

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

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

BRADLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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Auditor 4**

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TYLER MUSIC
JENI PALADENI, CISA
State Auditors**

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

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

BRADLEY COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2017.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ The general ledger cash account was not properly reconciled with county trustee reports in the General Fund.
- ◆ General Fund general ledger payroll liability accounts were not reconciled.
- ◆ The office failed to make timely payments to the Tennessee Consolidated Retirement System resulting in assessed penalties totaling \$11,929.
- ◆ Duties were not segregated adequately.

OFFICE OF ROAD SUPERINTENDENT

- ◆ Competitive bids were not solicited for the purchase of certain highway equipment.

OFFICE OF CLERK AND MASTER

- ◆ Excess fees were not reported and paid to the county in compliance with state statutes.
- ◆ 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

December 4, 2017

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, 2017.

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, 2017, 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, 2017, 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, and development of the park is underway. 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, clothing manufacturing, and Polysilicone.

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, 2016. This is the twelfth 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 eight 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

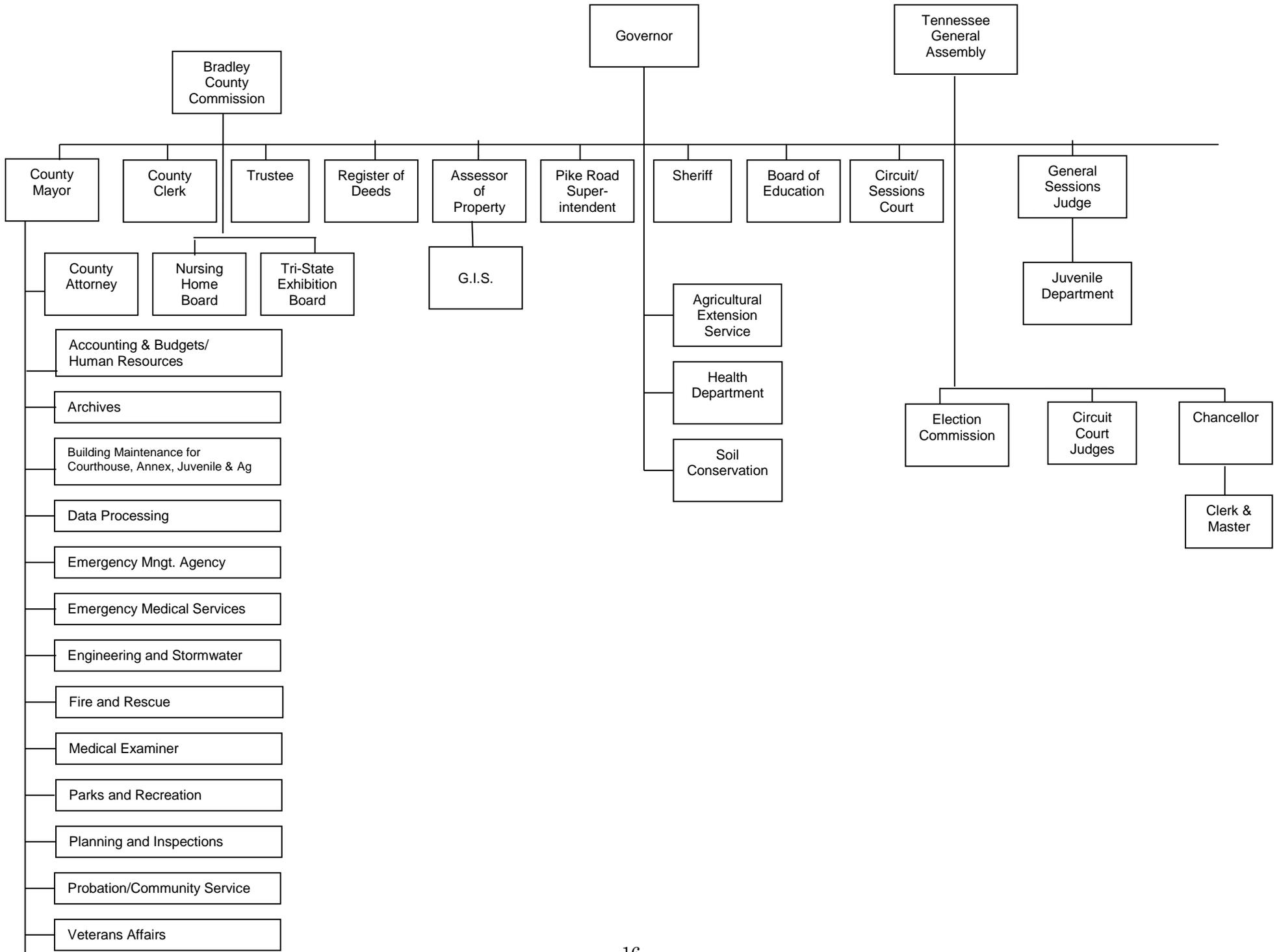
Presented to

Bradley County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Bradley County Officials
June 30, 2017

Officials

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

D. Gary Davis
Sandra Collins
Dr. Linda Cash
Mike Smith
Stanley Thompson
Donna Alley Simpson
Gayla Miller
Sarah Coleman
Dina Swafford
Eric Watson
Rena Samples
Kim Frady
Ronald Wilson
Crystal Freiberg
Troy Spence
Bentley Thomas
Shawn Fairbanks
Wayne Owenby
Eloise Waters
Tracy Cook
Terry Gallaher
Andy Lockhart
Rich Kienlen
Larry McDaris

Board of County Commissioners

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

Terry Caywood
Mike Hughes
Louie Alford, Chairman
Thom Crye
Milan Blake
Johnny Mull
Howard Thompson
Charlotte Peak
Bobby Goins
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

Rodney Dillard, Chairman	Nancy Casson
Vicki Beaty	Jerry Frazier
Ted Bryson	Amanda Lee
Dianna Calfee	

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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, 2017, 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 6.64 percent, 9.98 percent, and 15.05 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, 2017, and the respective changes in financial position and the respective budgetary comparison for the General, Special Purpose Fire Tax, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 134-142 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, *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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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), miscellaneous schedules, and schedule of expenditures of federal awards 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. In our opinion 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), miscellaneous schedules, and schedule of expenditures of federal awards 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 December 4, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bradley

County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 4, 2017

JPW/kp

Management's Discussion and Analysis

As management of Bradley County, we offer readers of the Bradley County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2017. 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 \$44,863,192 (net position).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$44,588,547. Of this amount, \$16,068,099 is set aside for endowments, \$6,646,040 is restricted funds with externally enforceable limitations on use, \$13,584,423 is committed by the county's legislative body to a specific fund or use, and \$498,676 is assigned by its intended use.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,791,309 or 21.39 percent of total General Fund expenditures while total fund balance of \$9,262,422 represents 25.43 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 increased by \$11,540,457 during the current fiscal year. Scheduled annual debt payments lowered the debt by \$4,744,503, while the issuance of new debt in the amount of \$16,284,960 makes up the increase. The new debt was issued to cover the construction of the new Workhouse and the Schools Energy Program.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Bradley County's basic financial statements. The county's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) major special revenue funds budgetary statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Bradley County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of Bradley County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information showing the changes in the government's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The county has no business-type activities to report.

The government-wide financial statements include not only Bradley County itself (known as the primary government), but also a legally separate school district and a nursing home for which Bradley County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bradley County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bradley County can be divided into three fund categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bradley County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Special Purpose Fire Tax, Highway/Public Works, General Debt Service, and the Endowment funds, all of which are considered to be major funds. Data from the other governmental

funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Bradley County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. Bradley County and the Bradley County School Department do not have any proprietary funds. The discretely presented Bradley Healthcare and Rehabilitation Center uses an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for revenues held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Bradley County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (economic resources measurement) except agency funds, which have no measurement focus.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bradley County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,863,192 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, 2017, Bradley County had outstanding debt totaling \$60,544,977 for capital purposes of education (\$46,415,963 for county schools and \$14,129,014 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	
	2017	2016	2017	2016
Current and Other Assets	\$ 90,077,914	\$ 80,766,992	\$ 35,757,773	\$ 30,323,477
Capital Assets	57,263,645	54,374,734	69,469,264	63,278,082
Total Assets	<u>\$ 147,341,559</u>	<u>\$ 135,141,726</u>	<u>\$ 105,227,037</u>	<u>\$ 93,601,559</u>
Deferred Outflows of Resources	<u>\$ 8,127,675</u>	<u>\$ 6,382,474</u>	<u>\$ 12,867,156</u>	<u>\$ 5,784,589</u>
Long-term Liabilities	\$ 75,028,503	\$ 62,060,886	\$ 17,765,441	\$ 10,253,760
Other Liabilities	8,706,591	9,021,610	26,962,565	8,150,419
Total Liabilities	<u>\$ 83,735,094</u>	<u>\$ 71,082,496</u>	<u>\$ 44,728,006</u>	<u>\$ 18,404,179</u>
Deferred Inflows of Resources	<u>\$ 26,870,948</u>	<u>\$ 26,120,377</u>	<u>\$ 19,564,579</u>	<u>\$ 20,629,413</u>
Net Position:				
Net Investment in				
Capital Assets	\$ 45,342,397	\$ 41,407,445	\$ 69,469,264	\$ 63,278,082
Restricted	23,154,521	22,871,780	3,144,411	1,607,266
Unrestricted	<u>(23,633,726)</u>	<u>(19,957,898)</u>	<u>(18,812,067)</u>	<u>(4,532,792)</u>
Total Net Position	<u>\$ 44,863,192</u>	<u>\$ 44,321,327</u>	<u>\$ 53,801,608</u>	<u>\$ 60,352,556</u>

Table 1b

BRADLEY COUNTY'S NET POSITION

	Bradley Healthcare and Rehabilitation	
	2017	2016
Current and Other Assets	\$ 5,883,805	\$ 4,859,778
Capital Assets	1,596,009	1,746,725
Total Assets	<u>\$ 7,479,814</u>	<u>\$ 6,606,503</u>
Long-term Liabilities	\$ 0	\$ 89,959
Other Liabilities	1,515,470	983,116
Total Liabilities	<u>\$ 1,515,470</u>	<u>\$ 1,073,075</u>
Net Position:		
Net Investment in Capital Assets	\$ 1,596,009	\$ 1,746,726
Restricted	370,633	356,214
Unrestricted	<u>3,997,702</u>	<u>3,430,488</u>
Total Net Position	<u>\$ 5,964,344</u>	<u>\$ 5,533,428</u>

An additional portion of Bradley County's governmental activities assets (\$23,154,521) 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

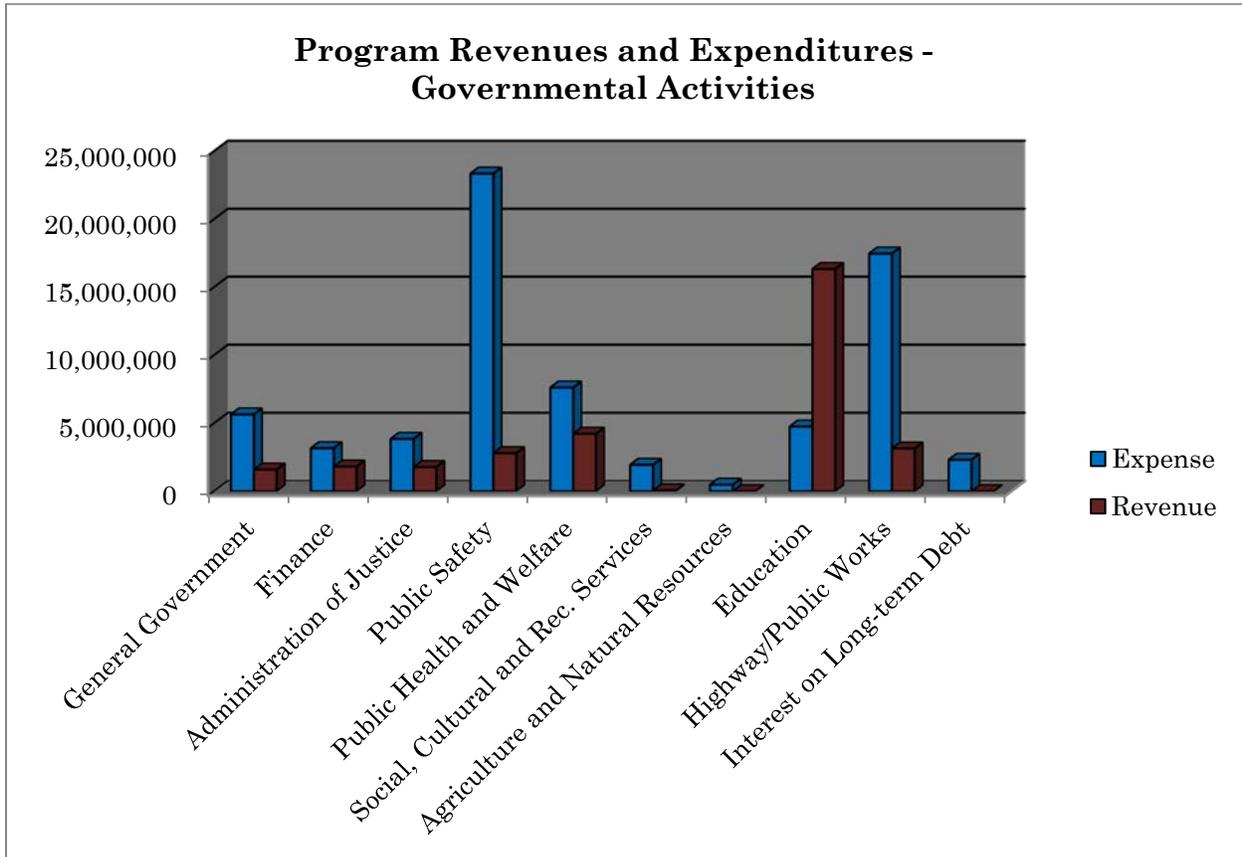
BRADLEY COUNTY'S CHANGES IN NET POSITION

	Bradley County Government		Bradley County School Department	
	2017	2016	2017	2016
Revenues				
Program Revenues:				
Charges for Services	\$ 8,551,461	\$ 16,286,291	\$ 1,497,099	\$ 1,665,877
Operating Grants and Contributions	21,290,932	5,387,611	10,276,084	11,013,030
Capital Grants and Contributions	1,903,423	1,735,496	1,040,000	0
General Revenues:				
Property Taxes	26,139,386	24,650,316	12,318,032	12,043,514
Other Taxes	9,502,665	8,657,368	12,142,856	11,825,816
Grants and Contributions not Restricted to Specific Programs	3,059,463	2,264,258	48,168,352	46,883,719
Other	664,187	1,493,458	93,584	59,265
Total Revenues	\$ 71,111,517	\$ 60,474,798	\$ 85,536,007	\$ 83,491,221
Expenses				
General Government	\$ 5,645,355	\$ 6,790,993	\$ 0	\$ 0
Finance	3,159,667	2,829,690	0	0
Administration of Justice	3,844,237	3,582,051	0	0
Public Safety	23,349,492	23,016,771	0	0
Public Health and Welfare	7,617,387	7,173,245	0	0
Social, Cultural, and Rec. Services	1,943,148	1,893,626	0	0
Agriculture and Natural Resources	481,838	472,436	0	0
Highways/Public Works	4,754,450	4,892,293	0	0
Education	17,465,352	193,550	92,086,955	79,782,432
Interest on Long-term Debt	2,308,726	2,062,643	0	0
Total Expenses	\$ 70,569,652	\$ 52,907,298	\$ 92,086,955	\$ 79,782,432
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 276,585
Increase (Decrease) in Net Position	\$ 541,865	\$ 7,567,500	\$ (6,550,948)	\$ 3,985,374
Net Position, July 1	44,321,327	36,753,827	60,352,556	56,367,182
Net Position, June 30	\$ 44,863,192	\$ 44,321,327	\$ 53,801,608	\$ 60,352,556

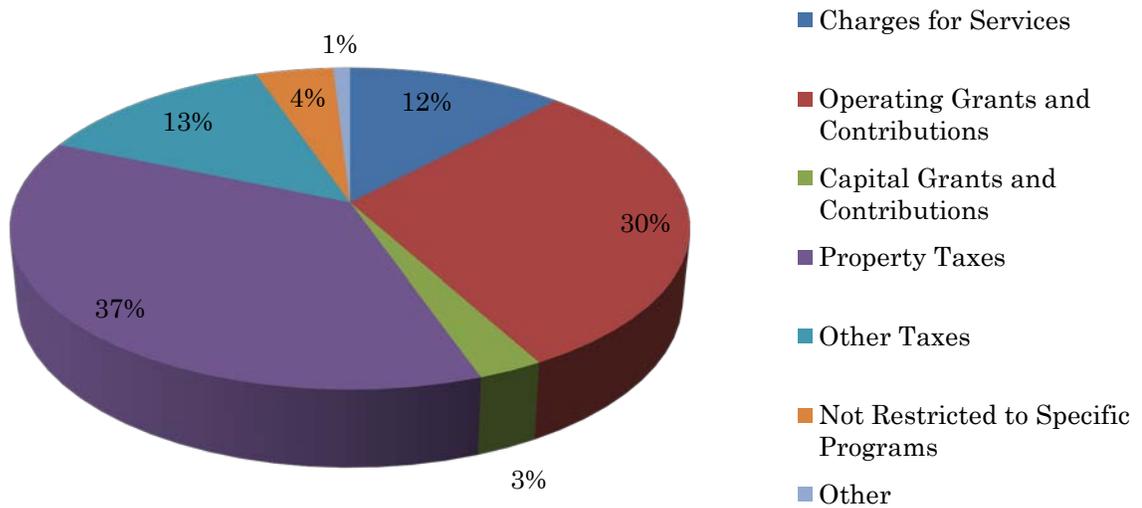
Table 2b

BRADLEY COUNTY'S CHANGES IN NET POSITION

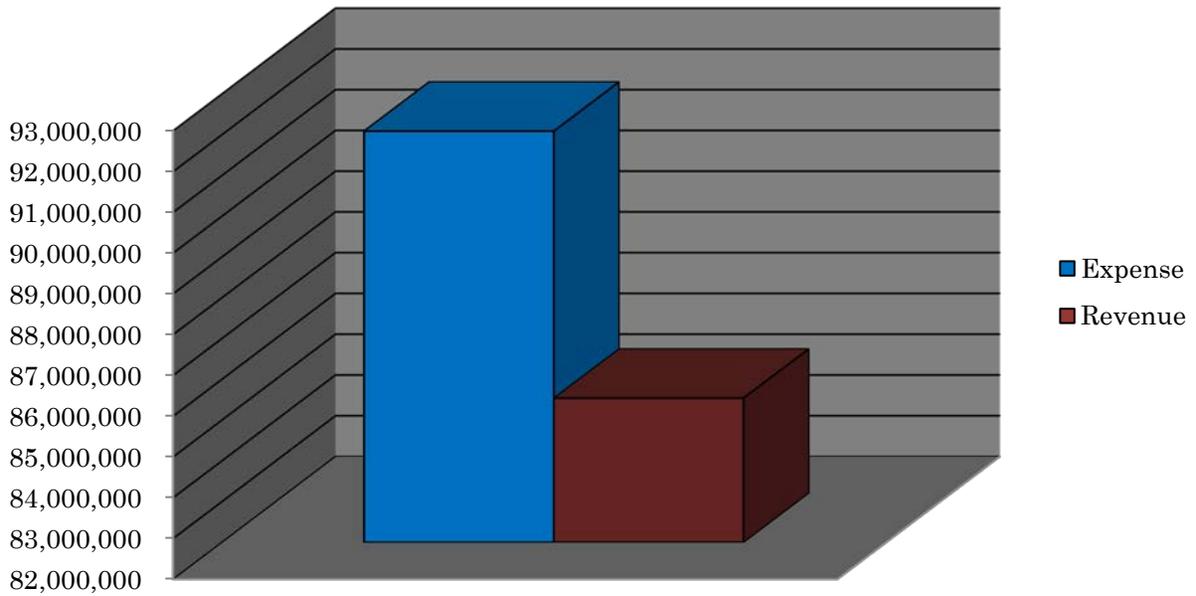
	Bradley Healthcare and Rehabilitation Center	
	2017	2016
Revenues		
Program Revenues:		
Charges for Services	\$ 15,134,727	\$ 14,650,821
General Revenues:		
Other	15,730	2,968
Total Revenues	<u>\$ 15,150,457</u>	<u>\$ 14,653,789</u>
Expenses		
Other Enterprise	\$ 14,719,541	\$ 13,328,223
Total Expenses	<u>\$ 14,719,541</u>	<u>\$ 13,328,223</u>
Increase (Decrease) in Net Position	\$ 430,916	\$ 1,325,566
Net Position, July 1	<u>5,533,428</u>	<u>4,207,862</u>
Net Position, June 30	<u>\$ 5,964,344</u>	<u>\$ 5,533,428</u>

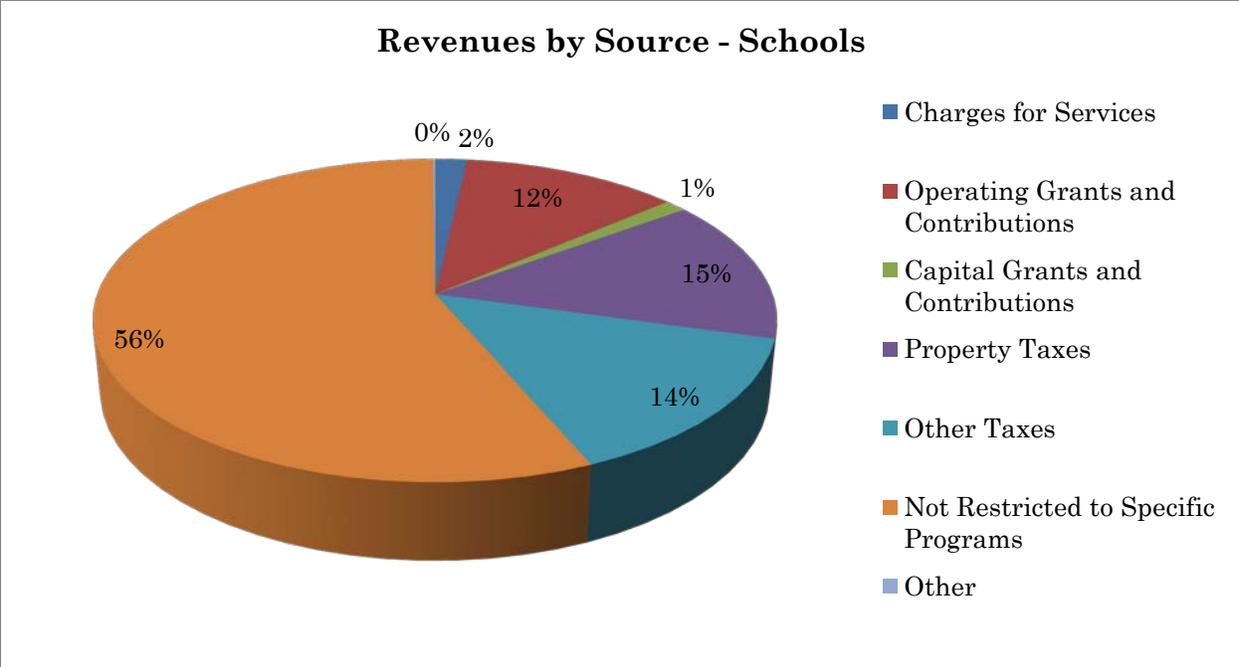


Revenues by Source - Governmental Activities



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 \$44,588,547. Of this amount, \$16,068,099 is set aside for endowments, \$6,646,040 is restricted with externally enforceable limitations on use, \$13,584,423 is committed by the county’s legislative body to a specific fund or use, and \$498,676 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 \$7,791,309 or 21.39 percent of total General Fund expenditures while total fund balance of \$9,262,422 represents 25.43 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 decreased by \$1,813,956. The key factor was a slight increase in Public Safety and Public Health and Warfare from 2015-2016.

During the current fiscal year, the fund balance of the Special Purpose Fire Tax Fund increased by \$461,171. This was mainly due to increased revenue coming in from property taxes.

During the current fiscal year, the fund balances of the Highway/Public Works Fund increased by \$257,607. This was mainly due to increased revenue coming in from the State of Tennessee.

The General Debt Service Fund has a total fund balance of \$9,334,612 all of which is allocated for the payment of debt service. The \$907,879 net decrease in fund balance during the current year in the General Debt Service Fund was due to the decrease in local taxes from 2015-2016.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$2,093,409 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$68,213
- Increases allocated to Finance - \$46,644
- Increases allocated to Administration of Justice - \$624,775
- Increases allocated to Public Safety - \$802,329
- Increases allocated to Public Health and Welfare - \$375,726
- Increases allocated to Social, Cultural, and Recreational - \$48,994
- Increases allocated to Agriculture and Natural Resources - \$0
- Increases allocated to Other Operations - \$126,728

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 \$22,522,892, which consisted mostly of additional revenue received for other governments and citizens groups for capital projects.

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, 2017, totals \$45,342,397 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities totals \$69,469,264 (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 five vehicles and equipment – Sheriff’s Department at \$145,074
- Purchase of equipment – Sheriff’s Department at \$187,204
- Purchase of one ambulance – Ambulance Service at \$107,608
- Purchase of construction and equipment – Health Department at \$149,911
- Purchase of construction & equipment – Parks & Recreation at \$96,864
- Purchase of equipment-Workhouse at \$6,747

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	\$ 2,235,000	\$ 12,460,870	\$ 5,849,130	\$ 20,545,000
Other Loans	9,565,811	17,639,305	8,279,884	35,485,000
Capital Leases	80,553	16,315,788	0	16,396,341
Total Bonds, Other Loans, and Capital Leases	\$ 11,881,364	\$ 46,415,963	\$ 14,129,014	\$ 72,426,341
Compensated Absences	1,563,282	0	0	1,563,282
Other Postemployment Benefits	5,125,512	11,018,140	0	16,143,652
Net Pension Liability	1,296,966	6,747,301	0	8,044,267
Total Long-term Debt and Other Obligations	\$ 19,867,124	\$ 64,181,404	\$ 14,129,014	\$ 98,177,542

At the end of the current fiscal year, Bradley County had total bonds, other loans, and capital leases outstanding of \$72,426,341. This amount comprises debt backed by the full faith and credit of the government. This debt increased by \$11,540,457 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, 2017, is 4.1 percent, which has remained level over the past year. The state's average unemployment rate is 4.0 percent and the national average is 4.3 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2017-2018 fiscal year.

