,585
Transfers In	59,000	0	59,000
Transfers Out	0	(59,000)	(59,000)
Total Other Financing Sources (Uses)	<u>\$ 335,585</u>	<u>\$ (59,000)</u>	<u>\$ 276,585</u>
Net Change in Fund Balances	\$ 1,460,154	\$ 58,728	\$ 1,518,882
Fund Balance, July 1, 2015	7,201,330	1,231,883	8,433,213
Fund Balance, June 30, 2016	<u>\$ 8,661,484</u>	<u>\$ 1,290,611</u>	<u>\$ 9,952,095</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, 2016

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)		\$ 1,518,882
(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	\$ 1,166,419	
Less: current-year depreciation expense	<u>(2,970,503)</u>	(1,804,084)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 1,143,940	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,027,983)</u>	115,957
(3) 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	\$ 127,059	
Less: capital lease proceeds from primary government	<u>(193,550)</u>	(66,491)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ (1,210,648)	
Change in net pension asset - agent plan	(837,880)	
Change in net pension asset - teacher retirement plan	28,841	
Change in net pension liability- teacher legacy pension plan	(573,272)	
Change in deferred outflows related to pensions	762,955	
Change in deferred inflows related to pensions	<u>6,055,114</u>	<u>4,225,110</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,989,374</u>

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2016

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,573	\$ 3,573
Equity in Pooled Cash and Investments	688,235	749,885	1,438,120
Due from Other Governments	76,740	277,355	354,095
Total Assets	<u>\$ 764,975</u>	<u>\$ 1,030,813</u>	<u>\$ 1,795,788</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 244	\$ 0	\$ 244
Accrued Payroll	402,475	0	402,475
Payroll Deductions Payable	64,998	37,460	102,458
Total Liabilities	<u>\$ 467,717</u>	<u>\$ 37,460</u>	<u>\$ 505,177</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 994	\$ 993,353	\$ 994,347
Committed:			
Committed for Education	296,264	0	296,264
Total Fund Balances	<u>\$ 297,258</u>	<u>\$ 993,353</u>	<u>\$ 1,290,611</u>
Total Liabilities and Fund Balances	<u>\$ 764,975</u>	<u>\$ 1,030,813</u>	<u>\$ 1,795,788</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, 2016

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,640,764	\$ 1,640,764
Other Local Revenues	0	5,024	5,024
Federal Government	5,708,581	3,699,212	9,407,793
Total Revenues	<u>\$ 5,708,581</u>	<u>\$ 5,345,000</u>	<u>\$ 11,053,581</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,757,266	\$ 0	\$ 2,757,266
Support Services	2,895,272	0	2,895,272
Operation of Non-instructional Services	0	5,283,315	5,283,315
Total Expenditures	<u>\$ 5,652,538</u>	<u>\$ 5,283,315</u>	<u>\$ 10,935,853</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 56,043</u>	<u>\$ 61,685</u>	<u>\$ 117,728</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (59,000)	\$ 0	\$ (59,000)
Total Other Financing Sources (Uses)	<u>\$ (59,000)</u>	<u>\$ 0</u>	<u>\$ (59,000)</u>
Net Change in Fund Balances	\$ (2,957)	\$ 61,685	\$ 58,728
Fund Balance, July 1, 2015	300,215	931,668	1,231,883
Fund Balance, June 30, 2016	<u>\$ 297,258</u>	<u>\$ 993,353</u>	<u>\$ 1,290,611</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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 23,672,544	\$ 0	\$ 0	\$ 23,672,544	\$ 23,513,780	\$ 23,513,780	\$ 158,764
Licenses and Permits	5,982	0	0	5,982	5,500	5,500	482
Charges for Current Services	3,876	0	0	3,876	14,000	14,000	(10,124)
Other Local Revenues	314,924	0	0	314,924	23,000	101,644	213,280
State of Tennessee	47,536,853	0	0	47,536,853	45,706,000	47,447,729	89,124
Federal Government	787,504	0	0	787,504	330,000	766,864	20,640
Other Governments and Citizens Groups	193,550	0	0	193,550	0	193,550	0
Total Revenues	\$ 72,515,233	\$ 0	\$ 0	\$ 72,515,233	\$ 69,592,280	\$ 72,043,067	\$ 472,166
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 38,391,968	\$ 0	\$ 0	\$ 38,391,968	\$ 38,516,940	\$ 38,825,100	\$ 433,132
Special Education Program	3,994,063	0	0	3,994,063	4,185,900	4,155,464	161,401
Vocational Education Program	2,713,465	0	0	2,713,465	2,838,200	2,862,250	148,785
Adult Education Program	197,317	0	0	197,317	250,300	250,300	52,983
<u>Support Services</u>							
Attendance	155,065	0	0	155,065	158,300	158,300	3,235
Health Services	761,670	(437)	0	761,233	749,500	781,107	19,874
Other Student Support	3,335,251	0	0	3,335,251	3,376,550	3,359,550	24,299
Regular Instruction Program	2,098,036	0	0	2,098,036	2,207,910	2,153,806	55,770
Special Education Program	813,896	0	0	813,896	740,700	873,000	59,104
Vocational Education Program	138,840	0	0	138,840	141,460	141,460	2,620
Other Programs	353,983	0	0	353,983	0	353,983	0
Board of Education	1,201,751	(148)	0	1,201,603	1,210,850	1,210,850	9,247
Director of Schools	454,907	(451)	0	454,456	575,050	542,050	87,594
Office of the Principal	3,818,109	0	0	3,818,109	3,886,600	3,890,049	71,940
Fiscal Services	408,651	0	0	408,651	364,050	447,354	38,703
Operation of Plant	4,555,600	0	0	4,555,600	4,737,100	4,737,100	181,500
Maintenance of Plant	1,033,872	0	0	1,033,872	1,182,650	1,297,039	263,167

(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)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 2,433,752	\$ 0	\$ 0	\$ 2,433,752	\$ 2,444,850	\$ 2,444,850	\$ 11,098
Central and Other	829,294	0	0	829,294	833,200	844,437	15,143
<u>Operation of Non-instructional Services</u>							
Food Service	91,942	0	0	91,942	92,000	92,000	58
Community Services	335,924	0	0	335,924	0	336,000	76
Early Childhood Education	1,536,911	0	0	1,536,911	0	1,536,911	0
<u>Capital Outlay</u>							
Regular Capital Outlay	1,736,397	(289,735)	96,450	1,543,112	1,112,390	2,030,730	487,618
Total Expenditures	\$ 71,390,664	\$ (290,771)	\$ 96,450	\$ 71,196,343	\$ 69,604,500	\$ 73,323,690	\$ 2,127,347
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 1,124,569	\$ 290,771	\$ (96,450)	\$ 1,318,890	\$ (12,220)	\$ (1,280,623)	\$ 2,599,513
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 276,585	\$ 0	\$ 0	\$ 276,585	\$ 0	\$ 30,679	\$ 245,906
Transfers In	59,000	0	0	59,000	60,000	60,000	(1,000)
Total Other Financing Sources	\$ 335,585	\$ 0	\$ 0	\$ 335,585	\$ 60,000	\$ 90,679	\$ 244,906
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 1,460,154	\$ 290,771	\$ (96,450)	\$ 1,654,475	\$ 47,780	\$ (1,189,944)	\$ 2,844,419
	7,201,330	(290,771)	0	6,910,559	6,026,621	6,026,621	883,938
Fund Balance, June 30, 2016	\$ 8,661,484	\$ 0	\$ (96,450)	\$ 8,565,034	\$ 6,074,401	\$ 4,836,677	\$ 3,728,357

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,708,581	\$ 6,979,391	\$ 6,989,123	\$ (1,280,542)
Total Revenues	<u>\$ 5,708,581</u>	<u>\$ 6,979,391</u>	<u>\$ 6,989,123</u>	<u>\$ (1,280,542)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,237,019	\$ 1,283,790	\$ 1,293,022	\$ 56,003
Special Education Program	1,348,348	1,432,387	1,432,387	84,039
Vocational Education Program	171,899	171,940	171,902	3
<u>Support Services</u>				
Other Student Support	776,552	820,043	820,194	43,642
Regular Instruction Program	1,363,570	2,223,600	2,224,100	860,530
Special Education Program	598,209	779,535	779,535	181,326
Vocational Education Program	1,827	1,941	1,827	0
Transportation	155,114	170,250	170,250	15,136
Total Expenditures	<u>\$ 5,652,538</u>	<u>\$ 6,883,486</u>	<u>\$ 6,893,217</u>	<u>\$ 1,240,679</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 56,043</u>	<u>\$ 95,905</u>	<u>\$ 95,906</u>	<u>\$ (39,863)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (59,000)</u>	<u>\$ (95,906)</u>	<u>\$ (95,906)</u>	<u>\$ 36,906</u>
Total Other Financing Sources	<u>\$ (59,000)</u>	<u>\$ (95,906)</u>	<u>\$ (95,906)</u>	<u>\$ 36,906</u>
Net Change in Fund Balance	\$ (2,957)	\$ (1)	\$ 0	\$ (2,957)
Fund Balance, July 1, 2015	<u>300,215</u>	<u>300,215</u>	<u>300,215</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 297,258</u>	<u>\$ 300,214</u>	<u>\$ 300,215</u>	<u>\$ (2,957)</u>

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,640,764	\$ 2,445,000	\$ 2,445,000	\$ (804,236)
Other Local Revenues	5,024	11,000	11,000	(5,976)
Federal Government	3,699,212	3,290,000	3,290,000	409,212
Total Revenues	<u>\$ 5,345,000</u>	<u>\$ 5,746,000</u>	<u>\$ 5,746,000</u>	<u>\$ (401,000)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 5,283,315	\$ 5,746,000	\$ 5,746,000	\$ 462,685
Total Expenditures	<u>\$ 5,283,315</u>	<u>\$ 5,746,000</u>	<u>\$ 5,746,000</u>	<u>\$ 462,685</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 61,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 61,685</u>
Net Change in Fund Balance	\$ 61,685	\$ 0	\$ 0	\$ 61,685
Fund Balance, July 1, 2015	<u>931,668</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>(568,332)</u>
Fund Balance, June 30, 2016	<u>\$ 993,353</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ (506,647)</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, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-16
<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	2,235,000	0	730,000	1,505,000
General Obligation Series 2014	2,870,000	2 to 2.125	3-15-13	6-1-29	2,560,000	0	160,000	2,400,000
Total Bonds Payable					<u>\$ 22,345,000</u>	<u>\$ 0</u>	<u>\$ 890,000</u>	<u>\$ 21,455,000</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	\$ 8,185,000	\$ 0	\$ 1,105,000	\$ 7,080,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	34,540,000	0	2,435,000	32,105,000
Total Other Loans Payable					<u>\$ 42,725,000</u>	<u>\$ 0</u>	<u>\$ 3,540,000</u>	<u>\$ 39,185,000</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	\$ 60,570	\$ 0	\$ 60,570	\$ 0
Computer Equipment	193,500	3.089	11-20-15	11-20-17	0	193,550	66,489	127,061
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 60,570</u>	<u>\$ 193,550</u>	<u>\$ 127,059</u>	<u>\$ 127,061</u>
<u>Payable through Special Purpose Fire Tax Fund</u>								
Fire Dept. - Turnout Gear	195,700	3.37	11-3-14	4-1-19	156,614	0	37,791	118,823
Total Capital Leases Payable					<u>\$ 217,184</u>	<u>\$ 193,550</u>	<u>\$ 164,850</u>	<u>\$ 245,884</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)	
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	\$ 21,455,000	\$ 9,838,570	\$ (3,301,163)	\$ 27,992,407

(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	
2017	\$ 3,700,000	\$ 372,282	\$ 359,365	\$ 4,431,647
2018	3,860,000	319,520	334,086	4,513,606
2019	4,905,000	268,077	307,490	5,480,567
2020	5,140,000	218,101	268,109	5,626,210
2021	5,390,000	164,048	226,678	5,780,726
2022	2,420,000	69,617	158,014	2,647,631
2023	2,545,000	59,211	134,395	2,738,606
2024	2,680,000	48,268	109,556	2,837,824
2025	2,790,000	36,743	83,399	2,910,142
2026	5,755,000	24,746	56,169	5,835,915
Total	\$ 39,185,000	\$ 1,580,613	\$ 2,037,261	\$ 42,802,874

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2017	\$ 100,834	\$ 8,031	\$ 108,865
2018	104,089	4,776	108,865
2019	40,961	1,416	42,377
Total	\$ 245,884	\$ 14,223	\$ 260,107

Exhibit J-3

Bradley County, Tennessee
Schedule of Notes Receivable
June 30, 2016

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-16
<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	1,119
"	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	<u>1,400</u>
Total						<u><u>\$ 33,365</u></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, 2016

<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	\$ 212,213
Local Purpose Tax	Special Purpose Fire Tax	To Close Fund	<u>127,480</u>
Total Transfers Primary Government			<u>\$ 339,693</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 59,000</u>
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 59,000</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, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 96,529 (1)	\$ 100,000	Auto Owners (Mutual) Insurance
Road Superintendent	Section 8-24-102, TCA, and County Commission	89,018 (2)	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	136,000 (3)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA, and County Commission	80,925 (4)	3,402,554	Auto Owners (Mutual) Insurance
Assessor of Property	Section 8-24-102, TCA, and County Commission	80,925 (4)	50,000	"
County Clerk	Section 8-24-102, TCA, and County Commission	80,925 (4)	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA, and County Commission	80,925 (4)	100,000	"
Clerk and Master	Section 8-24-102, TCA, County Commission, and Chancery Court Judge	80,925 (4) (5)	100,000	"
Register of Deeds	Section 8-24-102, TCA, and County Commission	80,925 (4)	100,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	89,018 (2) (6)	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 and a two percent increase of \$1,893 above the minimum salary and amount received as purchasing agent.
(2) Includes a two percent increase of \$1,746 above the minimum salary.
(3) Does not include chief executive officer training supplement of \$1,000.
(4) Includes a two percent increase of \$1,587 above the minimum salary.
(5) Does not include special commissioner fees of \$900.
(6) Does not include a law enforcement training supplement of \$1,200.