A projection of Bradley County's governmental funds reports combined ending fund balances of \$44,588,547. Of this amount, \$16,068,099 is set aside for endowments, \$6,646,040 is restricted by externally enforceable limitations, \$13,584,423 is committed by the county's legislative body to a specific fund or use, and \$498,676 is assigned to the intended use. Unassigned fund balance for the General Fund is \$7,791,309 or 21.39 percent of total General Fund expenditures while total fund balance of \$9,262,422 represents 25.43 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, 2017

	Primary Governmental Activities	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
ASSETS			
Cash	\$ 680,375	\$ 3,191,886	\$ 3,098,906
Equity in Pooled Cash and Investments	42,097,993	18,545,518	0
Accounts Receivable	13,927,356	10,716	2,282,355
Allowance for Uncollectibles	(11,394,341)	0	(17,401)
Due from Other Governments	2,057,375	2,268,172	0
Due from Component Unit	16,435,788	0	0
Inventories	0	0	54,334
Property Taxes Receivable	27,306,691	12,050,407	0
Allowance for Uncollectible Property Taxes	(1,066,571)	(387,290)	0
Prepaid Items	0	15,399	18,867
Net Pension Asset - Teacher Retirement Plan	0	62,965	0
Restricted Assets:			
Other Restricted Assets	0	0	446,744
Notes Receivable - Long-term	33,248	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,788,355	1,610,912	1,250
Construction in Progress	4,726,343	3,704,764	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	16,446,194	62,444,684	1,204,483
Infrastructure	24,669,515	0	0
Other Capital Assets	5,633,238	1,708,904	390,276
Total Assets	<u>\$ 147,341,559</u>	<u>\$ 105,227,037</u>	<u>\$ 7,479,814</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 2,398,535	\$ 0	\$ 0
Pension Changes in Experience	343,515	375,578	0
Pension Changes in Investment Earnings	2,268,064	7,786,486	0
Pension Other Deferrals	0	442,345	0
Pension Contributions After Measurement Date	3,117,561	4,262,747	0
Total Deferred Outflows of Resources	<u>\$ 8,127,675</u>	<u>\$ 12,867,156</u>	<u>\$ 0</u>
LIABILITIES			
Accounts Payable	\$ 0	\$ 105,052	\$ 688,248
Accrued Payroll	0	6,716,830	648,897
Payroll Deductions Payable	366,488	1,157,453	0
Contracts Payable	0	2,402,950	0
Retainage Payable	0	144,492	0
Accrued Interest Payable	445,801	0	0
Due to Primary Government	0	16,435,788	0
Derivative - Interest Rate Swap	2,398,535	0	0
Other Current Liabilities	0	0	102,214
Other Long-term Liabilities	0	0	76,111
Noncurrent Liabilities:			
Due Within One Year	5,495,767	0	0
Due in More Than One Year	75,028,503	17,765,441	0
Total Liabilities	<u>\$ 83,735,094</u>	<u>\$ 44,728,006</u>	<u>\$ 1,515,470</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 25,783,891	\$ 11,531,581	\$ 0
Pension Changes in Experience	1,087,057	8,032,995	0
Pension Other Deferrals	0	3	0
Total Deferred Inflows of Resources	<u>\$ 26,870,948</u>	<u>\$ 19,564,579</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	\$ 45,342,397	\$ 69,469,264	\$ 1,596,009
Restricted for:			
General Government	935,065	0	0
Finance	48,606	0	0
Administration of Justice	289,742	0	0
Public Safety	1,039,995	0	0
Social, Cultural, and Recreational Services	130,000	0	0
Highways/Public Works	1,877,929	0	0
Capital Projects	2,157,040	0	0
Education	0	3,081,446	0
Pensions	0	62,965	0
Permanent Endowment:			
Nonexpendable	16,068,099	0	337,222
Expendable	608,045	0	33,411
Unrestricted	(23,633,726)	(18,812,067)	3,997,702
Total Net Position	<u>\$ 44,863,192</u>	<u>\$ 53,801,608</u>	<u>\$ 5,964,344</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, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center
Primary Government:							
Governmental Activities:							
General Government	\$ 5,645,355	\$ 628,607	\$ 82,784	\$ 883,997	\$ (4,049,967)	\$ 0	\$ 0
Finance	3,159,667	1,753,881	60,248	0	(1,345,538)	0	0
Administration of Justice	3,844,237	1,637,122	142,721	0	(2,064,394)	0	0
Public Safety	23,349,492	1,828,228	766,485	206,615	(20,548,164)	0	0
Public Health and Welfare	7,617,387	2,636,570	1,589,375	0	(3,391,442)	0	0
Social, Cultural, and Recreational Services	1,943,148	62,215	0	0	(1,880,933)	0	0
Agriculture and Natural Resources	481,838	0	0	0	(481,838)	0	0
Highways/Public Works	4,754,450	4,838	2,322,164	812,811	(1,614,637)	0	0
Education	17,465,352	0	16,327,155	0	(1,138,197)	0	0
Interest on Long-term Debt	2,308,726	0	0	0	(2,308,726)	0	0
Total Governmental Activities	\$ 70,569,652	\$ 8,551,461	\$ 21,290,932	\$ 1,903,423	\$ (38,823,836)	\$ 0	\$ 0
Total Primary Government	\$ 70,569,652	\$ 8,551,461	\$ 21,290,932	\$ 1,903,423	\$ (38,823,836)	\$ 0	\$ 0
Component Units:							
Bradley County School Department	\$ 92,086,955	\$ 1,497,099	\$ 10,276,084	\$ 1,040,000	\$ 0	\$ (79,273,772)	\$ 0
Bradley Healthcare and Rehabilitation Center	14,719,541	15,134,727	0	0	0	0	415,186
Total Component Units	\$ 106,806,496	\$ 16,631,826	\$ 10,276,084	\$ 1,040,000	\$ 0	\$ (79,273,772)	\$ 415,186

(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				\$ 21,013,257	\$ 12,318,032	\$ 0	
Property Taxes Levied for Debt Service				5,126,129	0	0	
Local Option Sales Taxes				5,908,448	11,970,050	0	
Hotel/Motel Tax				1,368,990	0	0	
Litigation Tax - General				331,682	0	0	
Litigation Tax - Special Purpose				71,165	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse				66,775	0	0	
Income Tax				0	159,428	0	
Business Tax				1,427,217	7,270	0	
Wholesale Beer Tax				323,306	0	0	
Interstate Telecommunications Tax				4,330	6,108	0	
Other Local Taxes				752	0	0	
Grants and Contributions Not Restricted to Specific Programs				3,059,463	48,168,352	0	
Unrestricted Investment Income				501,654	41,224	1,312	
Sale of Equipment				138,323	0	0	
Miscellaneous				24,210	52,360	14,418	
Total General Revenues				<u>\$ 39,365,701</u>	<u>\$ 72,722,824</u>	<u>\$ 15,730</u>	
Change in Net Position				\$ 541,865	\$ (6,550,948)	\$ 430,916	
Net Position, July 1, 2016				<u>44,321,327</u>	<u>60,352,556</u>	<u>5,533,428</u>	
Net Position, June 30, 2017				<u>\$ 44,863,192</u>	<u>\$ 53,801,608</u>	<u>\$ 5,964,344</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, 2017

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	10,212,239	521,033	2,359,625	9,028,392	14,464,828
Accounts Receivable	13,893,228	4	0	0	11,316
Allowance for Uncollectibles	(11,394,341)	0	0	0	0
Due from Other Governments	1,492,650	0	416,520	120,343	0
Due from Other Funds	0	10,941	1,776	214,013	2,200,000
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	11,133,400	4,707,909	2,746,162	7,321,623	0
Allowance for Uncollectible Property Taxes	(366,342)	(340,368)	(88,201)	(208,958)	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	<u>\$ 24,970,834</u>	<u>\$ 4,899,519</u>	<u>\$ 5,435,882</u>	<u>\$ 16,475,413</u>	<u>\$ 16,676,144</u>
<u>LIABILITIES</u>					
Due to Other Funds	\$ 2,212,717	\$ 0	\$ 0	\$ 0	0
Health Insurance Payments	366,488	0	0	0	0
Total Liabilities	<u>\$ 2,579,205</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,638,486	\$ 4,159,861	\$ 2,626,073	\$ 7,054,533	0
Deferred Delinquent Property Taxes	102,331	197,260	29,159	46,268	0
Other Deferred/Unavailable Revenue	2,388,390	0	192,950	40,000	0
Total Deferred Inflows of Resources	<u>\$ 13,129,207</u>	<u>\$ 4,357,121</u>	<u>\$ 2,848,182</u>	<u>\$ 7,140,801</u>	<u>0</u>

(Continued)

Exhibit C-1

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

<u>FUND BALANCES</u>	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	16,068,099
Restricted:					
Restricted for General Government	935,065	0	0	0	0
Restricted for Finance	48,606	0	0	0	0
Restricted for Administration of Justice	258,751	0	0	0	0
Restricted for Public Safety	33,190	508,003	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0
Restricted for Highways/Public Works	0	0	2,269,694	0	0
Restricted for Capital Outlay	0	0	0	0	0
Committed:					
Committed for General Government	0	0	0	0	0
Committed for Finance	0	0	0	0	0
Committed for Administration of Justice	43,188	0	0	0	0
Committed for Public Safety	5,000	0	0	0	0
Committed for Public Health and Welfare	0	0	0	0	608,045
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0
Committed for Other Operations	22,864	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0
Committed for Debt Service	0	0	0	9,334,612	0
Assigned:					
Assigned for General Government	57,041	0	0	0	0
Assigned for Finance	6,918	0	0	0	0
Assigned for Administration of Justice	2,663	0	0	0	0
Assigned for Public Safety	16,503	34,395	0	0	0
Assigned for Public Health and Welfare	21,571	0	0	0	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Endowment
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Social, Cultural, and Recreational Services	\$ 11,613	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Agriculture and Natural Resources	8,082	0	0	0	0
Assigned for Other Operations	58	0	0	0	0
Assigned for Highways/Public Works	0	0	318,006	0	0
Assigned for Capital Outlay	0	0	0	0	0
Unassigned	7,791,309	0	0	0	0
Total Fund Balances	<u>\$ 9,262,422</u>	<u>\$ 542,398</u>	<u>\$ 2,587,700</u>	<u>\$ 9,334,612</u>	<u>\$ 16,676,144</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,970,834</u>	<u>\$ 4,899,519</u>	<u>\$ 5,435,882</u>	<u>\$ 16,475,413</u>	<u>\$ 16,676,144</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 680,375	\$		680,375
Equity in Pooled Cash and Investments	5,297,863			41,883,980
Accounts Receivable	22,808			13,927,356
Allowance for Uncollectibles	0			(11,394,341)
Due from Other Governments	27,862			2,057,375
Due from Other Funds	0			2,426,730
Due from Component Units	120,000			120,000
Property Taxes Receivable	1,397,597			27,306,691
Allowance for Uncollectible Property Taxes	(62,702)			(1,066,571)
Notes Receivable - Long-term	33,248			33,248
Total Assets	<u>\$ 7,517,051</u>	\$		<u>75,974,843</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$		2,212,717
Health Insurance Payments	0			366,488
Total Liabilities	<u>\$ 0</u>	\$		<u>2,579,205</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,304,938	\$		25,783,891
Deferred Delinquent Property Taxes	23,842			398,860
Other Deferred/Unavailable Revenue	3,000			2,624,340
Total Deferred Inflows of Resources	<u>\$ 1,331,780</u>	\$		<u>28,807,091</u>

(Continued)

Exhibit C-1

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

FUND BALANCES

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		Governmental Funds
Nonspendable:			
Endowments	\$ 0	\$	16,068,099
Restricted:			
Restricted for General Government	0		935,065
Restricted for Finance	0		48,606
Restricted for Administration of Justice	30,991		289,742
Restricted for Public Safety	301,542		842,735
Restricted for Social, Cultural, and Recreational Services	122,209		122,209
Restricted for Highways/Public Works	0		2,269,694
Restricted for Capital Outlay	2,137,989		2,137,989
Committed:			
Committed for General Government	95,526		95,526
Committed for Finance	393,369		393,369
Committed for Administration of Justice	196,310		239,498
Committed for Public Safety	0		5,000
Committed for Public Health and Welfare	2,107,322		2,715,367
Committed for Social, Cultural, and Recreational Services	109,657		109,657
Committed for Other Operations	0		22,864
Committed for Capital Outlay	668,530		668,530
Committed for Debt Service	0		9,334,612
Assigned:			
Assigned for General Government	0		57,041
Assigned for Finance	0		6,918
Assigned for Administration of Justice	0		2,663
Assigned for Public Safety	2,178		53,076
Assigned for Public Health and Welfare	12,148		33,719

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Social, Cultural, and Recreational Services
Assigned for Agriculture and Natural Resources
Assigned for Other Operations
Assigned for Highways/Public Works
Assigned for Capital Outlay

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
Other Govern- mental Funds		Governmental Funds
\$	0	\$ 11,613
	0	8,082
	0	58
	0	318,006
	7,500	7,500
	0	7,791,309
<u>\$</u>	<u>6,185,271</u>	<u>\$ 44,588,547</u>
<u>\$</u>	<u>7,517,051</u>	<u>\$ 75,974,843</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, 2017

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 44,588,547
(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	4,726,343	
Add: buildings and improvements net of accumulated depreciation	16,446,194	
Add: infrastructure net of accumulated depreciation	24,669,515	
Add: other capital assets net of accumulated depreciation	<u>5,633,238</u>	57,263,645
(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	\$ (20,545,000)	
Less: other loans payable	(35,485,000)	
Less: capital leases payable	(16,396,341)	
Add: debt to be contributed by the School Department	16,315,788	
Less: interest accrued on bonds, other loans, and capital leases	(445,801)	
Less: other postemployment benefits liability	(5,125,512)	
Less: compensated absences payable	(1,563,282)	
Less: net pension liability - agent plan	(1,296,966)	
Less: unamortized premium on debt	<u>(112,169)</u>	(64,654,283)
(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	\$ 5,729,140	
Less: deferred inflows of resources related to pensions	<u>(1,087,057)</u>	4,642,083
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,023,200</u>
Net position of governmental activities (Exhibit A)		<u>\$ 44,863,192</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, 2017

	Major Funds					
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Education Capital Projects	Endowment
<u>Revenues</u>						
Local Taxes	\$ 21,000,632	\$ 4,963,511	\$ 2,815,829	\$ 5,490,760	\$ 0	\$ 0
Licenses and Permits	389,380	0	0	0	0	0
Fines, Forfeitures, and Penalties	650,038	0	0	0	0	0
Charges for Current Services	5,647,565	15	0	0	0	0
Other Local Revenues	1,070,399	2,943	116,426	5,250	0	159,145
Fees Received From County Officials	2,816,848	0	0	0	0	0
State of Tennessee	3,963,946	28,800	3,228,591	215,904	0	0
Federal Government	343,110	0	0	304,696	0	0
Other Governments and Citizens Groups	1,832,691	25,000	0	100,158	0	0
Total Revenues	\$ 37,714,609	\$ 5,020,269	\$ 6,160,846	\$ 6,116,768	\$ 0	\$ 159,145
<u>Expenditures</u>						
Current:						
General Government	\$ 2,311,542	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,706,074	0	0	0	0	0
Administration of Justice	3,667,876	0	0	0	0	0
Public Safety	18,360,874	4,241,643	0	0	0	0
Public Health and Welfare	7,515,857	0	0	0	0	101,067
Social, Cultural, and Recreational Services	1,117,145	0	0	0	0	0
Agriculture and Natural Resources	496,613	0	0	0	0	0
Other Operations	1,252,584	103,442	0	113,661	0	0
Highways	0	0	5,570,813	0	0	0
Debt Service:						
Principal on Debt	0	0	0	4,706,233	0	0
Interest on Debt	0	0	0	2,080,607	0	0
Other Debt Service	0	0	0	338,159	0	0

(Continued)

Exhibit C-3

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

	Major Funds					
	General	Special Purpose Fire Tax	Highway / Public Works	General Debt Service	Education Capital Projects	Endowment
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 332,426	\$ 0	\$ 0	\$ 0
Capital Projects - Donated	0	0	0	0	16,284,960	0
Total Expenditures	\$ 36,428,565	\$ 4,345,085	\$ 5,903,239	\$ 7,238,660	\$ 16,284,960	\$ 101,067
Excess (Deficiency) of Revenues Over Expenditures						
	\$ 1,286,044	\$ 675,184	\$ 257,607	\$ (1,121,892)	\$ (16,284,960)	\$ 58,078
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,284,960	\$ 0
Transfers In	0	0	0	214,013	0	0
Transfers Out	(3,100,000)	(214,013)	0	0	(239,083)	0
Total Other Financing Sources (Uses)	\$ (3,100,000)	\$ (214,013)	\$ 0	\$ 214,013	\$ 16,045,877	\$ 0
Net Change in Fund Balances						
Fund Balance, July 1, 2016	\$ (1,813,956)	\$ 461,171	\$ 257,607	\$ (907,879)	\$ (239,083)	\$ 58,078
	11,076,378	81,227	2,330,093	10,242,491	239,083	16,618,066
Fund Balance, June 30, 2017						
	\$ 9,262,422	\$ 542,398	\$ 2,587,700	\$ 9,334,612	\$ 0	\$ 16,676,144

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental	Funds
<u>Revenues</u>			
Local Taxes	\$ 3,354,386	\$	37,625,118
Licenses and Permits	0		389,380
Fines, Forfeitures, and Penalties	192,679		842,717
Charges for Current Services	2,202,348		7,849,928
Other Local Revenues	756,521		2,110,684
Fees Received From County Officials	0		2,816,848
State of Tennessee	184,357		7,621,598
Federal Government	0		647,806
Other Governments and Citizens Groups	10,000		1,967,849
Total Revenues	<u>\$ 6,700,291</u>	<u>\$</u>	<u>61,871,928</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 353,659	\$	2,665,201
Finance	1,431,402		3,137,476
Administration of Justice	256,387		3,924,263
Public Safety	3,097,688		25,700,205
Public Health and Welfare	168,249		7,785,173
Social, Cultural, and Recreational Services	892,991		2,010,136
Agriculture and Natural Resources	0		496,613
Other Operations	1,374,874		2,844,561
Highways	0		5,570,813
Debt Service:			
Principal on Debt	0		4,706,233
Interest on Debt	0		2,080,607
Other Debt Service	0		338,159

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 1,180,392	\$	1,512,818
Capital Projects - Donated	0		16,284,960
Total Expenditures	<u>\$ 8,755,642</u>	<u>\$</u>	<u>79,057,218</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,055,351)</u>	<u>\$</u>	<u>(17,185,290)</u>
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 0	\$	16,284,960
Transfers In	3,479,273		3,693,286
Transfers Out	(140,190)		(3,693,286)
Total Other Financing Sources (Uses)	<u>\$ 3,339,083</u>	<u>\$</u>	<u>16,284,960</u>
Net Change in Fund Balances	\$ 1,283,732	\$	(900,330)
Fund Balance, July 1, 2016	<u>4,901,539</u>		<u>45,488,877</u>
Fund Balance, June 30, 2017	<u>\$ 6,185,271</u>	<u>\$</u>	<u>44,588,547</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, 2017

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)		\$ (900,330)
(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	\$ 6,328,101	
Less: current-year depreciation expense	<u>(3,141,905)</u>	3,186,196
(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		(297,285)
(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, 2017	\$ 3,023,200	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(9,561,890)</u>	(6,538,690)
(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	\$ 41,381	
Add: principal payments on bonds	910,000	
Add: principal payments on other loans	3,700,000	
Add: principal payments on capital leases	134,503	
Less: capital leases proceeds	(16,284,960)	
Add: capital lease proceeds loaned to the School Department	16,284,960	
Less: contributions from the School Department for notes and capital leases	<u>(96,233)</u>	4,689,651
(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	\$ (228,119)	
Change in compensated absences payable	(89,496)	
Change in net pension liability/asset	(2,233,884)	
Change in deferred outflows related to pensions	2,740,175	
Change in deferred inflows related to pensions	1,006,970	
Change in other postemployment benefits liability	<u>(793,323)</u>	402,323
Change in net position of governmental activities (Exhibit B)		<u>\$ 541,865</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 21,000,632	\$ 0	\$ 0	\$ 21,000,632	\$ 20,245,291	\$ 20,563,045	\$ 437,587
Licenses and Permits	389,380	0	0	389,380	413,500	407,195	(17,815)
Fines, Forfeitures, and Penalties	650,038	0	0	650,038	606,674	638,603	11,435
Charges for Current Services	5,647,565	0	0	5,647,565	5,652,750	5,644,954	2,611
Other Local Revenues	1,070,399	0	0	1,070,399	570,445	682,414	387,985
Fees Received From County Officials	2,816,848	0	0	2,816,848	2,548,839	2,562,671	254,177
State of Tennessee	3,963,946	0	0	3,963,946	4,630,220	5,061,734	(1,097,788)
Federal Government	343,110	0	0	343,110	166,740	228,009	115,101
Other Governments and Citizens Groups	1,832,691	0	0	1,832,691	1,612,543	1,657,198	175,493
Total Revenues	\$ 37,714,609	\$ 0	\$ 0	\$ 37,714,609	\$ 36,447,002	\$ 37,445,823	\$ 268,786
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 343,719	\$ (1,260)	\$ 0	\$ 342,459	\$ 482,156	\$ 472,496	\$ 130,037
Board of Equalization	366	0	0	366	3,032	3,032	2,666
Beer Board	2,536	0	0	2,536	2,693	2,693	157
Other Boards and Committees	34,579	0	0	34,579	36,880	36,880	2,301
County Mayor/Executive	275,341	(2,745)	295	272,891	272,276	277,276	4,385
Personnel Office	173,481	(71,057)	25,646	128,070	179,621	179,621	51,551
County Attorney	211,912	(6,316)	0	205,596	205,137	211,728	6,132
Election Commission	340,080	(522)	22	339,580	354,793	354,793	15,213
Register of Deeds	101,064	(5,117)	693	96,640	66,578	132,860	36,220
Planning	217,082	(9,734)	1,184	208,532	239,100	239,100	30,568
Geographical Information Systems	224,044	(60,809)	18,724	181,959	219,948	219,948	37,989
County Buildings	385,031	(17,925)	10,476	377,582	435,973	435,973	58,391
Other Facilities	2,307	(50)	0	2,257	3,000	3,000	743
<u>Finance</u>							
Accounting and Budgeting	198,930	(22,090)	690	177,530	204,255	206,114	28,584
Property Assessor's Office	757,582	(7,889)	2,496	752,189	763,949	763,949	11,760
Reappraisal Program	262,588	(89,220)	2,580	175,948	203,000	206,000	30,052

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 87,818	\$ (17)	\$ 0	\$ 87,801	\$ 92,748	\$ 93,403	\$ 5,602
County Clerk's Office	222,844	(4,379)	18	218,483	208,337	249,467	30,984
Data Processing	176,312	(27,148)	1,136	150,300	164,279	164,279	13,979
<u>Administration of Justice</u>							
Circuit Court	82,544	0	0	82,544	0	82,544	0
Circuit Court Clerk	1,365,634	(87)	9	1,365,556	1,422,354	1,425,108	59,552
General Sessions Judge	548,146	(1,505)	0	546,641	562,871	562,871	16,230
Drug Court	227,295	(1,044)	0	226,251	70,000	235,941	9,690
Chancery Court	58,234	(433)	323	58,124	51,212	63,513	5,389
Juvenile Court	660,450	(24,972)	1,997	637,475	639,078	667,077	29,602
Office of Public Defender	36,821	(1,365)	20	35,476	38,261	38,261	2,785
Judicial Commissioners	22,142	0	0	22,142	35,000	35,000	12,858
Other Administration of Justice	112,690	(3,859)	256	109,087	131,809	132,409	23,322
Probation Services	419,092	(3,605)	58	415,545	417,531	477,500	61,955
Courtroom Security	5,879	0	0	5,879	0	19,800	13,921
Victim Assistance Programs	128,949	0	0	128,949	0	252,867	123,918
<u>Public Safety</u>							
Sheriff's Department	7,965,652	(177,613)	7,593	7,795,632	7,802,769	8,040,815	245,183
Special Patrols	47,449	0	0	47,449	0	50,092	2,643
Traffic Control	26,165	(9,187)	7,433	24,411	36,700	36,700	12,289
Administration of the Sexual Offender Registry	1,126	(1,174)	48	0	0	0	0
Jail	7,119,343	(34,126)	334	7,085,551	6,986,001	7,214,570	129,019
Workhouse	22,423	0	0	22,423	793,057	793,057	770,634
Correctional Incentive Program Improvements	1,155,923	(14,694)	938	1,142,167	1,231,703	1,231,853	89,686
Juvenile Services	71,773	(20)	0	71,753	75,580	75,580	3,827
Work Release Program	295,637	0	0	295,637	348,460	348,460	52,823
Civil Defense	674,320	(26,889)	157	647,588	446,066	690,195	42,607
Other Emergency Management	50,248	0	0	50,248	50,248	50,248	0
Inspection and Regulation	188,370	(6,547)	0	181,823	186,163	186,163	4,340

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 192,445	\$ (3,368)	\$ 0	\$ 189,077	\$ 178,918	\$ 220,261	\$ 31,184
Other Public Safety	550,000	0	0	550,000	550,000	550,000	0
<u>Public Health and Welfare</u>							
Local Health Center	393,233	(2,608)	1,151	391,776	390,621	413,715	21,939
Rabies and Animal Control	135,000	0	0	135,000	135,000	135,000	0
Ambulance/Emergency Medical Services	5,456,234	(29,061)	20,255	5,447,428	5,700,794	5,769,375	321,947
Alcohol and Drug Programs	54,657	(396)	0	54,261	50,000	55,500	1,239
Other Local Health Services	1,328,648	0	115	1,328,763	1,234,200	1,451,601	122,838
General Welfare Assistance	0	0	0	0	1,500	1,500	1,500
Other Local Welfare Services	92,275	0	0	92,275	92,275	92,275	0
Other Waste Disposal	49,345	(490)	48	48,903	0	55,000	6,097
Other Public Health and Welfare	6,465	0	0	6,465	12,500	18,650	12,185
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,000	0	0	9,000	9,000	9,000	0
Senior Citizens Assistance	97,156	0	0	97,156	97,156	97,156	0
Parks and Fair Boards	18,192	0	0	18,192	50,000	50,000	31,808
Other Social, Cultural, and Recreational	992,797	(140,530)	11,614	863,881	960,503	1,009,497	145,616
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	308,387	(7,885)	0	300,502	328,351	328,351	27,849
Soil Conservation	50,127	0	0	50,127	50,636	50,636	509
Storm Water Management	138,099	(18,733)	8,082	127,448	157,153	157,153	29,705
<u>Other Operations</u>							
Tourism	287,708	0	0	287,708	260,000	303,364	15,656
Industrial Development	287,708	0	0	287,708	260,000	303,364	15,656
Other Economic and Community Development	10,000	0	0	10,000	10,000	10,000	0
Public Transportation	42,000	0	0	42,000	42,000	42,000	0
Veterans' Services	127,873	(3,925)	58	124,006	124,374	124,374	368
Other Charges	411,613	0	0	411,613	420,000	460,000	48,387
Contributions to Other Agencies	77,253	0	0	77,253	78,337	78,337	1,084

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Miscellaneous	\$ 8,429	\$ (3,642)	\$ 0	\$ 4,787	\$ 75,000	\$ 75,000	\$ 70,213
Total Expenditures	\$ 36,428,565	\$ (844,036)	\$ 124,449	\$ 35,708,978	\$ 36,730,936	\$ 38,824,345	\$ 3,115,367
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,286,044	\$ 844,036	\$ (124,449)	\$ 2,005,631	\$ (283,934)	\$ (1,378,522)	\$ 3,384,153
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,257	\$ (142,257)
Special Items (Revenues)	0	0	0	0	147,714	195,417	(195,417)
Extraordinary Items (Revenues)	0	0	0	0	156,500	172,396	(172,396)
Transfers Out	(3,100,000)	0	0	(3,100,000)	0	(3,100,000)	0
Total Other Financing Sources	\$ (3,100,000)	\$ 0	\$ 0	\$ (3,100,000)	\$ 304,214	\$ (2,589,930)	\$ (510,070)
Net Change in Fund Balance	\$ (1,813,956)	\$ 844,036	\$ (124,449)	\$ (1,094,369)	\$ 20,280	\$ (3,968,452)	\$ 2,874,083
Fund Balance, July 1, 2016	11,076,378	(844,036)	0	10,232,342	7,704,052	7,704,052	2,528,290
Fund Balance, June 30, 2017	\$ 9,262,422	\$ 0	\$ (124,449)	\$ 9,137,973	\$ 7,724,332	\$ 3,735,600	\$ 5,402,373

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

Exhibit C-6

Bradley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fire Tax Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,963,511	\$ 0	\$ 0	\$ 4,963,511	\$ 4,756,470	\$ 4,976,450	\$ (12,939)
Charges for Current Services	15	0	0	15	0	10	5
Other Local Revenues	2,943	0	0	2,943	25,000	2,943	0
State of Tennessee	28,800	0	0	28,800	0	28,800	0
Other Governments and Citizens Groups	25,000	0	0	25,000	0	25,000	0
Total Revenues	\$ 5,020,269	\$ 0	\$ 0	\$ 5,020,269	\$ 4,781,470	\$ 5,033,203	\$ (12,934)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 4,241,643	\$ (50,510)	\$ 34,395	\$ 4,225,528	\$ 4,296,204	\$ 4,339,836	\$ 114,308
Rescue Squad	0	0	0	0	0	747	747
<u>Other Operations</u>							
Other Charges	98,192	0	0	98,192	77,000	107,000	8,808
Miscellaneous	5,250	0	0	5,250	0	5,250	0
Total Expenditures	\$ 4,345,085	\$ (50,510)	\$ 34,395	\$ 4,328,970	\$ 4,373,204	\$ 4,452,833	\$ 123,863
Excess (Deficiency) of Revenues Over Expenditures	\$ 675,184	\$ 50,510	\$ (34,395)	\$ 691,299	\$ 408,266	\$ 580,370	\$ 110,929
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (214,013)	\$ 0	\$ 0	\$ (214,013)	\$ (214,013)	\$ (214,013)	\$ 0
Total Other Financing Sources	\$ (214,013)	\$ 0	\$ 0	\$ (214,013)	\$ (214,013)	\$ (214,013)	\$ 0
Net Change in Fund Balance	\$ 461,171	\$ 50,510	\$ (34,395)	\$ 477,286	\$ 194,253	\$ 366,357	\$ 110,929
Fund Balance, July 1, 2016	81,227	(50,510)	0	30,717	357,009	357,009	(326,292)
Fund Balance, June 30, 2017	\$ 542,398	\$ 0	\$ (34,395)	\$ 508,003	\$ 551,262	\$ 723,366	\$ (215,363)

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

Exhibit C-7

Bradley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,815,829	\$ 0	\$ 0	\$ 2,815,829	\$ 2,712,343	\$ 2,712,343	\$ 103,486
Other Local Revenues	116,426	0	0	116,426	17,100	71,714	44,712
State of Tennessee	3,228,591	0	0	3,228,591	3,155,987	3,424,785	(196,194)
Total Revenues	<u>\$ 6,160,846</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,160,846</u>	<u>\$ 5,885,430</u>	<u>\$ 6,208,842</u>	<u>\$ (47,996)</u>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 573,380	\$ 0	\$ 0	\$ 573,380	\$ 655,997	\$ 585,492	\$ 12,112
Highway and Bridge Maintenance	2,107,797	(58,330)	0	2,049,467	2,960,182	2,577,132	527,665
Operation and Maintenance of Equipment	468,332	0	0	468,332	611,848	532,658	64,326
Quarry Operations	0	0	0	0	100	0	0
Other Charges	199,497	0	0	199,497	204,242	211,742	12,245
Employee Benefits	903,495	0	0	903,495	953,104	949,677	46,182
Capital Outlay	1,318,312	(246,996)	318,006	1,389,322	1,433,250	1,455,836	66,514
<u>Capital Projects</u>							
Highway and Street Capital Projects	332,426	0	0	332,426	401,888	366,388	33,962
Total Expenditures	<u>\$ 5,903,239</u>	<u>\$ (305,326)</u>	<u>\$ 318,006</u>	<u>\$ 5,915,919</u>	<u>\$ 7,220,611</u>	<u>\$ 6,678,925</u>	<u>\$ 763,006</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 257,607	\$ 305,326	\$ (318,006)	\$ 244,927	\$ (1,335,181)	\$ (470,083)	\$ 715,010
Net Change in Fund Balance	\$ 257,607	\$ 305,326	\$ (318,006)	\$ 244,927	\$ (1,335,181)	\$ (470,083)	\$ 715,010
Fund Balance, July 1, 2016	2,330,093	(305,326)	0	2,024,767	2,373,634	2,373,634	(348,867)
Fund Balance, June 30, 2017	<u>\$ 2,587,700</u>	<u>\$ 0</u>	<u>\$ (318,006)</u>	<u>\$ 2,269,694</u>	<u>\$ 1,038,453</u>	<u>\$ 1,903,551</u>	<u>\$ 366,143</u>

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

Exhibit D

Bradley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,515,161
Equity in Pooled Cash and Investments	42,484
Due from Other Governments	3,071,429
Property Taxes Receivable	6,658,661
Allowance for Uncollectible Taxes	<u>(213,998)</u>
Total Assets	<u>\$ 17,073,737</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 9,558,576
Due to Litigants, Heirs, and Others	<u>7,515,161</u>
Total Liabilities	<u>\$ 17,073,737</u>

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

BRADLEY COUNTY, TENNESSEE
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BRADLEY COUNTY, TENNESSEE
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BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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 \$16,284,960 were contributed by the county to the School Department during the year ended June 30, 2017.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Bradley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Bradley County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Bradley County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines,

forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Bradley County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Purpose Fire Tax Fund – This special revenue fund 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.

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.

Education Capital Projects Fund – This fund is used to account for debt issued by Bradley County that is subsequently contributed to the discretely presented Bradley County School Department and the City of Cleveland School System for construction and renovation projects.

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 type:

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 Other

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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as 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 1.89 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. 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 \$10,000; 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 acquisition 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

5. Deferred Outflows/Inflows of Resources

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

6. 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.

7. 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.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2017, Bradley County had \$60,544,977 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.

9. 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 and the Teacher Legacy 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 and the Teacher Legacy 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, 2017, Bradley County reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Funds:		
General	Geographical Aerial Surveys	\$ 10,729
"	Custodial Supplies	7,816
"	Uniforms	7,060
"	Unemployment Insurance	25,646
Special Purpose/Fire Tax	Building Upgrades	27,582
Highway/Public Works	Road Construction	318,006

B. Cash Shortage – Prior Year

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. As of the date of this report no action has been taken against the former employee.

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, 2017, Bradley County had the following investments carried at amortized cost using a stable net asset value established by generally accepted accounting principles. 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)	Maturity	Amortized Cost
State Treasurer's Investment Pool	3 to 80	N/A	\$ 2,056

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, 2017, 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 \$33,248 and is included in the restricted fund balance account.

C. Derivative Instruments

At June 30, 2017, 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, 2017, classified by type, and the changes in fair value using a pay fixed, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of the derivative instruments for the year then ended as reported in the 2017 financial statements are as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2017</u>		6-30-17
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred Outflow	\$ 295,198	Debt	\$ (378,642)	\$ 5,750,000
\$10M Swap - Series IV-G-1	Deferred Outflow	699,776	Debt	(2,019,893)	10,000,000
Total		<u>\$ 994,974</u>		<u>\$(2,398,535)</u>	<u>\$15,750,000</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, 2017, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.380 %
Variable payment from counterparty	% of LIBOR	<u>(1.243)</u>
Net interest rate swap payments		3.137 %
Variable-rate bond coupon payments		<u>0.910</u>
Synthetic interest rate on bonds		<u><u>4.047 %</u></u>

Fair value. As of June 30, 2017, the swap had a negative fair value of \$378,642. 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, 2017, 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, 2017, the swap counterparty, Deutsche Bank, was rated Baa2/A-/A- by Moody's, Standard & Poor's and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should 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, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2018	\$ 685,000	\$ 52,325	\$ 180,359	\$ 917,684
2019	2,455,000	46,092	158,872	2,659,964
2020	2,610,000	23,751	81,867	2,715,618
Total	\$ 5,750,000	\$ 122,168	\$ 421,098	\$ 6,293,266

\$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, 2017, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.450 %
Variable payment from counterparty	% of LIBOR	<u>(1.243)</u>
Net interest rate swap payments		3.207 %
Variable-rate bond coupon payments		<u>0.910</u>
Synthetic interest rate on bonds		<u><u>4.117 %</u></u>

Fair value. As of June 30, 2017, the swap had a negative fair value of \$2,019,893. 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, 2017, 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, 2017, the swap counterparty, Deutsche Bank, was rated Baa2/A-/A- by Moody's, Standard & Poor's and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should 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, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2018	\$ 0	\$ 91,000	\$ 320,667	\$ 411,667
2019	0	91,000	320,667	411,667
2020	0	91,000	320,667	411,667
2021	0	91,000	320,667	411,667
2022	0	91,000	320,667	411,667
2023-2026	10,000,000	257,894	908,770	11,166,664
Total	\$ 10,000,000	\$ 712,894	\$ 2,512,105	\$ 13,224,999

D. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 5,788,355	\$ 10,000	\$ (10,000)	\$ 5,788,355
Construction in Progress	1,290,337	3,877,453	(441,447)	4,726,343
Total Capital Assets Not Depreciated	<u>\$ 7,078,692</u>	<u>\$ 3,887,453</u>	<u>\$ (451,447)</u>	<u>\$ 10,514,698</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 33,788,610	\$ 0	\$ 0	\$ 33,788,610
Infrastructure	39,014,962	1,903,617	(411,828)	40,506,751
Other Capital Assets	17,745,145	978,478	(1,262,079)	17,461,544
Total Capital Assets Depreciated	<u>\$ 90,548,717</u>	<u>\$ 2,882,095</u>	<u>\$ (1,673,907)</u>	<u>\$ 91,756,905</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 16,435,065	\$ 907,351	\$ 0	\$ 17,342,416
Infrastructure	14,711,864	1,307,619	(182,247)	15,837,236
Other Capital Assets	12,105,746	926,935	(1,204,375)	11,828,306
Total Accumulated Depreciation	<u>\$ 43,252,675</u>	<u>\$ 3,141,905</u>	<u>\$ (1,386,622)</u>	<u>\$ 45,007,958</u>
Total Capital Assets Depreciated, Net	<u>\$ 47,296,042</u>	<u>\$ (259,810)</u>	<u>\$ (287,285)</u>	<u>\$ 46,748,947</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,374,734</u>	<u>\$ 3,627,643</u>	<u>\$ (738,732)</u>	<u>\$ 57,263,645</u>

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

Governmental Activities:

General Government	\$	83,496
Administration of Justice		2,890
Public Safety		1,195,331
Public Health and Welfare		167,930
Social, Cultural, and Recreational Services		99,310
Agriculture and Natural Resources		958
Highways/Public Works		1,591,990
Total Depreciation Expense - Governmental Activities	\$	<u>3,141,905</u>

Discretely Presented Bradley County School Department

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,610,912	\$ 0	\$ 0	\$ 1,610,912
Construction in Progress	755,012	3,281,143	(331,391)	3,704,764
Total Capital Assets Not Depreciated	<u>\$ 2,365,924</u>	<u>\$ 3,281,143</u>	<u>\$ (331,391)</u>	<u>\$ 5,315,676</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 107,382,728	\$ 5,193,182	\$ 0	\$ 112,575,910
Other Capital Assets	1,991,383	1,039,891	0	3,031,274
Total Capital Assets Depreciated	<u>\$ 109,374,111</u>	<u>\$ 6,233,073</u>	<u>\$ 0</u>	<u>\$ 115,607,184</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 47,336,006	\$ 2,795,220	\$ 0	\$ 50,131,226
Other Capital Assets	1,125,947	196,423	0	1,322,370
Total Accumulated Depreciation	<u>\$ 48,461,953</u>	<u>\$ 2,991,643</u>	<u>\$ 0</u>	<u>\$ 51,453,596</u>
Total Capital Assets Depreciated, Net	<u>\$ 60,912,158</u>	<u>\$ 3,241,430</u>	<u>\$ 0</u>	<u>\$ 64,153,588</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,278,082</u>	<u>\$ 6,522,573</u>	<u>\$ (331,391)</u>	<u>\$ 69,469,264</u>

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

Governmental Activities:

Instruction	\$ 2,839,918
Support Services	79,912
Operation of Non-instructional Services	<u>71,813</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,991,643</u></u>

E. Construction Commitments

At June 30, 2017, Bradley County had uncompleted construction contracts of approximately \$183,124 for workhouse construction. Funding has been received for these future expenditures.

At June 30, 2017, the Highway Department had uncompleted construction contracts of approximately \$318,006 for road construction. Funding has been received for these future expenditures.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Endowment	General	\$ 2,200,000
Special Purpose Fire Tax	"	10,941
Highway/Public Works	"	1,776
General Debt Service	Special Purpose Fire Tax	214,013

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.

The receivable in the General Debt Service Fund totaling \$214,013 was in transit from the Special Purpose Fire Tax at June 30, 2017.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Governmental Activities	Governmental Activities	\$ 16,315,788
Other Capital Projects	General Purpose School	120,000

The Due to Primary Government (\$16,315,788) represents the balance of capital leases issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire these leases. This long-term obligation is reflected in the governmental activities on the Statement of Net Position.

The Due to Primary Government (\$120,000) 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.J. for details of the interfund loan.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			Purpose
	General Debt Service Fund	Nonmajor Governmental Fund	Fund	
Special Purpose Fire Tax	\$ 214,013	\$ 0	0	Debt Payment
Education Capital Projects	0	239,083	0	To Close Fund
Nonmajor governmental funds	0	140,190	0	"
General	0	3,100,000	0	Workhouse Construction

Discretely Presented Bradley County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
Nonmajor governmental fund	\$ 50,000	Indirect Costs

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

G. Capital Leases

On 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.

On August 19, 2016, Bradley County entered into a twenty-year lease-purchase agreement for energy saving equipment and upgrades for the School Department. The terms of the agreement require total lease payments of \$16,188,500 plus interest of 2.45 percent. Title to the energy saving equipment transferred to the School Department immediately upon acceptance of each item of energy saving equipment. The General Purpose School Fund is contributing the lease payments to the primary government. In the government-wide financial statements, if the various upgrades and equipment meet criteria of the county’s capitalization policy then these items are capitalized. Various other upgrades and equipment are expensed in the

year of acquisition if those items do not meet criteria of the county's capitalization policy.

On January 6, 2017, 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 \$96,460 plus interest of 4.79 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 equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

The assets acquired through capital leases are as follows:

Discretely Presented Bradley County School Department

Asset	Governmental Activities
Machinery and Equipment	\$ 5,361,924
Less: Accumulated Depreciation	<u>(97,813)</u>
Total Book Value	<u><u>\$ 5,264,111</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Funds
2018	\$ 1,202,455
2019	1,135,966
2020	1,059,921
2021	1,059,921
2022	1,059,921
2023-2027	5,299,605
2028-2032	5,299,605
2033-2037	<u>4,769,644</u>
Total Minimum Lease Payments	\$ 20,887,038
Less: Amount Representing Interest	<u>(4,490,697)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 16,396,341</u></u>

H. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Bradley County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, 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, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	2 to 5.55	%	6-1-29	\$ 20,420,000	\$ 19,785,000
General Obligation Bonds - Refunding	2		6-1-18	4,255,000	760,000
Other Loans - Variable Rate	Variable		6-1-26	48,210,000	29,515,000
Other Loans	3 to 4.25		6-30-21	12,050,000	5,970,000
Capital Leases	2.45 to 4.79		8-15-36	16,674,160	16,396,341

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, 2017:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-17	Interest Type	Interest Rates as of 6-30-17	Fee Rates as of 6-30-17
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 5,970,000	Fixed	3 to 4.25 %	.65%
Series E-6-A:	28,210,000	13,765,000	Variable	.91	.976
Series IV-C-2	10,000,000	5,750,000	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>\$ 35,485,000</u>			

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2017, 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
2018	\$ 925,000	\$ 995,993	\$ (327,278)	\$ 1,593,715
2019	170,000	977,493	(327,278)	820,215
2020	175,000	974,093	(327,278)	821,815
2021	175,000	970,593	(327,278)	818,315
2022	2,030,000	967,093	(327,278)	2,669,815
2023-2027	10,155,000	3,383,533	(1,147,691)	12,390,842
2028-2029	6,915,000	555,580	(189,804)	7,280,776
Total	<u>\$ 20,545,000</u>	<u>\$ 8,824,378</u>	<u>\$ (2,973,885)</u>	<u>\$ 26,395,493</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 3,860,000	\$ 468,406	\$ 326,871	\$ 4,655,277
2019	4,905,000	403,884	300,275	5,609,159
2020	5,140,000	334,541	260,894	5,735,435
2021	5,390,000	260,111	219,463	5,869,574
2022	2,420,000	147,329	158,014	2,725,343
2023-2026	13,770,000	357,585	383,520	14,511,105
Total	\$ 35,485,000	\$ 1,971,856	\$ 1,649,037	\$ 39,105,893

There is \$9,334,612 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$208, based on the 2010 federal census. Total debt per capita, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$733, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-17
<u>Capital Lease</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computer Equipment	\$ 127,288
Energy Upgrades	16,188,500

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Bonds	Other Loans	Capital Leases
Balance, July 1, 2016	\$ 21,455,000	\$ 39,185,000	\$ 245,884
Additions	0	0	16,284,960
Reductions	(910,000)	(3,700,000)	(134,503)
Balance, June 30, 2017	\$ 20,545,000	\$ 35,485,000	\$ 16,396,341
Balance Due Within One Year	\$ 925,000	\$ 3,860,000	\$ 632,603

	Net Pension Liability -		Other
	Agent Plan*	Compensated Absences	Postemployment Benefits
Balance, July 1, 2016	\$ (936,918)	\$ 1,473,786	\$ 4,332,189
Additions	6,466,608	1,431,964	976,782
Reductions	(4,232,724)	(1,342,468)	(183,459)
Balance, June 30, 2017	\$ 1,296,966	\$ 1,563,282	\$ 5,125,512
Balance Due Within One Year	\$ 0	\$ 78,164	\$ 0

* At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 80,412,101
Less: Balances Due Within One Year	(5,495,767)
Add: Unamortized Premium on Debt	112,169
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 75,028,503</u>

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

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, 2017, was as follows:

Governmental Activities:

	Other Post- employment Benefits	Net Pension Liability - Agent Plan*	Net Pension Liability - Cost-sharing Plan
Balance, July 1, 2016	\$ 9,841,385	\$ (293,926)	\$ 412,375
Additions	2,131,518	1,926,971	9,273,771
Reductions	(954,763)	(1,249,133)	(3,322,757)
Balance, June 30, 2017	<u>\$ 11,018,140</u>	<u>\$ 383,912</u>	<u>\$ 6,363,389</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

*At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 17,765,441
Less: Balances Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 17,765,441</u>

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

I. On-Behalf Payments

Discretely Presented Bradley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bradley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were \$266,040 and \$87,800, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Internal Financing

In a prior 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 Other 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 Other Capital Projects Fund and as Due to Primary Government in the General Purpose School Fund in the financial statements of this report.

In-lieu-of issuing debt with financial institutions, Bradley County chose to internally finance a workhouse project with idle county funds. This debt issue was transferred from the Endowment Fund to the Other Capital Projects - Workhouse Fund and will be repaid from the General Fund. The issuance of this debt is reflected as a transfer (not notes receivable) from the General Fund to the Other Capital Projects - Workhouse Fund in the financial statements of this report. The amount financed is reflected as Due from Other Funds in the Endowment Fund and as Due to Other Funds in the General Fund in the financial statements of this report.

Internal loans receivable at June 30, 2017, are reflected as follows:

Receivable Fund/Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Other Capital Projects Fund:				
School Projects	\$ 160,000	0 %	5-25-16	10-31-20
Endowment Fund:				
Workhouse	2,200,000	1.375	11-21-16	11-21-36
			Paid and/or	
	Outstanding	Issued	Matured	Outstanding
	7-1-16	During	During	6-30-17
		Period	Period	
Other Capital Projects Fund:				
School Projects	\$ 160,000	\$ 0	\$(40,000)	\$ 120,000
Endowment Fund:				
Workhouse	0	2,200,000	0	2,200,000
Total	\$ 160,000	\$ 2,200,000	\$(40,000)	\$ 2,320,000

K. Short-term Debt

Primary Government

Bradley County issued tax anticipation notes of \$1,00,000 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, 2017, was as follows:

	Balance 7-1-16	Issued	Paid	Balance 6-30-17
Tax Anticipation Notes	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

Bradley County participates in a commercial health insurance plan for its employees. Bradley County's plan was administered by 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, established reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which

requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

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

D. 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.F.

E. 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 28 years based on current usage – and the life of additional cells that might be opened in the future. The \$2,554,149 estimated closure and postclosure costs of the landfill at June 30, 2017, 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 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission, the Cleveland City Council, and eight ex-officio members, who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and the Cleveland City Council. The center is funded through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2017, the county appropriated an operating subsidy of \$550,000 to the district.

The Hiwassee Utilities Commission is a joint venture that is operated by Bradley and McMinn counties. The commission is governed by a six-member board that is appointed by the participating governments. Bradley County and McMinn County are contingently liable for certain revenue bonds of the Hiwassee Utilities Commission. On October 18, 2007, the Hiwassee Utilities Commission issued \$12,000,000 in public improvement bonds. The principal of these bonds is reflected on the financial statements of the Hiwassee Utilities Commission. Bradley County would become liable for one-half of these bonds and the interest thereon in the event of default by the Hiwassee Utilities Commission. As of June 30, 2017, future principal and interest requirements, which Bradley County would be liable for, were \$5,167,500 and \$3,930,400, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2017.

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, 2017.

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

Administrative Offices:

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

Hiwassee Utilities Commission
3973 Chatata Valley Road
Charleston, TN 37310

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

G. Jointly Governed Organization

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

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

Public Employee Retirement Plan

General Information About the Pension Plan

Plan Description. Employees of Bradley County and non-certified employees of the discretely presented Bradley County School Department with membership in the TCRS before October 1, 2016, are provided a defined benefit pension plan through the Public Employee Legacy Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. Employees of Bradley County and non-certified employees of the discretely presented Bradley County School Department with membership in the TCRS after October 1, 2016, are provided with pensions through a legally separate plan, referred to as the Public Employee Retirement Plan, an agent 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 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. 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 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 employee 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. Employees are required to contribute five percent of their salary to the plan. The County and the Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Contributions were not made until after the effective date of October 1, 2016; therefore no contributions were made during the measurement period. 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 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, 2017, to the Retirement Plan were \$32,278, 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 to Pensions

Pension Liabilities. The measurement date is June 30, 2016, which is prior to the onset of the Public Employee Retirement Plan. Consequently, there is no net pension liability at June 30, 2016.

Pension Expense. Since the measurement date is June 30, 2016, Bradley County did not recognize any pension expense at June 30, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Bradley County reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	\$ 32,278	N/A
Total	<u>\$ 32,278</u>	<u>\$ 0</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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
Primary Government	\$ 29,723
School Department	<u>2,555</u>
Total	<u>\$ 32,278</u>

Public Employee Legacy Pension Plan

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 77.16 percent, the non-certified employees of the discretely presented School Department comprised 22.84 percent 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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	476
Inactive Employees Entitled to But Not Yet Receiving Benefits	701
Active Employees	867
Total	<u><u>2,044</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. 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, 2017, the employer contribution for Bradley County was \$3,957,122 based on a rate of 13.60 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 actuarially determined contributions (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, 2016, 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, 2016, 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	2.50%

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, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset

classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 83,006,664	\$ 84,237,508	\$ (1,230,844)
Changes for the year:			
Service Cost	\$ 2,192,879	\$ 0	\$ 2,192,879
Interest	6,276,937	0	6,276,937
Differences Between Expected and Actual Experience	461,181	0	461,181
Contributions-Employer	0	3,837,680	(3,837,680)
Contributions-Employees	0	0	0
Net Investment Income	0	2,244,514	(2,244,514)
Benefit Payments, Including Refunds of Employee Contributions	(3,014,105)	(3,014,105)	0
Administrative Expense	0	(62,919)	62,919
Other Changes	0	0	0
Net Changes	\$ 5,916,892	\$ 3,005,170	\$ 2,911,722
Balance, June 30, 2016	\$ 88,923,556	\$ 87,242,678	\$ 1,680,878

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	77.16%	\$ 68,613,417	\$ 67,316,450	\$ 1,296,966
School Department	22.84%	20,310,139	19,926,228	383,912
Total		\$ 88,923,556	\$ 87,242,678	\$ 1,680,878

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:

	1% Decrease	Current Discount Rate	1% Increase
<u>Bradley County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 13,938,202	\$ 1,680,878	\$ (8,494,648)

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

Pension Expense. For the year ended June 30, 2017, Bradley County recognized pension expense of \$2,098,756.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 445,198	\$ 1,408,836
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,939,430	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	3,957,122	N/A
Total	<u>\$ 7,341,750</u>	<u>\$ 1,408,836</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 5,699,417	\$ 1,087,057
School Department	1,642,333	321,779
Total	<u>\$ 7,341,750</u>	<u>\$ 1,408,836</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
2018	\$ (87,641)
2019	(87,641)
2020	1,161,763
2021	912,449
2022	76,864
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 comprised 77.16 percent and the non-certified employees of the discretely presented School Department comprised 22.84 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, 2017, to the Teacher Retirement Plan were \$165,617, 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, 2017, the Bradley County School Department reported an asset of \$62,965 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2016, the Bradley County School Department's proportion was .604835 percent. The revised proportion measured at June 30, 2015, was .604746 percent.

Pension Expense. For the year ended June 30, 2017, the Bradley County School Department recognized pension expense of \$52,715.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 6,101	\$ 7,260
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,309	0
Changes in Proportion of Net Pension Liability (Asset)	0	3
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>165,617</u>	<u>0</u>
Total	<u>\$ 182,027</u>	<u>\$ 7,263</u>

The Bradley County School Department's employer contributions of \$165,617, 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, 2018. 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
2018	\$ 2,548
2019	2,548
2020	2,548
2021	5,057
2022	(152)
Thereafter	(402)

Actuarial Assumptions. The total pension liability in the June 30, 2016, 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, 2016, 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	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 \$ 29,733 \$ (62,965) \$ (131,265)

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, 2017, to the Teacher Legacy Pension Plan were \$3,225,291, 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, 2017, the Bradley County School Department reported a liability of \$6,363,389 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, 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, 2016, the Bradley County School Department's proportion

was 1.018233 percent. The proportion measured at June 30, 2015, was 1.006690 percent.

Pension Expense. For the year ended June 30, 2017, the Bradley County School Department recognized pension expense of \$856,130.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 267,794	\$ 7,703,956
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,104,811	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	442,345	0
Changes in Proportion of Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>3,225,291</u>	<u>N/A</u>
Total	<u>\$ 11,040,241</u>	<u>\$ 7,703,956</u>

The Bradley County School Department's employer contributions of \$3,225,291 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, 2018. 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
2018	\$ (1,084,485)
2019	(1,084,485)
2020	2,323,688
2021	440,795
2022	(484,519)
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, 2016, 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	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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	\$	34,942,466	\$	6,363,389	\$	(17,310,229)
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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

Primary Government and Discretely Presented Bradley County School Department

Employees of the primary government and certain non-certified employees of the discretely presented School Department hired after October 1, 2016, are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. The county and School Department contribute five percent of employee salaries into deferred compensation accounts managed by the hybrid plans pursuant to IRC Section 401(k). Additional contributions by employees are optional. These Section 401(k) plan assets remain the property of the participating employees 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 primary government contributed \$30,925 and the School Department contributed \$3,132 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

Discretely Presented Bradley County School Department

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 \$210,754 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

I. Other Postemployment Benefits (OPEB)

Primary Government – Commercial Healthcare Plan

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Commercial Plan
	<hr/>
ARC	\$ 974,486
Interest on the NOPEBO	194,949
Adjustment to the ARC	(192,653)
Annual OPEB cost	<hr/> \$ 976,782
Less amount of contribution*	(183,459)
Increase/decrease in NOPEBO	<hr/> \$ 793,323
Net OPEB obligation, 7-1-16	<hr/> 4,332,189
	<hr/>
Net OPEB obligation, 6-30-17	<hr/> <hr/> \$ 5,125,512

* - Includes estimated fiscal year employer contribution of \$47,780.

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Commercial	\$ 763,097	18 %	\$ 3,566,762
6-30-16	"	934,407	18	4,332,189
6-30-17	"	976,782	19	5,125,512

Funded Status and Funding Progress

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

	Primary Government Commercial Plan
	<hr/>
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.

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 \$1,663 per month. The School Department recognized expenditures of \$954,763 for postemployment health care during the year ended June 30, 2017.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,133,000
Interest on the NOPEBO	369,052
Adjustment to the ARC	(370,534)
	<hr/>
Annual OPEB cost	\$ 2,131,518
Less amount of contribution	(954,763)
	<hr/>
Increase/decrease in NOPEBO	\$ 1,176,755
Net OPEB obligation, 7-1-16	9,841,385
	<hr/>
Net OPEB obligation, 6-30-17	<u>\$ 11,018,140</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-15	Local Education Group	\$ 2,202,502	39 %	\$ 8,630,737
6-30-16	"	2,060,701	41	9,841,385
6-30-17	"	2,131,518	46	11,018,140

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 six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 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 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

J. Termination Benefits

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the postemployment health insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are made only when employees choose to accept the incentive. During the year ended June 30, 2017, 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, 2017, 12 certified School Department employees, at retirement, received the \$10 per day payout of unused sick leave for a cash payment of \$13,320; therefore, the total cost of the sick leave cash payments reported in the government-wide Statement of Net Position by function was \$13,320.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by provisions of Chapter 313, Private Acts of 1951, as amended. This statute provides for the county mayor to serve as purchasing agent and for all purchases exceeding \$10,000 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.

L. Subsequent Events

On July 31, 2017, the county's Endowment Fund issued a \$300,000 interfund loan to the Community Development/Industrial Park Fund for an industrial park project.

On October 2, 2017, Bradley County issued \$15,600,000 in general obligation school bonds.

On November 6, 2017, the county's General Debt Service Fund issued a \$700,000 tax anticipation note to the Special Purpose Fire Tax Fund for temporary operating funds.

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

A. Summary of Significant Accounting Policies

Reporting Entity

Bradley Healthcare and Rehabilitation Center (the “nursing center”) is a component unit of Bradley County, Tennessee. The nursing center's Board of Trustees is appointed by the Bradley County 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, 2017:

General Stores	\$ 36,473
Foods and Dietary	17,086
Enteral Feeding Supplies	<u>775</u>
Total	<u><u>\$ 54,334</u></u>

D. Assets Whose Use Is Limited

Assets whose use is limited are as follows at June 30, 2017:

Patient Trust Funds	\$	76,111
Scholarship Fund		13,632
Activities Fund		15,027
Chapel Fund		1,766
Country Store Fund		3,682
Citizens' Endowment Fund		<u>336,526</u>
Total	\$	<u>446,744</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 7-1-16	Increases	Balance 6-30-17
Land	\$ 1,250	\$ 0	\$ 1,250
Land Improvements	379,814	0	379,814
Buildings	5,551,698	21,722	5,573,420
Fixed Equipment	1,080,104	14,886	1,094,990
Major Movable	1,904,123	27,219	1,931,342
Computer Software	43,695	0	43,695
Computer Hardware	138,924	0	138,924
Vehicles	137,532	12,700	150,232
Total	<u>\$ 9,237,140</u>	<u>\$ 76,527</u>	<u>\$ 9,313,667</u>
Less: Accumulated Depreciation:			
Land Improvements	\$ 320,501	\$ 12,515	\$ 333,016
Buildings	4,278,228	137,507	4,415,735
Fixed Equipment	875,408	26,347	901,755
Major Movable	1,724,601	39,117	1,763,718
Computer Software	43,696	0	43,696
Computer Hardware	132,682	2,397	135,079
Vehicles	115,299	9,360	124,659
Total	<u>\$ 7,490,415</u>	<u>\$ 227,243</u>	<u>\$ 7,717,658</u>
Property and Equipment, Net	<u>\$ 1,746,725</u>	<u>\$ (150,716)</u>	<u>\$ 1,596,009</u>

F. Nonexpendable Restricted Net Position

Assets whose use is permanently restricted are as follows at June 30, 2017:

Scholarship	\$ 12,000
Citizens' Endowment Fund	<u>325,222</u>
Total	<u>\$ 337,222</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, 2017, follows:

Medicare	\$ 6,052,592
Medicaid	7,983,078
Other	<u>2,170,379</u>
Gross Patient Service Revenues	\$ 16,206,049
Contractual Adjustments and Uncollectible Accounts	<u>(1,893,002)</u>
Net Patient Service Revenue	<u><u>\$ 14,313,047</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, 2017, were \$311,453, 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 \$162,425 for the year ended June 30, 2017. There was no unpaid liability at June 30, 2017.

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, 2017, 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.

Total rental expense for all operating leases was \$29,697 for 2017 and is included in the general services expense classification.

K. Risk Financing and Related Insurance Issues

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

L. Subsequent Events

As required by FASB ASC 850-10 "*Subsequent Events*," 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 Legacy Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016
Total Pension Liability (Asset)			
Service Cost	\$ 2,108,007	\$ 2,139,815	\$ 2,192,879
Interest	5,697,980	5,880,785	6,276,937
Differences Between Actual and Expected Experience	(2,817,672)	91,321	461,181
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)	(2,751,817)	(3,014,105)
Net Change in Total Pension Liability (Asset)	\$ 2,574,690	\$ 5,360,104	\$ 5,916,892
Total Pension Liability (Asset), Beginning	75,071,870	77,646,560	83,006,664
Total Pension Liability (Asset), Ending (a)	\$ 77,646,560	\$ 83,006,664	\$ 88,923,556
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,729,911	\$ 3,608,613	\$ 3,837,680
Net Investment Income	11,411,807	2,504,725	2,244,514
Benefit Payments, Including Refunds of Employee Contributions	(2,413,625)	(2,751,817)	(3,014,105)
Administrative Expense	(34,067)	(40,743)	(62,919)
Net Change in Plan Fiduciary Net Position	\$ 12,694,026	\$ 3,320,778	\$ 3,005,170
Plan Fiduciary Net Position, Beginning	68,222,704	80,916,730	84,237,508
Plan Fiduciary Net Position, Ending (b)	\$ 80,916,730	\$ 84,237,508	\$ 87,242,678
Net Pension Liability (Asset), Ending (a - b)	\$ (3,270,170)	\$ (1,230,844)	\$ 1,680,878
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.21%	101.48%	98.11%
Covered Payroll	\$ 26,910,220	\$ 26,488,324	\$ 28,180,107
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.15)%	(4.65)%	5.96%

Note: ten-year information will be presented when available.