Exhibit J-6

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2016

	Special Revenue Funds				
	General	Law Library	Public Library	Solid Waste / Sanitation	Special Purpose Fire Tax
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,612,015	\$ 0	\$ 550,113	\$ 0	\$ 3,430,792
Trustee's Collections - Prior Year	137,800	0	6,785	0	23,828
Circuit Clerk/Clerk and Master Collections - Prior Years	228,621	0	10,682	0	295,740
Interest and Penalty	46,428	0	2,461	0	16,343
Payments in-Lieu-of Taxes - T.V.A.	7,285	0	377	0	4,685
Payments in-Lieu-of Taxes - Local Utilities	5,257	0	272	0	3,381
Payments in-Lieu-of Taxes - Other	440,171	0	22,794	0	235,950
<u>County Local Option Taxes</u>					
Local Option Sales Tax	5,400,009	0	0	0	0
Hotel/Motel Tax	681,989	0	0	0	0
Litigation Tax - General	313,932	0	0	0	0
Litigation Tax - Special Purpose	65,678	432	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	62,572	0	0	0	0
Business Tax	1,526,668	0	0	0	0
Mixed Drink Tax	11,853	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	60,426	0	3,129	0	0
Wholesale Beer Tax	331,390	0	0	0	0
Interstate Telecommunications Tax	4,365	0	0	0	0
Total Local Taxes	<u>\$ 19,936,459</u>	<u>\$ 432</u>	<u>\$ 596,613</u>	<u>\$ 0</u>	<u>\$ 4,010,719</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 334,082	\$ 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	Special Purpose Fire Tax
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 5,375	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	122,514	0	0	0	0
Other Permits	2,129	0	0	0	0
Total Licenses and Permits	<u>\$ 464,100</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 12,524	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	39,717	0	0	0	0
Drug Control Fines	16,687	0	0	0	0
Data Entry Fee - Circuit Court	38,564	0	0	0	0
Courtroom Security Fee	1,213	0	0	0	0
<u>Criminal Court</u>					
Fines	152,201	992	0	0	0
Officers Costs	119,243	0	0	0	0
Drug Control Fines	12,202	0	0	0	0
Jail Fees	78,569	0	0	0	0
DUI Treatment Fines	20,244	0	0	0	0
Data Entry Fee - Criminal Court	5,944	0	0	0	0
Courtroom Security Fee	7,367	0	0	0	0
<u>General Sessions Court</u>					
Fines for Littering	437	0	0	0	0
Game and Fish Fines	215	0	0	0	0
Jail Fees	14,846	0	0	0	0
Data Entry Fee - General Sessions Court	20,122	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	Special Purpose Fire Tax
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 1,694	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	1	0	0	0	0
Victims Assistance Assessments	22,205	0	0	0	0
<u>Chancery Court</u>					
Courtroom Security Fee	10	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	16,497	0	0	0	0
Drug Court Fees	30,712	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	816	0	0	0	0
Other Fines, Forfeitures, and Penalties	2,921	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 614,951	\$ 992	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 203,776	\$ 0
Water Treatment Charges	6,316	0	0	0	0
Patient Charges	5,113,630	0	0	0	0
Zoning Studies	350	0	0	0	0
Work Release Charges for Board	4,390	0	0	0	0
Service Charges	126,573	0	0	0	0
<u>Fees</u>					
Engineer Review Fees	11,006	0	0	0	0
Recreation Fees	75,172	0	0	0	0
Copy Fees	4,426	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	Special Purpose Fire Tax
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Library Fees	\$ 0	\$ 11,228	\$ 0	\$ 0	\$ 0
Telephone Commissions	89,634	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	32,327	0	0	0	0
Probation Fees	367,768	0	0	0	0
Data Processing Fee - Sheriff	2,100	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,100	0	0	0	0
Data Processing Fee - County Clerk	9,666	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	25,018	0	0	0	0
Other Charges for Services	19,150	0	0	0	0
Total Charges for Current Services	\$ 5,896,626	\$ 11,228	\$ 0	\$ 203,776	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 113,113	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	197,471	0	0	0	0
Sale of Materials and Supplies	769	0	0	0	0
Commissary Sales	109,799	0	0	0	0
Sale of Gasoline	73,718	0	0	0	0
Sale of Maps	2,989	0	0	0	0
Sale of Recycled Materials	15,942	0	0	1,999	0
Miscellaneous Refunds	115,021	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	Special Purpose Fire Tax
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 11,364	\$ 0	\$ 0	\$ 0	\$ 625
Sale of Property	1,350	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0
Contributions and Gifts	24,000	0	0	0	25,500
<u>Other Local Revenues</u>					
Other Local Revenues	445,233	0	0	2,875	13,130
Total Other Local Revenues	\$ 1,110,769	\$ 0	\$ 0	\$ 4,874	\$ 39,255
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 97,000	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	110,838	0	0	0	0
Register	75,334	0	0	0	0
Trustee	773,001	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	517,729	0	0	0	0
Criminal Court Clerk	581,474	0	0	0	0
General Sessions Court Clerk	509,079	0	0	0	0
Probate Court Clerk	2,790	0	0	0	0
Sheriff	25,539	0	0	0	0
Total Fees Received From County Officials	\$ 2,692,784	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 80,360	\$ 0	\$ 0	\$ 0	\$ 0
On-behalf Contributions for OPEB	4,787	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	Special Purpose Fire Tax
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Drug Control Grants	\$ 107,124	\$ 0	\$ 0	\$ 0	\$ 0
Other Public Safety Grants	5,488	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	1,203,861	0	0	0	0
Other Health and Welfare Grants	68,177	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
Litter Program	40,549	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	143,445	0	6,717	0	0
Beer Tax	18,488	0	0	0	0
Vehicle Certificate of Title Fees	14,484	0	0	0	0
Alcoholic Beverage Tax	140,148	0	0	0	0
State Revenue Sharing - T.V.A.	309,995	0	16,053	0	0
Contracted Prisoner Boarding	1,913,766	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	56,554	0	0	0	0
State Shared Sales Tax - Cities	15,595	0	0	0	0
Other State Grants	386,269	0	0	0	0
Other State Revenues	72,366	0	0	94,425	26,400
Total State of Tennessee	\$ 4,581,456	\$ 0	\$ 22,770	\$ 94,425	\$ 26,400

(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	Special Purpose Fire Tax
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	56,000	0	0	0	0
Disaster Relief	150,420	0	0	0	0
Homeland Security Grants	43,833	0	0	0	0
Medicaid	55,500	0	0	0	0
Law Enforcement Grants	38,326	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	18,031	0	0	0	0
Total Federal Government	\$ 362,110	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 1,364,607	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	0
Contracted Services	285,018	0	0	10,000	0
<u>Citizens Groups</u>					
Donations	5,000	0	0	0	0
<u>Other</u>					
Other	773	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,655,398	\$ 0	\$ 0	\$ 10,000	\$ 0
Total	\$ 37,314,653	\$ 12,652	\$ 619,383	\$ 313,075	\$ 4,076,374

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,531,343	\$ 5,294,897	\$ 0
Trustee's Collections - Prior Year	0	0	0	34,168	68,616	0
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	49,531	102,666	0
Interest and Penalty	0	0	0	10,876	21,077	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,738	3,642	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,254	2,628	0
Payments in-Lieu-of Taxes - Other	0	0	0	105,002	220,044	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	227,330	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	14,415	30,207	0
Wholesale Beer Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 227,330	\$ 0	\$ 2,748,327	\$ 5,743,777	\$ 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				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	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	23,454	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	12,202	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 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				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
<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>Chancery Court</u>						
Courtroom Security Fee	0	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	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	81,757	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 117,413	\$ 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>						
Engineer Review Fees	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0
Copy 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				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,980,320	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	900	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
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 1,981,220	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	1,875	\$ 112,850
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Gasoline	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	87,366	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Property	0	0	0	0	0	0
Damages Recovered from Individuals	130	0	0	0	0	0
Contributions and Gifts	8,510	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	13,239	0	0
Total Other Local Revenues	\$ 8,640	\$ 0	\$ 0	\$ 100,605	\$ 1,875	\$ 112,850
<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				Debt Service	Capital
	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
					General Debt Service	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	658,180	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	33,423	64,858	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	73,949	154,968	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,200,926	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	0	0	176,977
Other State Revenues	0	0	0	37,430	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 3,075,314	\$ 219,826	\$ 176,977

(Continued)

Exhibit J-6

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

	Special Revenue Funds				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>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0
Disaster Relief	0	0	0	0	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	305,023	0
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 305,023	\$ 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	130,063	0
Contracted Services	0	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
<u>Other</u>						
Other	0	0	0	0	3	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 130,066	\$ 0
Total	\$ 126,053	\$ 227,330	\$ 1,981,220	\$ 5,924,246	\$ 6,400,567	\$ 289,827

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,029,663	\$ 0	\$ 31,700	\$ 0	\$ 0	\$ 23,480,523
Trustee's Collections - Prior Year	15,206	0	495	0	0	286,898
Circuit Clerk/Clerk and Master Collections - Prior Years	16,415	0	560	0	0	704,215
Interest and Penalty	4,493	0	136	0	0	101,814
Payments in-Lieu-of Taxes - T.V.A.	708	0	22	0	0	18,457
Payments in-Lieu-of Taxes - Local Utilities	511	0	16	0	0	13,319
Payments in-Lieu-of Taxes - Other	42,791	0	1,317	0	0	1,068,069
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	5,400,009
Hotel/Motel Tax	0	0	0	0	0	909,319
Litigation Tax - General	0	0	0	0	0	313,932
Litigation Tax - Special Purpose	0	0	0	0	0	66,110
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	62,572
Business Tax	0	0	0	0	0	1,526,668
Mixed Drink Tax	0	0	0	0	0	11,853
<u>Statutory Local Taxes</u>						
Bank Excise Tax	5,874	0	181	0	0	114,232
Wholesale Beer Tax	0	0	0	0	0	331,390
Interstate Telecommunications Tax	0	0	0	0	0	4,365
Total Local Taxes	\$ 1,115,661	\$ 0	\$ 34,427	\$ 0	\$ 0	\$ 34,413,745
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 334,082

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,375
Building Permits	0	0	0	0	0	122,514
Other Permits	0	0	0	0	0	2,129
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	464,100
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12,524
Officers Costs	0	0	0	0	0	39,717
Drug Control Fines	0	0	0	0	0	40,141
Data Entry Fee - Circuit Court	0	0	0	0	0	38,564
Courtroom Security Fee	0	0	0	0	0	1,213
<u>Criminal Court</u>						
Fines	0	0	0	0	0	153,193
Officers Costs	0	0	0	0	0	119,243
Drug Control Fines	0	0	0	0	0	24,404
Jail Fees	0	0	0	0	0	78,569
DUI Treatment Fines	0	0	0	0	0	20,244
Data Entry Fee - Criminal Court	0	0	0	0	0	5,944
Courtroom Security Fee	0	0	0	0	0	7,367
<u>General Sessions Court</u>						
Fines for Littering	0	0	0	0	0	437
Game and Fish Fines	0	0	0	0	0	215
Jail Fees	0	0	0	0	0	14,846
Data Entry Fee - General Sessions Court	0	0	0	0	0	20,122

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,694
Courtroom Security Fee	0	0	0	0	0	1
Victims Assistance Assessments	0	0	0	0	0	22,205
<u>Chancery Court</u>						
Courtroom Security Fee	0	0	0	0	0	10
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	16,497
Drug Court Fees	0	0	0	0	0	30,712
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	82,573
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	2,921
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	733,356
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	203,776
Water Treatment Charges	0	0	0	0	0	6,316
Patient Charges	0	0	0	0	0	5,113,630
Zoning Studies	0	0	0	0	0	350
Work Release Charges for Board	0	0	0	0	0	4,390
Service Charges	0	0	0	0	0	126,573
<u>Fees</u>						
Engineer Review Fees	0	0	0	0	0	11,006
Recreation Fees	0	0	0	0	0	75,172
Copy Fees	0	0	0	0	0	4,426

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	Total
	Community Development/Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,228
Telephone Commissions	0	0	0	0	0	89,634
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,980,320
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	900
Data Processing Fee - Register	0	0	0	0	0	32,327
Probation Fees	0	0	0	0	0	367,768
Data Processing Fee - Sheriff	0	0	0	0	0	2,100
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	9,100
Data Processing Fee - County Clerk	0	0	0	0	0	9,666
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	25,018
Other Charges for Services	0	0	0	0	0	19,150
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,092,850
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 648	\$ 0	\$ 0	\$ 145,044	\$ 373,530
Lease/Rentals	0	0	0	0	0	197,471
Sale of Materials and Supplies	0	0	0	0	0	769
Commissary Sales	0	0	0	0	0	109,799
Sale of Gasoline	0	0	0	0	0	73,718
Sale of Maps	0	0	0	0	0	2,989
Sale of Recycled Materials	0	0	0	0	0	17,941
Miscellaneous Refunds	0	0	0	0	0	202,387

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,989
Sale of Property	0	0	0	0	0	1,350
Damages Recovered from Individuals	0	0	0	0	0	130
Contributions and Gifts	0	0	0	0	0	58,010
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	474,477
Total Other Local Revenues	\$ 0	\$ 648	\$ 0	\$ 0	\$ 145,044	\$ 1,524,560
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	97,000
Clerk and Master	0	0	0	0	0	110,838
Register	0	0	0	0	0	75,334
Trustee	0	0	0	0	0	773,001
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	517,729
Criminal Court Clerk	0	0	0	0	0	581,474
General Sessions Court Clerk	0	0	0	0	0	509,079
Probate Court Clerk	0	0	0	0	0	2,790
Sheriff	0	0	0	0	0	25,539
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,692,784
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	80,360
On-behalf Contributions for OPEB	0	0	0	0	0	4,787

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent Fund	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Endowment	
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Drug Control Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	107,124
Other Public Safety Grants	0	0	0	0	0	5,488
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	1,203,861
Other Health and Welfare Grants	0	0	0	0	0	68,177
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	658,180
Litter Program	0	0	0	0	0	40,549
<u>Other State Revenues</u>						
Income Tax	19,626	0	0	0	0	268,069
Beer Tax	0	0	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	0	0	14,484
Alcoholic Beverage Tax	0	0	0	0	0	140,148
State Revenue Sharing - T.V.A.	30,136	0	927	0	0	586,028
Contracted Prisoner Boarding	0	0	0	0	0	1,913,766
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,200,926
Petroleum Special Tax	0	0	0	0	0	71,406
Registrar's Salary Supplement	0	0	0	0	0	56,554
State Shared Sales Tax - Cities	0	0	0	0	0	15,595
Other State Grants	0	0	0	0	0	563,246
Other State Revenues	0	0	0	0	0	230,621
Total State of Tennessee	\$ 49,762	\$ 0	\$ 927	\$ 0	\$ 0	8,247,857

(Continued)

Exhibit J-6

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

	Capital Projects Funds				Permanent	Total
	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Fund Endowment	
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 525,000	\$ 0	\$ 525,000
Civil Defense Reimbursement	0	0	0	0	0	56,000
Disaster Relief	0	0	0	0	0	150,420
Homeland Security Grants	0	0	0	0	0	43,833
Medicaid	0	0	0	0	0	55,500
Law Enforcement Grants	0	0	0	0	0	38,326
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	305,023
Other Direct Federal Revenue	0	0	0	0	0	18,031
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 525,000	\$ 0	\$ 1,192,133
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,364,607
Contributions	0	0	0	0	0	130,063
Contracted Services	0	0	0	0	0	295,018
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	5,000
<u>Other</u>						
Other	637,075	0	0	0	0	637,851
Total Other Governments and Citizens Groups	\$ 637,075	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,432,539
Total	\$ 1,802,498	\$ 648	\$ 35,354	\$ 525,000	\$ 145,044	\$ 59,793,924