Note: data presented includes the primary government and the 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
Last Fiscal Year Ending June 30

	<u>2017</u>
Contractually Required Contribution	\$ 32,278
Less Contributions in Relation to the Contractually Required Contribution	<u>(32,278)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>
Covered Payroll	\$ 806,915
Contributions as a Percentage of Covered Payroll	4.00%

Note: ten-year information will be presented when available.

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

Exhibit E-3

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

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 3,729,911	\$ 3,608,613	\$ 3,837,680	\$ 3,957,122
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(3,729,911)</u>	<u>(3,608,613)</u>	<u>(3,837,680)</u>	<u>(3,957,122)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 26,910,220	\$ 26,488,324	\$ 28,180,107	\$ 29,105,570
Contributions as a Percentage of Covered Payroll	13.86%	13.62%	13.62%	13.60%

Note: ten-year information will be presented when available.

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

Exhibit E-4

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

	2015	2016	2017
Contractually Required Contribution	\$ 51,319	\$ 106,452	\$ 165,617
Less Contributions in Relation to the Contractually Required Contribution	(51,319)	(106,452)	(165,617)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 1,282,963	\$ 2,661,298	\$ 4,145,812
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

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

Exhibit E-5

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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 3,451,104	\$ 3,406,765	\$ 3,322,756	\$ 3,225,291
Less Contributions in Relation to the Contractually Required Contribution	(3,451,104)	(3,406,765)	(3,322,756)	(3,225,291)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 38,863,787	\$ 37,685,370	\$ 36,756,144	\$ 35,677,979
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

	2016	2017
School Department's Proportion of the Net Pension Asset	0.604746%	0.604835%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (24,841)	\$ (62,965)
Covered Payroll	\$ 1,282,963	\$ 2,661,298
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.990162%	0.990162%	1.006690%	1.018233%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 160,897	\$ (160,897)	\$ 412,375	\$ 6,363,389
Covered Payroll	\$ 38,863,861	\$ 38,863,787	\$ 37,685,370	\$ 36,756,144
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.41%	(0.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	100.08%	99.81%	97.14%

* 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-8

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2017

(Dollar amounts in thousands)

<u>Plans</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b)-(a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<u>PRIMARY GOVERNMENT</u>							
Commercial	7-1-11	\$ 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, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, 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	Varies by Year
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.

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.

Other Capital Projects – Workhouse Fund – The Other Capital Projects – Workhouse Fund is used to account for a sheriff's workhouse project.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for financial resources that are to be used for by the county for various capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Exhibit F-1

Bradley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Funds				
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	30,991	114,972	2,109,470	303,720	109,657
Accounts Receivable	0	0	0	0	0
Due from Other Governments	0	9,008	10,000	0	0
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	0	551,269	0	0	0
Allowance for Uncollectible Property Taxes	0	(17,721)	0	0	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	<u>\$ 30,991</u>	<u>\$ 657,528</u>	<u>\$ 2,119,470</u>	<u>\$ 303,720</u>	<u>\$ 109,657</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 527,528	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	4,791	0	0	0
Other Deferred/Unavailable Revenue	0	3,000	0	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 535,319</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 30,991	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	0	0	301,542	0
Restricted for Social, Cultural, and Recreational Services	0	122,209	0	0	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	Drug Control	Agriculture Center
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed:					
Committed for General Government	0	0	0	0	0
Committed for Finance	0	0	0	0	0
Committed for Administration of Justice	0	0	0	0	0
Committed for Public Health and Welfare	0	0	2,107,322	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	109,657
Committed for Capital Outlay	0	0	0	0	0
Assigned:					
Assigned for Public Safety	0	0	0	2,178	0
Assigned for Public Health and Welfare	0	0	12,148	0	0
Assigned for Capital Outlay	0	0	0	0	0
Total Fund Balances	\$ 30,991	\$ 122,209	\$ 2,119,470	\$ 303,720	\$ 109,657
Total Deferred Inflows of Resources and Fund Balances	\$ 30,991	\$ 657,528	\$ 2,119,470	\$ 303,720	\$ 109,657

(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	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects - Workhouse
<u>ASSETS</u>					
Cash	\$ 680,375	\$ 680,375	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	2,668,810	2,101,890	133,993	230,569
Accounts Receivable	4,830	4,830	0	104	0
Due from Other Governments	0	19,008	0	0	0
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	0	551,269	31,458	0	0
Allowance for Uncollectible Property Taxes	0	(17,721)	(17,491)	0	0
Notes Receivable - Long-term	0	0	0	33,248	0
Total Assets	<u>\$ 685,205</u>	<u>\$ 3,906,571</u>	<u>\$ 2,115,857</u>	<u>\$ 167,345</u>	<u>\$ 230,569</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 527,528	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	4,791	11,116	0	0
Other Deferred/Unavailable Revenue	0	3,000	0	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 535,319</u>	<u>\$ 11,116</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 0	\$ 30,991	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	301,542	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	122,209	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>Community Development/ Industrial Park</u>	<u>HUD Grant Projects</u>	<u>Other Capital Projects - Workhouse</u>
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Capital Outlay	\$ 0	\$ 0	\$ 2,104,741	\$ 33,248	\$ 0
Committed:					
Committed for General Government	95,526	95,526	0	0	0
Committed for Finance	393,369	393,369	0	0	0
Committed for Administration of Justice	196,310	196,310	0	0	0
Committed for Public Health and Welfare	0	2,107,322	0	0	0
Committed for Social, Cultural, and Recreational Services	0	109,657	0	0	0
Committed for Capital Outlay	0	0	0	134,097	230,569
Assigned:					
Assigned for Public Safety	0	2,178	0	0	0
Assigned for Public Health and Welfare	0	12,148	0	0	0
Assigned for Capital Outlay	0	0	0	0	0
Total Fund Balances	<u>\$ 685,205</u>	<u>\$ 3,371,252</u>	<u>\$ 2,104,741</u>	<u>\$ 167,345</u>	<u>\$ 230,569</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 685,205</u>	<u>\$ 3,906,571</u>	<u>\$ 2,115,857</u>	<u>\$ 167,345</u>	<u>\$ 230,569</u>

(Continued)

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

<u>ASSETS</u>	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
Cash	\$ 0	\$ 0	\$ 680,375
Equity in Pooled Cash and Investments	162,601	2,629,053	5,297,863
Accounts Receivable	17,874	17,978	22,808
Due from Other Governments	8,854	8,854	27,862
Due from Component Units	120,000	120,000	120,000
Property Taxes Receivable	814,870	846,328	1,397,597
Allowance for Uncollectible Property Taxes	(27,490)	(44,981)	(62,702)
Notes Receivable - Long-term	0	33,248	33,248
Total Assets	<u>\$ 1,096,709</u>	<u>\$ 3,610,480</u>	<u>\$ 7,517,051</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u> 			
Deferred Current Property Taxes	\$ 777,410	\$ 777,410	\$ 1,304,938
Deferred Delinquent Property Taxes	7,935	19,051	23,842
Other Deferred/Unavailable Revenue	0	0	3,000
Total Deferred Inflows of Resources	<u>\$ 785,345</u>	<u>\$ 796,461</u>	<u>\$ 1,331,780</u>
 <u>FUND BALANCES</u> 			
Restricted:			
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 30,991
Restricted for Public Safety	0	0	301,542
Restricted for Social, Cultural, and Recreational Services	0	0	122,209

(Continued)

Exhibit F-1

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

FUND BALANCES (Cont.)	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Restricted (Cont.):			
Restricted for Capital Outlay	\$ 0	\$ 2,137,989	\$ 2,137,989
Committed:			
Committed for General Government	0	0	95,526
Committed for Finance	0	0	393,369
Committed for Administration of Justice	0	0	196,310
Committed for Public Health and Welfare	0	0	2,107,322
Committed for Social, Cultural, and Recreational Services	0	0	109,657
Committed for Capital Outlay	303,864	668,530	668,530
Assigned:			
Assigned for Public Safety	0	0	2,178
Assigned for Public Health and Welfare	0	0	12,148
Assigned for Capital Outlay	7,500	7,500	7,500
Total Fund Balances	<u>\$ 311,364</u>	<u>\$ 2,814,019</u>	<u>\$ 6,185,271</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,096,709</u>	<u>\$ 3,610,480</u>	<u>\$ 7,517,051</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, 2017

	Special Revenue Funds				
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center
<u>Revenues</u>					
Local Taxes	\$ 558	\$ 567,745	\$ 0	\$ 0	245,049
Fines, Forfeitures, and Penalties	1,243	0	0	191,436	0
Charges for Current Services	12,030	0	0	0	0
Other Local Revenues	0	0	0	24,931	0
State of Tennessee	0	20,047	88,515	0	0
Other Governments and Citizens Groups	0	0	10,000	0	0
Total Revenues	<u>\$ 13,831</u>	<u>\$ 587,792</u>	<u>\$ 98,515</u>	<u>\$ 216,367</u>	<u>\$ 245,049</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	0	0	0	228,257	0
Public Health and Welfare	0	0	151,849	16,400	0
Social, Cultural, and Recreational Services	11,956	636,742	0	0	244,293
Other Operations	134	11,497	28,000	1,949	2,450
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 12,090</u>	<u>\$ 648,239</u>	<u>\$ 179,849</u>	<u>\$ 246,606</u>	<u>\$ 246,743</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,741</u>	<u>\$ (60,447)</u>	<u>\$ (81,334)</u>	<u>\$ (30,239)</u>	<u>\$ (1,694)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agriculture Center
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Net Change in Fund Balances	\$ 1,741	\$ (60,447)	\$ (81,334)	\$ (30,239)	\$ (1,694)
Fund Balance, July 1, 2016	<u>29,250</u>	<u>182,656</u>	<u>2,200,804</u>	<u>333,959</u>	<u>111,351</u>
Fund Balance, June 30, 2017	<u>\$ 30,991</u>	<u>\$ 122,209</u>	<u>\$ 2,119,470</u>	<u>\$ 303,720</u>	<u>\$ 109,657</u>

(Continued)

Exhibit F-2

Bradley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
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	Other Capital Projects - Workhouse
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 813,352	\$ 0	\$ 1,620,105	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	192,679	0	0	0	0
Charges for Current Services	2,190,318	2,202,348	0	0	0	0
Other Local Revenues	0	24,931	0	562,454	752	0
State of Tennessee	0	108,562	0	32,570	0	0
Other Governments and Citizens Groups	0	10,000	0	0	0	0
Total Revenues	\$ 2,190,318	\$ 3,351,872	\$ 0	\$ 2,215,129	\$ 752	\$ 0
<u>Expenditures</u>						
Current:						
General Government	\$ 353,659	\$ 353,659	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,431,402	1,431,402	0	0	0	0
Administration of Justice	256,387	256,387	0	0	0	0
Public Safety	0	228,257	0	0	0	2,869,431
Public Health and Welfare	0	168,249	0	0	0	0
Social, Cultural, and Recreational Services	0	892,991	0	0	0	0
Other Operations	0	44,030	0	1,310,782	7	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 2,041,448	\$ 3,374,975	\$ 0	\$ 1,310,782	\$ 7	\$ 2,869,431
Excess (Deficiency) of Revenues Over Expenditures	\$ 148,870	\$ (23,103)	\$ 0	\$ 904,347	\$ 745	\$ (2,869,431)

(Continued)

Exhibit F-2

Bradley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
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	Other Capital Projects - Workhouse
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,100,000
Transfers Out	0	0	(140,190)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	(140,190)	\$ 0	\$ 0	3,100,000
Net Change in Fund Balances	\$ 148,870	\$ (23,103)	\$ (140,190)	\$ 904,347	\$ 745	\$ 230,569
Fund Balance, July 1, 2016	536,335	3,394,355	140,190	1,200,394	166,600	0
Fund Balance, June 30, 2017	\$ 685,205	\$ 3,371,252	\$ 0	\$ 2,104,741	\$ 167,345	\$ 230,569

(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
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 920,929	\$ 2,541,034	\$ 3,354,386
Fines, Forfeitures, and Penalties	0	0	192,679
Charges for Current Services	0	0	2,202,348
Other Local Revenues	168,384	731,590	756,521
State of Tennessee	43,225	75,795	184,357
Other Governments and Citizens Groups	0	0	10,000
Total Revenues	<u>\$ 1,132,538</u>	<u>\$ 3,348,419</u>	<u>\$ 6,700,291</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 353,659
Finance	0	0	1,431,402
Administration of Justice	0	0	256,387
Public Safety	0	2,869,431	3,097,688
Public Health and Welfare	0	0	168,249
Social, Cultural, and Recreational Services	0	0	892,991
Other Operations	20,055	1,330,844	1,374,874
Capital Projects	1,180,392	1,180,392	1,180,392
Total Expenditures	<u>\$ 1,200,447</u>	<u>\$ 5,380,667</u>	<u>\$ 8,755,642</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (67,909)</u>	<u>\$ (2,032,248)</u>	<u>\$ (2,055,351)</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
	Other Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 379,273	\$ 3,479,273	\$ 3,479,273
Transfers Out	0	(140,190)	(140,190)
Total Other Financing Sources (Uses)	<u>\$ 379,273</u>	<u>\$ 3,339,083</u>	<u>\$ 3,339,083</u>
Net Change in Fund Balances	\$ 311,364	\$ 1,306,835	\$ 1,283,732
Fund Balance, July 1, 2016	0	1,507,184	4,901,539
Fund Balance, June 30, 2017	<u>\$ 311,364</u>	<u>\$ 2,814,019</u>	<u>\$ 6,185,271</u>

Exhibit F-3

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 558	\$ 500	\$ 500	\$ 58
Fines, Forfeitures, and Penalties	1,243	1,251	1,251	(8)
Charges for Current Services	12,030	11,000	11,000	1,030
Total Revenues	<u>\$ 13,831</u>	<u>\$ 12,751</u>	<u>\$ 12,751</u>	<u>\$ 1,080</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 11,956	\$ 15,200	\$ 15,200	\$ 3,244
<u>Other Operations</u>				
Other Charges	134	150	150	16
Total Expenditures	<u>\$ 12,090</u>	<u>\$ 15,350</u>	<u>\$ 15,350</u>	<u>\$ 3,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,741</u>	<u>\$ (2,599)</u>	<u>\$ (2,599)</u>	<u>4,340</u>
Net Change in Fund Balance	\$ 1,741	\$ (2,599)	\$ (2,599)	4,340
Fund Balance, July 1, 2016	29,250	29,096	29,096	154
Fund Balance, June 30, 2017	<u><u>\$ 30,991</u></u>	<u><u>\$ 26,497</u></u>	<u><u>\$ 26,497</u></u>	<u><u>\$ 4,494</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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 567,745	\$ 561,513	\$ 573,074	\$ (5,329)
State of Tennessee	20,047	15,000	15,000	5,047
Total Revenues	<u>\$ 587,792</u>	<u>\$ 576,513</u>	<u>\$ 588,074</u>	<u>\$ (282)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 636,742	\$ 636,742	\$ 636,742	\$ 0
<u>Other Operations</u>				
Other Charges	11,497	15,000	15,000	3,503
Total Expenditures	<u>\$ 648,239</u>	<u>\$ 651,742</u>	<u>\$ 651,742</u>	<u>\$ 3,503</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (60,447)</u>	<u>\$ (75,229)</u>	<u>\$ (63,668)</u>	<u>\$ 3,221</u>
Net Change in Fund Balance	\$ (60,447)	\$ (75,229)	\$ (63,668)	\$ 3,221
Fund Balance, July 1, 2016	<u>182,656</u>	<u>178,053</u>	<u>178,053</u>	<u>4,603</u>
Fund Balance, June 30, 2017	<u><u>\$ 122,209</u></u>	<u><u>\$ 102,824</u></u>	<u><u>\$ 114,385</u></u>	<u><u>\$ 7,824</u></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, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 88,515	\$ 0	\$ 88,515	\$ 65,000	\$ 68,153	\$ 20,362
Other Governments and Citizens Groups	10,000	0	10,000	10,000	10,000	0
Total Revenues	\$ 98,515	\$ 0	\$ 98,515	\$ 75,000	\$ 78,153	\$ 20,362
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Other Waste Collection	\$ 60,034	\$ 0	\$ 60,034	\$ 65,000	\$ 65,000	\$ 4,966
Recycling Center	91,815	12,148	103,963	110,852	110,852	6,889
<u>Other Operations</u>						
Other Charges	0	0	0	3,400	3,400	3,400
Contributions to Other Agencies	28,000	0	28,000	28,000	28,000	0
Total Expenditures	\$ 179,849	\$ 12,148	\$ 191,997	\$ 207,252	\$ 207,252	\$ 15,255
Excess (Deficiency) of Revenues Over Expenditures	\$ (81,334)	\$ (12,148)	\$ (93,482)	\$ (132,252)	\$ (129,099)	\$ 35,617
Net Change in Fund Balance	\$ (81,334)	\$ (12,148)	\$ (93,482)	\$ (132,252)	\$ (129,099)	\$ 35,617
Fund Balance, July 1, 2016	2,200,804	0	2,200,804	2,145,635	2,145,635	55,169
Fund Balance, June 30, 2017	\$ 2,119,470	\$ (12,148)	\$ 2,107,322	\$ 2,013,383	\$ 2,016,536	\$ 90,786

Exhibit F-6

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 191,436	\$ 0	\$ 0	\$ 191,436	\$ 118,500	\$ 191,695	\$ (259)
Other Local Revenues	24,931	0	0	24,931	10,000	24,931	0
Total Revenues	<u>\$ 216,367</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 216,367</u>	<u>\$ 128,500</u>	<u>\$ 216,626</u>	<u>\$ (259)</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 33,985	\$ (5,955)	\$ 260	\$ 28,290	\$ 29,000	\$ 44,000	\$ 15,710
Drug Enforcement	194,272	(3,374)	1,918	192,816	297,059	282,723	89,907
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	16,400	0	0	16,400	15,000	16,400	0
<u>Other Operations</u>							
Other Charges	1,949	0	0	1,949	1,500	1,950	1
Total Expenditures	<u>\$ 246,606</u>	<u>\$ (9,329)</u>	<u>\$ 2,178</u>	<u>\$ 239,455</u>	<u>\$ 342,559</u>	<u>\$ 345,073</u>	<u>\$ 105,618</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (30,239)</u>	<u>\$ 9,329</u>	<u>\$ (2,178)</u>	<u>\$ (23,088)</u>	<u>\$ (214,059)</u>	<u>\$ (128,447)</u>	<u>\$ 105,359</u>
Net Change in Fund Balance	\$ (30,239)	\$ 9,329	\$ (2,178)	\$ (23,088)	\$ (214,059)	\$ (128,447)	\$ 105,359
Fund Balance, July 1, 2016	<u>333,959</u>	<u>(9,329)</u>	<u>0</u>	<u>324,630</u>	<u>214,059</u>	<u>214,059</u>	<u>110,571</u>
Fund Balance, June 30, 2017	<u>\$ 303,720</u>	<u>\$ 0</u>	<u>\$ (2,178)</u>	<u>\$ 301,542</u>	<u>\$ 0</u>	<u>\$ 85,612</u>	<u>\$ 215,930</u>

Exhibit F-7

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 245,049	\$ 0	\$ 245,049	\$ 256,000	\$ 293,000	\$ (47,951)
Total Revenues	\$ 245,049	\$ 0	\$ 245,049	\$ 256,000	\$ 293,000	\$ (47,951)
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Other Social, Cultural, and Recreational	\$ 244,293	\$ (1,293)	\$ 243,000	\$ 260,393	\$ 259,743	\$ 16,743
<u>Other Operations</u>						
Other Charges	2,450	0	2,450	2,140	2,790	340
Total Expenditures	\$ 246,743	\$ (1,293)	\$ 245,450	\$ 262,533	\$ 262,533	\$ 17,083
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,694)	\$ 1,293	\$ (401)	\$ (6,533)	\$ 30,467	\$ (30,868)
Net Change in Fund Balance	\$ (1,694)	\$ 1,293	\$ (401)	\$ (6,533)	\$ 30,467	\$ (30,868)
Fund Balance, July 1, 2016	111,351	(1,293)	110,058	133,413	133,413	(23,355)
Fund Balance, June 30, 2017	\$ 109,657	\$ 0	\$ 109,657	\$ 126,880	\$ 163,880	\$ (54,223)

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,490,760	\$ 5,544,609	\$ 5,610,440	\$ (119,680)
Other Local Revenues	5,250	2,000	2,000	3,250
State of Tennessee	215,904	175,000	175,000	40,904
Federal Government	304,696	303,387	303,387	1,309
Other Governments and Citizens Groups	100,158	0	100,158	0
Total Revenues	<u>\$ 6,116,768</u>	<u>\$ 6,024,996</u>	<u>\$ 6,190,985</u>	<u>\$ (74,217)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 113,661	\$ 157,500	\$ 157,500	\$ 43,839
<u>Principal on Debt</u>				
General Government	991,288	1,229,288	1,229,288	238,000
Education	3,714,945	3,618,712	3,714,945	0
<u>Interest on Debt</u>				
General Government	298,570	636,136	636,136	337,566
Education	1,782,037	2,039,752	2,043,677	261,640
<u>Other Debt Service</u>				
General Government	103,495	211,320	211,320	107,825
Education	234,664	365,198	365,198	130,534
Total Expenditures	<u>\$ 7,238,660</u>	<u>\$ 8,257,906</u>	<u>\$ 8,358,064</u>	<u>\$ 1,119,404</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,121,892)</u>	<u>\$ (2,232,910)</u>	<u>\$ (2,167,079)</u>	<u>\$ 1,045,187</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 214,013	\$ 594,013	\$ 314,013	\$ (100,000)
Total Other Financing Sources	<u>\$ 214,013</u>	<u>\$ 594,013</u>	<u>\$ 314,013</u>	<u>\$ (100,000)</u>
Net Change in Fund Balance	\$ (907,879)	\$ (1,638,897)	\$ (1,853,066)	\$ 945,187
Fund Balance, July 1, 2016	10,242,491	10,139,400	10,139,400	103,091
Fund Balance, June 30, 2017	<u>\$ 9,334,612</u>	<u>\$ 8,500,503</u>	<u>\$ 8,286,334</u>	<u>\$ 1,048,278</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, 2017

	Agency Funds				
	Cities - Sales Tax	Cities - Mixed Drink Tax In Litigation	City School ADA - Cleveland	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 7,515,161	\$ 7,515,161
Equity in Pooled Cash and Investments	0	14,680	27,804	0	42,484
Due from Other Governments	1,972,589	675	1,098,165	0	3,071,429
Property Taxes Receivable	0	0	6,658,661	0	6,658,661
Allowance for Uncollectible Property Taxes	0	0	(213,998)	0	(213,998)
Total Assets	<u>\$ 1,972,589</u>	<u>\$ 15,355</u>	<u>\$ 7,570,632</u>	<u>\$ 7,515,161</u>	<u>\$ 17,073,737</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,972,589	\$ 15,355	\$ 7,570,632	\$ 0	\$ 9,558,576
Due to Litigants, Heirs, and Others	0	0	0	7,515,161	7,515,161
Total Liabilities	<u>\$ 1,972,589</u>	<u>\$ 15,355</u>	<u>\$ 7,570,632</u>	<u>\$ 7,515,161</u>	<u>\$ 17,073,737</u>

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,791,855	\$ 12,791,855	\$ 0
Due from Other Governments	2,034,212	1,972,589	2,034,212	1,972,589
Total Assets	\$ 2,034,212	\$ 14,764,444	\$ 14,826,067	\$ 1,972,589
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,034,212	\$ 14,764,444	\$ 14,826,067	\$ 1,972,589
Total Liabilities	\$ 2,034,212	\$ 14,764,444	\$ 14,826,067	\$ 1,972,589
<u>Cities - Mixed Drink Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,573	\$ 4,107	\$ 0	\$ 14,680
Due from Other Governments	736	675	736	675
Total Assets	\$ 11,309	\$ 4,782	\$ 736	\$ 15,355
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,309	\$ 4,782	\$ 736	\$ 15,355
Total Liabilities	\$ 11,309	\$ 4,782	\$ 736	\$ 15,355
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,611	\$ 13,534,239	\$ 13,518,046	\$ 27,804
Due from Other Governments	1,103,232	1,098,165	1,103,232	1,098,165
Taxes Receivable	6,098,510	6,658,661	6,098,510	6,658,661
Allowance for Uncollectible Taxes	(219,679)	(213,998)	(219,679)	(213,998)
Total Assets	\$ 6,993,674	\$ 21,077,067	\$ 20,500,109	\$ 7,570,632
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,993,674	\$ 21,077,067	\$ 20,500,109	\$ 7,570,632
Total Liabilities	\$ 6,993,674	\$ 21,077,067	\$ 20,500,109	\$ 7,570,632

(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	\$ 66,335	\$ 66,335	\$ 0
Total Assets	\$ 0	\$ 66,335	\$ 66,335	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 66,335	\$ 66,335	\$ 0
Total Liabilities	\$ 0	\$ 66,335	\$ 66,335	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,372,816	\$ 23,698,294	\$ 23,555,949	\$ 7,515,161
Total Assets	\$ 7,372,816	\$ 23,698,294	\$ 23,555,949	\$ 7,515,161
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,372,816	\$ 23,698,294	\$ 23,555,949	\$ 7,515,161
Total Liabilities	\$ 7,372,816	\$ 23,698,294	\$ 23,555,949	\$ 7,515,161
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,372,816	\$ 23,698,294	\$ 23,555,949	\$ 7,515,161
Equity in Pooled Cash and Investments	22,184	26,396,536	26,376,236	42,484
Due from Other Governments	3,138,180	3,071,429	3,138,180	3,071,429
Taxes Receivable	6,098,510	6,658,661	6,098,510	6,658,661
Allowance for Uncollectible Taxes	(219,679)	(213,998)	(219,679)	(213,998)
Total Assets	\$ 16,412,011	\$ 59,610,922	\$ 58,949,196	\$ 17,073,737
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,039,195	\$ 35,912,628	\$ 35,393,247	\$ 9,558,576
Due to Litigants, Heirs, and Others	7,372,816	23,698,294	23,555,949	7,515,161
Total Liabilities	\$ 16,412,011	\$ 59,610,922	\$ 58,949,196	\$ 17,073,737

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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 61,171,845	\$ 3,432	\$ 6,036,656	\$ 1,040,000	\$ (54,091,757)
Support Services	24,799,004	0	0	0	(24,799,004)
Operation of Non-instructional Services	6,116,106	1,493,667	4,239,428	0	(383,011)
Total Governmental Activities	\$ 92,086,955	\$ 1,497,099	\$ 10,276,084	\$ 1,040,000	\$ (79,273,772)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 12,318,032
Local Option Sales Taxes					11,970,050
Income Tax					159,428
Business Tax					7,270
Interstate Telecommunications Tax					6,108
Grants and Contributions Not Restricted to Specific Programs					48,168,352
Unrestricted Investment Earnings					41,224
Miscellaneous					52,360
Total General Revenues					\$ 72,722,824
Change in Net Position					\$ (6,550,948)
Net Position, July 1, 2016					60,352,556
Net Position, June 30, 2017					\$ 53,801,608

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2017

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 3,181,843	\$ 10,043	\$ 3,191,886
Equity in Pooled Cash and Investments	16,815,707	1,729,811	18,545,518
Accounts Receivable	10,716	0	10,716
Due from Other Governments	2,165,710	102,462	2,268,172
Property Taxes Receivable	12,050,407	0	12,050,407
Allowance for Uncollectible Property Taxes	(387,290)	0	(387,290)
Prepaid Items	10,399	5,000	15,399
Total Assets	\$ 33,847,492	\$ 1,847,316	\$ 35,694,808
<u>LIABILITIES</u>			
Accounts Payable	\$ 98,333	\$ 6,719	\$ 105,052
Accrued Payroll	6,301,248	415,582	6,716,830
Payroll Deductions Payable	1,039,986	117,467	1,157,453
Contracts Payable	2,402,950	0	2,402,950
Retainage Payable	144,492	0	144,492
Due to Primary Government	120,000	0	120,000
Total Liabilities	\$ 10,107,009	\$ 539,768	\$ 10,646,777
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 11,531,581	\$ 0	\$ 11,531,581
Deferred Delinquent Property Taxes	104,690	0	104,690
Other Deferred/Unavailable Revenue	1,095,000	0	1,095,000
Total Deferred Inflows of Resources	\$ 12,731,271	\$ 0	\$ 12,731,271
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 10,399	\$ 5,000	\$ 15,399
Restricted:			
Restricted for Education	378,407	1,007,548	1,385,955
Restricted for Capital Outlay	1,680,092	0	1,680,092
Committed:			
Committed for Education	0	295,000	295,000
Committed for Capital Projects	1,201,103	0	1,201,103
Unassigned	7,739,211	0	7,739,211
Total Fund Balances	\$ 11,009,212	\$ 1,307,548	\$ 12,316,760
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,847,492	\$ 1,847,316	\$ 35,694,808

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, 2017

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)		\$	12,316,760
(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		3,704,764	
Add: buildings and improvements net of accumulated depreciation		62,444,684	
Add: other capital assets net of accumulated depreciation		<u>1,708,904</u>	69,469,264
(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	\$	(16,315,788)	
Less: other postemployment benefits liability		(11,018,140)	
Less: net pension liability - agent plan		(383,912)	
Less: net pension liability - teacher legacy pension plan		<u>(6,363,389)</u>	(34,081,229)
(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	\$	12,867,153	
Less: deferred inflows of resources related to pensions		<u>(8,032,995)</u>	4,834,158
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - teacher retirement plan			62,965
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,199,690</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>53,801,608</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, 2017

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 24,338,227	\$ 0	\$ 24,338,227
Licenses and Permits	5,980	0	5,980
Charges for Current Services	3,432	1,493,667	1,497,099
Other Local Revenues	94,740	8,844	103,584
State of Tennessee	48,999,206	0	48,999,206
Federal Government	496,164	8,999,997	9,496,161
Other Governments and Citizens Groups	17,324,960	0	17,324,960
Total Revenues	<u>\$ 91,262,709</u>	<u>\$ 10,502,508</u>	<u>\$ 101,765,217</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 45,731,185	\$ 2,605,080	\$ 48,336,265
Support Services	22,524,367	2,671,560	25,195,927
Operation of Non-Instructional Services	1,704,751	5,158,931	6,863,682
Capital Outlay	19,004,678	0	19,004,678
Total Expenditures	<u>\$ 88,964,981</u>	<u>\$ 10,435,571</u>	<u>\$ 99,400,552</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 2,297,728</u>	<u>\$ 66,937</u>	<u>\$ 2,364,665</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 50,000	\$ 0	\$ 50,000
Transfers Out	0	(50,000)	(50,000)
Total Other Financing Sources (Uses)	<u>\$ 50,000</u>	<u>\$ (50,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 2,347,728	\$ 16,937	\$ 2,364,665
Fund Balance, July 1, 2016	8,661,484	1,290,611	9,952,095
Fund Balance, June 30, 2017	<u>\$ 11,009,212</u>	<u>\$ 1,307,548</u>	<u>\$ 12,316,760</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, 2017

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,364,665
(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	\$ 9,514,216	
Less: current-year depreciation expense	<u>(2,991,643)</u>	6,522,573
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value on capital assets disposed		(331,391)
(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, 2017	\$ 1,199,690	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(1,143,940)</u>	55,750
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on capital leases to primary government	\$ 96,233	
Less: capital lease proceeds from primary government	<u>(16,284,960)</u>	(16,188,727)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ (1,176,755)	
Change in net pension liability/asset	(677,838)	
Change in net pension asset - Teacher Retirement Plan	38,124	
Change in net pension asset - Teacher Legacy Plan	(5,951,014)	
Change in deferred outflows related to pensions	7,082,564	
Change in deferred inflows related to pensions	<u>1,711,101</u>	<u>1,026,182</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (6,550,948)</u>

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 10,043	\$ 10,043
Equity in Pooled Cash and Investments	684,817	1,044,994	1,729,811
Due from Other Governments	102,462	0	102,462
Prepaid Items	5,000	0	5,000
Total Assets	<u>\$ 792,279</u>	<u>\$ 1,055,037</u>	<u>\$ 1,847,316</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,719	\$ 0	\$ 6,719
Accrued Payroll	415,582	0	415,582
Payroll Deductions Payable	69,053	48,414	117,467
Total Liabilities	<u>\$ 491,354</u>	<u>\$ 48,414</u>	<u>\$ 539,768</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 5,000	\$ 0	\$ 5,000
Restricted:			
Restricted for Education	925	1,006,623	1,007,548
Committed:			
Committed for Education	295,000	0	295,000
Total Fund Balances	<u>\$ 300,925</u>	<u>\$ 1,006,623</u>	<u>\$ 1,307,548</u>
Total Liabilities and Fund Balances	<u>\$ 792,279</u>	<u>\$ 1,055,037</u>	<u>\$ 1,847,316</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, 2017

	Special Revenue Funds		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,493,667	\$ 1,493,667
Other Local Revenues	3,736	5,108	8,844
Federal Government	5,326,571	3,673,426	8,999,997
Total Revenues	\$ 5,330,307	\$ 5,172,201	\$ 10,502,508
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,605,080	\$ 0	\$ 2,605,080
Support Services	2,671,560	0	2,671,560
Operation of Non-Instructional Services	0	5,158,931	5,158,931
Total Expenditures	\$ 5,276,640	\$ 5,158,931	\$ 10,435,571
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,667	\$ 13,270	\$ 66,937
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (50,000)	\$ 0	\$ (50,000)
Total Other Financing Sources (Uses)	\$ (50,000)	\$ 0	\$ (50,000)
Net Change in Fund Balances	\$ 3,667	\$ 13,270	\$ 16,937
Fund Balance, July 1, 2016	297,258	993,353	1,290,611
Fund Balance, June 30, 2017	\$ 300,925	\$ 1,006,623	\$ 1,307,548

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 24,338,227	\$ 0	\$ 24,338,227	\$ 23,878,151	\$ 23,878,151	\$ 460,076
Licenses and Permits	5,980	0	5,980	5,500	5,500	480
Charges for Current Services	3,432	0	3,432	4,000	4,000	(568)
Other Local Revenues	94,740	0	94,740	25,500	63,472	31,268
State of Tennessee	48,999,206	0	48,999,206	46,845,000	48,777,853	221,353
Federal Government	496,164	0	496,164	145,000	512,202	(16,038)
Other Governments and Citizens Groups	17,324,960	0	17,324,960	0	17,324,960	0
Total Revenues	\$ 91,262,709	\$ 0	\$ 91,262,709	\$ 70,903,151	\$ 90,566,138	\$ 696,571
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 38,654,917	\$ 0	\$ 38,654,917	\$ 38,856,557	\$ 39,077,628	\$ 422,711
Special Education Program	4,315,609	0	4,315,609	4,322,642	4,382,328	66,719
Career and Technical Education Program	2,760,659	0	2,760,659	2,861,928	2,962,147	201,488
<u>Support Services</u>						
Attendance	154,438	0	154,438	162,490	162,490	8,052
Health Services	750,756	0	750,756	745,242	761,798	11,042
Other Student Support	3,383,584	0	3,383,584	3,417,300	3,425,300	41,716
Regular Instruction Program	2,139,886	0	2,139,886	2,216,943	2,226,943	87,057
Special Education Program	970,707	0	970,707	869,547	973,968	3,261
Career and Technical Education Program	140,068	0	140,068	141,614	141,614	1,546
Technology	636,290	0	636,290	736,097	736,097	99,807
Other Programs	353,840	0	353,840	0	353,840	0
Board of Education	919,873	0	919,873	1,016,115	1,016,115	96,242
Director of Schools	381,281	0	381,281	459,333	459,333	78,052

(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 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Office of the Principal	\$ 3,789,280	\$ 0	\$ 3,789,280	\$ 3,894,517	\$ 3,897,017	\$ 107,737
Fiscal Services	297,294	0	297,294	350,767	351,767	54,473
Human Services/Personnel	180,308	0	180,308	190,601	191,601	11,293
Operation of Plant	4,954,920	0	4,954,920	4,880,158	5,177,301	222,381
Maintenance of Plant	1,057,676	0	1,057,676	1,204,474	1,211,474	153,798
Transportation	2,414,166	0	2,414,166	2,409,953	2,432,953	18,787
<u>Operation of Non-Instructional Services</u>						
Food Service	94,814	0	94,814	96,643	96,643	1,829
Community Services	319,896	0	319,896	0	334,999	15,103
Early Childhood Education	1,290,041	0	1,290,041	0	1,290,041	0
<u>Capital Outlay</u>						
Regular Capital Outlay	19,004,678	(96,450)	18,908,228	2,130,230	21,822,646	2,914,418
Total Expenditures	\$ 88,964,981	\$ (96,450)	\$ 88,868,531	\$ 70,963,151	\$ 93,486,043	\$ 4,617,512
Excess (Deficiency) of Revenues Over Expenditures						
	\$ 2,297,728	\$ 96,450	\$ 2,394,178	\$ (60,000)	\$ (2,919,905)	\$ 5,314,083
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 50,000	\$ 0	\$ 50,000	\$ 60,000	\$ 63,328	\$ (13,328)
Total Other Financing Sources	\$ 50,000	\$ 0	\$ 50,000	\$ 60,000	\$ 63,328	\$ (13,328)
Net Change in Fund Balance						
Fund Balance, July 1, 2016	\$ 2,347,728	\$ 96,450	\$ 2,444,178	\$ 0	\$ (2,856,577)	\$ 5,300,755
	8,661,484	(96,450)	8,565,034	8,342,201	8,342,201	222,833
Fund Balance, June 30, 2017						
	\$ 11,009,212	\$ 0	\$ 11,009,212	\$ 8,342,201	\$ 5,485,624	\$ 5,523,588

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,736	\$ 0	\$ 0	\$ 3,736
Federal Government	5,326,571	5,651,279	6,987,793	(1,661,222)
Total Revenues	\$ 5,330,307	\$ 5,651,279	\$ 6,987,793	\$ (1,657,486)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,287,863	\$ 1,354,448	\$ 1,414,203	\$ 126,340
Special Education Program	1,153,475	1,193,323	1,454,661	301,186
Career and Technical Education Program	163,742	159,733	163,970	228
<u>Support Services</u>				
Other Student Support	605,465	613,989	621,448	15,983
Regular Instruction Program	1,271,840	1,371,884	2,355,604	1,083,764
Special Education Program	633,328	729,237	729,237	95,909
Career and Technical Education Program	1,166	1,165	1,166	0
Transportation	159,761	177,500	197,500	37,739
Total Expenditures	\$ 5,276,640	\$ 5,601,279	\$ 6,937,789	\$ 1,661,149
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,667	\$ 50,000	\$ 50,004	\$ 3,663
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Total Other Financing Sources	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Net Change in Fund Balance	\$ 3,667	\$ 0	\$ 4	\$ 3,663
Fund Balance, July 1, 2016	297,258	297,258	297,258	0
Fund Balance, June 30, 2017	\$ 300,925	\$ 297,258	\$ 297,262	\$ 3,663

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,493,667	\$ 1,970,000	\$ 1,970,000	\$ (476,333)
Other Local Revenues	5,108	11,000	11,000	(5,892)
Federal Government	3,673,426	3,870,000	3,870,000	(196,574)
Total Revenues	<u>\$ 5,172,201</u>	<u>\$ 5,851,000</u>	<u>\$ 5,851,000</u>	<u>\$ (678,799)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,158,931	\$ 5,851,000	\$ 5,851,000	\$ 692,069
Total Expenditures	<u>\$ 5,158,931</u>	<u>\$ 5,851,000</u>	<u>\$ 5,851,000</u>	<u>\$ 692,069</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,270	\$ 0	\$ 0	\$ 13,270
Net Change in Fund Balance	\$ 13,270	\$ 0	\$ 0	\$ 13,270
Fund Balance, July 1, 2016	<u>993,353</u>	<u>1,127,368</u>	<u>1,127,368</u>	<u>(134,015)</u>
Fund Balance, June 30, 2017	<u>\$ 1,006,623</u>	<u>\$ 1,127,368</u>	<u>\$ 1,127,368</u>	<u>\$ (120,745)</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, 2017

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7-1-16</u>	<u>Issued During Period</u>	<u>Paid and/or Matured During Period</u>	<u>Outstanding 6-30-17</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Build America Bonds 2009	\$ 17,550,000	(1) 5 to 5.55 %	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	1,505,000	0	745,000	760,000
General Obligation Series 2014	2,870,000	2 to 2.125	3-15-13	6-1-29	2,400,000	0	165,000	2,235,000
Total Bonds Payable					<u>\$ 21,455,000</u>	<u>\$ 0</u>	<u>\$ 910,000</u>	<u>\$ 20,545,000</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	\$ 7,080,000	\$ 0	\$ 1,110,000	\$ 5,970,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	32,105,000	0	2,590,000	29,515,000
Total Other Loans Payable					<u>\$ 39,185,000</u>	<u>\$ 0</u>	<u>\$ 3,700,000</u>	<u>\$ 35,485,000</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>								
Computer Equipment	193,500	3.089	11-20-15	11-20-17	\$ 127,061	\$ 0	\$ 62,564	\$ 64,497
Computer Equipment	96,460	4.79	1-6-17	12-16-18	0	96,460	33,669	62,791
Energy Upgrades	16,188,500	2.45	8-19-16	8-15-36	0	16,188,500	0	16,188,500
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 127,061</u>	<u>\$ 16,284,960</u>	<u>\$ 96,233</u>	<u>\$ 16,315,788</u>
<u>Payable through Special Purpose Fire Tax Fund</u>								
Fire Dept. - Turnout Gear	195,700	3.37	11-3-14	4-1-19	\$ 118,823	\$ 0	\$ 38,270	\$ 80,553
Total Capital Leases Payable					<u>\$ 245,884</u>	<u>\$ 16,284,960</u>	<u>\$ 134,503</u>	<u>\$ 16,396,341</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)	
2018	\$ 925,000	\$ 995,993	\$ (327,278)	\$ 1,593,715
2019	170,000	977,493	(327,278)	820,215
2020	175,000	974,093	(327,278)	821,815
2021	175,000	970,593	(327,278)	818,315
2022	2,030,000	967,093	(327,278)	2,669,815
2023	2,135,000	870,993	(294,903)	2,711,090
2024	2,235,000	769,987	(260,846)	2,744,141
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	367,967	(125,702)	3,647,265
2029	3,510,000	187,613	(64,102)	3,633,511
Total	\$ 20,545,000	\$ 8,824,378	\$ (2,973,885)	\$ 26,395,493

(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	
2018	\$ 3,860,000	\$ 468,406	\$ 326,871	\$ 4,655,277
2019	4,905,000	403,884	300,275	5,609,159
2020	5,140,000	334,541	260,894	5,735,435
2021	5,390,000	260,111	219,463	5,869,574
2022	2,420,000	147,329	158,014	2,725,343
2023	2,545,000	125,307	134,396	2,804,703
2024	2,680,000	102,148	109,556	2,891,704
2025	2,790,000	77,759	83,399	2,951,158
2026	5,755,000	52,371	56,169	5,863,540
Total	\$ 35,485,000	\$ 1,971,856	\$ 1,649,037	\$ 39,105,893

Exhibit J-2

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

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2018	\$ 632,603	\$ 569,852	\$ 1,202,455
2019	752,728	383,238	1,135,966
2020	696,391	363,530	1,059,921
2021	713,557	346,364	1,059,921
2022	731,146	328,775	1,059,921
2023	749,169	310,752	1,059,921
2024	767,636	292,285	1,059,921
2025	786,558	273,363	1,059,921
2026	805,947	253,974	1,059,921
2027	825,813	234,108	1,059,921
2028	846,170	213,751	1,059,921
2029	867,028	192,893	1,059,921
2030	888,400	171,521	1,059,921
2031	910,299	149,622	1,059,921
2032	932,738	127,183	1,059,921
2033	955,730	104,191	1,059,921
2034	979,289	80,632	1,059,921
2035	1,003,429	56,492	1,059,921
2036	1,028,163	31,758	1,059,921
2037	523,547	6,413	529,960
Total	\$ 16,396,341	\$ 4,490,697	\$ 20,887,038

Exhibit J-3

Bradley County, Tennessee
Schedule of Notes Receivable
June 30, 2017

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-17
<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	1,002
"	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>\$ 33,248</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, 2017

<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	\$ 214,013
Education Capital Projects	Other Capital Projects	To Close Fund	239,083
General Capital Projects	"	"	140,190
General	Other Capital Projects - Workhouse	Construction of Workhouse	<u>3,100,000</u>
Total Transfers Primary Government			<u>\$ 3,693,286</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 50,000</u>
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 50,000</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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 98,460 (1)	\$ 100,000	Auto Owners (Mutual) Insurance
Road Superintendent	Section 8-24-102, TCA, and County Commission	90,798 (2)	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	137,000 (3)	100,000	Western Surety Company
Trustee	Section 8-24-102, TCA, and County Commission	82,544 (4)	3,402,554	Auto Owners (Mutual) Insurance
Assessor of Property	Section 8-24-102, TCA, and County Commission	82,544 (4)	(7)	"
County Clerk	Section 8-24-102, TCA, and County Commission	82,544 (4)	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA, and County Commission	82,544 (4)	100,000	"
Clerk and Master	Section 8-24-102, TCA, County Commission, and Chancery Court Judge	82,544 (4) (5)	100,000	"
Register of Deeds	Section 8-24-102, TCA, and County Commission	82,544 (4)	100,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	90,798 (2) (6)	100,000	"
Other Bonds:				
	Public Employee Dishonesty		400,000	Local Government Property and Casualty Fund
	School Employee Dishonesty		400,000	Tennessee Risk Management Trust

- (1) Includes compensation of \$3,000 as county purchasing agent and a two percent increase of \$1,826 above the minimum salary and amount received as purchasing agent.
(2) Includes a two percent increase of \$1,754 above the minimum salary.
(3) Includes a chief executive officer training supplement of \$1,000.
(4) Includes a two percent increase of \$1,595 above the minimum salary.
(5) Does not include special commissioner fees of \$2,355.
(6) Does not include a law enforcement training supplement of \$600.
(7) Covered under the Public Employee Dishonesty Bond.

Exhibit J-6

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	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	\$ 10,838,342	\$ 0	\$ 507,558	\$ 0	\$ 4,001,826
Trustee's Collections - Prior Year	198,041	0	10,260	0	62,069
Circuit Clerk/Clerk and Master Collections - Prior Years	206,836	0	10,775	0	368,085
Interest and Penalty	44,250	0	2,215	0	15,265
Payments in-Lieu-of Taxes - T.V.A.	7,026	0	329	0	5,543
Payments in-Lieu-of Taxes - Local Utilities	5,071	0	237	0	4,001
Payments in-Lieu-of Taxes - Other	726,520	0	34,020	0	506,722
<u>County Local Option Taxes</u>					
Local Option Sales Tax	5,871,511	0	0	0	0
Hotel/Motel Tax	810,442	0	0	0	0
Local Amusement Tax	752	0	0	0	0
Litigation Tax - General	331,682	0	0	0	0
Litigation Tax - Special Purpose	70,607	558	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	66,775	0	0	0	0
Business Tax	1,432,698	0	0	0	0
Mixed Drink Tax	12,243	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	50,200	0	2,351	0	0
Wholesale Beer Tax	323,306	0	0	0	0
Interstate Telecommunications Tax	4,330	0	0	0	0
Total Local Taxes	\$ 21,000,632	\$ 558	\$ 567,745	\$ 0	\$ 4,963,511
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 246,761	\$ 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	\$ 4,718	\$ 0	\$ 0	\$ 0	0
Building Permits	126,727	0	0	0	0
Electrical Permits	11,174	0	0	0	0
Total Licenses and Permits	<u>\$ 389,380</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 9,856	\$ 0	\$ 0	\$ 0	0
Officers Costs	38,519	0	0	0	0
Drug Control Fines	13,405	0	0	0	0
Data Entry Fee - Circuit Court	41,453	0	0	0	0
Courtroom Security Fee	1,377	0	0	0	0
<u>Criminal Court</u>					
Fines	150,708	1,243	0	0	0
Officers Costs	120,555	0	0	0	0
Drug Control Fines	13,286	0	0	0	0
Jail Fees	81,896	0	0	0	0
DUI Treatment Fines	20,961	0	0	0	0
Data Entry Fee - Criminal Court	5,757	0	0	0	0
Courtroom Security Fee	8,689	0	0	0	0
<u>General Sessions Court</u>					
Fines for Littering	760	0	0	0	0
Game and Fish Fines	108	0	0	0	0
Jail Fees	10,576	0	0	0	0
Data Entry Fee - General Sessions Court	22,563	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	\$ 16,319	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	19,462	0	0	0	0
<u>Chancery Court</u>					
Courtroom Security Fee	21	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	18,915	0	0	0	0
Officers Costs	3,420	0	0	0	0
Drug Court Fees	35,478	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	15,954	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 650,038</u>	<u>\$ 1,243</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Water Treatment Charges	\$ 2,425	\$ 0	\$ 0	\$ 0	0
Patient Charges	4,653,773	0	0	0	0
Zoning Studies	450	0	0	0	0
Work Release Charges for Board	7,608	0	0	0	0
Other General Service Charges	23,859	0	0	0	0
Service Charges	263,247	0	0	0	0
<u>Fees</u>					
Recreation Fees	98,269	0	0	0	0
Copy Fees	3,338	0	0	0	15
Library Fees	0	12,030	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>					
Archives and Records Management Fee	\$ 35,473	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	118,904	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	33,112	0	0	0	0
Probation Fees	345,897	0	0	0	0
Data Processing Fee - Sheriff	2,562	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,550	0	0	0	0
Data Processing Fee - County Clerk	8,448	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	27,750	0	0	0	0
Other Charges for Services	13,900	0	0	0	0
Total Charges for Current Services	\$ 5,647,565	\$ 12,030	\$ 0	\$ 0	\$ 15
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 168,123	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	233,618	0	0	0	0
Sale of Materials and Supplies	450	0	0	0	0
Commissary Sales	86,867	0	0	0	0
Sale of Gasoline	74,323	0	0	0	0
Sale of Maps	3,762	0	0	0	0
Sale of Recycled Materials	18,074	0	0	0	0
Miscellaneous Refunds	717	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	\$ 35,485	\$ 0	\$ 0	\$ 0	1,500
Sale of Property	10,000	0	0	0	0
Contributions and Gifts	15,447	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	423,533	0	0	0	1,443
Total Other Local Revenues	<u>\$ 1,070,399</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,943</u>
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 69,500	\$ 0	\$ 0	\$ 0	0
Clerk and Master	195,425	0	0	0	0
Register	113,188	0	0	0	0
Trustee	800,386	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	469,718	0	0	0	0
Criminal Court Clerk	594,728	0	0	0	0
General Sessions Court Clerk	539,666	0	0	0	0
Sheriff	34,237	0	0	0	0
Total Fees Received From County Officials	<u>\$ 2,816,848</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 61,772	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>					
Drug Control Grants	127,565	0	0	0	0
Other Public Safety Grants	6,150	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>Health and Welfare Grants</u>					
Health Department Programs	\$ 1,425,965	\$ 0	\$ 0	\$ 0	0
Other Health and Welfare Grants	32,500	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	37,850	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	121,161	0	6,008	0	0
Beer Tax	18,415	0	0	0	0
Vehicle Certificate of Title Fees	16,065	0	0	0	0
Alcoholic Beverage Tax	149,387	0	0	0	0
State Revenue Sharing - T.V.A.	299,815	0	14,039	0	0
Contracted Prisoner Boarding	1,313,974	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	15,164	0	0	0	0
State Shared Sales Tax - Cities	15,594	0	0	0	0
Other State Grants	248,044	0	0	0	0
Other State Revenues	74,525	0	0	88,515	28,800
Total State of Tennessee	\$ 3,963,946	\$ 0	\$ 20,047	\$ 88,515	\$ 28,800
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 56,000	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	50,248	0	0	0	0
Medicaid	83,060	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>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Law Enforcement Grants	\$ 28,802	\$ 0	\$ 0	\$ 0	0
Other Federal through State	125,000	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	0
Total Federal Government	<u>\$ 343,110</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 1,506,419	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	0
Contracted Services	306,518	0	0	10,000	25,000
<u>Citizens Groups</u>					
Donations	16,750	0	0	0	0
<u>Other</u>					
Other	3,004	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,832,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 25,000</u>
Total	<u>\$ 37,714,609</u>	<u>\$ 13,831</u>	<u>\$ 587,792</u>	<u>\$ 98,515</u>	<u>\$ 5,020,269</u>

(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	Community Development/Industrial Park
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,531,468	\$ 4,901,044	\$ 1,177,502
Trustee's Collections - Prior Year	0	0	0	38,296	99,049	19,264
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	54,077	112,598	19,675
Interest and Penalty	0	0	0	10,191	21,409	4,473
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,637	3,177	763
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,182	2,293	551
Payments in-Lieu-of Taxes - Other	0	0	0	167,281	328,492	78,925
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	245,049	0	0	0	313,499
Local Amusement Tax	0	0	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	11,697	22,698	5,453
Wholesale Beer Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 245,049	\$ 0	\$ 2,815,829	\$ 5,490,760	\$ 1,620,105

Licenses and Permits

Licenses

Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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(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 General Debt Service	Projects Funds Community Development/ Industrial Park
<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
Electrical 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	25,775	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	12,035	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 General Debt Service	Projects Funds Community Development/ Industrial Park
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 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
Officers Costs	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	153,626	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 191,436	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
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
Other General Service Charges	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0
Library Fees	0	0	0	0	0	0

(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 General Debt Service	Projects Funds Community Development/Industrial Park
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Archives and Records Management Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	2,187,963	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	2,355	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	\$ 2,190,318	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,250	\$ 0
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	4,388	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	30,481	0	0

(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	Community Development/ Industrial Park
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 23,531	\$ 0	\$ 0	\$ 67,807	\$ 0	\$ 0
Sale of Property	0	0	0	0	0	0
Contributions and Gifts	1,400	0	0	0	0	562,454
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	13,750	0	0
Total Other Local Revenues	<u>\$ 24,931</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 116,426</u>	<u>\$ 5,250</u>	<u>\$ 562,454</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master 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
Sheriff	0	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Drug Control Grants	0	0	0	0	0	0
Other Public Safety Grants	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	Community Development/ Industrial Park
<u>State of Tennessee (Cont.)</u>						
<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>						
State Aid Program	0	0	0	812,811	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	29,908	80,344	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	69,858	135,560	32,570
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,244,608	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	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 3,228,591	\$ 215,904	\$ 32,570
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0
Medicaid	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 Fund	Capital Projects Funds
	Drug Control	Agriculture Center	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	304,696	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 304,696	\$ 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	100,158	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	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,158	\$ 0
Total	\$ 216,367	\$ 245,049	\$ 2,190,318	\$ 6,160,846	\$ 6,116,768	\$ 2,215,129

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 840,395	\$ 0	\$ 24,798,135
Trustee's Collections - Prior Year	0	637	0	427,616
Circuit Clerk/Clerk and Master Collections - Prior Years	0	17,488	0	789,534
Interest and Penalty	0	1,242	0	99,045
Payments in-Lieu-of Taxes - T.V.A.	0	545	0	19,020
Payments in-Lieu-of Taxes - Local Utilities	0	393	0	13,728
Payments in-Lieu-of Taxes - Other	0	56,336	0	1,898,296
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	5,871,511
Hotel/Motel Tax	0	0	0	1,368,990
Local Amusement Tax	0	0	0	752
Litigation Tax - General	0	0	0	331,682
Litigation Tax - Special Purpose	0	0	0	71,165
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	66,775
Business Tax	0	0	0	1,432,698
Mixed Drink Tax	0	0	0	12,243
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	3,893	0	96,292
Wholesale Beer Tax	0	0	0	323,306
Interstate Telecommunications Tax	0	0	0	4,330
Total Local Taxes	\$ 0	\$ 920,929	\$ 0	\$ 37,625,118
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 246,761

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits	\$ 0	\$ 0	\$ 0	4,718
Building Permits	0	0	0	126,727
Electrical Permits	0	0	0	11,174
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	389,380
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	9,856
Officers Costs	0	0	0	38,519
Drug Control Fines	0	0	0	39,180
Data Entry Fee - Circuit Court	0	0	0	41,453
Courtroom Security Fee	0	0	0	1,377
<u>Criminal Court</u>				
Fines	0	0	0	151,951
Officers Costs	0	0	0	120,555
Drug Control Fines	0	0	0	25,321
Jail Fees	0	0	0	81,896
DUI Treatment Fines	0	0	0	20,961
Data Entry Fee - Criminal Court	0	0	0	5,757
Courtroom Security Fee	0	0	0	8,689
<u>General Sessions Court</u>				
Fines for Littering	0	0	0	760
Game and Fish Fines	0	0	0	108
Jail Fees	0	0	0	10,576
Data Entry Fee - General Sessions Court	0	0	0	22,563

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Juvenile Court</u>				
Fines	\$ 0	\$ 0	\$ 0	16,319
Victims Assistance Assessments	0	0	0	19,462
<u>Chancery Court</u>				
Courtroom Security Fee	0	0	0	21
<u>Other Courts - In-county</u>				
Fines	0	0	0	18,915
Officers Costs	0	0	0	3,420
Drug Court Fees	0	0	0	35,478
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	153,626
Other Fines, Forfeitures, and Penalties	0	0	0	15,954
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	842,717
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Water Treatment Charges	\$ 0	\$ 0	\$ 0	2,425
Patient Charges	0	0	0	4,653,773
Zoning Studies	0	0	0	450
Work Release Charges for Board	0	0	0	7,608
Other General Service Charges	0	0	0	23,859
Service Charges	0	0	0	263,247
<u>Fees</u>				
Recreation Fees	0	0	0	98,269
Copy Fees	0	0	0	3,353
Library Fees	0	0	0	12,030

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Archives and Records Management Fee	\$ 0	\$ 0	\$ 0	\$ 35,473
Telephone Commissions	0	0	0	118,904
Constitutional Officers' Fees and Commissions	0	0	0	2,187,963
Special Commissioner Fees/Special Master Fees	0	0	0	2,355
Data Processing Fee - Register	0	0	0	33,112
Probation Fees	0	0	0	345,897
Data Processing Fee - Sheriff	0	0	0	2,562
Sexual Offender Registration Fee - Sheriff	0	0	0	8,550
Data Processing Fee - County Clerk	0	0	0	8,448
<u>Education Charges</u>				
Community Service Fees - Adults	0	0	0	27,750
Other Charges for Services	0	0	0	13,900
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 7,849,928
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 752	\$ 168,384	\$ 159,145	\$ 501,654
Lease/Rentals	0	0	0	233,618
Sale of Materials and Supplies	0	0	0	4,838
Commissary Sales	0	0	0	86,867
Sale of Gasoline	0	0	0	74,323
Sale of Maps	0	0	0	3,762
Sale of Recycled Materials	0	0	0	18,074
Miscellaneous Refunds	0	0	0	31,198

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund		Total
	HUD Grant Projects	Other Capital Projects	Endowment		
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	128,323
Sale of Property	0	0	0	0	10,000
Contributions and Gifts	0	0	0	0	579,301
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	438,726
Total Other Local Revenues	<u>\$ 752</u>	<u>\$ 168,384</u>	<u>\$ 159,145</u>	<u>\$ 0</u>	<u>2,110,684</u>
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	69,500
Clerk and Master	0	0	0	0	195,425
Register	0	0	0	0	113,188
Trustee	0	0	0	0	800,386
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	469,718
Criminal Court Clerk	0	0	0	0	594,728
General Sessions Court Clerk	0	0	0	0	539,666
Sheriff	0	0	0	0	34,237
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,816,848</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	61,772
<u>Public Safety Grants</u>					
Drug Control Grants	0	0	0	0	127,565
Other Public Safety Grants	0	0	0	0	6,150