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, 2016

	<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	\$ 11,123,186	\$ 0	\$ 0	\$ 11,123,186
Trustee's Collections - Prior Year	168,398	0	0	168,398
Circuit Clerk/Clerk and Master Collections - Prior Years	218,969	0	0	218,969
Interest and Penalty	49,241	0	0	49,241
Payments in-Lieu-of Taxes - T.V.A.	11,725	0	0	11,725
Payments in-Lieu-of Taxes - Local Utilities	5,521	0	0	5,521
Payments in-Lieu-of Taxes - Other	462,242	0	0	462,242
<u>County Local Option Taxes</u>				
Local Option Sales Tax	11,555,978	0	0	11,555,978
Mixed Drink Tax	7,803	0	0	7,803
<u>Statutory Local Taxes</u>				
Bank Excise Tax	63,499	0	0	63,499
Interstate Telecommunications Tax	5,982	0	0	5,982
Total Local Taxes	<u>\$ 23,672,544</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,672,544</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 5,982	\$ 0	\$ 0	\$ 5,982
Total Licenses and Permits	<u>\$ 5,982</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,982</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 881,644	\$ 881,644
Lunch Payments - Adults	0	0	154,605	154,605

(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	\$ 74,981	\$ 74,981
A la Carte Sales	0	0	529,534	529,534
TBI Criminal Background Fee	3,876	0	0	3,876
Total Charges for Current Services	<u>\$ 3,876</u>	<u>\$ 0</u>	<u>\$ 1,640,764</u>	<u>\$ 1,644,640</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 28,410	\$ 0	\$ 4,034	\$ 32,444
E-Rate Funding	21,237	0	0	21,237
Miscellaneous Refunds	136	0	990	1,126
<u>Nonrecurring Items</u>				
Contributions and Gifts	239,446	0	0	239,446
<u>Other Local Revenues</u>				
Other Local Revenues	25,695	0	0	25,695
Total Other Local Revenues	<u>\$ 314,924</u>	<u>\$ 0</u>	<u>\$ 5,024</u>	<u>\$ 319,948</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 353,983	\$ 0	\$ 0	\$ 353,983
<u>State Education Funds</u>				
Basic Education Program	44,616,000	0	0	44,616,000
Early Childhood Education	1,382,187	0	0	1,382,187
School Food Service	51,280	0	0	51,280
Driver Education	55,042	0	0	55,042

(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>				
Other State Education Funds	\$ 125,651	\$ 0	\$ 0	\$ 125,651
Career Ladder Program	231,777	0	0	231,777
<u>Other State Revenues</u>				
Income Tax	156,053	0	0	156,053
State Revenue Sharing - T.V.A.	498,924	0	0	498,924
Other State Grants	65,956	0	0	65,956
Total State of Tennessee	<u>\$ 47,536,853</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,536,853</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,579,797	\$ 2,579,797
USDA - Commodities	0	0	277,509	277,509
Breakfast	0	0	813,882	813,882
USDA - Other	0	0	28,024	28,024
Adult Education State Grant Program	242,148	0	0	242,148
Vocational Education - Basic Grants to States	0	213,525	0	213,525
Title I Grants to Local Education Agencies	0	1,857,093	0	1,857,093
Special Education - Grants to States	141,864	2,072,240	0	2,214,104
Special Education Preschool Grants	0	63,427	0	63,427
English Language Acquisition Grants	0	17,273	0	17,273
Eisenhower Professional Development State Grants	0	269,073	0	269,073
Other Federal through State	335,000	167,336	0	502,336
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	68,492	0	0	68,492

(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>Direct Federal Revenue (Cont.)</u>				
Other Direct Federal Revenue	\$ 0	\$ 1,048,614	\$ 0	\$ 1,048,614
Total Federal Government	<u>\$ 787,504</u>	<u>\$ 5,708,581</u>	<u>\$ 3,699,212</u>	<u>\$ 10,195,297</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 193,550	\$ 0	\$ 0	\$ 193,550
Total Other Governments and Citizens Groups	<u>\$ 193,550</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 193,550</u>
Total	<u>\$ 72,515,233</u>	<u>\$ 5,708,581</u>	<u>\$ 5,345,000</u>	<u>\$ 83,568,814</u>

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

Assistant(s)	\$	36,000	
Part-time Personnel		314	
Board and Committee Members Fees		141,828	
Social Security		12,842	
Pensions		14,243	
Life Insurance		215	
Medical Insurance		63,402	
Audit Services		37,489	
Communication		5	
Dues and Memberships		1,950	
Maintenance and Repair Services - Office Equipment		676	
Office Supplies		738	
Other Charges		20,586	
Other Equipment		991	
Total County Commission			\$ 331,279

Board of Equalization

Board and Committee Members Fees	\$	890	
Social Security		68	
Total Board of Equalization			958

Beer Board

Board and Committee Members Fees	\$	2,365	
Social Security		181	
Pensions		49	
Total Beer Board			2,595

Other Boards and Committees

Clerical Personnel	\$	21,801	
Social Security		1,611	
Pensions		2,969	
Life Insurance		19	
Medical Insurance		6,215	
Communication		5	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		300	
Office Supplies		792	
Building Improvements		1,200	
Total Other Boards and Committees			35,792

County Mayor/Executive

County Official/Administrative Officer	\$	96,529	
Assistant(s)		70,037	
Clerical Personnel		23,400	
Social Security		14,188	
Pensions		25,873	
Life Insurance		77	

(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.)

Medical Insurance	\$	24,348	
Advertising		639	
Communication		1,162	
Dues and Memberships		866	
Travel		1,786	
Tuition		180	
Office Supplies		2,906	
Vehicle and Equipment Insurance		368	
Other Charges		75	
Total County Mayor/Executive			\$ 262,434

Personnel Office

Accountants/Bookkeepers	\$	56,386	
Social Security		4,262	
Pensions		7,208	
Life Insurance		36	
Medical Insurance		11,651	
Unemployment Compensation		15,401	
Advertising		1,483	
Dues and Memberships		812	
Maintenance and Repair Services - Office Equipment		8,909	
Travel		50	
Tuition		12	
Office Supplies		5,984	
Periodicals		1,693	
Testing		7,942	
Workers' Compensation Insurance		28,122	
In Service/Staff Development		1,475	
Office Equipment		2,599	
Total Personnel Office			154,025

County Attorney

Assistant(s)	\$	30,631	
Paraprofessionals		32,187	
Other Salaries and Wages		77,306	
Social Security		9,835	
Pensions		19,085	
Life Insurance		58	
Medical Insurance		18,646	
Communication		7	
Data Processing Services		5,848	
Dues and Memberships		200	
Legal Services		2,559	
Office Supplies		1,055	
Judgments		2,215	
Total County Attorney			199,632

(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	\$	72,833	
Deputy(ies)		57,739	
Part-time Personnel		10,520	
Board and Committee Members Fees		200	
Election Commission		5,850	
Election Workers		29,114	
Social Security		11,757	
Pensions		17,521	
Life Insurance		58	
Medical Insurance		19,246	
Accounting Services		4,000	
Advertising		4,500	
Communication		1,572	
Maintenance and Repair Services - Equipment		13,000	
Postal Charges		2,962	
Printing, Stationery, and Forms		2,987	
Travel		8,941	
Office Supplies		3,125	
Other Charges		7,178	
Data Processing Equipment		5,500	
Total Election Commission			\$ 278,603

Register of Deeds

Life Insurance	\$	134	
Medical Insurance		45,318	
Communication		427	
Data Processing Services		23,151	
Maintenance and Repair Services - Equipment		3,906	
Travel		1,585	
Office Supplies		11,813	
Office Equipment		2,525	
Total Register of Deeds			88,859

Planning

Assistant(s)	\$	62,558	
Supervisor/Director		47,228	
Clerical Personnel		31,872	
Social Security		10,284	
Pensions		17,249	
Life Insurance		70	
Medical Insurance		22,796	
Communication		622	
Dues and Memberships		504	
Operating Lease Payments		845	
Legal Notices, Recording, and Court Costs		1,338	
Maintenance and Repair Services - Office Equipment		1,640	
Maintenance and Repair Services - Vehicles		1,000	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Travel	\$	655	
Tuition		1,597	
Gasoline		977	
Office Supplies		2,483	
Vehicle and Equipment Insurance		2,215	
Workers' Compensation Insurance		4,500	
Motor Vehicles		102	
Total Planning			\$ 210,535

Geographical Information Systems

Assistant(s)	\$	35,383	
Supervisor/Director		63,432	
Social Security		7,531	
Pensions		11,191	
Life Insurance		37	
Medical Insurance		12,145	
Communication		925	
Contracts with Government Agencies		400	
Data Processing Services		39,344	
Maintenance and Repair Services - Equipment		535	
Travel		482	
Tuition		1,800	
Other Contracted Services		88	
Gasoline		89	
Other Supplies and Materials		685	
Vehicle and Equipment Insurance		984	
Data Processing Equipment		12,747	
Total Geographical Information Systems			187,798

County Buildings

Custodial Personnel	\$	45,633	
Social Security		3,491	
Pensions		6,215	
Life Insurance		19	
Medical Insurance		7,193	
Communication		24,000	
Postal Charges		116,000	
Travel		500	
Other Contracted Services		29,959	
Custodial Supplies		15,451	
Drugs and Medical Supplies		1,300	
Utilities		115,000	
Other Supplies and Materials		16,010	
Building Improvements		57,920	
Total County Buildings			438,691

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Maintenance and Repair Services - Buildings	\$ 970	
Total Other Facilities		\$ 970

Other General Administration

On-behalf Payments to OPEB	\$ 4,787	
Total Other General Administration		4,787

Finance

Accounting and Budgeting

Supervisor/Director	\$ 56,000	
Clerical Personnel	63,505	
Social Security	8,996	
Pensions	12,494	
Life Insurance	50	
Medical Insurance	16,204	
Accounting Services	12,833	
Dues and Memberships	211	
Maintenance and Repair Services - Office Equipment	11,268	
Travel	827	
Tuition	383	
Office Supplies	4,483	
Other Supplies and Materials	1,736	
Total Accounting and Budgeting		188,990

Property Assessor's Office

County Official/Administrative Officer	\$ 80,925	
Paraprofessionals	280,782	
Clerical Personnel	155,699	
Social Security	38,351	
Pensions	70,457	
Life Insurance	246	
Medical Insurance	79,526	
Communication	221	
Dues and Memberships	3,000	
Operating Lease Payments	6,833	
Maintenance and Repair Services - Office Equipment	252	
Maintenance and Repair Services - Vehicles	950	
Travel	2,420	
Tuition	346	
Other Contracted Services	50,500	
Gasoline	3,301	
Office Supplies	3,202	
Vehicle and Equipment Insurance	4,382	
Workers' Compensation Insurance	1,028	
Office Equipment	447	
Total Property Assessor's Office		782,868

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Data Processing Services	\$	41,989	
Postal Charges		3,730	
Other Contracted Services		8,945	
Office Supplies		2,830	
Total Reappraisal Program			\$ 57,494

County Trustee's Office

Life Insurance	\$	154	
Medical Insurance		49,722	
Communication		22	
Dues and Memberships		706	
Travel		2,062	
Tuition		840	
Other Contracted Services		26,316	
Office Supplies		5,449	
Data Processing Equipment		7,224	
Total County Trustee's Office			92,495

County Clerk's Office

Life Insurance	\$	422	
Medical Insurance		136,735	
Communication		1,429	
Dues and Memberships		1,176	
Travel		3,119	
Office Supplies		50,159	
Other Supplies and Materials		126	
Other Charges		7,520	
Office Equipment		1,500	
Total County Clerk's Office			202,186

Data Processing

Data Processing Personnel	\$	61,342	
Social Security		4,660	
Pensions		8,355	
Life Insurance		19	
Medical Insurance		6,215	
Communication		18,942	
Contracts with Government Agencies		10,000	
Data Processing Services		19,338	
Travel		1,063	
Other Contracted Services		24,008	
Data Processing Equipment		11,402	
Total Data Processing			165,344

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	80,925	
Total Circuit Court			80,925

(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)	\$	51,985	
Deputy(ies)		757,182	
Social Security		67,120	
Pensions		118,437	
Life Insurance		591	
Medical Insurance		191,168	
Communication		2,787	
Data Processing Services		41,947	
Dues and Memberships		606	
Custodial Supplies		3,431	
Data Processing Supplies		4,882	
Office Supplies		44,987	
Data Processing Equipment		4,535	
Office Equipment		1,750	
Total Circuit Court Clerk			\$ 1,291,408

General Sessions Judge

Judge(s)	\$	322,975	
Clerical Personnel		55,577	
Part-time Personnel		2,550	
Other Salaries and Wages		48,281	
Social Security		27,421	
Pensions		58,135	
Life Insurance		86	
Medical Insurance		27,888	
Communication		651	
Dues and Memberships		300	
Travel		1,888	
Tuition		1,000	
Office Supplies		295	
Periodicals		624	
Total General Sessions Judge			547,671

Drug Court

Assessment Personnel	\$	52,310	
Social Security		4,331	
Pensions		7,793	
Life Insurance		22	
Medical Insurance		7,065	
Communication		1,384	
Rentals		1,800	
Travel		4,807	
Other Contracted Services		168,767	
Office Supplies		469	
Other Supplies and Materials		4,709	
Other Charges		659	
Total Drug Court			254,116

(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	\$	35	
Life Insurance		94	
Medical Insurance		30,547	
Communication		507	
Dues and Memberships		622	
Maintenance and Repair Services - Office Equipment		11,475	
Travel		1,000	
Tuition		499	
Office Supplies		3,604	
Total Chancery Court			\$ 48,383

Juvenile Court

County Official/Administrative Officer	\$	50,732	
Probation Officer(s)		289,085	
Youth Service Officer(s)		120	
Clerical Personnel		34,280	
Part-time Personnel		31,488	
Other Salaries and Wages		20,099	
Social Security		31,836	
Pensions		55,710	
Life Insurance		176	
Medical Insurance		57,226	
Communication		13,730	
Maintenance and Repair Services - Buildings		21,269	
Maintenance and Repair Services - Vehicles		478	
Medical and Dental Services		300	
Travel		3,537	
Tuition		834	
Other Contracted Services		5,255	
Office Supplies		1,400	
Utilities		18,019	
Vehicle and Equipment Insurance		3,594	
Other Charges		2,359	
Data Processing Equipment		982	
Office Equipment		802	
Total Juvenile Court			643,311

Office of Public Defender

Assistant(s)	\$	4,000	
Supervisor/Director		4,000	
Probation Officer(s)		15,503	
Social Security		1,794	
Pensions		545	
Rentals		300	
Travel		1,962	
Other Supplies and Materials		2,870	
Total Office of Public Defender			30,974

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Jury and Witness Expense	\$ 23,216	
Total Judicial Commissioners		\$ 23,216

Other Administration of Justice

Assistant(s)	\$ 15,557	
Supervisor/Director	33,447	
Clerical Personnel	14,972	
Social Security	4,852	
Pensions	6,595	
Life Insurance	36	
Medical Insurance	11,578	
Communication	325	
Maintenance and Repair Services - Vehicles	318	
Gasoline	1,738	
Office Supplies	315	
Other Supplies and Materials	7,742	
Liability Insurance	7,040	
Vehicle and Equipment Insurance	1,378	
Workers' Compensation Insurance	1,568	
Total Other Administration of Justice		107,461

Probation Services

Assistant(s)	\$ 40,686	
Supervisor/Director	50,759	
Probation Officer(s)	190,270	
Clerical Personnel	7,885	
Social Security	21,856	
Pensions	39,989	
Life Insurance	158	
Medical Insurance	51,212	
Communication	30	
Rentals	2,600	
Travel	1,075	
Tuition	280	
Drug Treatment	9,138	
Office Supplies	2,029	
Other Supplies and Materials	148	
Other Charges	408	
Total Probation Services		418,523

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 89,018
Deputy(ies)	3,486,418
Clerical Personnel	179,377
Custodial Personnel	6,311
Part-time Personnel	7,864

(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.)

School Resource Officer	\$	640,055	
Overtime Pay		90,310	
Other Salaries and Wages		126,061	
In-service Training		62,400	
Social Security		353,993	
Pensions		609,094	
Employee and Dependent Insurance		17,330	
Life Insurance		2,033	
Medical Insurance		658,068	
Communication		45,978	
Confidential Drug Enforcement Payments		3,000	
Dues and Memberships		2,000	
Legal Services		9,974	
Maintenance Agreements		2,873	
Maintenance and Repair Services - Equipment		500	
Maintenance and Repair Services - Vehicles		215,596	
Towing Services		2,704	
Travel		20,893	
Tuition		28,463	
Other Contracted Services		134,081	
Fuel Oil		87,884	
Gasoline		325,156	
Law Enforcement Supplies		32,343	
Office Supplies		9,450	
Uniforms		38,981	
Other Supplies and Materials		10,313	
Indirect Cost		23,704	
Liability Insurance		67,351	
Vehicle and Equipment Insurance		61,541	
Workers' Compensation Insurance		154,762	
Other Charges		4,513	
Data Processing Equipment		31,633	
Law Enforcement Equipment		137,366	
Motor Vehicles		152,733	
Total Sheriff's Department			\$ 7,932,124

Special Patrols

Law Enforcement Equipment	\$	19,600	
Total Special Patrols			19,600

Traffic Control

Maintenance and Repair Services - Equipment	\$	9,950	
Utilities		2,246	
Total Traffic Control			12,196

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	826	
Total Administration of the Sexual Offender Registry			826

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Deputy(ies)	\$	3,035,325	
Mechanic(s)		77,201	
Clerical Personnel		125,797	
Maintenance Personnel		65,280	
Part-time Personnel		81,616	
Overtime Pay		64,203	
Social Security		259,086	
Pensions		417,526	
Employee and Dependent Insurance		4,390	
Life Insurance		1,830	
Medical Insurance		587,778	
Communication		7,000	
Maintenance and Repair Services - Buildings		134,752	
Maintenance and Repair Services - Equipment		33,706	
Maintenance and Repair Services - Vehicles		9,652	
Medical and Dental Services		743,412	
Transportation - Other than Students		3,610	
Travel		7,132	
Tuition		2,200	
Other Contracted Services		23,947	
Custodial Supplies		48,155	
Food Supplies		382,185	
Office Supplies		11,934	
Prisoners Clothing		27,116	
Uniforms		27,885	
Utilities		394,688	
Other Supplies and Materials		17,288	
Specialized Medical Treatment		19,279	
Data Processing Equipment		10,000	
Law Enforcement Equipment		39,083	
Motor Vehicles		46,000	
Total Jail			\$ 6,709,056

Correctional Incentive Program Improvements

Supervisor/Director	\$	43,682
Salary Supplements		11,391
Guards		604,653
Part-time Personnel		29,929
Overtime Pay		12,455
Social Security		53,095
Pensions		78,208
Life Insurance		442
Medical Insurance		142,166
Communication		4,987
Maintenance and Repair Services - Buildings		4,323
Maintenance and Repair Services - Equipment		3,001
Maintenance and Repair Services - Office Equipment		1,470

(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	\$	660	
Travel		973	
Tuition		1,500	
Other Contracted Services		1,152	
Custodial Supplies		10,982	
Food Supplies		7,885	
Gasoline		1,356	
Office Supplies		2,500	
Prisoners Clothing		2,233	
Utilities		24,794	
Other Supplies and Materials		4,200	
Other Charges		500	
Data Processing Equipment		1,000	
Total Correctional Incentive Program Improvements			\$ 1,049,537

Juvenile Services

Other Salaries and Wages	\$	52,595	
Social Security		3,978	
Pensions		6,654	
Life Insurance		21	
Medical Insurance		6,087	
Communication		299	
Travel		1,535	
Other Supplies and Materials		3,795	
Total Juvenile Services			74,964

Work Release Program

Supervisor/Director	\$	51,939	
Probation Officer(s)		86,706	
Clerical Personnel		24,411	
Part-time Personnel		13,080	
Social Security		12,902	
Pensions		22,617	
Life Insurance		96	
Medical Insurance		31,076	
Accounting Services		1,800	
Communication		6,602	
Evaluation and Testing		2,458	
Maintenance and Repair Services - Equipment		1,897	
Postal Charges		383	
Rentals		18,000	
Travel		14,451	
Tuition		1,577	
Custodial Supplies		1,178	
Office Supplies		1,923	
Periodicals		194	
Utilities		3,739	

(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.)

Other Supplies and Materials	\$	1,019	
Liability Insurance		9,200	
Vehicle and Equipment Insurance		1,073	
Workers' Compensation Insurance		1,028	
Other Charges		1,750	
Data Processing Equipment		2,278	
Total Work Release Program			\$ 313,377

Civil Defense

Supervisor/Director	\$	60,136	
Accountants/Bookkeepers		32,030	
Paraprofessionals		72,323	
Overtime Pay		849	
Social Security		12,609	
Pensions		22,519	
Life Insurance		83	
Medical Insurance		26,811	
Communication		17,859	
Contracts with Government Agencies		8,736	
Contracts with Other Public Agencies		1,770	
Dues and Memberships		1,293	
Janitorial Services		1,000	
Maintenance and Repair Services - Buildings		1,488	
Maintenance and Repair Services - Equipment		1,199	
Maintenance and Repair Services - Vehicles		5,013	
Travel		27	
Tuition		2,400	
Maintenance and Repair Services - Records		22,667	
Gasoline		8,579	
Office Supplies		1,824	
Uniforms		2,992	
Utilities		12,216	
Building and Contents Insurance		13,346	
Indirect Cost		65,668	
Vehicle and Equipment Insurance		9,085	
Other Charges		10,099	
Motor Vehicles		3,229	
Total Civil Defense			417,850

Other Emergency Management

Contracts with Government Agencies	\$	43,833	
Total Other Emergency Management			43,833

Inspection and Regulation

Investigator(s)	\$	20,263	
Social Security		1,550	
Pensions		2,759	
Liability Insurance		171,106	
Total Inspection and Regulation			195,678

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Supervisor/Director	\$	44,602	
Medical Personnel		14,000	
Overtime Pay		18,279	
Social Security		5,797	
Pensions		8,564	
Life Insurance		15	
Medical Insurance		4,939	
Communication		377	
Maintenance and Repair Services - Vehicles		1,450	
Medical and Dental Services		69,500	
Pauper Burials		1,000	
Travel		31	
Drugs and Medical Supplies		1,269	
Gasoline		1,988	
Office Supplies		228	
Uniforms		112	
Vehicle and Equipment Insurance		1,345	
In Service/Staff Development		439	
Motor Vehicles		5,069	
Total County Coroner/Medical Examiner			\$ 179,004

Other Public Safety

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

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	68,255	
Custodial Personnel		27,932	
Social Security		6,997	
Pensions		11,796	
Life Insurance		74	
Medical Insurance		24,082	
Communication		6,573	
Maintenance and Repair Services - Buildings		7,581	
Rentals		1,000	
Travel		5,440	
Tuition		1,000	
Custodial Supplies		5,211	
Drugs and Medical Supplies		4,223	
Office Supplies		6,460	
Utilities		25,932	
Other Supplies and Materials		1,566	
Other Charges		160,421	
Total Local Health Center			364,543

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Contributions	\$ 93,333	
Total Rabies and Animal Control		\$ 93,333

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 47,896	
Accountants/Bookkeepers	111,995	
Paraprofessionals	2,434,444	
Part-time Personnel	413,678	
Overtime Pay	311,787	
Social Security	248,101	
Pensions	360,347	
Employee and Dependent Insurance	12,171	
Life Insurance	1,219	
Medical Insurance	397,920	
Communication	19,313	
Dues and Memberships	460	
Laundry Service	10,903	
Licenses	3,750	
Maintenance and Repair Services - Buildings	3,800	
Maintenance and Repair Services - Equipment	5,459	
Maintenance and Repair Services - Vehicles	168,480	
Travel	1,500	
Tuition	4,000	
Custodial Supplies	4,560	
Drugs and Medical Supplies	202,008	
Gasoline	98,640	
Office Supplies	14,834	
Uniforms	14,672	
Utilities	25,956	
Other Supplies and Materials	5,049	
Vehicle and Equipment Insurance	16,542	
Workers' Compensation Insurance	152,512	
Data Processing Equipment	11,037	
Motor Vehicles	160,000	
Office Equipment	814	
Other Equipment	49,227	
Total Ambulance/Emergency Medical Services		5,313,074

Alcohol and Drug Programs

Other Salaries and Wages	\$ 33,611	
Social Security	2,553	
Pensions	4,578	
Life Insurance	17	
Medical Insurance	5,351	
Communication	435	
Travel	1,958	
Other Supplies and Materials	1,245	
Other Charges	2,282	
Total Alcohol and Drug Programs		52,030

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Medical Personnel	\$	114,417	
Paraprofessionals		668,408	
Part-time Personnel		19,061	
Social Security		60,489	
Pensions		90,222	
Life Insurance		463	
Medical Insurance		150,675	
Travel		30,706	
Office Supplies		2,200	
Indirect Cost		2,200	
Total Other Local Health Services			\$ 1,138,841

General Welfare Assistance

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

Other Local Welfare Services

Contracts with Government Agencies	\$	91,361	
Total Other Local Welfare Services			91,361

Other Waste Disposal

Maintenance Personnel	\$	31,990	
Social Security		2,417	
Pensions		3,445	
Life Insurance		19	
Medical Insurance		10	
Instructional Supplies and Materials		13,287	
Other Supplies and Materials		1,223	
Total Other Waste Disposal			52,391

Other Public Health and Welfare

Office Supplies	\$	7,651	
Other Supplies and Materials		415	
Total Other Public Health and Welfare			8,066

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

Parks and Fair Boards

Temporary Personnel	\$	205	
Social Security		59	

(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 (Cont.)

Pensions	\$	76	
Other Supplies and Materials		5,506	
Other Capital Outlay		4,500	
Total Parks and Fair Boards			\$ 10,346

Other Social, Cultural, and Recreational

Assistant(s)	\$	78,860	
Supervisor/Director		45,016	
Clerical Personnel		26,674	
Maintenance Personnel		126,080	
Temporary Personnel		51,565	
Social Security		24,931	
Pensions		36,590	
Life Insurance		170	
Medical Insurance		48,910	
Communication		2,885	
Maintenance and Repair Services - Buildings		57,898	
Travel		248	
Food Supplies		63,962	
Gasoline		7,866	
Office Supplies		2,195	
Uniforms		1,234	
Utilities		70,355	
Other Supplies and Materials		164,163	
Vehicle and Equipment Insurance		1,380	
Workers' Compensation Insurance		8,884	
Other Equipment		4,416	
Other Capital Outlay		6,357	
Total Other Social, Cultural, and Recreational			830,639

Agriculture and Natural Resources

Agricultural Extension Service

Clerical Personnel	\$	9,945	
Part-time Personnel		14,442	
Other Salaries and Wages		204,152	
Social Security		17,013	
Pensions		16,694	
Medical Insurance		20,080	
Other Fringe Benefits		264	
Communication		2,015	
Contracts with Government Agencies		2,254	
Dues and Memberships		485	
Maintenance and Repair Services - Buildings		1,707	
Travel		2,095	
Office Supplies		338	
Utilities		5,332	
Total Agricultural Extension Service			296,816

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Social Security	\$	2,157	
Pensions		3,968	
Life Insurance		19	
Medical Insurance		6,215	
Contracts with Government Agencies		29,131	
Other Charges		8,000	
Total Soil Conservation			\$ 49,490

Storm Water Management

Assistant(s)	\$	31,156	
Supervisor/Director		15,305	
Part-time Personnel		6,306	
Social Security		4,015	
Pensions		6,020	
Life Insurance		26	
Medical Insurance		8,281	
Advertising		944	
Communication		5	
Data Processing Services		2,897	
Evaluation and Testing		1,292	
Legal Notices, Recording, and Court Costs		228	
Maintenance and Repair Services - Vehicles		235	
Travel		2,036	
Tuition		2,000	
Permits		3,460	
Other Contracted Services		39,814	
Gasoline		1,855	
Instructional Supplies and Materials		1,068	
Office Supplies		632	
Periodicals		359	
Testing		12,608	
Vehicle and Equipment Insurance		1,084	
Total Storm Water Management			141,626

Other Agriculture and Natural Resources

Other Capital Outlay	\$	813	
Total Other Agriculture and Natural Resources			813

Other Operations

Tourism

Contributions	\$	277,135	
Total Tourism			277,135

Industrial Development

Contributions	\$	277,135	
Total Industrial Development			277,135

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Public Transportation

Matching Share	\$ 44,000	
Total Public Transportation		\$ 44,000

Veterans' Services

Assistant(s)	\$ 27,931	
Supervisor/Director	34,475	
Clerical Personnel	24,297	
Social Security	6,509	
Pensions	11,809	
Life Insurance	58	
Medical Insurance	12,440	
Communication	10	
Dues and Memberships	80	
Operating Lease Payments	21	
Travel	1,165	
Other Contracted Services	1,197	
Office Supplies	1,007	
Periodicals	75	
Total Veterans' Services		121,074

Other Charges

Trustee's Commission	\$ 399,620	
Total Other Charges		399,620

Contributions to Other Agencies

Contributions	\$ 52,000	
Dues and Memberships	26,192	
Total Contributions to Other Agencies		78,192

Miscellaneous

Other Salaries and Wages	\$ 8,241	
Social Security	630	
Other Supplies and Materials	86,049	
Total Miscellaneous		94,920

Total General Fund		\$ 34,371,139
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Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 11,970	
Total Libraries		\$ 11,970

Other Operations

Other Charges

Trustee's Commission	\$ 128	
Total Other Charges		128

Total Law Library Fund		12,098
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(Continued)

Exhibit J-8

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 626,742	
Total Libraries		\$ 626,742

Other Operations

Other Charges

Trustee's Commission	\$ 12,184	
Total Other Charges		12,184

Total Public Library Fund		\$ 638,926
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Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Other Charges	\$ 4,650	
Total Waste Pickup		\$ 4,650

Other Waste Collection

Other Contracted Services	\$ 48,237	
Total Other Waste Collection		48,237

Recycling Center

Maintenance Personnel	\$ 19,719	
Social Security	1,508	
Other Contracted Services	73,701	
Utilities	430	
Other Supplies and Materials	577	
Total Recycling Center		95,935

Other Operations

Other Charges

Trustee's Commission	\$ 2,038	
Total Other Charges		2,038

Contributions to Other Agencies

Contributions	\$ 27,500	
Total Contributions to Other Agencies		27,500

Total Solid Waste/Sanitation Fund		178,360
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Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$ 56,528	
Paraprofessionals	1,915,643	
Salary Supplements	8,759	
Clerical Personnel	31,574	
Educational Assistants	21,683	

(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.)