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$ 0	\$ 0	\$ 0	1,425,965
Other Health and Welfare Grants	0	0	0	32,500
<u>Public Works Grants</u>				
State Aid Program	0	0	0	812,811
Litter Program	0	0	0	37,850
<u>Other State Revenues</u>				
Income Tax	0	19,977	0	257,398
Beer Tax	0	0	0	18,415
Vehicle Certificate of Title Fees	0	0	0	16,065
Alcoholic Beverage Tax	0	0	0	149,387
State Revenue Sharing - T.V.A.	0	23,248	0	575,090
Contracted Prisoner Boarding	0	0	0	1,313,974
Gasoline and Motor Fuel Tax	0	0	0	2,244,608
Petroleum Special Tax	0	0	0	71,406
Registrar's Salary Supplement	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	15,594
Other State Grants	0	0	0	248,044
Other State Revenues	0	0	0	191,840
Total State of Tennessee	\$ 0	\$ 43,225	\$ 0	7,621,598
<u>Federal Government</u>				
<u>Federal Through State</u>				
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	56,000
Homeland Security Grants	0	0	0	50,248
Medicaid	0	0	0	83,060

(Continued)

Exhibit J-6

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

	Capital Projects Funds		Permanent Fund	Total
	HUD Grant Projects	Other Capital Projects	Endowment	
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	28,802
Other Federal through State	0	0	0	125,000
<u>Direct Federal Revenue</u>				
Tax Credit Bond Rebate	0	0	0	304,696
Total Federal Government	\$ 0	\$ 0	\$ 0	647,806
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	1,506,419
Contributions	0	0	0	100,158
Contracted Services	0	0	0	341,518
<u>Citizens Groups</u>				
Donations	0	0	0	16,750
<u>Other</u>				
Other	0	0	0	3,004
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	1,967,849
Total	\$ 752	\$ 1,132,538	\$ 159,145	\$ 61,871,928

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, 2017

	<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	\$ 11,089,242	\$ 0	\$ 0	\$ 11,089,242
Trustee's Collections - Prior Year	229,903	0	0	229,903
Circuit Clerk/Clerk and Master Collections - Prior Years	213,979	0	0	213,979
Interest and Penalty	45,703	0	0	45,703
Payments in-Lieu-of Taxes - T.V.A.	11,160	0	0	11,160
Payments in-Lieu-of Taxes - Local Utilities	5,188	0	0	5,188
Payments in-Lieu-of Taxes - Other	743,267	0	0	743,267
<u>County Local Option Taxes</u>				
Local Option Sales Tax	11,935,050	0	0	11,935,050
Mixed Drink Tax	7,270	0	0	7,270
<u>Statutory Local Taxes</u>				
Bank Excise Tax	51,357	0	0	51,357
Interstate Telecommunications Tax	6,108	0	0	6,108
Total Local Taxes	<u>\$ 24,338,227</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,338,227</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 5,980	\$ 0	\$ 0	\$ 5,980
Total Licenses and Permits	<u>\$ 5,980</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,980</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 817,337	\$ 817,337
Lunch Payments - Adults	0	0	119,841	119,841

(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	\$ 72,381	\$ 72,381
A la Carte Sales	0	0	484,108	484,108
TBI Criminal Background Fee	3,432	0	0	3,432
Total Charges for Current Services	<u>\$ 3,432</u>	<u>\$ 0</u>	<u>\$ 1,493,667</u>	<u>\$ 1,497,099</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 36,116	\$ 0	\$ 5,108	\$ 41,224
Miscellaneous Refunds	1,784	3,736	0	5,520
<u>Nonrecurring Items</u>				
Contributions and Gifts	10,000	0	0	10,000
<u>Other Local Revenues</u>				
Other Local Revenues	46,840	0	0	46,840
Total Other Local Revenues	<u>\$ 94,740</u>	<u>\$ 3,736</u>	<u>\$ 5,108</u>	<u>\$ 103,584</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 353,840	\$ 0	\$ 0	\$ 353,840
<u>State Education Funds</u>				
Basic Education Program	46,209,000	0	0	46,209,000
Early Childhood Education	1,290,041	0	0	1,290,041
School Food Service	52,066	0	0	52,066
Driver Education	43,373	0	0	43,373
Other State Education Funds	121,579	0	0	121,579
Career Ladder Program	209,065	0	0	209,065

(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>Other State Revenues</u>				
Income Tax	\$ 129,428	\$ 0	\$ 0	\$ 129,428
State Revenue Sharing - T.V.A.	476,200	0	0	476,200
Other State Grants	60,139	0	0	60,139
Other State Revenues	54,475	0	0	54,475
Total State of Tennessee	<u>\$ 48,999,206</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,999,206</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,520,982	\$ 2,520,982
USDA - Commodities	0	0	338,469	338,469
Breakfast	0	0	795,477	795,477
USDA - Other	0	0	18,498	18,498
Vocational Education - Basic Grants to States	0	202,185	0	202,185
Title I Grants to Local Education Agencies	0	1,988,637	0	1,988,637
Special Education - Grants to States	105,359	1,920,364	0	2,025,723
Special Education Preschool Grants	0	57,549	0	57,549
English Language Acquisition Grants	0	16,097	0	16,097
Eisenhower Professional Development State Grants	0	296,171	0	296,171
Other Federal through State	319,896	194,040	0	513,936
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	70,909	0	0	70,909
Other Direct Federal Revenue	0	651,528	0	651,528
Total Federal Government	<u>\$ 496,164</u>	<u>\$ 5,326,571</u>	<u>\$ 3,673,426</u>	<u>\$ 9,496,161</u>

(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
<hr/>				
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 17,324,960	\$ 0	\$ 0	\$ 17,324,960
Total Other Governments and Citizens Groups	<u>\$ 17,324,960</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,324,960</u>
Total	<u>\$ 91,262,709</u>	<u>\$ 5,330,307</u>	<u>\$ 5,172,201</u>	<u>\$ 101,765,217</u>

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General Fund

General Government

County Commission

Assistant(s)	\$	36,837	
Board and Committee Members Fees		144,663	
Election Commission		3,754	
Social Security		13,497	
Pensions		14,672	
Life Insurance		215	
Medical Insurance		64,721	
Audit Services		43,627	
Communication		5	
Dues and Memberships		1,950	
Maintenance and Repair Services - Office Equipment		758	
Office Supplies		845	
Other Charges		16,735	
Other Equipment		1,440	
Total County Commission			\$ 343,719

Board of Equalization

Board and Committee Members Fees	\$	340	
Social Security		26	
Total Board of Equalization			366

Beer Board

Board and Committee Members Fees	\$	2,310	
Social Security		177	
Pensions		49	
Total Beer Board			2,536

Other Boards and Committees

Clerical Personnel	\$	22,255	
Social Security		1,645	
Pensions		3,031	
Life Insurance		19	
Medical Insurance		6,322	
Communication		5	
Operating Lease Payments		720	
Maintenance and Repair Services - Equipment		300	
Office Supplies		282	
Total Other Boards and Committees			34,579

County Mayor/Executive

County Official/Administrative Officer	\$	98,460	
Assistant(s)		71,494	
Clerical Personnel		23,886	
Social Security		13,959	
Pensions		26,401	
Life Insurance		76	
Medical Insurance		24,946	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Advertising	\$	780	
Communication		1,237	
Dues and Memberships		1,950	
Maintenance and Repair Services - Vehicles		348	
Travel		2,136	
Tuition		175	
Office Supplies		2,670	
Periodicals		100	
Vehicle and Equipment Insurance		1,389	
Other Charges		25	
Data Processing Equipment		5,309	
Total County Mayor/Executive			\$ 275,341

Personnel Office

Accountants/Bookkeepers	\$	56,244	
Social Security		4,232	
Pensions		6,409	
Life Insurance		38	
Medical Insurance		12,643	
Unemployment Compensation		30,153	
Advertising		746	
Dues and Memberships		354	
Maintenance and Repair Services - Office Equipment		11,641	
Office Supplies		5,033	
Periodicals		2,091	
Workers' Compensation Insurance		43,878	
In Service/Staff Development		19	
Total Personnel Office			173,481

County Attorney

Assistant(s)	\$	31,268	
Paraprofessionals		32,856	
Other Salaries and Wages		78,914	
Social Security		10,015	
Pensions		19,482	
Life Insurance		58	
Medical Insurance		18,965	
Communication		7	
Data Processing Services		6,173	
Dues and Memberships		100	
Legal Services		5,969	
Office Supplies		1,514	
Other Charges		6,591	
Total County Attorney			211,912

Election Commission

County Official/Administrative Officer	\$	74,290	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Deputy(ies)	\$	58,940	
Part-time Personnel		10,035	
Board and Committee Members Fees		175	
Election Commission		6,538	
Election Workers		77,620	
Social Security		13,876	
Pensions		18,140	
Employee and Dependent Insurance		22	
Life Insurance		58	
Medical Insurance		20,165	
Accounting Services		7,680	
Advertising		8,570	
Communication		2,250	
Maintenance and Repair Services - Equipment		13,000	
Printing, Stationery, and Forms		2,895	
Travel		6,671	
Office Supplies		3,651	
Other Charges		13,430	
Data Processing Equipment		975	
Other Equipment		1,099	
Total Election Commission			\$ 340,080

Register of Deeds

Life Insurance	\$	147	
Medical Insurance		44,667	
Communication		437	
Data Processing Services		41,568	
Maintenance and Repair Services - Equipment		4,007	
Travel		751	
Office Supplies		6,637	
Office Equipment		2,850	
Total Register of Deeds			101,064

Planning

Assistant(s)	\$	64,508	
Supervisor/Director		48,210	
Clerical Personnel		32,145	
Social Security		10,962	
Pensions		16,822	
Life Insurance		67	
Medical Insurance		22,126	
Other Fringe Benefits		312	
Communication		1,333	
Dues and Memberships		619	
Operating Lease Payments		2,094	
Legal Notices, Recording, and Court Costs		1,959	
Maintenance and Repair Services - Office Equipment		2,308	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Maintenance and Repair Services - Vehicles	\$	835	
Travel		935	
Tuition		1,933	
Gasoline		1,059	
Office Supplies		1,402	
Vehicle and Equipment Insurance		2,255	
Workers' Compensation Insurance		4,500	
Motor Vehicles		698	
Total Planning			\$ 217,082

Geographical Information Systems

Assistant(s)	\$	42,396	
Supervisor/Director		64,751	
Social Security		8,161	
Pensions		14,594	
Employee and Dependent Insurance		1,155	
Life Insurance		42	
Medical Insurance		12,773	
Communication		950	
Contracts with Government Agencies		33,938	
Data Processing Services		35,322	
Maintenance and Repair Services - Equipment		1,241	
Travel		532	
Tuition		1,647	
Other Contracted Services		3,200	
Gasoline		114	
Other Supplies and Materials		744	
Vehicle and Equipment Insurance		984	
Data Processing Equipment		1,500	
Total Geographical Information Systems			224,044

County Buildings

Custodial Personnel	\$	47,802	
Social Security		3,657	
Pensions		6,511	
Life Insurance		19	
Medical Insurance		6,322	
Communication		20,983	
Postal Charges		105,075	
Travel		582	
Other Contracted Services		25,550	
Custodial Supplies		12,290	
Drugs and Medical Supplies		445	
Utilities		113,892	
Other Supplies and Materials		24,631	
Building Improvements		17,272	
Total County Buildings			385,031

(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	\$ 2,307	
Total Other Facilities		\$ 2,307

Finance

Accounting and Budgeting

Supervisor/Director	\$ 57,202	
Clerical Personnel	67,545	
Social Security	9,763	
Pensions	17,016	
Life Insurance	58	
Medical Insurance	19,565	
Accounting Services	8,565	
Dues and Memberships	2,384	
Maintenance and Repair Services - Office Equipment	9,910	
Travel	440	
Office Supplies	2,581	
Other Supplies and Materials	3,901	
Total Accounting and Budgeting		198,930

Property Assessor's Office

County Official/Administrative Officer	\$ 82,544	
Paraprofessionals	286,522	
Clerical Personnel	158,937	
Social Security	40,915	
Pensions	73,686	
Employee and Dependent Insurance	1,918	
Life Insurance	246	
Medical Insurance	80,896	
Communication	225	
Dues and Memberships	2,520	
Operating Lease Payments	4,691	
Maintenance and Repair Services - Office Equipment	1,844	
Maintenance and Repair Services - Vehicles	530	
Travel	1,493	
Tuition	770	
Gasoline	1,848	
Office Supplies	3,844	
Vehicle and Equipment Insurance	4,382	
Workers' Compensation Insurance	4,500	
Office Equipment	5,271	
Total Property Assessor's Office		757,582

Reappraisal Program

Contracts with Government Agencies	\$ 62,941	
Data Processing Services	86,058	
Postal Charges	23,663	
Other Contracted Services	83,926	
Office Supplies	6,000	
Total Reappraisal Program		262,588

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

Life Insurance	\$	138	
Medical Insurance		45,543	
Communication		19	
Dues and Memberships		782	
Travel		2,952	
Tuition		1,165	
Other Contracted Services		29,691	
Office Supplies		4,726	
Data Processing Equipment		2,802	
Total County Trustee's Office			\$ 87,818

County Clerk's Office

Employee and Dependent Insurance	\$	775	
Life Insurance		448	
Medical Insurance		146,763	
Communication		1,407	
Dues and Memberships		1,232	
Travel		3,751	
Office Supplies		49,599	
Other Supplies and Materials		10,838	
Other Charges		6,531	
Office Equipment		1,500	
Total County Clerk's Office			222,844

Data Processing

Data Processing Personnel	\$	39,257	
Social Security		2,981	
Pensions		5,347	
Life Insurance		13	
Medical Insurance		4,185	
Communication		15,738	
Data Processing Services		40,444	
Other Contracted Services		37,450	
Data Processing Equipment		22,011	
Other Equipment		8,886	
Total Data Processing			176,312

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,544	
Total Circuit Court			82,544

Circuit Court Clerk

Assistant(s)	\$	53,145	
Deputy(ies)		780,764	
Part-time Personnel		780	
Social Security		69,125	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Pensions	\$	122,893	
Life Insurance		595	
Medical Insurance		195,962	
Other Fringe Benefits		989	
Communication		2,415	
Data Processing Services		43,113	
Dues and Memberships		802	
Custodial Supplies		3,341	
Data Processing Supplies		6,118	
Office Supplies		39,797	
Utilities		25,000	
Data Processing Equipment		17,772	
Office Equipment		3,023	
Total Circuit Court Clerk			\$ 1,365,634

General Sessions Judge

Judge(s)	\$	323,296	
Clerical Personnel		57,344	
Part-time Personnel		2,250	
Other Salaries and Wages		47,766	
Social Security		27,183	
Pensions		57,520	
Employee and Dependent Insurance		3	
Life Insurance		84	
Medical Insurance		27,709	
Other Fringe Benefits		546	
Dues and Memberships		450	
Travel		1,080	
Tuition		890	
Office Supplies		188	
Periodicals		1,837	
Total General Sessions Judge			548,146

Drug Court

Assessment Personnel	\$	58,733	
Social Security		4,861	
Pensions		8,013	
Life Insurance		19	
Medical Insurance		6,322	
Communication		1,300	
Rentals		3,600	
Travel		2,064	
Other Contracted Services		141,470	
Office Supplies		178	
Other Charges		735	
Total Drug Court			227,295

(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	\$	440	
Life Insurance		94	
Medical Insurance		31,079	
Communication		250	
Dues and Memberships		660	
Maintenance and Repair Services - Office Equipment		11,642	
Travel		1,014	
Tuition		482	
Office Supplies		4,212	
Data Processing Equipment		8,361	
Total Chancery Court			\$ 58,234

Juvenile Court

County Official/Administrative Officer	\$	51,787	
Probation Officer(s)		293,145	
Clerical Personnel		34,993	
Part-time Personnel		28,212	
Other Salaries and Wages		24,100	
Social Security		31,741	
Pensions		56,101	
Life Insurance		172	
Medical Insurance		56,828	
Other Fringe Benefits		135	
Communication		11,923	
Maintenance and Repair Services - Buildings		19,403	
Maintenance and Repair Services - Vehicles		1,190	
Medical and Dental Services		52	
Travel		6,151	
Tuition		1,135	
Other Contracted Services		4,769	
Gasoline		1,438	
Office Supplies		1,158	
Utilities		31,844	
Vehicle and Equipment Insurance		3,594	
Other Charges		579	
Total Juvenile Court			660,450

Office of Public Defender

Assistant(s)	\$	4,123	
Supervisor/Director		4,123	
Probation Officer(s)		18,615	
Social Security		2,031	
Pensions		3,269	
Rentals		300	
Travel		1,827	
Other Supplies and Materials		2,533	
Total Office of Public Defender			36,821

(Continued)

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	\$	22,142	
Total Judicial Commissioners			\$ 22,142

Other Administration of Justice

Assistant(s)	\$	18,960	
Supervisor/Director		34,143	
Clerical Personnel		15,284	
Social Security		5,198	
Pensions		7,423	
Life Insurance		37	
Medical Insurance		12,345	
Communication		7,700	
Maintenance and Repair Services - Vehicles		357	
Gasoline		1,941	
Office Supplies		92	
Other Supplies and Materials		5,081	
Liability Insurance		1,183	
Vehicle and Equipment Insurance		797	
Workers' Compensation Insurance		2,149	
Total Other Administration of Justice			112,690

Probation Services

Assistant(s)	\$	41,463	
Supervisor/Director		51,730	
Probation Officer(s)		165,162	
Clerical Personnel		8,049	
Social Security		20,183	
Pensions		36,562	
Life Insurance		139	
Medical Insurance		46,319	
Communication		30	
Rentals		2,000	
Travel		993	
Tuition		300	
Drug Treatment		13,475	
Office Supplies		30,502	
Utilities		225	
Other Supplies and Materials		1,648	
Other Charges		312	
Total Probation Services			419,092

Courtroom Security

Other Supplies and Materials	\$	5,879	
Total Courtroom Security			5,879

Victim Assistance Programs

Assessment Personnel	\$	16,961	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs (Cont.)

Social Security	\$	1,275	
Life Insurance		6	
Medical Insurance		2,136	
Other Fringe Benefits		1,526	
Travel		2,332	
Other Contracted Services		104,713	
Total Victim Assistance Programs			\$ 128,949

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,798
Deputy(ies)		3,598,420
Clerical Personnel		165,391
Part-time Personnel		4,214
School Resource Officer		615,989
Overtime Pay		111,568
Other Salaries and Wages		158,012
In-service Training		67,800
Social Security		362,191
Pensions		632,091
Employee and Dependent Insurance		15,780
Life Insurance		2,034
Medical Insurance		681,768
Other Fringe Benefits		6,996
Communication		43,016
Confidential Drug Enforcement Payments		2,000
Dues and Memberships		1,459
Legal Services		15,406
Maintenance and Repair Services - Equipment		109
Maintenance and Repair Services - Vehicles		143,621
Towing Services		3,226
Travel		12,699
Tuition		16,123
Other Contracted Services		129,847
Fuel Oil		100,000
Gasoline		274,299
Law Enforcement Supplies		29,481
Office Supplies		9,905
Uniforms		7,754
Other Supplies and Materials		9,415
Building and Contents Insurance		35,151
Indirect Cost		30,774
Liability Insurance		67,351
Vehicle and Equipment Insurance		77,575
Workers' Compensation Insurance		167,154
Other Charges		1,407
Data Processing Equipment		24,377

(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.)

Law Enforcement Equipment	\$	128,377	
Motor Vehicles		122,074	
Total Sheriff's Department			\$ 7,965,652

Special Patrols

Deputy(ies)	\$	22,942	
Social Security		1,735	
Pensions		3,028	
Life Insurance		2	
Medical Insurance		589	
Law Enforcement Equipment		19,153	
Total Special Patrols			47,449

Traffic Control

Maintenance and Repair Services - Equipment	\$	20,835	
Utilities		5,330	
Total Traffic Control			26,165

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	1,126	
Total Administration of the Sexual Offender Registry			1,126

Jail

Deputy(ies)	\$	3,162,491	
Mechanic(s)		95,536	
Clerical Personnel		128,129	
Maintenance Personnel		65,803	
Part-time Personnel		51,858	
Overtime Pay		76,182	
Social Security		269,307	
Pensions		427,462	
Life Insurance		1,810	
Medical Insurance		588,649	
Other Fringe Benefits		18,411	
Communication		7,224	
Maintenance and Repair Services - Buildings		128,588	
Maintenance and Repair Services - Equipment		26,161	
Maintenance and Repair Services - Vehicles		8,155	
Medical and Dental Services		834,257	
Transportation - Other than Students		1,774	
Travel		6,686	
Tuition		2,200	
Other Contracted Services		24,083	
Custodial Supplies		42,776	
Food Supplies		620,426	
Office Supplies		9,777	
Prisoners Clothing		34,284	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	6,610	
Utilities		400,167	
Other Supplies and Materials		17,229	
Specialized Medical Treatment		15,300	
Data Processing Equipment		9,711	
Law Enforcement Equipment		15,297	
Motor Vehicles		23,000	
Total Jail			\$ 7,119,343

Workhouse

Deputy(ies)	\$	10,440	
Social Security		799	
Pensions		308	
Other Fringe Benefits		632	
Custodial Supplies		2,377	
Office Supplies		572	
Utilities		172	
Other Supplies and Materials		6,747	
Law Enforcement Equipment		376	
Total Workhouse			22,423

Correctional Incentive Program Improvements

Supervisor/Director	\$	44,560	
Salary Supplements		12,523	
Guards		675,867	
Part-time Personnel		9,296	
Overtime Pay		9,625	
Social Security		56,867	
Pensions		85,255	
Life Insurance		492	
Medical Insurance		163,232	
Other Fringe Benefits		6,186	
Communication		5,163	
Maintenance and Repair Services - Buildings		4,500	
Maintenance and Repair Services - Equipment		5,297	
Maintenance and Repair Services - Office Equipment		1,000	
Medical and Dental Services		790	
Travel		1,027	
Tuition		997	
Custodial Supplies		10,255	
Food Supplies		18,291	
Gasoline		1,702	
Office Supplies		2,473	
Prisoners Clothing		2,286	
Utilities		32,089	
Other Supplies and Materials		4,200	
Other Charges		1,450	
Data Processing Equipment		500	
Total Correctional Incentive Program Improvements			1,155,923

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services

Other Salaries and Wages	\$	51,093	
Social Security		3,866	
Pensions		6,643	
Life Insurance		20	
Medical Insurance		6,235	
Other Fringe Benefits		465	
Communication		315	
Travel		394	
Other Supplies and Materials		2,742	
Total Juvenile Services			\$ 71,773

Work Release Program

Supervisor/Director	\$	51,939	
Probation Officer(s)		65,017	
Clerical Personnel		24,411	
Part-time Personnel		18,373	
Social Security		11,510	
Pensions		19,792	
Life Insurance		81	
Medical Insurance		26,585	
Accounting Services		600	
Communication		6,000	
Evaluation and Testing		2,936	
Maintenance and Repair Services - Equipment		1,729	
Postal Charges		244	
Printing, Stationery, and Forms		400	
Rentals		18,000	
Travel		15,121	
Tuition		2,477	
Custodial Supplies		1,608	
Office Supplies		1,836	
Periodicals		450	
Utilities		3,548	
Other Supplies and Materials		423	
Vehicle and Equipment Insurance		1,500	
Workers' Compensation Insurance		1,028	
Other Charges		20,029	
Total Work Release Program			295,637

Civil Defense

Supervisor/Director	\$	61,386	
Accountants/Bookkeepers		32,711	
Paraprofessionals		73,842	
Overtime Pay		784	
Social Security		12,888	
Pensions		22,983	
Life Insurance		78	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Medical Insurance	\$	25,626	
Communication		14,611	
Contracts with Government Agencies		35,399	
Contracts with Other Public Agencies		1,107	
Dues and Memberships		1,080	
Janitorial Services		991	
Maintenance and Repair Services - Buildings		1,500	
Maintenance and Repair Services - Equipment		1,052	
Maintenance and Repair Services - Vehicles		17	
Travel		1,000	
Tuition		1,727	
Maintenance and Repair Services - Records		22,784	
Gasoline		11,822	
Office Supplies		2,171	
Uniforms		2,883	
Utilities		13,425	
Building and Contents Insurance		14,603	
Indirect Cost		293,146	
Vehicle and Equipment Insurance		8,605	
Other Charges		1,099	
Motor Vehicles		15,000	
Total Civil Defense			\$ 674,320

Other Emergency Management

Contracts with Government Agencies	\$	50,248	
Total Other Emergency Management			50,248

Inspection and Regulation

Investigator(s)	\$	20,668	
Social Security		1,581	
Pensions		2,815	
Liability Insurance		163,306	
Total Inspection and Regulation			188,370

County Coroner/Medical Examiner

Supervisor/Director	\$	45,530	
Medical Personnel		14,040	
Overtime Pay		19,924	
Social Security		5,911	
Pensions		8,673	
Life Insurance		21	
Medical Insurance		6,381	
Communication		413	
Maintenance and Repair Services - Vehicles		392	
Medical and Dental Services		80,809	
Pauper Burials		400	
Travel		719	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Drugs and Medical Supplies	\$	5,055	
Gasoline		1,311	
Office Supplies		330	
Uniforms		707	
Vehicle and Equipment Insurance		1,345	
In Service/Staff Development		484	
Total County Coroner/Medical Examiner			\$ 192,445

Other Public Safety

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

Public Health and Welfare

Local Health Center

Paraprofessionals	\$	66,829	
Custodial Personnel		31,611	
Social Security		7,262	
Pensions		9,287	
Life Insurance		67	
Medical Insurance		22,169	
Communication		10,364	
Maintenance and Repair Services - Buildings		7,851	
Rentals		1,000	
Travel		7,533	
Tuition		314	
Custodial Supplies		2,991	
Drugs and Medical Supplies		2,739	
Office Supplies		4,656	
Utilities		26,932	
Other Supplies and Materials		837	
Workers' Compensation Insurance		563	
Other Charges		190,228	
Total Local Health Center			393,233

Rabies and Animal Control

Contributions	\$	135,000	
Total Rabies and Animal Control			135,000

Ambulance/Emergency Medical Services

Supervisor/Director	\$	61,382	
Accountants/Bookkeepers		111,503	
Paraprofessionals		2,525,678	
Part-time Personnel		299,370	
Overtime Pay		440,688	
Social Security		257,130	
Pensions		399,719	
Employee and Dependent Insurance		35,796	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Life Insurance	\$	1,261	
Medical Insurance		418,396	
Other Fringe Benefits		10,125	
Communication		18,446	
Dues and Memberships		230	
Laundry Service		10,772	
Licenses		3,750	
Maintenance and Repair Services - Buildings		3,500	
Maintenance and Repair Services - Equipment		479	
Maintenance and Repair Services - Vehicles		146,699	
Tuition		2,955	
Custodial Supplies		5,301	
Drugs and Medical Supplies		197,380	
Gasoline		108,091	
Office Supplies		15,643	
Uniforms		15,143	
Utilities		26,000	
Other Supplies and Materials		5,021	
Vehicle and Equipment Insurance		23,017	
Workers' Compensation Insurance		157,581	
Data Processing Equipment		15,973	
Motor Vehicles		107,608	
Office Equipment		1,031	
Other Equipment		30,566	
Total Ambulance/Emergency Medical Services			\$ 5,456,234

Alcohol and Drug Programs

Other Salaries and Wages	\$	33,688	
Social Security		2,545	
Pensions		4,588	
Life Insurance		17	
Medical Insurance		5,447	
Communication		435	
Travel		1,908	
Other Supplies and Materials		546	
Other Charges		5,483	
Total Alcohol and Drug Programs			54,657

Other Local Health Services

Medical Personnel	\$	115,831	
Paraprofessionals		704,443	
Part-time Personnel		6,062	
Social Security		62,122	
Pensions		97,965	
Life Insurance		446	
Medical Insurance		150,792	
Other Fringe Benefits		2,917	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Evaluation and Testing	\$	200	
Travel		24,493	
Office Supplies		1,266	
Indirect Cost		12,200	
Other Construction		149,911	
Total Other Local Health Services			\$ 1,328,648

Other Local Welfare Services

Contracts with Government Agencies	\$	92,275	
Total Other Local Welfare Services			92,275

Other Waste Disposal

Maintenance Personnel	\$	32,730	
Social Security		2,521	
Pensions		4,521	
Life Insurance		16	
Medical Insurance		10	
Instructional Supplies and Materials		8,014	
Other Supplies and Materials		1,533	
Total Other Waste Disposal			49,345

Other Public Health and Welfare

Office Supplies	\$	6,465	
Total Other Public Health and Welfare			6,465

Social, Cultural, and Recreational Services

Adult Activities

Contracts with Government Agencies	\$	9,000	
Total Adult Activities			9,000

Senior Citizens Assistance

Contributions	\$	97,156	
Total Senior Citizens Assistance			97,156

Parks and Fair Boards

Temporary Personnel	\$	1,936	
Social Security		202	
Pensions		714	
Other Supplies and Materials		13,294	
Other Capital Outlay		2,046	
Total Parks and Fair Boards			18,192