Part-time Personnel	\$	38,000	
Overtime Pay		135,518	
Other Salaries and Wages		213,377	
In-service Training		26,400	
Social Security		182,793	
Pensions		310,164	
Life Insurance		1,182	
Medical Insurance		386,436	
Communication		34,850	
Dues and Memberships		1,100	
Laundry Service		2,552	
Maintenance and Repair Services - Buildings		28,868	
Maintenance and Repair Services - Office Equipment		3,171	
Maintenance and Repair Services - Vehicles		149,040	
Medical and Dental Services		779	
Postal Charges		239	
Printing, Stationery, and Forms		338	
Travel		4,914	
Tuition		2,374	
Other Contracted Services		25,394	
Custodial Supplies		15,890	
Drugs and Medical Supplies		1,751	
Food Supplies		2,322	
Gasoline		50,107	
Instructional Supplies and Materials		9,515	
Office Supplies		5,501	
Uniforms		24,883	
Utilities		103,191	
Other Supplies and Materials		35,531	
Building and Contents Insurance		2,657	
Liability Insurance		7,126	
Vehicle and Equipment Insurance		82,590	
Workers' Compensation Insurance		263,527	
Other Charges		1,133	
Principal on Capital Leases		37,791	
Interest on Capital Leases		4,585	
Building Improvements		26,290	
Law Enforcement Equipment		2,845	
Other Equipment		55,458	
Other Capital Outlay		84,204	
Total Fire Prevention and Control			\$ 4,398,573

Rescue Squad

Other Charges	\$	3,538	
Total Rescue Squad			3,538

(Continued)

Exhibit J-8

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

Special Purpose Fire Tax Fund (Cont.)

Other Operations

Other Charges

Trustee's Commission	\$ 82,521	
Total Other Charges		\$ 82,521

Miscellaneous

Other Charges	\$ 1,875	
Total Miscellaneous		<u>1,875</u>

Total Special Purpose Fire Tax Fund		\$ 4,486,507
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Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$ 4,907	
Towing Services	325	
Travel	1,568	
Law Enforcement Equipment	45,843	
Motor Vehicles	<u>62,574</u>	
Total Sheriff's Department		\$ 115,217

Drug Enforcement

Investigator(s)	\$ 83,812	
Clerical Personnel	24,367	
Overtime Pay	20,255	
Social Security	9,856	
Pensions	17,502	
Life Insurance	59	
Medical Insurance	18,997	
Communication	12,982	
Other Contracted Services	63,809	
Uniforms	2,400	
Other Supplies and Materials	<u>4,551</u>	
Total Drug Enforcement		258,590

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$ 21,816	
Total Alcohol and Drug Programs		21,816

Other Operations

Other Charges

Trustee's Commission	\$ 1,488	
Total Other Charges		<u>1,488</u>

Total Drug Control Fund		397,111
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(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	\$	52,898	
Assistant(s)		26,809	
Supervisor/Director		26,242	
Clerical Personnel		25,767	
Part-time Personnel		15,000	
Social Security		11,137	
Pensions		17,703	
Life Insurance		77	
Medical Insurance		23,814	
Utilities		28,553	
Building and Contents Insurance		12,533	
Vehicle and Equipment Insurance		1,025	
Total Other Social, Cultural, and Recreational			\$ 241,558

Other Operations

Other Charges

Trustee's Commission	\$	2,519	
Total Other Charges			2,519

Total Agriculture Center Fund \$ 244,077

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	350,976	
Total Register of Deeds			\$ 350,976

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	411,350	
Total County Trustee's Office			411,350

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	930,995	
Total County Clerk's Office			930,995

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	900	
Constitutional Officers' Operating Expenses		247,344	
Total Chancery Court			248,244

Total Constitutional Officers - Fees Fund 1,941,565

(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	\$	89,018	
Assistant(s)		60,611	
Supervisor/Director		45,261	
Accountants/Bookkeepers		39,075	
Dispatchers/Radio Operators		45,207	
Overtime Pay		4,867	
Other Salaries and Wages		201,515	
Data Processing Services		12,500	
Dues and Memberships		5,000	
Legal Notices, Recording, and Court Costs		1,060	
Maintenance and Repair Services - Office Equipment		485	
Travel		3,836	
Tuition		4,836	
Office Supplies		7,752	
Communication Equipment		6,203	
Office Equipment		8,681	
Total Administration			\$ 535,907

Highway and Bridge Maintenance

Foremen	\$	37,847	
Equipment Operators		372,799	
Truck Drivers		241,987	
Laborers		273,138	
Overtime Pay		12,800	
Rentals		5,670	
Other Contracted Services		14,784	
Asphalt - Cold Mix		15,267	
Asphalt - Hot Mix		737,574	
Asphalt - Liquid		18,069	
Concrete		3,745	
Crushed Stone		90,617	
Fertilizer, Lime, and Seed		2,502	
General Construction Materials		46,699	
Pipe		37,126	
Pipe - Metal		20,065	
Road Signs		57,676	
Salt		33,747	
Sand		4,882	
Small Tools		1,676	
Wood Products		162	
Other Supplies and Materials		8,655	
Total Highway and Bridge Maintenance			2,037,487

Operation and Maintenance of Equipment

Foremen	\$	42,208
Mechanic(s)		94,472
Overtime Pay		188

(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.)

Laundry Service	\$	18,210	
Other Contracted Services		200	
Diesel Fuel		76,164	
Equipment and Machinery Parts		84,216	
Garage Supplies		14,492	
Gasoline		20,082	
Lubricants		9,040	
Propane Gas		2,015	
Small Tools		2,716	
Tires and Tubes		22,169	
Other Supplies and Materials		485	
Total Operation and Maintenance of Equipment			\$ 386,657

Litter and Trash Collection

Truck Drivers	\$	17,088	
Guards		24,243	
Other Contracted Services		962	
Other Supplies and Materials		345	
Total Litter and Trash Collection			42,638

Other Charges

Communication	\$	9,833	
Electricity		11,993	
Water and Sewer		2,504	
Liability Insurance		85,597	
Trustee's Commission		78,783	
Total Other Charges			188,710

Employee Benefits

Social Security	\$	138,799	
Pensions		241,558	
Employee and Dependent Insurance		8,814	
Life Insurance		1,062	
Medical Insurance		342,918	
Unemployment Compensation		1,803	
Workers' Compensation Insurance		48,353	
Total Employee Benefits			783,307

Capital Outlay

Engineering Services	\$	27,195	
Bridge Construction		765,072	
Building Improvements		23,994	
Highway Construction		157,064	
Other Equipment		416,506	
Total Capital Outlay			1,389,831

(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	\$	63,672	
Truck Drivers		88,886	
Laborers		94,147	
Overtime Pay		2,628	
Other Contracted Services		361	
Concrete		1,135	
Crushed Stone		13,132	
Diesel Fuel		10,500	
Equipment and Machinery Parts		12,000	
Other Equipment		329,061	
Total Highway and Street Capital Projects			\$ 615,522

Total Highway/Public Works Fund \$ 5,980,059

General Debt Service Fund

Other Operations

Other Charges

Accounting Services	\$	2,500	
Trustee's Commission		117,211	
Total Other Charges			\$ 119,711

Principal on Debt

General Government

Principal on Bonds	\$	160,000	
Principal on Other Loans		660,115	
Total General Government			820,115

Education

Principal on Bonds	\$	730,000	
Principal on Capital Leases		127,059	
Principal on Other Loans		2,879,885	
Total Education			3,736,944

Interest on Debt

General Government

Interest on Bonds	\$	52,213	
Interest on Other Loans		352,475	
Total General Government			404,688

Education

Interest on Bonds	\$	979,780	
Interest on Capital Leases		3,004	
Interest on Other Loans		687,091	
Total Education			1,669,875

(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	\$ 86,102	
Total General Government		\$ 86,102

Education

Other Debt Service	\$ 200,818	
Total Education		<u>200,818</u>

Total General Debt Service Fund			\$ 7,038,253
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General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 1,097	
Total Other Charges		\$ 1,097

Capital Projects

Public Safety Projects

Other Capital Outlay	\$ 98,607	
Total Public Safety Projects		98,607

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 279,399	
Total Social, Cultural, and Recreation Projects		<u>279,399</u>

Total General Capital Projects Fund			379,103
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Community Development/Industrial Park Fund

Other Operations

Industrial Development

Highway Construction	\$ 175,921	
Land	1,073,605	
Site Development	637,075	
Other Construction	<u>10,738</u>	
Total Industrial Development		\$ 1,897,339

Other Economic and Community Development

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

Other Charges

Trustee's Commission	\$ 22,838	
Total Other Charges		<u>22,838</u>

Total Community Development/Industrial Park Fund			1,929,577
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(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	\$	681	
Total Other Charges			\$ 681
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	193,550	
Total Capital Projects Donated to School Department			193,550
Total Education Capital Projects Fund			194,231
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Utility Projects</u>			
Other Construction	\$	525,000	
Total Public Utility Projects			\$ 525,000
Total Other Capital Projects Fund			525,000
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$	150,597	
Other Supplies and Materials		1	
Total Other Public Health and Welfare			\$ 150,598
Total Endowment Fund			150,598
Total Governmental Funds - Primary Government			\$ 58,466,610

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, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,582,620	
Career Ladder Program	141,700	
Career Ladder Extended Contracts	39,700	
Educational Assistants	1,077,340	
Other Salaries and Wages	2,890	
Non-certified Substitute Teachers	364,130	
Social Security	1,633,951	
Pensions	2,505,427	
Life Insurance	24,578	
Medical Insurance	3,823,956	
Employer Medicare	389,341	
Other Fringe Benefits	268,474	
Operating Lease Payments	269	
Maintenance and Repair Services - Equipment	76,856	
Other Contracted Services	73,463	
Instructional Supplies and Materials	372,063	
Textbooks	574,745	
Other Supplies and Materials	53,092	
Fee Waivers	96,000	
Other Charges	8,779	
Debt Service Contribution to Primary Government	66,489	
Regular Instruction Equipment	216,105	
Total Regular Instruction Program		\$ 38,391,968

Special Education Program

Teachers	\$ 2,340,435	
Career Ladder Program	12,000	
Clerical Personnel	27,086	
Educational Assistants	255,409	
Speech Pathologist	237,118	
Non-certified Substitute Teachers	11,477	
Social Security	171,033	
Pensions	273,500	
Life Insurance	2,989	
Medical Insurance	453,338	
Employer Medicare	40,219	
Contracts with Private Agencies	80,045	
Instructional Supplies and Materials	57,719	
Other Supplies and Materials	25,210	
Special Education Equipment	6,485	
Total Special Education Program		3,994,063

Vocational Education Program

Teachers	\$ 1,992,762	
Career Ladder Program	3,500	
Other Salaries and Wages	16,960	

(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	\$	1,020	
Social Security		118,688	
Pensions		181,118	
Life Insurance		1,767	
Medical Insurance		275,673	
Employer Medicare		27,765	
Maintenance and Repair Services - Equipment		10,937	
Travel		214	
Instructional Supplies and Materials		82,969	
Other Supplies and Materials		92	
Total Vocational Education Program			\$ 2,713,465

Adult Education Program

Teachers	\$	86,625	
Clerical Personnel		28,086	
Educational Assistants		20,280	
Other Salaries and Wages		5,572	
Social Security		7,742	
Pensions		6,588	
Life Insurance		86	
Medical Insurance		12,010	
Employer Medicare		2,031	
Communication		1,788	
Maintenance and Repair Services - Equipment		1,848	
Travel		926	
Other Contracted Services		7,600	
Instructional Supplies and Materials		9,645	
Other Supplies and Materials		1,846	
In Service/Staff Development		4,644	
Total Adult Education Program			197,317

Support Services

Attendance

Supervisor/Director	\$	41,227	
Career Ladder Program		1,000	
Clerical Personnel		64,635	
Social Security		6,125	
Pensions		12,621	
Life Insurance		108	
Medical Insurance		17,989	
Employer Medicare		1,432	
Operating Lease Payments		690	
Other Supplies and Materials		6,730	
In Service/Staff Development		2,422	
Attendance Equipment		86	
Total Attendance			155,065

(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

Medical Personnel	\$	421,533	
Other Salaries and Wages		103,413	
Social Security		31,131	
Pensions		58,753	
Life Insurance		613	
Medical Insurance		78,396	
Employer Medicare		7,281	
Travel		6,821	
Drugs and Medical Supplies		9,773	
Other Supplies and Materials		41,143	
In Service/Staff Development		2,028	
Other Charges		785	
Total Health Services			\$ 761,670

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		1,380,562	
Other Salaries and Wages		1,112,313	
Social Security		148,238	
Pensions		226,721	
Life Insurance		1,986	
Medical Insurance		265,926	
Employer Medicare		34,668	
Communication		1,446	
Evaluation and Testing		154,906	
Maintenance and Repair Services - Equipment		39	
Other Supplies and Materials		460	
In Service/Staff Development		986	
Total Other Student Support			3,335,251

Regular Instruction Program

Supervisor/Director	\$	179,729	
Career Ladder Program		9,000	
Librarians		793,594	
Materials Supervisor		21,986	
Secretary(ies)		50,564	
Educational Assistants		199,783	
Other Salaries and Wages		169,766	
Non-certified Substitute Teachers		2,940	
Social Security		83,015	
Pensions		119,622	
Life Insurance		1,119	
Medical Insurance		168,261	
Employer Medicare		21,268	
Communication		941	
Operating Lease Payments		9,853	

(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.)

Maintenance and Repair Services - Equipment	\$	109	
Travel		6,247	
Other Contracted Services		7,434	
Instructional Supplies and Materials		35,331	
Library Books/Media		121,349	
Periodicals		7,956	
Other Supplies and Materials		52,955	
In Service/Staff Development		2,328	
Other Charges		89	
Other Equipment		32,797	
Total Regular Instruction Program			\$ 2,098,036

Special Education Program

Supervisor/Director	\$	87,027	
Career Ladder Program		3,600	
Psychological Personnel		272,701	
Secretary(ies)		35,735	
Other Salaries and Wages		119,700	
Social Security		30,326	
Pensions		39,559	
Life Insurance		328	
Medical Insurance		48,841	
Employer Medicare		7,342	
Travel		9,406	
Other Contracted Services		119,814	
Other Supplies and Materials		9,102	
In Service/Staff Development		25,577	
Other Charges		4,838	
Total Special Education Program			813,896

Vocational Education Program

Supervisor/Director	\$	77,547	
Secretary(ies)		25,850	
Social Security		6,255	
Pensions		10,531	
Life Insurance		86	
Medical Insurance		13,097	
Employer Medicare		1,463	
Travel		833	
Other Supplies and Materials		1,064	
In Service/Staff Development		1,552	
Other Charges		562	
Total Vocational Education Program			138,840

Other Programs

On-behalf Payments to OPEB	\$	353,983	
Total Other Programs			353,983

(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

Board and Committee Members Fees	\$	18,000	
Social Security		670	
Pensions		1,471	
Unemployment Compensation		5,387	
Employer Medicare		261	
Audit Services		28,645	
Dues and Memberships		8,141	
Legal Services		60,384	
Other Contracted Services		4,750	
Other Supplies and Materials		273	
Judgments		284,537	
Liability Insurance		129,736	
Premiums on Corporate Surety Bonds		6,643	
Trustee's Commission		338,119	
Workers' Compensation Insurance		277,879	
In Service/Staff Development		21,734	
Criminal Investigation of Applicants - TBI		13,015	
Refund to Applicant for Criminal Investigation		1,874	
Other Charges		232	
Total Board of Education			\$ 1,201,751

Director of Schools

County Official/Administrative Officer	\$	136,000	
Career Ladder Program		1,000	
Secretary(ies)		64,013	
Other Salaries and Wages		60,325	
Social Security		14,752	
Pensions		37,242	
Life Insurance		143	
Medical Insurance		27,353	
Employer Medicare		3,659	
Other Fringe Benefits		6,192	
Communication		68,880	
Dues and Memberships		4,948	
Maintenance and Repair Services - Equipment		49	
Postal Charges		6,440	
Travel		272	
Other Contracted Services		693	
Office Supplies		1,884	
Other Supplies and Materials		8,154	
In Service/Staff Development		5,978	
Other Charges		6,930	
Total Director of Schools			454,907

Office of the Principal

Principals	\$	1,330,719	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Program	\$	11,000	
Assistant Principals		775,178	
Secretary(ies)		751,332	
Social Security		166,330	
Pensions		292,661	
Life Insurance		2,376	
Medical Insurance		426,080	
Employer Medicare		38,900	
Dues and Memberships		16,450	
In Service/Staff Development		3,634	
Other Charges		3,449	
Total Office of the Principal			\$ 3,818,109

Fiscal Services

Supervisor/Director	\$	110,702	
Accountants/Bookkeepers		160,199	
Social Security		15,973	
Pensions		36,616	
Life Insurance		246	
Medical Insurance		36,106	
Employer Medicare		3,736	
Data Processing Services		17,449	
Dues and Memberships		105	
Operating Lease Payments		1,906	
Maintenance and Repair Services - Equipment		5,625	
Travel		198	
Other Contracted Services		2,298	
Data Processing Supplies		2,521	
Office Supplies		6,944	
In Service/Staff Development		3,148	
Administration Equipment		4,879	
Total Fiscal Services			408,651

Operation of Plant

Supervisor/Director	\$	96,376	
Guards		7,882	
Custodial Personnel		525,021	
Social Security		37,623	
Pensions		78,150	
Life Insurance		1,045	
Medical Insurance		140,009	
Employer Medicare		8,799	
Communication		2,277	
Janitorial Services		637,343	
Maintenance and Repair Services - Equipment		23,896	
Rentals		190	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Travel	\$	140	
Disposal Fees		35,925	
Other Contracted Services		82,564	
Custodial Supplies		112,001	
Electricity		1,726,167	
Fuel Oil		67,317	
Natural Gas		161,335	
Water and Sewer		300,748	
Other Supplies and Materials		2,536	
Boiler Insurance		21,258	
Building and Contents Insurance		387,293	
In Service/Staff Development		390	
Other Charges		148	
Debt Service Contribution to Primary Government		63,574	
Plant Operation Equipment		35,593	
Total Operation of Plant			\$ 4,555,600

Maintenance of Plant

Supervisor/Director	\$	46,826	
Maintenance Personnel		467,528	
Other Salaries and Wages		14,790	
Social Security		27,702	
Pensions		64,838	
Life Insurance		505	
Medical Insurance		76,563	
Employer Medicare		7,184	
Communication		5,939	
Travel		1,452	
Other Contracted Services		15,184	
Gasoline		773	
Other Supplies and Materials		254,191	
Other Charges		2,575	
Administration Equipment		47,822	
Total Maintenance of Plant			1,033,872

Transportation

Supervisor/Director	\$	41,227	
Clerical Personnel		35,270	
Other Salaries and Wages		7,250	
Social Security		4,800	
Pensions		8,531	
Life Insurance		65	
Medical Insurance		11,381	
Employer Medicare		1,123	
Communication		1,864	
Contracts with Vehicle Owners		1,956,245	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Maintenance and Repair Services - Vehicles	\$	82,286	
Medical and Dental Services		3,740	
Other Contracted Services		1,300	
Gasoline		58,361	
Other Supplies and Materials		2,094	
Vehicle and Equipment Insurance		119,577	
In Service/Staff Development		650	
Other Charges		6,425	
Administration Equipment		1,212	
Transportation Equipment		90,351	
Total Transportation			\$ 2,433,752

Central and Other

Supervisor/Director	\$	69,834	
Data Processing Personnel		186,725	
Social Security		15,319	
Pensions		31,745	
Life Insurance		246	
Medical Insurance		35,696	
Employer Medicare		3,583	
Communication		4,671	
Maintenance and Repair Services - Equipment		35,806	
Travel		5,666	
Other Contracted Services		408,715	
Data Processing Supplies		22,559	
Other Supplies and Materials		4,048	
Other Charges		422	
Other Equipment		4,259	
Total Central and Other			829,294

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	59,295	
Social Security		3,500	
Pensions		8,076	
Life Insurance		3,162	
Medical Insurance		7,650	
Employer Medicare		819	
Travel		150	
Other Supplies and Materials		7,115	
In Service/Staff Development		2,175	
Total Food Service			91,942

Community Services

Other Salaries and Wages	\$	224,259	
Social Security		13,813	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Pensions	\$	7,905	
Medical Insurance		5,842	
Employer Medicare		3,230	
Maintenance and Repair Services - Equipment		16,752	
Travel		2,015	
Other Contracted Services		50,245	
Instructional Supplies and Materials		10,063	
Other Charges		1,800	
Total Community Services			\$ 335,924

Early Childhood Education

Contracts with Other Public Agencies	\$	1,536,911	
Total Early Childhood Education			1,536,911

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,481,445	
Other Capital Outlay		254,952	
Total Regular Capital Outlay			1,736,397

Total General Purpose School Fund \$ 71,390,664

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	618,331	
Educational Assistants		222,474	
Bonus Payments		2,000	
Non-certified Substitute Teachers		31,505	
Social Security		51,516	
Pensions		60,371	
Life Insurance		579	
Medical Insurance		85,500	
Employer Medicare		12,101	
Other Contracted Services		2,063	
Instructional Supplies and Materials		75,890	
Other Supplies and Materials		19,222	
Regular Instruction Equipment		55,467	
Total Regular Instruction Program			\$ 1,237,019

Special Education Program

Teachers	\$	74,339	
Educational Assistants		594,650	
Speech Pathologist		96,897	
Social Security		42,853	
Pensions		87,193	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	1,430	
Medical Insurance		215,852	
Employer Medicare		10,201	
Other Contracted Services		45,983	
Instructional Supplies and Materials		144,906	
Special Education Equipment		34,044	
Total Special Education Program			\$ 1,348,348

Vocational Education Program

Other Supplies and Materials	\$	37,228	
Other Charges		1,725	
Vocational Instruction Equipment		132,946	
Total Vocational Education Program			171,899

Support Services

Other Student Support

Guidance Personnel	\$	85,176	
Social Workers		41,000	
Other Salaries and Wages		334,227	
Social Security		27,274	
Pensions		42,142	
Life Insurance		376	
Medical Insurance		49,887	
Employer Medicare		6,379	
Travel		44,259	
Other Contracted Services		57,560	
Other Supplies and Materials		36,443	
In Service/Staff Development		19,185	
Other Charges		32,644	
Total Other Student Support			776,552

Regular Instruction Program

Supervisor/Director	\$	139,107	
Secretary(ies)		17,905	
Educational Assistants		17,959	
Other Salaries and Wages		337,606	
Non-certified Substitute Teachers		3,780	
Social Security		27,563	
Pensions		46,958	
Life Insurance		393	
Medical Insurance		55,072	
Employer Medicare		7,241	
Consultants		104,674	
Travel		85,079	
Other Contracted Services		19,668	
Other Supplies and Materials		101,838	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In Service/Staff Development	\$ 79,975	
Other Charges	154,411	
Other Equipment	164,341	
Total Regular Instruction Program		\$ 1,363,570

Special Education Program

Secretary(ies)	\$ 71,705	
Other Salaries and Wages	370,522	
Social Security	25,387	
Pensions	41,848	
Life Insurance	393	
Medical Insurance	59,379	
Employer Medicare	6,158	
Travel	3,135	
Other Supplies and Materials	4,811	
In Service/Staff Development	14,871	
Total Special Education Program		598,209

Vocational Education Program

Clerical Personnel	\$ 1,000	
Social Security	62	
Pensions	90	
Employer Medicare	14	
Other Equipment	661	
Total Vocational Education Program		1,827

Transportation

Bus Drivers	\$ 124,155	
Other Salaries and Wages	17,648	
Social Security	6,903	
Pensions	4,353	
Employer Medicare	2,055	
Total Transportation		155,114

Total School Federal Projects Fund \$ 5,652,538

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Accountants/Bookkeepers	\$ 2,211	
Cafeteria Personnel	1,807,104	
Social Security	107,838	
Pensions	174,321	
Medical Insurance	413,578	
Unemployment Compensation	180	
Employer Medicare	25,411	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Advertising	\$	1,116	
Communication		5,876	
Dues and Memberships		990	
Freight Expenses		502	
Maintenance and Repair Services - Equipment		76,941	
Pest Control		8,060	
Travel		4,195	
Permits		2,150	
Other Contracted Services		80,927	
Food Preparation Supplies		36,045	
Food Supplies		2,055,322	
Ice		25,147	
Uniforms		4,195	
USDA - Commodities		277,509	
Other Supplies and Materials		148,708	
Refunds		1,582	
In Service/Staff Development		1,588	
Criminal Investigation of Applicants - TBI		1,250	
Other Charges		3,705	
Food Service Equipment		16,864	
Total Food Service			<u>\$ 5,283,315</u>

Total Central Cafeteria Fund \$ 5,283,315

Total Governmental Funds - Bradley County School Department \$ 82,326,517

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, 2016

	Cities - Sales Tax Fund	Cities - Mixed Drink Tax In Litigation Fund	City School ADA - Cleveland Fund	City of Charleston	Total
<u>Cash Receipts</u>					
Current Property Taxes	\$ 0	\$ 0	\$ 5,916,064	\$ 50,230	\$ 5,966,294
Trustee's Collections - Prior Years	0	0	139,262	0	139,262
Circuit/Clerk and Master Collections - Prior Years	0	0	106,536	0	106,536
Interest and Penalty	0	0	26,195	37	26,232
Payments in-Lieu-of Taxes - Local Utilities	0	0	2,898	0	2,898
Payments in-Lieu-of Taxes - Other	0	0	246,196	0	246,196
Local Option Sales Taxes	12,301,740	0	6,170,360	0	18,472,100
Mixed Drink Tax	0	4,205	0	0	4,205
Bank Excise Taxes	0	0	33,755	0	33,755
Interstate Telecommunications Taxes	0	0	3,172	0	3,172
Marriage Licenses	0	0	3,186	0	3,186
Other Local Revenue	0	0	280	0	280
Income Tax	0	0	35,379	0	35,379
Total Cash Receipts	\$ 12,301,740	\$ 4,205	\$ 12,683,283	\$ 50,267	\$ 25,039,495
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 12,300,427	\$ 0	\$ 12,556,780	\$ 50,267	\$ 24,907,474
Trustee's Commission	1,313	0	127,343	0	128,656
Total Cash Disbursements	\$ 12,301,740	\$ 0	\$ 12,684,123	\$ 50,267	\$ 25,036,130
<u>Excess of Cash Receipts Over (Under)</u>					
Cash Disbursements	\$ 0	\$ 4,205	\$ (840)	\$ 0	\$ 3,365
Cash Balance, July 1, 2015	0	6,368	12,451	0	18,819
Cash Balance, June 30, 2016	\$ 0	\$ 10,573	\$ 11,611	\$ 0	\$ 22,184

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	243-250
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	6-9	251-254
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	255-259
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	260-261
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	262-264

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PRIMARY GOVERNMENT (Note 1)										
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 41,407,445
Restricted	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	22,871,780
Unrestricted	(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)	(19,957,898)
Total Governmental Activities Net Position	<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>	<u>\$ 44,321,327</u>
COMPONENT UNIT - Bradley County Schools (Notes 2,3)										
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 63,278,082
Restricted	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	1,607,266
Unrestricted	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)	(4,532,792)
Total Governmental Activities Net Position	<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>	<u>\$ 60,352,556</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>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>2016</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 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	\$ 6,790,993
Finance	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	2,829,690
Administration of Justice	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	3,582,051
Public Safety	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	23,016,771
Public Health and Welfare	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	7,173,245
Social, Cultural, and Recreational Services	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	1,893,626
Agriculture and Natural Resources	441,046	442,092	547,161	527,160	552,058	1,028,690	530,340	622,063	478,789	472,436
Other Operations	3,314,102	2,241,926	1,580,426	-	-	-	-	-	-	-
Highways/Public Works	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	4,892,293
Education (Payments to Component Unit)	-	-	-	17,734,346	666,796	586,923	396,897	49,457	11,731	193,550
Interest on Long-term Debt	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	2,062,643
Other Debt Service	6,062,980	559,551	82,624	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 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	\$ 52,907,298
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 1,519,838	\$ 1,263,625	\$ 1,269,440	\$ 1,148,994	\$ 1,182,462	\$ 1,301,060	\$ 948,182	\$ 758,422	\$ 922,543	\$ 986,165
Finance	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	2,864,805
Administration of Justice	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	2,868,102
Public Safety	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	3,528,601
Public Health and Welfare	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	5,951,449
Social, Cultural, and Recreational Services	154,874	144,459	143,499	256,213	245,372	216,977	129,801	133,496	108,063	86,400
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	769
Operating Grants and Contributions	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	5,387,611
Capital Grants and Contributions	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	1,735,496
Total Governmental Activities Program Revenues	\$ 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	\$ 23,409,398

(Continued)

Table 2

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (29,497,900)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 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	\$ 19,148,661
Property Tax Levied for Debt Services	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	5,501,655
Sales Tax	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	5,403,996
Other Local Taxes	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	3,253,372
Unrestricted Grants and Contributions	868,050	909,566	1,034,691	987,536	1,016,542	1,122,283	1,341,794	1,308,872	1,851,278	2,264,258
Investment Earnings	2,082,608	1,583,986	1,007,863	705,170	497,460	242,552	388,253	372,997	286,349	373,530
Proceeds from Hospital Sale	15,000,000	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Equipment	-	-	-	-	-	-	41,901	115,975	368,089	13,339
Insurance Recovery	-	-	-	-	-	6,028	-	-	-	-
Miscellaneous	120,302	296,445	284,422	232,934	173,099	348,692	555,613	517,999	341,472	1,106,589
Total Governmental Activities	\$ 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	\$ 37,065,400
Change in Net Position	\$ 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	\$ 7,567,500