Other Social, Cultural, and Recreational

Assistant(s)	\$	80,519	
Supervisor/Director		45,900	
Clerical Personnel		20,771	
Maintenance Personnel		130,960	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Temporary Personnel	\$	62,290	
Social Security		25,227	
Pensions		35,954	
Life Insurance		167	
Medical Insurance		49,026	
Communication		3,276	
Maintenance and Repair Services - Buildings		62,405	
Travel		1,130	
Food Supplies		63,239	
Gasoline		8,087	
Office Supplies		2,726	
Uniforms		1,393	
Utilities		66,968	
Other Supplies and Materials		222,856	
Vehicle and Equipment Insurance		4,155	
Workers' Compensation Insurance		8,884	
Other Equipment		8,639	
Other Construction		75,582	
Other Capital Outlay		12,643	
Total Other Social, Cultural, and Recreational			\$ 992,797

Agriculture and Natural Resources

Agricultural Extension Service

Clerical Personnel	\$	9,880	
Part-time Personnel		14,714	
Other Salaries and Wages		207,719	
Social Security		11,916	
Pensions		21,165	
Medical Insurance		27,086	
Other Fringe Benefits		271	
Communication		1,167	
Contracts with Government Agencies		2,550	
Dues and Memberships		405	
Maintenance and Repair Services - Buildings		3,489	
Travel		2,075	
Office Supplies		1,332	
Utilities		4,618	
Total Agricultural Extension Service			308,387

Soil Conservation

Social Security	\$	1,799	
Pensions		4,050	
Life Insurance		19	
Medical Insurance		6,322	
Contracts with Government Agencies		29,737	
Contracts with Other Public Agencies		200	
Other Charges		8,000	
Total Soil Conservation			50,127

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management

Assistant(s)	\$	62,703	
Social Security		4,754	
Pensions		6,662	
Life Insurance		38	
Medical Insurance		12,643	
Advertising		1,064	
Communication		5	
Data Processing Services		2,974	
Dues and Memberships		300	
Evaluation and Testing		4,854	
Legal Notices, Recording, and Court Costs		72	
Maintenance and Repair Services - Vehicles		644	
Travel		1,634	
Tuition		2,130	
Permits		3,500	
Other Contracted Services		27,755	
Gasoline		629	
Instructional Supplies and Materials		1,000	
Office Supplies		2,021	
Periodicals		225	
Testing		1,308	
Vehicle and Equipment Insurance		1,184	
Total Storm Water Management			\$ 138,099

Other Operations

Tourism

Contributions	\$	287,708	
Total Tourism			287,708

Industrial Development

Contributions	\$	287,708	
Total Industrial Development			287,708

Other Economic and Community Development

Other Charges	\$	10,000	
Total Other Economic and Community Development			10,000

Public Transportation

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

Veterans' Services

Assistant(s)	\$	28,531	
Supervisor/Director		35,261	
Clerical Personnel		24,824	
Social Security		6,656	
Pensions		12,045	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Life Insurance	\$	58	
Medical Insurance		12,678	
Communication		10	
Dues and Memberships		30	
Operating Lease Payments		1,780	
Travel		1,566	
Other Contracted Services		1,677	
Office Supplies		697	
Periodicals		75	
Data Processing Equipment		1,985	
Total Veterans' Services			\$ 127,873

Other Charges

Trustee's Commission	\$	411,613	
Total Other Charges			411,613

Contributions to Other Agencies

Contributions	\$	52,145	
Dues and Memberships		25,108	
Total Contributions to Other Agencies			77,253

Miscellaneous

Other Salaries and Wages	\$	4,216	
Social Security		571	
Other Supplies and Materials		3,642	
Total Miscellaneous			8,429

Total General Fund \$ 36,428,565

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	11,756	
Office Supplies		200	
Total Libraries			\$ 11,956

Other Operations

Other Charges

Trustee's Commission	\$	134	
Total Other Charges			134

Total Law Library Fund 12,090

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	636,742	
Total Libraries			\$ 636,742

(Continued)

Exhibit J-8

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

<u>Public Library Fund (Cont.)</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	11,497	
Total Other Charges			\$ 11,497
Total Public Library Fund			\$ 648,239
<u>Solid Waste/Sanitation Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Waste Collection</u>			
Other Contracted Services	\$	60,034	
Total Other Waste Collection			\$ 60,034
<u>Recycling Center</u>			
Maintenance Personnel	\$	20,400	
Social Security		1,552	
Other Contracted Services		67,385	
Utilities		1,327	
Other Supplies and Materials		1,151	
Total Recycling Center			91,815
<u>Other Operations</u>			
<u>Contributions to Other Agencies</u>			
Contributions	\$	28,000	
Total Contributions to Other Agencies			28,000
Total Solid Waste/Sanitation Fund			179,849
<u>Special Purpose Fire Tax Fund</u>			
<u>Public Safety</u>			
<u>Fire Prevention and Control</u>			
Supervisor/Director	\$	57,261	
Paraprofessionals		2,102,490	
Clerical Personnel		6,659	
Part-time Personnel		41,576	
Overtime Pay		54,293	
Other Salaries and Wages		203,859	
In-service Training		28,800	
Social Security		185,538	
Pensions		311,005	
Life Insurance		1,160	
Medical Insurance		381,859	
Other Fringe Benefits		13,134	
Communication		42,455	
Dues and Memberships		686	
Laundry Service		1,484	
Maintenance and Repair Services - Buildings		24,424	
Maintenance and Repair Services - Office Equipment		4,220	
Maintenance and Repair Services - Vehicles		99,773	

(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.)

Medical and Dental Services	\$	45	
Postal Charges		24	
Travel		3,985	
Tuition		60	
Other Contracted Services		16,466	
Custodial Supplies		7,667	
Drugs and Medical Supplies		1,939	
Food Supplies		2,249	
Gasoline		51,945	
Instructional Supplies and Materials		8,382	
Office Supplies		4,788	
Uniforms		45,100	
Utilities		102,000	
Other Supplies and Materials		21,862	
Building and Contents Insurance		4,560	
Liability Insurance		5,123	
Vehicle and Equipment Insurance		58,708	
Workers' Compensation Insurance		237,088	
Principal on Capital Leases		38,270	
Interest on Capital Leases		4,106	
Building Improvements		4,105	
Other Equipment		33,701	
Other Capital Outlay		28,794	
Total Fire Prevention and Control			\$ 4,241,643

Other Operations

Other Charges

Trustee's Commission	\$	98,192	
Total Other Charges			98,192

Miscellaneous

Other Charges	\$	5,250	
Total Miscellaneous			5,250

Total Special Purpose Fire Tax Fund \$ 4,345,085

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$	931	
Towing Services		1,135	
Travel		1,704	
Tuition		2,215	
Law Enforcement Equipment		13,000	
Motor Vehicles		15,000	
Total Sheriff's Department			\$ 33,985

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Investigator(s)	\$	91,503	
Overtime Pay		5,169	
Social Security		7,400	
Pensions		11,877	
Life Insurance		39	
Medical Insurance		12,761	
Communication		14,489	
Confidential Drug Enforcement Payments		2,000	
Other Contracted Services		41,500	
Uniforms		1,973	
Other Supplies and Materials		5,561	
Total Drug Enforcement			\$ 194,272

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	16,400	
Total Alcohol and Drug Programs			16,400

Other Operations

Other Charges

Trustee's Commission	\$	1,949	
Total Other Charges			1,949

Total Drug Control Fund \$ 246,606

Agriculture Center Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	53,733	
Assistant(s)		16,368	
Supervisor/Director		25,278	
Clerical Personnel		26,303	
Part-time Personnel		31,051	
Social Security		10,719	
Pensions		14,487	
Life Insurance		68	
Medical Insurance		16,108	
Other Fringe Benefits		1,374	
Utilities		28,217	
Building and Contents Insurance		19,562	
Vehicle and Equipment Insurance		1,025	
Total Other Social, Cultural, and Recreational			\$ 244,293

Other Operations

Other Charges

Trustee's Commission	\$	2,450	
Total Other Charges			2,450

Total Agriculture Center Fund 246,743

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 353,659	
Total Register of Deeds		\$ 353,659

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 422,268	
Total County Trustee's Office		422,268

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,009,134	
Total County Clerk's Office		1,009,134

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 2,355	
Constitutional Officers' Operating Expenses	254,032	
Total Chancery Court		<u>256,387</u>

Total Constitutional Officers - Fees Fund		\$ 2,041,448
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 90,798	
Assistant(s)	64,093	
Supervisor/Director	47,750	
Accountants/Bookkeepers	42,936	
Dispatchers/Radio Operators	48,824	
Overtime Pay	5,906	
Other Salaries and Wages	223,143	
Data Processing Services	14,356	
Dues and Memberships	7,090	
Legal Notices, Recording, and Court Costs	394	
Maintenance and Repair Services - Office Equipment	1,154	
Travel	4,233	
Tuition	4,834	
Office Supplies	6,687	
Communication Equipment	3,599	
Office Equipment	<u>7,583</u>	
Total Administration		\$ 573,380

Highway and Bridge Maintenance

Foremen	\$ 39,897	
Equipment Operators	442,665	
Truck Drivers	272,160	
Laborers	305,048	
Overtime Pay	19,065	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Rentals	\$	5,400	
Other Contracted Services		78,481	
Asphalt - Hot Mix		683,872	
Asphalt - Liquid		12,272	
Concrete		2,542	
Crushed Stone		104,651	
Fertilizer, Lime, and Seed		248	
General Construction Materials		24,282	
Pipe		19,346	
Pipe - Metal		18,172	
Road Signs		49,091	
Salt		16,138	
Sand		1,980	
Small Tools		5,576	
Wood Products		1,258	
Other Supplies and Materials		5,653	
Total Highway and Bridge Maintenance			\$ 2,107,797

Operation and Maintenance of Equipment

Foremen	\$	45,418	
Mechanic(s)		106,266	
Overtime Pay		1,624	
Laundry Service		19,281	
Other Contracted Services		550	
Diesel Fuel		100,465	
Equipment and Machinery Parts		101,821	
Garage Supplies		15,784	
Gasoline		25,906	
Lubricants		7,174	
Propane Gas		1,036	
Small Tools		16,497	
Tires and Tubes		25,204	
Other Supplies and Materials		1,306	
Total Operation and Maintenance of Equipment			468,332

Other Charges

Communication	\$	12,675	
Electricity		13,684	
Water and Sewer		1,541	
Liability Insurance		91,242	
Trustee's Commission		80,355	
Total Other Charges			199,497

Employee Benefits

Social Security	\$	151,957	
Pensions		269,247	
Employee and Dependent Insurance		11,586	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Life Insurance	\$	1,112	
Medical Insurance		363,525	
Workers' Compensation Insurance		106,068	
Total Employee Benefits			\$ 903,495

Capital Outlay

Engineering Services	\$	2,170	
Building Improvements		4,202	
Highway Construction		978,241	
Other Equipment		333,699	
Total Capital Outlay			1,318,312

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	65,565	
Truck Drivers		94,635	
Laborers		108,576	
Overtime Pay		1,951	
Concrete		1,145	
Crushed Stone		17,630	
Diesel Fuel		10,500	
Equipment and Machinery Parts		26,533	
Pipe - Metal		2,152	
Small Tools		3,739	
Total Highway and Street Capital Projects			332,426

Total Highway/Public Works Fund \$ 5,903,239

General Debt Service Fund

Other Operations

Other Charges

Accounting Services	\$	2,500	
Trustee's Commission		111,161	
Total Other Charges			\$ 113,661

Principal on Debt

General Government

Principal on Bonds	\$	165,000	
Principal on Other Loans		826,288	
Total General Government			991,288

Education

Principal on Bonds	\$	745,000	
Principal on Capital Leases		96,233	
Principal on Other Loans		2,873,712	
Total Education			3,714,945

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 49,012	
Interest on Other Loans	249,558	
Total General Government		\$ 298,570

Education

Interest on Bonds	\$ 965,180	
Interest on Capital Leases	3,925	
Interest on Other Loans	812,932	
Total Education		1,782,037

Other Debt Service

General Government

Other Debt Service	\$ 103,495	
Total General Government		103,495

Education

Other Debt Service	\$ 234,664	
Total Education		234,664

Total General Debt Service Fund \$ 7,238,660

Community Development/Industrial Park Fund

Other Operations

Industrial Development

Highway Construction	\$ 32,047	
Other Construction	235,974	
Other Capital Outlay	1,013,050	
Total Industrial Development		\$ 1,281,071

Other Charges

Trustee's Commission	\$ 29,711	
Total Other Charges		29,711

Total Community Development/Industrial Park Fund 1,310,782

HUD Grant Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 7	
Total Other Charges		\$ 7

Total HUD Grant Projects Fund 7

Education Capital Projects Fund

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 16,284,960	
Total Capital Projects Donated to School Department		\$ 16,284,960

Total Education Capital Projects Fund 16,284,960

(Continued)

Exhibit J-8

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

<u>Other Capital Projects - Workhouse Fund</u>			
<u>Public Safety</u>			
<u>Workhouse</u>			
Other Construction	\$	2,869,431	
Total Workhouse			\$ 2,869,431
Total Other Capital Projects - Workhouse Fund			\$ 2,869,431
<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	20,055	
Total Other Charges			\$ 20,055
<u>Capital Projects</u>			
<u>Social, Cultural, and Recreation Projects</u>			
Other Capital Outlay	\$	180,392	
Total Social, Cultural, and Recreation Projects			180,392
<u>Education Capital Projects</u>			
Contracts with Other School Systems	\$	1,000,000	
Total Education Capital Projects			1,000,000
Total Other Capital Projects Fund			1,200,447
<u>Endowment Fund</u>			
<u>Public Health and Welfare</u>			
<u>Other Public Health and Welfare</u>			
Contributions	\$	101,067	
Total Other Public Health and Welfare			\$ 101,067
Total Endowment Fund			101,067
Total Governmental Funds - Primary Government			\$ 79,057,218

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, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,883,698	
Career Ladder Program	139,780	
Career Ladder Extended Contracts	73,200	
Educational Assistants	1,059,829	
Other Salaries and Wages	13,320	
Non-certified Substitute Teachers	342,591	
Social Security	1,657,439	
Pensions	2,532,183	
Life Insurance	24,825	
Medical Insurance	3,889,029	
Employer Medicare	392,550	
Other Fringe Benefits	224,659	
Operating Lease Payments	1,513	
Maintenance and Repair Services - Equipment	83,514	
Other Contracted Services	66,126	
Instructional Supplies and Materials	346,445	
Textbooks - Electronic	54,277	
Textbooks - Bound	520,165	
Other Supplies and Materials	47,266	
Fee Waivers	96,000	
Other Charges	9,890	
Debt Service Contribution to Primary Government	100,158	
Regular Instruction Equipment	96,460	
Total Regular Instruction Program		\$ 38,654,917

Special Education Program

Teachers	\$ 2,504,670	
Career Ladder Program	12,000	
Clerical Personnel	27,286	
Educational Assistants	307,917	
Speech Pathologist	212,508	
Other Salaries and Wages	2,458	
Non-certified Substitute Teachers	10,440	
Social Security	182,371	
Pensions	291,561	
Life Insurance	3,227	
Medical Insurance	497,908	
Employer Medicare	42,977	
Contracts with Private Agencies	60,820	
Instructional Supplies and Materials	88,391	
Other Supplies and Materials	34,172	
Special Education Equipment	36,903	
Total Special Education Program		4,315,609

Career and Technical Education Program

Teachers	\$ 2,021,275	
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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.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Career Ladder Program	\$	3,500	
Other Salaries and Wages		19,955	
Non-certified Substitute Teachers		6,510	
Social Security		120,524	
Pensions		182,758	
Life Insurance		1,797	
Medical Insurance		286,126	
Employer Medicare		28,173	
Maintenance and Repair Services - Equipment		7,533	
Travel		508	
Instructional Supplies and Materials		82,000	
Total Career and Technical Education Program			\$ 2,760,659

Support Services

Attendance

Supervisor/Director	\$	41,347	
Career Ladder Program		1,000	
Clerical Personnel		65,955	
Social Security		6,235	
Pensions		12,811	
Life Insurance		108	
Medical Insurance		19,072	
Employer Medicare		1,458	
Operating Lease Payments		1,527	
Other Supplies and Materials		1,155	
In Service/Staff Development		3,518	
Attendance Equipment		252	
Total Attendance			154,438

Health Services

Supervisor/Director	\$	67,634	
Medical Personnel		427,172	
Other Salaries and Wages		35,517	
Social Security		30,913	
Pensions		59,686	
Life Insurance		609	
Medical Insurance		84,054	
Employer Medicare		7,230	
Travel		7,868	
Drugs and Medical Supplies		9,569	
Other Supplies and Materials		19,016	
Other Charges		1,488	
Total Health Services			750,756

Other Student Support

Career Ladder Program	\$	6,600	
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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.)

Other Student Support (Cont.)

Guidance Personnel	\$	1,415,836	
Other Salaries and Wages		1,111,899	
Social Security		146,735	
Pensions		226,025	
Life Insurance		1,990	
Medical Insurance		289,553	
Employer Medicare		34,806	
Communication		1,529	
Evaluation and Testing		137,758	
Travel		918	
Other Supplies and Materials		9,935	
Total Other Student Support			\$ 3,383,584

Regular Instruction Program

Supervisor/Director	\$	180,553	
Career Ladder Program		9,500	
Librarians		789,000	
Materials Supervisor		26,353	
Secretary(ies)		51,633	
Educational Assistants		202,311	
Other Salaries and Wages		183,405	
Social Security		83,313	
Pensions		123,040	
Life Insurance		1,123	
Medical Insurance		171,553	
Employer Medicare		18,685	
Communication		1,101	
Operating Lease Payments		10,197	
Travel		5,759	
Other Contracted Services		23,800	
Instructional Supplies and Materials		75,044	
Library Books/Media		86,449	
Periodicals		5,633	
Other Supplies and Materials		57,752	
In Service/Staff Development		1,088	
Other Equipment		32,594	
Total Regular Instruction Program			2,139,886

Special Education Program

Supervisor/Director	\$	87,267	
Career Ladder Program		3,600	
Psychological Personnel		237,505	
Career Ladder Extended Contracts		4,000	
Secretary(ies)		35,935	
Other Salaries and Wages		116,581	
Social Security		29,427	

(Continued)

Exhibit J-9

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
Pensions	\$	41,418
Life Insurance		320
Medical Insurance		43,038
Employer Medicare		6,882
Travel		8,063
Other Contracted Services		296,794
Other Supplies and Materials		27,316
In Service/Staff Development		27,496
Other Charges		5,065
Total Special Education Program	\$	970,707
<u>Career and Technical Education Program</u>		
Supervisor/Director	\$	77,787
Secretary(ies)		26,050
Social Security		6,324
Pensions		10,580
Life Insurance		86
Medical Insurance		13,341
Employer Medicare		1,479
Travel		338
Other Supplies and Materials		994
In Service/Staff Development		2,251
Other Charges		838
Total Career and Technical Education Program		140,068
<u>Technology</u>		
Supervisor/Director	\$	47,037
Data Processing Personnel		184,370
Social Security		13,858
Pensions		29,363
Life Insurance		238
Medical Insurance		33,460
Employer Medicare		3,241
Communication		4,010
Maintenance and Repair Services - Equipment		39,816
Internet Connectivity		111,956
Travel		5,877
Other Contracted Services		19,864
Cabling		16,656
Software		126,544
Total Technology		636,290
<u>Other Programs</u>		
On-behalf Payments to OPEB	\$	353,840
Total Other Programs		353,840

(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		546	
Pensions		926	
Unemployment Compensation		1,130	
Employer Medicare		261	
Audit Services		29,500	
Dues and Memberships		11,595	
Legal Services		58,983	
Travel		6,500	
Other Contracted Services		5,300	
Other Supplies and Materials		787	
Liability Insurance		131,577	
Premiums on Corporate Surety Bonds		6,747	
Trustee's Commission		342,987	
Workers' Compensation Insurance		285,080	
In Service/Staff Development		9,391	
Criminal Investigation of Applicants - TBI		8,211	
Refund to Applicant for Criminal Investigation		2,352	
Total Board of Education			\$ 919,873

Director of Schools

County Official/Administrative Officer	\$	136,000	
Career Ladder Program		1,000	
Secretary(ies)		72,823	
Social Security		11,354	
Pensions		29,206	
Life Insurance		130	
Medical Insurance		22,468	
Employer Medicare		2,856	
Communication		79,677	
Dues and Memberships		5,912	
Postal Charges		2,555	
Travel		100	
Other Contracted Services		680	
Office Supplies		1,155	
Other Supplies and Materials		9,907	
In Service/Staff Development		2,066	
Other Charges		2,620	
Administration Equipment		772	
Total Director of Schools			381,281

Office of the Principal

Principals	\$	1,282,699	
Career Ladder Program		10,000	
Assistant Principals		790,642	
Secretary(ies)		758,482	

(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.)

Social Security	\$	164,603	
Pensions		290,647	
Life Insurance		2,328	
Medical Insurance		425,954	
Employer Medicare		38,496	
Dues and Memberships		22,201	
In Service/Staff Development		3,228	
Total Office of the Principal			\$ 3,789,280

Fiscal Services

Supervisor/Director	\$	65,200	
Accountants/Bookkeepers		135,988	
Social Security		12,113	
Pensions		28,009	
Life Insurance		216	
Medical Insurance		26,806	
Employer Medicare		2,854	
Data Processing Services		15,149	
Operating Lease Payments		4	
Other Contracted Services		1,331	
Data Processing Supplies		2,400	
Office Supplies		2,908	
In Service/Staff Development		2,486	
Administration Equipment		1,830	
Total Fiscal Services			297,294

Human Services/Personnel

Supervisor/Director	\$	55,000	
Other Salaries and Wages		51,767	
Social Security		6,099	
Pensions		13,890	
Life Insurance		108	
Medical Insurance		16,938	
Employer Medicare		1,426	
Data Processing Services		31,804	
Travel		99	
Office Supplies		659	
Other Supplies and Materials		1,232	
In Service/Staff Development		1,286	
Total Human Services/Personnel			180,308

Operation of Plant

Supervisor/Director	\$	120,195	
Secretary(ies)		35,935	
Custodial Personnel		511,391	
Social Security		40,109	

(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.)

Pensions	\$	83,594	
Life Insurance		1,102	
Medical Insurance		146,880	
Employer Medicare		9,380	
Communication		706	
Janitorial Services		1,062,436	
Maintenance and Repair Services - Equipment		26,858	
Rentals		1,081	
Disposal Fees		35,987	
Other Contracted Services		80,163	
Custodial Supplies		94,604	
Electricity		1,659,467	
Fuel Oil		83,901	
Natural Gas		141,416	
Water and Sewer		358,924	
Other Supplies and Materials		400	
Boiler Insurance		21,592	
Building and Contents Insurance		393,383	
Other Charges		116	
Administration Equipment		45,300	
Total Operation of Plant			\$ 4,954,920

Maintenance of Plant

Supervisor/Director	\$	60,200	
Maintenance Personnel		446,930	
Other Salaries and Wages		18,067	
Social Security		29,023	
Pensions		68,466	
Life Insurance		523	
Medical Insurance		86,827	
Employer Medicare		7,032	
Communication		1,444	
Other Contracted Services		5,501	
Other Supplies and Materials		331,604	
In Service/Staff Development		632	
Other Charges		1,427	
Total Maintenance of Plant			1,057,676

Transportation

Supervisor/Director	\$	41,347	
Other Salaries and Wages		7,167	
Social Security		2,679	
Pensions		3,738	
Life Insurance		22	
Medical Insurance		5,731	
Employer Medicare		626	

(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.)

Communication	\$	2,194	
Contracts with Vehicle Owners		1,995,388	
Maintenance and Repair Services - Vehicles		98,511	
Medical and Dental Services		3,719	
Gasoline		65,366	
Other Supplies and Materials		480	
Vehicle and Equipment Insurance		121,456	
In Service/Staff Development		650	
Other Charges		682	
Transportation Equipment		64,410	
Total Transportation			\$ 2,414,166

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,128	
Social Security		3,409	
Pensions		8,326	
Life Insurance		3,154	
Medical Insurance		8,869	
Employer Medicare		797	
Other Contracted Services		150	
Other Supplies and Materials		3,441	
In Service/Staff Development		5,540	
Total Food Service			94,814

Community Services

Other Salaries and Wages	\$	207,601	
Social Security		12,781	
Pensions		8,905	
Life Insurance		26	
Medical Insurance		5,154	
Employer Medicare		2,983	
Maintenance and Repair Services - Equipment		14,000	
Travel		1,558	
Other Contracted Services		54,177	
Instructional Supplies and Materials		10,810	
In Service/Staff Development		500	
Other Charges		1,401	
Total Community Services			319,896

Early Childhood Education

Communication	\$	13,320	
Contracts with Private Agencies		1,007,961	
Operating Lease Payments		20,242	
Maintenance and Repair Services - Equipment		25,037	
Travel		13,154	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Contracted Services	\$	71,532	
Instructional Supplies and Materials		38,020	
Other Supplies and Materials		42,587	
In Service/Staff Development		6,889	
Other Charges		51,299	
Total Early Childhood Education			\$ 1,290,041

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	4,242,148	
Other Construction		14,508,408	
Other Capital Outlay		254,122	
Total Regular Capital Outlay			19,004,678

Total General Purpose School Fund \$ 88,964,981

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	658,150	
Educational Assistants		237,987	
Bonus Payments		3,000	
Non-certified Substitute Teachers		16,876	
Social Security		51,612	
Pensions		63,432	
Life Insurance		605	
Medical Insurance		82,304	
Employer Medicare		12,805	
Other Contracted Services		3,700	
Instructional Supplies and Materials		66,392	
Other Supplies and Materials		229	
Other Charges		1,321	
Regular Instruction Equipment		89,450	
Total Regular Instruction Program			\$ 1,287,863

Special Education Program

Teachers	\$	44,270	
Educational Assistants		614,272	
Speech Pathologist		97,873	
Social Security		44,638	
Pensions		92,008	
Life Insurance		1,516	
Medical Insurance		223,298	
Employer Medicare		10,439	
Other Contracted Services		15,027	
Instructional Supplies and Materials		10,134	
Total Special Education Program			1,153,475

(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.)

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	3,715	
Instructional Supplies and Materials		12,098	
Other Supplies and Materials		12,837	
Vocational Instruction Equipment		135,092	
Total Career and Technical Education Program	\$		163,742

Support Services

Other Student Support

Other Salaries and Wages	\$	337,254	
Social Security		19,830	
Pensions		30,766	
Life Insurance		255	
Medical Insurance		37,004	
Employer Medicare		4,638	
Evaluation and Testing		8,450	
Travel		62,856	
Other Contracted Services		12,006	
Other Supplies and Materials		25,401	
In Service/Staff Development		8,692	
Other Charges		58,313	
Total Other Student Support			605,465

Regular Instruction Program

Supervisor/Director	\$	138,321	
Secretary(ies)		17,967	
Educational Assistants		19,050	
Other Salaries and Wages		293,044	
Non-certified Substitute Teachers		11,460	
Social Security		26,801	
Pensions		44,437	
Life Insurance		389	
Medical Insurance		54,484	
Employer Medicare		6,766	
Consultants		188,654	
Travel		83,143	
Other Contracted Services		232,160	
Other Supplies and Materials		34,084	
In Service/Staff Development		120,409	
Other Charges		671	
Total Regular Instruction Program			1,271,840

Special Education Program

Secretary(ies)	\$	73,425	
Other Salaries and Wages		355,631	
Social Security		25,482	
Pensions		42,168	

(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.)

Special Education Program (Cont.)

Life Insurance	\$	389	
Medical Insurance		53,444	
Employer Medicare		5,959	
Travel		2,933	
Other Supplies and Materials		5,926	
In Service/Staff Development		67,971	
Total Special Education Program			\$ 633,328

Career and Technical Education Program

Clerical Personnel	\$	1,000	
Social Security		62	
Pensions		90	
Employer Medicare		14	
Total Career and Technical Education Program			1,166

Transportation

Bus Drivers	\$	124,564	
Other Salaries and Wages		20,964	
Social Security		7,523	
Pensions		4,600	
Employer Medicare		2,110	
Total Transportation			159,761

Total School Federal Projects Fund \$ 5,276,640

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Accountants/Bookkeepers	\$	591	
Cafeteria Personnel		1,734,643	
Social Security		102,258	
Pensions		172,547	
Medical Insurance		452,448	
Unemployment Compensation		794	
Employer Medicare		24,104	
Advertising		131	
Communication		9,244	
Dues and Memberships		946	
Freight Expenses		104	
Maintenance and Repair Services - Equipment		64,994	
Pest Control		7,925	
Travel		3,512	
Permits		1,330	
Other Contracted Services		66,185	
Food Preparation Supplies		12,124	
Food Supplies		1,918,716	

(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.)

Ice	\$	24,724	
Uniforms		6,745	
USDA - Commodities		338,469	
Other Supplies and Materials		164,400	
Refunds		2,283	
In Service/Staff Development		178	
Criminal Investigation of Applicants - TBI		1,607	
Other Charges		2,387	
Food Service Equipment		<u>45,542</u>	
Total Food Service			<u>\$ 5,158,931</u>

Total Central Cafeteria Fund

\$ 5,158,931

Total Governmental Funds - Bradley County School Department

\$ 99,400,552

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, 2017

	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	\$ 6,112,302	\$ 64,495	\$ 6,176,797
Trustee's Collections - Prior Years	0	0	119,144	1,523	120,667
Circuit/Clerk and Master Collections - Prior Years	0	0	121,914	0	121,914
Interest and Penalty	0	0	25,198	317	25,515
Payments in-Lieu-of Taxes - Local Utilities	0	0	2,866	0	2,866
Payments in-Lieu-of Taxes - Other	0	0	410,675	0	410,675
Local Option Sales Tax	12,791,855	0	6,625,814	0	19,417,669
Mixed Drink Tax	0	4,017	0	0	4,017
Bank Excise Tax	0	0	28,376	0	28,376
Interstate Telecommunications Tax	0	0	3,375	0	3,375
Marriage Licenses	0	0	3,282	0	3,282
Investment Income	0	90	0	0	90
Other Local Revenue	0	0	209	0	209
Income Tax	0	0	81,084	0	81,084
Total Cash Receipts	\$ 12,791,855	\$ 4,107	\$ 13,534,239	\$ 66,335	\$ 26,396,536
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 12,790,657	\$ 0	\$ 13,385,285	\$ 66,335	\$ 26,242,277
Trustee's Commission	1,198	0	132,761	0	133,959
Total Cash Disbursements	\$ 12,791,855	\$ 0	\$ 13,518,046	\$ 66,335	\$ 26,376,236
<u>Excess of Cash Receipts Over (Under)</u>					
Cash Disbursements	\$ 0	\$ 4,107	\$ 16,193	\$ 0	\$ 20,300
Cash Balance, July 1, 2016	0	10,573	11,611	0	22,184
Cash Balance, June 30, 2017	\$ 0	\$ 14,680	\$ 27,804	\$ 0	\$ 42,484

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	255-262
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	6-9	263-266
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	267-271
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	272-273
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	274-276

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

Bradley County, Tennessee
Net Position by Component
Primary Government and Discretely Presented Component Unit
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>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>2017</u>
PRIMARY GOVERNMENT (Note 1)										
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 45,342,397
Restricted	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	23,154,521
Unrestricted	(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)	(23,633,726)
Total Governmental Activities Net Position	<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>	<u>\$ 44,863,192</u>
COMPONENT UNIT - Bradley County Schools (Notes 2,3)										
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 69,469,264
Restricted	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	3,144,411
Unrestricted	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)	(18,812,067)
Total Governmental Activities Net Position	<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>	<u>\$ 53,801,608</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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 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	\$ 5,645,355
Finance	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	3,159,667
Administration of Justice	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	3,844,237
Public Safety	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	23,349,492
Public Health and Welfare	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	7,617,387
Social, Cultural, and Recreational Services	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	1,943,148
Agriculture and Natural Resources	442,092	547,161	527,160	552,058	1,028,690	530,340	622,063	478,789	472,436	481,838
Other Operations	2,241,926	1,580,426	-	-	-	-	-	-	-	-
Highways/Public Works	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	4,754,450
Education (Payments to Component Unit)	-	-	17,734,346	666,796	586,923	396,897	49,457	11,731	193,550	17,465,352
Interest on Long-term Debt	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	2,308,726
Other Debt Service	559,551	82,624	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 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	\$ 70,569,652
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 1,263,625	\$ 1,269,440	\$ 1,148,994	\$ 1,182,462	\$ 1,301,060	\$ 948,182	\$ 758,422	\$ 922,543	\$ 986,165	\$ 628,607
Finance	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	1,753,881
Administration of Justice	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	1,637,122
Public Safety	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	1,828,228
Public Health and Welfare	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	2,636,570
Social, Cultural, and Recreational Services	144,459	143,499	256,213	245,372	216,977	129,801	133,496	108,063	86,400	62,215
Agriculture and Natural Resources	-	-	-	-	6,375	-	-	-	-	-
Other Operations	18,337	16,512	-	-	-	-	-	-	-	-
Highways/Public Works	2,236	40,662	15,375	10,282	20,344	7,739	6,373	6,601	769	4,838
Operating Grants and Contributions	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	21,290,932
Capital Grants and Contributions	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	1,903,423
Total Governmental Activities Program Revenues	\$ 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	\$ 31,745,816

(Continued)

Table 2

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (38,823,836)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 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	\$ 21,013,257
Property Tax Levied for Debt Services	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	5,126,129
Sales Tax	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	5,908,448
Other Local Taxes	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	3,594,217
Unrestricted Grants and Contributions	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	3,059,463
Investment Earnings	1,583,986	1,007,863	705,170	497,460	242,552	388,253	372,997	286,349	373,530	501,654
Proceeds from Sale of Equipment	-	-	-	-	-	41,901	115,975	368,089	13,339	138,323
Insurance Recovery	-	-	-	-	6,028	-	-	-	-	-
Miscellaneous	296,445	284,422	232,934	173,099	348,692	555,613	517,999	341,472	1,106,589	24,210
Total Governmental Activities	\$ 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	\$ 39,365,701
Change in Net Position	\$ 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	\$ 541,865

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ 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	\$ 92,086,955
PRIMARY GOVERNMENT: (Note 1)	\$ 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	\$ 92,086,955
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 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	\$ 1,497,099
Operating Grants and Contributions	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	10,276,084
Capital Grants and Contributions	400,000	9,200	11,897,449	13,906	-	134,004	1,300,757	-	-	1,040,000
Total Governmental Activities Program Revenues	\$ 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	\$ 12,813,183
Component Unit - Bradley County Schools (Notes 2,3)										
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (79,273,772)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 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	\$ 12,318,032
Sales Tax	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	11,970,050
Other Local Taxes	7,399	7,196	5,141	4,989	-	5,647	7,003	6,540	209,838	172,806
Unrestricted Grants and Contributions	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	48,168,352
Investment Earnings	207,630	80,902	21,309	15,507	20,648	23,528	28,734	23,014	32,444	41,224
Sale of Land/Equipment	-	-	-	-	6,199	-	-	2,298	-	-
Miscellaneous	26,109	71,272	48,972	118,831	23,502	51,972	48,317	90,280	26,821	52,360
Insurance Recovery	-	-	-	-	715,276	-	-	-	276,585	-
Pension Income	-	-	-	-	-	-	-	84,636	-	-
Total Governmental Activities	\$ 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	\$ 72,722,824
Change in Net Position	\$ (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	\$ (6,550,948)

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
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
2017	21,013,257	12,318,032	5,908,448	11,970,050	3,594,217	172,806	54,976,810

Table 4

Bradley County, Tennessee
General Government Fund Balances - Primary Government
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PRIMARY GOVERNMENT										
General Fund:										
Reserved	\$ 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	1,275,612
Committed	-	-	-	473,920	555,709	656,180	778,668	901,852	814,599	71,052
Assigned	-	-	-	510,608	473,584	487,520	498,269	459,965	844,036	124,449
Unreserved/Unassigned	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	7,791,309
Total General Fund	<u>\$ 7,520,768</u>	<u>\$ 5,462,934</u>	<u>\$ 3,661,891</u>	<u>\$ 3,332,414</u>	<u>\$ 4,337,857</u>	<u>\$ 6,536,352</u>	<u>\$ 7,133,997</u>	<u>\$ 8,088,668</u>	<u>\$ 11,076,378</u>	<u>\$ 9,262,422</u>
All Other Governmental Funds:										
Reserved	\$ 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	16,068,099
Restricted	-	-	-	6,326,324	6,482,944	4,466,337	4,461,847	4,363,048	4,064,862	5,370,428
Committed	-	-	-	20,062,092	18,292,224	17,855,310	14,692,728	14,305,427	13,922,952	13,513,371
Assigned	-	-	-	154,603	119,692	123,013	137,110	983,248	380,458	374,227
Unreserved, Reported in:										
Special Revenue Funds	2,153,228	6,361,629	5,509,162	-	-	-	-	-	-	-
Debt Service Funds	15,491,369	16,250,237	16,403,302	-	-	-	-	-	-	-
Capital Projects Funds	3,844,417	5,252,317	5,800,499	-	-	-	-	-	-	-
Permanent Funds	902,262	1,050,585	552,556	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 41,434,785</u>	<u>\$ 45,277,736</u>	<u>\$ 45,168,195</u>	<u>\$ 42,484,624</u>	<u>\$ 41,388,039</u>	<u>\$ 38,372,047</u>	<u>\$ 35,270,468</u>	<u>\$ 35,673,404</u>	<u>\$ 34,412,499</u>	<u>\$ 35,326,125</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 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	\$ 61,963,345
Licenses and Permits	375,282	370,507	289,502	333,876	666,804	368,341	414,345	521,005	470,082	395,360
Fines and Forfeitures	899,921	939,523	698,858	946,282	1,080,260	823,299	799,184	959,705	733,356	842,717
Charges for Current Services	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	9,347,027
Other Local Revenue	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	2,214,268
Fees from Co. Officials	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	2,816,848
State Revenues	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	56,620,804
Federal Revenues	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	10,143,967
Other Govt/Citizens	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	19,292,809
Total Revenues	\$ 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	\$ 163,637,145
Expenditures										
General Government	\$ 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	\$ 2,665,201
Finance	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	3,137,476
Admin. of Justice	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	3,924,263
Public Safety	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	25,700,205
Public Health/Welfare	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	7,785,173
Social, Cultural/Rec.	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	2,010,136
Agriculture and Natural Resources	431,756	530,839	519,283	534,679	577,159	531,148	618,665	505,080	488,745	496,613
Other Operations	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	2,844,561
Highways and Bridges	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	5,570,813
Education	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	80,395,874
Debt Service										
Principal	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	4,706,233
Interest	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	2,080,607
Other Charges/Operations	553,259	699,144	453,094	851,425	814,904	518,483	223,314	207,145	286,920	338,159
Endowment	-	198,460	232,428	629,426	321,349	-	-	-	-	-
Capital Projects-General	1,179,342	828,613	18,436,805	2,747,137	1,406,705	683,535	2,407,479	687,607	1,712,078	1,512,818
Capital Projects-Donated	-	-	-	-	-	-	-	-	-	16,284,960
Cap Assets Pur/Depr. Exp - Primary	-	(191,374)	1,461,421	-	-	-	-	-	-	-
Involving Capital Assets - Primary	-	(47,333)	(93,530)	-	-	-	-	-	-	-
Capital Outlay/Projects - Schools	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	19,004,678
Cap Assets Pur /Depr. Exp - Schools	-	(1,826,931)	6,592,137	-	-	-	-	-	-	-
Total Expenditures	\$ 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	\$ 178,457,770
Excess of Revenues Over (Under) Expenditures	\$ (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	\$ (14,820,625)

(Continued)

Table 5

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Transfers In	\$ 308,693	\$ 302,483	\$ 942,147	\$ 47,724	\$ 44,599	\$ 81,929	\$ 279,041	\$ 2,618,361	\$ 398,693	\$ 3,743,286
Transfers Out	(308,693)	(302,483)	(942,147)	(47,724)	(44,599)	(81,929)	(279,041)	(2,618,361)	(398,693)	(3,743,286)
Capital Leases Issued	-	-	-	-	-	-	-	195,700	193,550	16,284,960
Bond Proceeds	-	-	17,550,000	-	-	2,870,000	-	-	-	-
Note Proceeds	-	-	240,000	-	-	-	-	-	-	-
Proceeds on Refunded Bonds	-	66,820,000	-	-	-	4,255,000	-	-	-	-
Payments to Refunded Bond Escrow	-	(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	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 Land	5,650	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 279,959	\$ 800,563	\$ 18,020,217	\$ 115,020	\$ 1,023,304	\$ 2,992,949	\$ 10,259	\$ 315,518	\$ 676,076	\$ 16,284,960
Net Change in Fund Balances	\$ (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	\$ 1,464,335
Debt Service as a Percentage of Noncapital Expenditures	5%	4.2%	3.5%	4.1%	4.3%	4.5%	4.9%	4.8%	4.8%	4.3%

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
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
2017	40,383,816	17,806,561	1,368,990	469,622	1,432,698	20,265	147,649	323,306	10,438	61,963,345

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	
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%
2017	2016	1.71	6,228,628,900	2,055,202,645	719,551,600	235,023,867	118,096,800	68,150,150	7,066,277,300	2,358,376,662	33.38%

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
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Ending	Tax	Bradley Co	Bradley Co	Bradley Co	Bradley Co	Cleveland	Bradley Co	Bradley Co	Bradley Co	Bradley Co	Bradley Co	Total	Bradley Co	Bradley Co	City of	City of
Year	June 30	Year	Gen	Public	Pike	County	City	Debt	Capital	Edu Cap	Community	Other Cap	Bradley	Fire O/S	Fire I/S	Cleveland	Charleston
			Fund	Library	Road	Schools	Schools	Service	Projects	Projects	Development	Projects	County	Direct Rate	Fringe		
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
2017	2016		0.5339	0.0250	0.1244	0.5539	0.2941	0.2414	-	-	0.0580	0.0414	1.87	0.42	0.44	1.61	0.49

Source: Bradley County Assessor of Property

Table 8
Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2017

Taxpayer	Type of Business	2017		Percentage of Total Taxes Levied	2007		Percentage of Total Taxes Levied		
		Rank	Tax Liability		Rank	Assessed Valuation		Tax Liability	
Wacker	Solar Products	1	\$ 4,405,265	11.02%		-	-	0.00%	
Community Health Systems	Hospitals	2	640,665	1.60%	3	\$ 24,481,125	\$ 494,518	1.45%	
Mars, Inc.	Candies, Cookies	3	618,481	1.55%	2	25,816,418	521,492	1.53%	
Olin Mathieson	Chemical Company	4	527,069	1.32%	6	19,023,348	384,272	1.13%	
Life Care Centers	Nursing Homes	5	444,564	1.11%	5	21,748,897	439,328	1.29%	
Whirlpool	Appliance Manufacturer	6	434,025	1.09%		-	-	0.00%	
Duracell/Gillette	Battery Manufacturer	7	421,215	1.05%	4	19,182,571	387,488	1.14%	
Bayer Healthcare	Health Products	8	397,149	0.99%	10	12,245,964	247,368	0.73%	
Volunteer Energy Coop	Utility	9	314,587	0.79%	9	12,991,481	262,427	0.77%	
Arch Chemicals	Chemical Company	10	281,233	0.70%		-	-	0.00%	
				<u>21.23%</u>					<u>8.04%</u>

Source: Bradley County Property Assessor

Table 9
Bradley County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years

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
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	815,325	42,735,953	101.47	1,545,691	34,510	3.75
2016	43,551,676	41,966,070	(1)	41,966,070	96.36	(1)	30,217	0.07

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			
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%	922
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	2.61%	617
2017	20,545,000	-	35,485,000	16,396,341	112,169	72,538,510	2.99%	733

(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
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
2017	20,545,000	35,485,000	112,169	9,334,612	46,807,557	2,358,376,662	1.98	98,963	473

(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, 2017

	<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)	\$ 20,545,000		
Notes Payable	-		
Public Building Authority Loan Agreements	35,485,000		
Capital Leases Payable	16,396,341		
Less: Unamortized Premium on Debt	<u>(112,169)</u>		
Total County's Direct Debt	\$ 72,314,172	100.00%	\$ 72,314,172
City of Cleveland	75,581,552	100.00%	75,581,552
City of Charleston	<u>-</u>	100.00%	<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 147,895,724</u>		<u>\$ 147,895,724</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, 2017

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
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
2017	104,091	2,429,067,576	23,336	39.4	15.9	10,176	4.1

(1) U.S. Census Bureau.

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

(3) Tennessee Department of Labor and Workforce Development.

Table 16

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

Employer	2017			2009		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Whirlpool Corporation (Maytag)	1,417	1	2.66%	1,400	1	4.14%
Bradley County Schools	1,200	2	2.26%	820	4	2.42%
Tennova Healthcare-Cleveland	1,157	3	2.17%	1,175	2	3.47%
Amazon	1,143	4	2.15%	-		0.00%
Peyton's Southeastern	950	5	1.79%	950	3	2.81%
Lee University	815	6	1.53%	625	8	1.85%
Jackson Furniture	800	7	1.50%	530	9	1.57%
Cleveland City Schools	664	8	1.25%	340	15	1.01%
Walmart (Two Stores)	640	9	1.20%	780	5	2.31%
Bradley County Government	620	10	1.17%	630		1.86%
Total	9,406		<u>17.68%</u>	7,250		<u>21.43%</u>
Total Employment - Average Annual 2017	53,200					
Total Employment - Average Annual 2009	33,827					

Sources: Chamber of Commerce
Tennessee Department of Labor

Table 17

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

	<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>2017</u>
Function:										
General Government	51	51	51	47	47	48	43	43	43	43
Finance	46	46	48	48	48	47	47	47	47	48
Administration of Justice	59	57	64	64	64	59	60	64	65	64
Public Safety	239	239	239	239	239	236	244	249	257	258
Health and Welfare	92	92	92	92	92	92	92	92	95	96
Social, Cultural, and Recreational	9	9	9	9	9	9	9	9	9	9
Agriculture and Natural Resources	14	14	14	14	14	14	14	14	13	13
Other	2	2	2	3	3	3	3	3	3	3
Road and Bridge	54	54	54	59	59	59	59	60	60	60
Total (1)	566	564	573	575	575	567	571	581	592	594
Component Unit:										
Education (2)	1,100	988	988	988	988	988	970	988	988	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>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>2017</u>
<u>General Government</u>										
Registered Voters (1)	57,766	55,774	55,500	60,201	58,000	62,777	62,629	62,635	64,000	68,000
Building Permits Issued (2)	457	365	325	324	338	642	331	801	722	734
<u>Public Safety</u>										
Number of Warrants (Civil and Criminal) Served (3)	3,707	12,198	8,200	9,000	18,150	18,400	22,250	26,246	14,263	12,378
Fire Dept. - Call Volume	-	-	-	-	-	-	-	-	-	-
Rescue Service - Call Volume	-	-	-	-	-	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	777	678	1,302	1,265	1,300	1,310	1,559	1,579	1,579	1,668
<u>Public Health (5)</u>										
Ambulance- Call Volume	18,500	20,400	19,500	20,000	22,000	21,800	21,852	21,950	26,000	27,000
Response Time - Avg. Minutes	6.6	6.0	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	56.2	21.8	25.0	25	25	25	25	25	26	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>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>2017</u>
Function:										
Highways and Streets (1)										
Number of Miles	759	759	759	759	759	759	759	759	759	759
Number of Roads	1,251	1,253	1,253	1,253	1,253	1,253	1,253	1,254	1,254	1,254
Traffic Signals	6	6	6	6	6	8	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	8	8	8	10	13	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	6	5	5	5	5	5	5	5	5
Number of Ambulance Units	10	12	12	12	12	12	12	12	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
Facilities and Services Not Included in the Primary Government										
Education (3)										
Number of Employees *	1,100	953	953	953	970	988	1,183	1,050	1,123	1,121
Elementary Schools	11	11	12	12	12	12	12	12	11	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



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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, 2017, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements, and have issued our report thereon dated December 4, 2017. Our report includes a reference to other auditors who audited the financial statements of the Bradley Healthcare and Rehabilitation Center, as described in our report on Bradley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2017-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2017-003, 2017-005, and 2017-008.

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: 2017-002, 2017-004, 2017-006, and 2017-007.

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

December 4, 2017

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and 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, 2017. 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, 2017.

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.

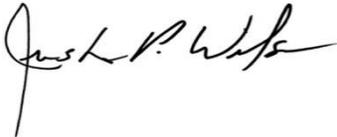
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2017, and the related notes to the financial statements, which collectively comprise Bradley County's basic financial statements. We issued our report thereon dated December 4, 2017, 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

December 4, 2017

JPW/kp

Bradley County, Tennessee, and the Bradley County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

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 Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 795,477
National School Lunch Program	10.555	N/A	2,539,480 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	338,469 (5)
Total U.S. Department of Agriculture			<u>\$ 3,673,426</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	\$ 13,382
Total U.S. Department of Justice			<u>\$ 13,382</u>
U.S. Department of Labor:			
Direct Programs:			
YouthBuild	17.274	(3)	\$ 649,317
Total U.S. Department of Labor			<u>\$ 649,317</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z17THS109	\$ 15,420
Total U.S. Department of Transportation			<u>\$ 15,420</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 2,296
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,988,792
Special Education Cluster (4):			
Special Education - Grants to States	84.027	N/A	2,024,375
Special Education - Preschool Grants	84.173	N/A	57,549
Career and Technical Education - Basic Grants to States	84.048	N/A	202,192
Twenty-first Century Community Learning Centers	84.287	N/A	319,896
English Language Acquisition Grants	84.365	N/A	16,097
Improving Teacher Quality State Grant	84.367	N/A	297,337
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	33201-03713	171,670
Total U.S. Department of Education			<u>\$ 5,080,204</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI026731-01	\$ 125,000
Child Care and Development Block Grant	93.575	N/A	22,374
Total U.S. Department of Health and Human Services			<u>\$ 147,374</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-07217	\$ 56,000
Homeland Security Grant Program	97.067	34101-12117	50,248
Total U.S. Department of Homeland Security			<u>\$ 106,248</u>
Total Expenditures of Federal Awards			<u>\$ 9,685,371</u>

(Continued)

Bradley County, Tennessee, and the Bradley County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal		Expenditures
	CFDA Number	Contract Number	
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG-17-50744-00	\$ 1,275,965
Special Needs Dental Clinic - State Department of Health	N/A	34360-65217	150,000
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	34360-71017	10,000
Juvenile Services Program - State Commission on Children and Youth	N/A	(3)	9,000
Tennessee Certified Juvenile Recovery Court Program - State Department of Mental Health and Substance Abuse	N/A	(3)	57,565
Tennessee Certified Adult Recovery Court Program - State Department of Mental Health and Substance Abuse	N/A	(3)	70,000
Custody Prevention Services - State Department of Children's Services	N/A	(3)	52,772
Community Corrections Program - State Board of Probation and Patrol	N/A	32901-31231	266,676
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	9,673
Litter Program - State Department of Transportation	N/A	Z-17-LIT006	37,850
Early Childhood Education Pilot/State - Lottery Commission	N/A	(3)	1,290,041
Coordinated School Health Improvement - State Department of Education	N/A	(3)	95,000
Safe Schools Act - State Department of Education	N/A	(3)	45,300
ConnecTN - Sate Department of Education	N/A	(3)	26,579
Governor's Grant - State Department of Education	N/A	(3)	2,839
Child Safety Seat - State Commission on Children and Youth	N/A	(3)	6,150
Tobacco Control Program - State Department of Health	N/A	(3)	<u>34,500</u>
Total State Grants			<u>\$ 3,439,910</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) Bradley County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$3,673,426; Special Education Cluster total \$2,081,924.
- (5) Total for CFDA No. 10.555 is \$2,877,949.

Bradley County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

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 Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF COUNTY MAYOR

2016	275	2016-001	A Cash Shortage of \$15,818.50 Existed in the Office at June 30, 2016	N/A	Corrected
2016	276	2016-002	Several County Departments Violated the County's Credit Card Policy	N/A	Corrected

COUNTY COMMISSION

2016	277	2016-003	The County's Audit Committee is not a Functioning Committee	N/A	Corrected
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OFFICE OF CLERK AND MASTER

2016	278	2016-004	Duties were not Segregated Adequately	N/A	Not Corrected - See Explanation on Corrective Action Plan.
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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, 2017

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? **YES**
 - * 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 84.010 Title I Grants to Local Educational Agencies
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 audit, 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. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the 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 2017-001

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

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

At June 30, 2017, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments totaling \$1,419,321 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Bradley County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding – see Management's Corrective Action Plan.

FINDING 2017-002

THE GENERAL LEDGER CASH ACCOUNT WAS NOT PROPERLY RECONCILED WITH COUNTY TRUSTEE REPORTS IN THE GENERAL FUND

(Noncompliance Under *Government Auditing Standards*)

The office did not properly reconcile the general ledger cash account with county trustee reports in the General Fund during the year examined. The office attempted to reconcile the cash account monthly; however, in each month, the office had unidentified errors and other reconciling items that were carried forward to the next month. As a result, the general ledger cash account did not reconcile with the trustee's report by \$276,769 at June 30, 2017. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. Failure to reconcile the general ledger cash account with the county trustee's reports increases the risks that errors may occur and not be detected. This deficiency is the result of a lack of management oversight. The cash balance at June 30, 2017, was determined by substantive testing and alternative audit procedures.

RECOMMENDATION

The office should reconcile its general ledger cash accounts with county trustee reports monthly as required by state statute, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding – see Management's Corrective Action Plan.

FINDING 2017-003

GENERAL FUND GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

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

General ledger payroll liability accounts for the General Fund were not reconciled on a monthly basis with payroll records and payments. The office routinely transfers balances on hand at year-end in various payroll liability accounts to a single account entitled Health Insurance Payments. At June 30, 2017, the balance in this account was \$366,488, all of which was unidentified. Auditors have noted in previous years that this unidentified amount has been increasing and have recommended the office identify and reconcile these liabilities; however, no reconciliation was available and no proof of this amount could be provided at June 30, 2017. This deficiency exists because management is either unwilling or unable to address this deficiency. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected.

RECOMMENDATION

Payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this finding – see Management’s Corrective Action Plan.

FINDING 2017-004

THE OFFICE FAILED TO MAKE TIMELY PAYMENTS TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM RESULTING IN ASSESSED PENALTIES TOTALING \$11,929

(Noncompliance Under *Government Auditing Standards*)

Subsequent to the county’s entrance into a new pension plan for its employees, the office failed to make timely payments to the Tennessee Consolidated Retirement System (TCRS). This error was subsequently discovered, corrected, and all employee benefits were properly paid. However, due to payments not being sent on time, the county was assessed late penalty fees totaling \$11,929. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Employee benefit amounts should be remitted to the TCRS on a timely basis to avoid penalty assessments.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this finding – see Management’s Corrective Action Plan.

FINDING 2017-005

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of County Mayor. The employee responsible for maintaining accounting records in the office is also responsible for performing cash and other account reconciliations; however, as reflected in above-noted findings, reconciliations of accounts were not properly performed and these errors went undetected during the year examined. Sound business practices dictate that management is responsible for designing internal controls 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.

RECOMMENDATION

The county mayor should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding – See Management's Corrective Action Plan.

OFFICE OF ROAD SUPERINTENDENT

FINDING 2017-006

COMPETITIVE BIDS WERE NOT SOLICITED FOR THE PURCHASE OF CERTAIN HIGHWAY EQUIPMENT

(Noncompliance Under *Government Auditing Standards*)

During the year, the Highway Department did not solicit competitive bids for the purchase of a truck (\$45,985), two tractors (\$111,750), and two mowers (\$45,846). Section 5-14-204, *Tennessee Code Annotated (TCA)*, requires competitive bids through newspaper advertisement to be solicited on applicable purchases exceeding \$10,000. County officials stated that these purchases were made through the National Joint Powers Alliance, a national purchasing cooperative. Section 12-3-1205, *TCA*, allows governments to make purchases through cooperatives under certain conditions. One condition of this statute requires the county commission adopt a resolution accepting the terms of the cooperative's master agreement; however, no master agreement was obtained or presented to the county commission for approval prior to the purchase of the equipment noted above, and no other bids were solicited for these purchases. As a result of not obtaining competitive bids, the best and lowest price may not have been obtained for these purchases.

RECOMMENDATION

All purchases should be made in compliance with the applicable state statutes.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

I disagree with this finding. The National Joint Powers Alliance is a competitive bid process.

AUDITOR'S REBUTTAL

As noted above, state statutes set forth the conditions under which the use of cooperatives is allowable. Failure to adhere to the conditions of the statute effectively constitutes a failure to competitively bid.

OFFICE OF CLERK AND MASTER

FINDING 2017-007

EXCESS FEES WERE NOT REPORTED AND PAID TO THE COUNTY IN COMPLIANCE WITH STATE STATUTES
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that excess fees were properly remitted to the county, we examined the dates when excess fees were remitted and the amount of excess fees retained by the office at the end of each quarter. Section 8-22-104, *Tennessee Code Annotated*, requires excess fees to be reported and paid to the county quarterly and authorizes the clerk to retain sufficient fees to operate the office for three months. Excess fees retained by the office exceeded statutory limits for all but one quarter covered by our examination. The office paid excess fees to the county only twice during the year, and retained excess fee amounts in excess of statutory limits by amounts ranging from \$4,303 to \$127,524. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The clerk and master should report and pay excess fees to the county in compliance with state statute.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

We concur with this finding.

FINDING 2017-008

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 Office of Clerk and Master. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – CLERK AND MASTER

We concur with this finding.

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, 2017.

Bradley County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

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 in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
<u>OFFICE OF COUNTY MAYOR</u>		
2017-001	The General Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	294
2017-002	The General Ledger Cash Account was not Properly Reconciled with County Trustee Reports in the General Fund	295
2017-003	General Fund General Ledger Payroll Liability Accounts were not Reconciled	295-296
2017-004	The Office Failed to Make Timely Payments to the Tennessee Consolidated Retirement System Resulting in Assessed Penalties Totaling \$11,929	296
2017-005	Duties were not Segregated Adequately	296-297
<u>OFFICE OF ROAD SUPERINTENDENT</u>		
2017-006	Competitive Bids were not Solicited for the Purchase of Certain Highway Equipment	298
<u>OFFICE OF CLERK AND MASTER</u>		
2017-007	Excess Fees were not Reported and Paid to the County in Compliance with State Statutes	300
2017-008	Duties were not Segregated Adequately	299-300



Office of the
BRADLEY COUNTY MAYOR
D. GARY DAVIS

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Cleveland, Tennessee 37364

Office (423) 728-7141
Facsimile (423) 476-0696

Bradley County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

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 2017-001

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

(Internal Control-Material Weakness Under Government
Auditing Standards)

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 2017

Repeat Finding:

No

Reason Why Corrective Action was Not Taken – PY

N/A

Planned Corrective Action:

At the end of fiscal year 2016, the Bradley County Finance Department upgraded its Local Government Software used for accounting and payroll services. Due to an unforeseen malfunction in the software as a result of the upgrade, sub-funds did not properly close and did not roll into the General Fund as required at the end of year. A manual reconciliation was performed allowing Bradley County to balance its financial statements despite the software issues. However, when the year was closed in the software program, the cause of the error had not yet been discovered. With the help of three auditors and software support staff of Local Government, the issue with the sub-funds was discovered and has been rectified. Additionally, to insure that this problem does not occur in the future, Bradley County has eliminated the sub-funds and they will be placed into separate accounts for the next fiscal year.

“A world class place to call home”

FINDING 2017-002

THE GENERAL LEDGER CASH ACCOUNT WAS NOT PROPERLY RECONCILED WITH COUNTY TRUSTEE REPORTS IN THE GENERAL FUND

(Noncompliance Under Government Auditing Standards)

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:	July, 