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ 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	\$ 79,782,432
PRIMARY GOVERNMENT: (Note 1)	\$ 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	\$ 79,782,432
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 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	\$ 1,665,877
Operating Grants and Contributions	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	11,013,030
Capital Grants and Contributions	5,945,318	400,000	9,200	11,897,449	13,906	-	134,004	1,300,757	-	-
Total Governmental Activities Program Revenues	\$ 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	\$ 12,678,907
Component Unit - Bradley County Schools (Notes 2,3)										
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (67,103,525)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 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	\$ 12,043,514
Sales Tax	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	11,615,978
Other Local Taxes	10,783	7,399	7,196	5,141	4,989	-	5,647	7,003	6,540	209,838
Unrestricted Grants and Contributions	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	46,883,719
Investment Earnings	438,669	207,630	80,902	21,309	15,507	20,648	23,528	28,734	23,014	32,444
Sale of Land/Equipment	-	-	-	-	-	6,199	-	-	2,298	-
Miscellaneous	9,677	26,109	71,272	48,972	118,831	23,502	51,972	48,317	90,280	26,821
Insurance Recovery	-	-	-	-	-	715,276	-	-	-	276,585
Pension Income	-	-	-	-	-	-	-	-	84,636	-
Total Governmental Activities	\$ 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	\$ 71,088,899
Change in Net Position	\$ 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	\$ 3,985,374

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 the 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
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
2016	19,148,661	12,043,514	5,403,996	11,615,978	3,253,372	209,838	51,675,359

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PRIMARY GOVERNMENT										
General Fund:										
Reserved	\$ 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	1,359,785
Committed	-	-	-	-	473,920	555,709	656,180	778,668	901,852	814,599
Assigned	-	-	-	-	510,608	473,584	487,520	498,269	459,965	844,036
Unreserved/Unassigned	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	8,057,958
Total General Fund	\$ 8,120,094	\$ 7,520,768	\$ 5,462,934	\$ 3,661,891	\$ 3,332,414	\$ 4,337,857	\$ 6,536,352	\$ 7,133,997	\$ 8,088,668	\$ 11,076,378
All Other Governmental Funds:										
Reserved	\$ 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	16,044,227
Restricted	-	-	-	-	6,326,324	6,482,944	4,466,337	4,461,847	4,363,048	4,064,862
Committed	-	-	-	-	20,062,092	18,292,224	17,855,310	14,692,728	14,305,427	13,922,952
Assigned	-	-	-	-	154,603	119,692	123,013	137,110	983,248	380,458
Unreserved, Reported in:										
Special Revenue Funds	4,978,832	2,153,228	6,361,629	5,509,162	-	-	-	-	-	-
Debt Service Funds	15,863,135	15,491,369	16,250,237	16,403,302	-	-	-	-	-	-
Capital Projects Funds	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	\$ 38,327,511	\$ 41,434,785	\$ 45,277,736	\$ 45,168,195	\$ 42,484,624	\$ 41,388,039	\$ 38,372,047	\$ 35,270,468	\$ 35,673,404	\$ 34,412,499
COMPONENT UNIT - Bradley County Schools										
General Purpose School Fund:										
Reserved	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,933,392	3,777,927	3,892,469	2,884,497	-	-	-	-	-	-
Restricted	-	-	-	-	37,772	381,315	857,214	870,222	850,038	294,152
Committed	-	-	-	-	-	-	-	309,736	1,664,028	2,634,096
Assigned	-	-	-	-	-	-	-	-	290,771	96,450
Unassigned	-	-	-	-	4,866,298	7,240,601	5,837,214	4,907,575	4,396,493	5,636,786
Total General Purpose School Fund	\$ 5,300,214	\$ 4,780,871	\$ 4,982,916	\$ 6,212,566	\$ 4,904,070	\$ 7,621,916	\$ 6,694,428	\$ 6,087,533	\$ 7,201,330	\$ 8,661,484
All Other School Funds:										
Reserved	\$ 399,481	\$ 264,450	\$ 193,276	\$ 3,356,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds	1,024,770	884,550	1,278,572	1,525,227	-	-	-	-	-	-
Capital Projects Funds	5,596,972	47,190	(141,068)	404,372	-	-	-	-	-	-
Restricted	-	-	-	-	2,084,451	1,521,925	1,595,337	1,312,774	931,883	994,347
Committed	-	-	-	-	300,000	300,000	300,000	300,000	300,000	296,264
Total All Other Governmental Funds	\$ 7,021,223	\$ 1,196,190	\$ 1,330,780	\$ 5,286,342	\$ 2,384,451	\$ 1,821,925	\$ 1,895,337	\$ 1,612,774	\$ 1,231,883	\$ 1,290,611

Notes:

In fiscal year 2011, Bradley County implemented GASB Statement No. 54, which replaced the categories that previously had been used to classify fund balance.

Table 5

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 58,086,289
Licenses and Permits	420,076	375,282	370,507	289,502	333,876	666,804	368,341	414,345	521,005	470,082
Fines and Forfeitures	1,708,360	899,921	939,523	698,858	946,282	1,080,260	823,299	799,184	959,705	733,356
Charges for Current Services	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	9,737,490
Other Local Revenue	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	1,844,508
Fees from Co. Officials	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	2,692,784
State Revenues	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	55,784,710
Federal Revenues	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	11,387,430
Other Govt/Citizens	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	2,626,089
Total Revenues	\$ 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	\$ 143,362,738
Expenditures										
General Government	\$ 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	\$ 2,547,934
Finance	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	2,831,722
Admin. of Justice	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	3,694,232
Public Safety	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	22,173,963
Public Health/Welfare	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	7,436,375
Social, Cultural/Rec.	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	1,825,081
Agriculture and Natural Resources	438,400	431,756	530,839	519,283	534,679	577,159	531,148	618,665	505,080	488,745
Other Operations	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	3,473,401
Special Revenues	4,216,420	-	-	-	-	-	-	-	-	-
Highways and Bridges	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	5,364,537
Education	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	80,590,120
Debt Service										
Principal	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	4,557,059
Interest	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	2,074,563
Other Charges/Operations	8,497,361	553,259	699,144	453,094	851,425	814,904	518,483	223,314	207,145	286,920
Endowment	923,104	-	198,460	232,428	629,426	321,349	-	-	-	-
Capital Projects-General	982,833	1,179,342	828,613	18,436,805	2,747,137	1,406,705	683,535	2,407,479	687,607	1,712,078
Cap Assets Pur/Depr. Exp - Primary	-	-	(191,374)	1,461,421	-	-	-	-	-	-
Miscellaneous Transactions										
Involving Capital Assets - Primary	-	-	(47,333)	(93,530)	-	-	-	-	-	-
Capital Outlay/Projects - Schools	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	1,736,397
Cap Assets Pur /Depr. Exp - Schools	-	-	(1,826,931)	6,592,137	-	-	-	-	-	-
	\$ 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	\$ 140,793,127
Excess of Revenues Over (Under) Expenditures	\$ (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	\$ 2,569,611

(Continued)

Table 5

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Transfers In	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724	\$ 44,599	\$ 81,929	\$ 279,041	\$ 2,618,361	\$ 398,693
Transfers Out	(510,416)	(308,693)	(302,483)	(942,147)	(47,724)	(44,599)	(81,929)	(279,041)	(2,618,361)	(398,693)
Capital Leases Issued	-	-	-	-	-	-	-	-	195,700	193,550
Bond Proceeds	-	-	-	17,550,000	-	-	2,870,000	-	-	-
Note Proceeds	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	750,922	233,252	151,579	193,736	-	302,000	-	-	-	-
Insurance Recovery	-	41,057	-	14,880	108,870	721,304	25,364	-	119,818	276,585
Proceeds on Sale of Assets	-	-	-	-	6,150	-	-	10,259	-	205,941
Proceeds on Sale of Hospital	15,000,000	-	-	-	-	-	-	-	-	-
Proceeds on Sale of Land	-	5,650	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 6,545,922	\$ 279,959	\$ 800,563	\$ 18,020,217	\$ 115,020	\$ 1,023,304	\$ 2,992,949	\$ 10,259	\$ 315,518	\$ 676,076
Net Change in Fund Balances	\$ 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	\$ 3,245,687
Debt Service as a Percentage of Noncapital Expenditures	5%	4.7%	4.2%	3.5%	4.1%	4.3%	4.5%	4.9%	4.8%	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
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
2016	37,712,577	16,955,987	909,319	442,614	1,526,668	19,656	177,731	331,390	10,347	58,086,289

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	
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%
2016	2015	1.87	6,172,325,000	1,762,261,550	771,359,500	217,716,596	110,739,380	60,906,659	7,054,423,880	2,040,884,805	28.93%

Source: Bradley County Assessor of Property

Note: Exempt properties are not included in the assessed or estimated value because the property assessor does not currently place values on these.

Table 7

Bradley County, Tennessee
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Bradley Co Gen Fund	Bradley Co Public Library	Bradley Co Pike Road	Bradley Co County Schools	Cleveland City Schools	Bradley Co Debt Service	Bradley Co Capital Projects	Bradley Co Edu Cap Projects	Bradley Co Community Development	Bradley Co Other Cap Projects	Total Bradley County Direct Rate	Bradley Co Fire O/S Fringe	Bradley Co Fire I/S Fringe	City of Cleveland	City of Charleston
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
2016	2015	0.5339	0.0250	0.1244	0.5539	0.2941	0.2414	-	-	0.0580	0.0414	1.87	0.42	0.44	1.77	0.44

Source: Bradley County Assessor of Property

Table 8
Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2016

Taxpayer	Type of Business	2016		Percentage of Total Taxes Levied	Rank	2005		Percentage of Total Taxes Levied	
		Rank	Tax Liability			Assessed Valuation	Tax Liability		
Wacker	Solar Products	1	\$ 2,456,978	6.66%	0	-	-	0.00%	
Community Health Systems	Hospitals	2	636,125	1.72%		-	-	0.00%	
Mars, Inc.	Candies, Cookies	3	545,020	1.48%	3	\$ 19,213,969	\$ 388,122	1.32%	
Olin Mathieson	Chemical Company	4	526,738	1.43%	4	17,344,528	350,359	1.19%	
Bayer Healthcare	Health Products	5	477,198	1.29%	8	11,182,754	225,892	0.77%	
Life Care Centers	Nursing Homes	6	472,228	1.28%		-	-	0.00%	
Duracell/Gillette	Battery Manufacturer	7	397,400	1.08%	2	22,592,896	456,377	1.55%	
Whirlpool	Appliance Manufacturer	8	391,827	1.06%	1	31,543,456	637,178	2.16%	
Arch Chemicals	Chemical Company	9	317,467	0.86%	7	14,017,640	283,156	0.96%	
Volunteer Energy Coop	Utility	10	330,122	0.89%	9	10,918,942	209,651	0.71%	
				<u>11.09%</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
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	665,330	40,457,620	96.61	759,848	32,664	1.89
2015	42,118,560	41,920,628	(1)	41,920,628	99.53	(1)	34,510	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					Net Total Government	Percentage of Personal Income	Per Capita (1)
	General Bonded Debt	Notes	Other Loans Payable	Capital Leases	Unamortized Premium			
2007	\$ 875,000	\$ 583,340	\$ 67,990,000	\$138,162	\$ 113,100	\$ 69,699,602	3.26%	\$ 792
2008	450,000	514,291	66,275,000	219,074	103,984	67,562,349	3.16%	768
2009	-	445,242	64,995,000	176,075	100,630	65,716,947	3.08%	747
2010	17,550,000	611,193	62,645,000	176,583	112,968	81,095,744	3.80%	819
2011	17,550,000	214,284	60,195,000	321,148	103,485	78,383,917	3.65%	792
2012	17,550,000	142,855	56,660,000	410,556	94,003	74,857,414	2.87%	756
2013	24,075,000	71,426	49,255,000	262,839	277,694	73,941,959	2.68%	747
2014	23,220,000	-	46,060,000	118,278	236,312	69,634,590	3.13%	704
2015	22,345,000	-	42,725,000	217,184	194,932	65,482,116	3.01%	662
2016	21,455,000	-	39,185,000	245,884	153,550	61,039,434	2.63%	617

(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)	Unamortized Premium	Less: Amounts Available in Debt Service Fund (Committed Amount)	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
2007	\$ 875,000	\$ 67,990,000	\$ 113,100	\$ 15,863,135	\$ 53,114,965	\$ 1,685,029,701	3.15%	87,965	\$ 604
2008	450,000	66,275,000	103,984	15,491,369	51,337,615	1,742,833,326	2.95	87,965	584
2009	-	64,995,000	100,630	16,250,237	48,845,393	1,759,083,033	2.78	87,965	555
2010	17,550,000	62,645,000	112,968	16,403,302	63,904,666	2,033,332,659	3.14	98,963	646
2011	17,550,000	60,195,000	103,485	15,529,814	62,318,671	2,018,571,873	3.09	98,963	630
2012	17,550,000	56,660,000	94,003	14,136,118	60,167,885	2,063,781,829	2.92	98,963	608
2013	24,075,000	49,255,000	277,694	12,965,130	60,642,564	2,059,825,824	2.94	98,963	613
2014	23,220,000	46,060,000	236,312	11,650,561	57,865,751	2,032,352,325	2.85	98,963	585
2015	22,345,000	42,725,000	194,932	10,667,964	54,596,968	2,054,299,535	2.66	98,963	552
2016	21,455,000	39,185,000	153,550	10,242,491	50,551,059	2,081,702,501	2.43	98,963	511

(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, 2016

	<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)	\$ 21,455,000		
Notes Payable	-		
Public Building Authority Loan Agreements	39,185,000		
Capital Leases Payable	118,823		
Less: Unamortized Premium on Debt	<u>153,550</u>		
Total County's Direct Debt	\$ 60,912,373	100.00%	\$ 60,912,373
City of Cleveland	76,890,263	100.00%	76,890,263
City of Charleston	<u>-</u>	100.00%	<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 137,802,636</u>		<u>\$ 137,802,636</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, 2016

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
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	2,229,305,775	21,649	38.3	15.9	10,490	5.1
2016	104,091	2,320,604,754	22,294	39	15.9	10,490	4.7

(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>2016</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Whirlpool Corporation (Maytag)	1,417	1	2.80%	2,750	1	5.51%
Bradley County Schools	1,200	2	2.37%	-		0.00%
Tennova Healthcare-Cleveland	1,157	3	2.29%	-		0.00%
Amazon	1,143	4	2.26%	1,200	2	2.40%
Peyton's Southeastern	950	5	1.88%	-		0.00%
Lee University	815	6	1.61%	475	9	0.95%
Jackson Furniture	800	7	1.58%	-		0.00%
Cleveland City Schools	664	8	1.31%	-		0.00%
Walmart (Two Stores)	640	9	1.26%	-		0.00%
Bradley County Government	620	10	1.23%	-		0.00%
Total	<u>9,406</u>		<u>18.59%</u>	<u>4,425</u>		<u>8.87%</u>
Total Employment - Average Annual 2016	50,600					
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>2007</u>	<u>2005</u>	<u>2006</u>	<u>2010</u>	<u>2011</u>	<u>2009</u>	<u>2010</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function:										
General Government	38	0		51	51	-30	-1	49	49	47
Finance	46	0		48	48	0	0	47	47	48
Administration of Justice	59	0		64	64	0	0	64	65	64
Public Safety	244	0		296	296	0	0	352	316	345
Health and Welfare	86	0		123	127	0	0	132	120	129
Social, Cultural, and Recreational	8			10	10			29	33	29
Agriculture and Natural Resources	6	0		19	18	0	0	13	11	11
Other	2	0		3	3	0	0	3	3	4
Road and Bridge	54	2		59	59	0	6	59	65	65
Total (1)	543	2	0	673	676	-30	5	748	709	742
Component Unit:										
Education (2)	1,100	0		953	953	0	2	1183	1050	988

(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>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>2016</u>
<u>General Government</u>										
Registered Voters (1)	55,412	57,766	55,774	55,500	60,201	58,000	62,777	62,629	62,635	64,000
Building Permits Issued (2)	647	457	365	325	324	338	642	331	801	722
<u>Public Safety</u>										
Number of Warrants (Civil and Criminal) Served (3)	4,435	3,707	12,198	8,200	9,000	18,150	18,400	22,250	26,246	14,263
Fire Dept. - Call Volume	-	-	-	-	-	-	-	-	-	-
Rescue Service - Call Volume	-	-	-	-	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	702	777	678	1,302	1,265	1,300	1,310	1,559	1,579	1,579
<u>Public Health (5)</u>										
Ambulance- Call Volume	18,515	18,500	20,400	19,500	20,000	22,000	21,800	21,852	21,950	26,000
Response Time - Avg. Minutes	6.6	6.6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<u>Road and Bridge (6)</u>										
Roads re-paved	45.5	56.2	21.8	25.0	25	25	25	25	25	26

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>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>2016</u>
Function:										
Highways and Streets (1)										
Number of Miles	749	759	759	759	759	759	759	759	759	759
Number of Roads	1,248	1,251	1,253	1,253	1,253	1,253	1,253	1,253	1,254	1,254
Traffic Signals	6	6	6	6	6	6	8	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	8	8	8	10	13	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	6	5	5	5	5	5	5	5
Number of Ambulance Units	10	10	12	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 *	1,100	1,100	953	953	953	970	988	1,183	1,050	1,123
Elementary Schools	11	11	11	12	12	12	12	12	12	11
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

**Independent 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 *Government Auditing Standards***

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, 2016, and the related notes to the financial statements, which collectively comprise Bradley County basic financial statements, and have issued our report thereon dated November 10, 2016. Our report includes a reference to other auditors who audited the financial statements of the Bradley Healthcare and Rehabilitation Center, as described in our report on Bradley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2016-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bradley County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2016-001, 2016-002, and 2016-003.

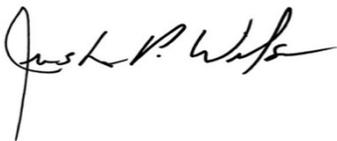
Bradley County's Responses to Findings

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 result 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 10, 2016

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**Independent 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 the Uniform Guidance**

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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements. We issued our report thereon dated November 10, 2016, 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 the Uniform Guidance 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 10, 2016

JPW/sb

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 277,509 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	813,882
National School Lunch Program	10.555	N/A	2,607,821 (4)
Total U.S. Department of Agriculture			<u>\$ 3,699,212</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Community Development Block Grant	14.228	(3)	\$ 525,000
Total U.S. Department of Housing and Urban Development			<u>\$ 525,000</u>
U.S. Department of Justice:			
Passed-through City of Cleveland, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0854	\$ 13,726
Total U.S. Department of Justice			<u>\$ 13,726</u>
U.S. Department of Labor:			
Direct Programs:			
YouthBuild	17.274	(3)	\$ 836,636
Total U.S. Department of Labor			<u>\$ 836,636</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(5)	\$ 24,600
Total U.S. Department of Transportation			<u>\$ 24,600</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 211,648
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	242,148
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,125,438
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,214,104
Special Education - Preschool Grants	84.173	N/A	63,427
Career and Technical Education - Basic Grants to States	84.048	N/A	213,518
Twenty-first Century Community Learning Centers	84.287	(3)	335,000
English Language Acquisition Grants	84.365	(3)	17,273
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	33201-03713	167,621
Total U.S. Department of Education			<u>\$ 5,590,177</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	\$ 150,420
Emergency Management Performance Grants	97.042	EMW-2015-EP-00012	56,000
Homeland Security Grant Program	97.067	EMW-2015-SS-00023	43,833
Total U.S. Department of Homeland Security			<u>\$ 250,253</u>
Total Expenditures of Federal Awards			<u>\$ 10,939,604</u>

(Continued)

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (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-16-45708	\$ 1,203,861
Juvenile Services Program - State Commission on Children and Youth	N/A	(3)	13,500
Juvenile Drug Court - State Department of Mental Health and Substance Abuse	N/A	46905	45,687
Adult Drug Court - State Department of Mental Health and Substance Abuse	N/A	46880	61,437
Custody Prevention Services - State Department of Children's Services	N/A	(3)	66,860
Community Corrections Program - State Board of Probation and Patrol	N/A	(3)	351,782
Disaster Assistance - Tennessee Emergency Management Agency	N/A	FEMA-1974-DR-TN	24,487
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	10,000
Local Park and Education Fund - State Department of Environment and Conservation	N/A	GG-11-34842	176,977
Litter Program - State Department of Transportation	N/A	Z-16-LIT006	40,549
Early Childhood Education Pilot/State - Lottery Commission	N/A	(3)	1,382,187
Coordinated School Health Improvement - State Department of Education	N/A	(3)	95,000
Safe Schools Act - State Department of Education	N/A	(3)	46,747
ConnecTN - State Department of Education	N/A	(3)	26,867
Governor's Grant - State Department of Education	N/A	(3)	1,745
Child Safety Seat - State Commission on Children and Youth	N/A	(3)	5,488
Tobacco Control Program - State Department of Health	N/A	(3)	82,192
Student Ticket Subsidy - State Art Commission	N/A	(3)	<u>3,449</u>
 Total State Grants			 <u>\$ 3,638,815</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) Typical county elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Total for CFDA No. 10.555 is \$2,885,330.

(5) Z-15-GHS452: \$5,000; Z-16-GHS039: \$19,600.

Bradley County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Comprehensive Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	271	2015-001	The General Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	N/A	Corrected
2015	271	2015-002	Usernames and Passwords were Shared by Employees in the Misdemeanor Probation Office	N/A	Corrected
2015	272	2015-003	The School Federal Projects Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	N/A	Corrected
2015	273	2015-004	An Interfund Loan was not Authorized in Accordance with State Statute	N/A	Corrected
2015	273	2015-005	Multiple Employees Operated from the Same Cash Drawer	N/A	Corrected
2015	274	2015-006	Duties were not Segregated Adequately	N/A	Not Corrected for the Offices of Clerk and Master and Probate - See Explanation on Corrective Action Plan. Corrected for Ambulance Service.

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

BRADLEY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Bradley County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Number 14.228 Community Development Block Grant
 - * CFDA Number 17.274 YouthBuild
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

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. Written responses for all findings are paraphrased and presented following each finding and recommendation. The county mayor and clerk and master provided corrective action plans, which are paraphrased and included in Management's Corrective Action Plan in the Single Audit Section of this report.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2016-001

A CASH SHORTAGE OF \$15,818.50 EXISTED IN THE OFFICE AT JUNE 30, 2016

(Noncompliance Under *Government Auditing Standards*)

In April 2016, officials in the Bradley County Mayor's Office discovered that an employee, who had been dismissed from employment in July 2013 for an unrelated incident, allegedly made payments to fictitious persons for contracted services. These payments were purportedly for the former employee's personal benefit during the period December 2012 through June 2013. While updating the county's accounting software, office employees became suspicious of some payments that had been made for umpiring ballgames for the county's Recreation Department and discovered 70 suspicious payments totaling \$15,818.50 for the above-noted period. These payments were made to fictitious persons whose names were very similar to the name of the former employee and her husband, payments made to individuals with different names but living at the same address, and the fact that most of the checks were deposited at the same credit union. All of the individuals that were paid as umpires were required to file an IRS Form W-9, each of which included a social security number. County employees traced the social security numbers of the suspicious names and found the names to be fictitious. Each of the fictitious names received payments of less than \$600 in any calendar year; therefore, an IRS Form 1099 was not required to be issued. Other documentation associated with these payments, such as department head signatures, appeared to have been forged.

Bradley County officials filed a Fraud Reporting Form with the state Comptroller's Office as required by state statute, and auditors with the Division of Local Government Audit reviewed the county's investigative documents and confirmed their results. Also, Bradley County officials provided documentation to the local district attorney general; however, as of the date of this report, we are not aware that any legal actions have been taken.

As a result of these irregularities, Bradley County changed the process of how they employ contracted service providers. All non-business service providers must be approved by a department head, appear in person at the county's Finance Department to fill out the appropriate paperwork, and must provide the county with a copy of their valid driver license. Bradley County also re-evaluated and better segregated duties related to contracted service providers and vendors.

RECOMMENDATION

County officials should take immediate steps to collect the cash shortage of \$15,818.50.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Finance Director has separated the duties between the Purchasing Administrator and the Payables Clerk, in dealing with W-9 entries, required for Independent Contractors and payments to contractors. This is to try to prevent only one person from entering vendors, invoices, and writing checks. Independent Contractors are now required to present a driver's licenses and social security card along with the W-9. Department heads that have independent contractors will be asked to be more vigilant in reconciling their accounts. When we discovered the deficiency, information was turned over to the District Attorney's office in April 2016 and the fraud report was filed with the State. The County Attorney has followed up with District Attorney Stephen Crump who informed us that Assistant District Attorney Andy Watts was handling the case. Assistant District Attorney Watts said they are "still looking into a few things on the [former employee] case but are looking to prosecute it." He further stated that should they indict the case, they will "certainly seek restitution."

FINDING 2016-002

SEVERAL COUNTY DEPARTMENTS VIOLATED THE COUNTY'S CREDIT CARD POLICY

(Noncompliance Under *Government Auditing Standards*)

We reviewed all available documentation for the 430 credit card transactions processed during the year ended June 30, 2016, and noted several charges that did not have proper supporting documentation. The credit card policy approved by the Bradley County Commission provides that the department head will review its monthly credit card statement, verify the purchases, and attach all copies of detailed receipts signed by the person using the card. The department head will also review the documentation for accuracy, sign, and return the statement with all receipts to the County Mayor's Office for payment. Of the 430 credit card purchases, 52 did not have detailed receipts, and 167 receipts were not signed by the person using the card. The county's policy also states that credit cards are intended for travel expenses, plus hotel and meal expenses must be for overnight out-of-town travel. We noted that 19 travel expense charges were for in-town meals with no explanation or reason for the meal (i.e. training, etc.). These violations of the county's credit card policy are the result of a lack of management oversight, which could result in unauthorized purchases.

RECOMMENDATION

All county departments should comply with the county's credit card policy. All credit card purchases should be supported with the appropriate documentation, and management should monitor the credit card purchases for compliance with the county's policy.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

Copies of the county’s credit card policy have been sent to each department or elected official that violated the policy. The Finance Department will strive to make sure all receipts are attached to the approved statement, and that they are detailed, signed, and contain an explanation if used locally. The departments that report to the county mayor will be strictly controlled and the credit card will be suspended if the policy is not followed. The elected officials have been made aware of the requirements with using a county credit card. If elected officials continue to violate the credit card policy, their credit card privileges may be suspended.

COUNTY COMMISSION

FINDING 2016-003

THE COUNTY’S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE
(Noncompliance Under *Government Auditing Standards*)

Bradley County participates in the ThreeStar Program through the Tennessee Department of Economic and Community Development to assist the county’s community development efforts in competing for jobs and attracting industry. One of the requirements of the ThreeStar Program is that the county must create and maintain an Audit Committee. Bradley County created an Audit Committee on September 8, 2009, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are no minutes to document that this Audit Committee met or conducted any business during the current fiscal year. Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management’s plans to address various risks.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY MAYOR

Chairman Rawls attempted to meet with the Audit Committee during the summer prior to the end of the 2015-2016 fiscal year, but due to vacations could not find a date until September 2016 that would allow a quorum. Chairman Rawls plans to assemble the Committee prior to summer holiday season henceforth in order to be in full compliance.

OFFICES OF CLERK AND MASTER AND PROBATE COURT CLERK

FINDING 2016-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the officials and employees in 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. Sound business practices 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 – CLERK AND MASTER

I will implement internal controls to segregate duties to the extent possible using available resources. I will utilize the segregation of duties checklist on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

**Bradley County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

Corrective Action - Financial Statement Findings

OFFICE OF COUNTY MAYOR

FINDING 2016-001 **A CASH SHORTAGE OF \$15,818.50 EXISTED IN THE OFFICE AT JUNE 30, 2016**

Response and Corrective Action Plan Prepared by:	Rena Samples, Finance Director, Bradley County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	April 2016
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

The finance director has separated the duties among the purchasing administrator and the payables clerk, in dealing with W-9 entries, required for independent contractors and payments to contractors. This is to try to prevent only one person from entering vendors, invoices, and writing checks. Independent contractors are now required to present a driver's license and social security card along with the W-9. Department heads that have independent contractors will be asked to be more vigilant in reconciling their accounts. When we discovered the deficiency, information was turned over to the District Attorney's Office in April 2016, and the fraud report was filed with the State. The County Attorney has followed up with District Attorney Stephen Crump who informed us that Assistant District Attorney Andy Watts was handling the case. Assistant District Attorney Watts said they are "still looking into a few things on the [former employee] case but are looking to prosecute it." He further stated that should they indict, they will "certainly seek restitution."

FINDING 2016-002

SEVERAL COUNTY DEPARTMENTS VIOLATED THE COUNTY'S CREDIT CARD POLICY

Response and Corrective Action Plan Prepared by: Rena Samples, Finance Director, Bradley County, Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: October 11, 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

Copies of the county's credit card policy have been sent to each department or elected official that violated the policy. The Finance Department will strive to make sure all receipts are attached to the approved statement, and that they are detailed, signed, and contain an explanation if used locally. The departments that report to the county mayor will be strictly controlled and the credit card will be suspended if the policy is not followed. The elected officials have been made aware of the requirements with using a county credit card. If elected officials continue to violate the credit card policy, their credit card privileges may be suspended.

BRADLEY COUNTY COMMISSION

FINDING 2016-003

THE COUNTY'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

Response and Corrective Action Plan Prepared by: Louie Alford, Chairman Board of County Commissioners, Bradley County, Tennessee
Person Responsible for Implementing the Corrective Action: Dan Rawls, Chairman, Board of County Audit Committee, Bradley County, Tennessee
Anticipated Completion Date of Corrective Action: September 19, 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

Chairman Rawls attempted to meet with the Audit Committee during the summer prior to the end of the 2015-2016 fiscal year, but due to vacations could not find a date until September 2016 that would allow a quorum. Chairman Rawls plans to assemble the committee prior to summer holiday season henceforth in order to be in full compliance.

OFFICES OF CLERK AND MASTER AND PROBATE COURT CLERK

FINDING 2016-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Sarah Coleman, Clerk and Master, Bradley County, Tennessee

Person Responsible for Implementing the Corrective Action:

Same

Anticipated Completion Date of Corrective Action:

June 30, 2017

Repeat Finding:

Yes

Reason Why Corrective Action was Not Taken – PY

Clerk and Master did not believe she had the resources to correct this finding.

Planned Corrective Action:

I will implement internal controls to segregate duties to the extent possible using available resources. I will utilize the segregation of duties checklist on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices.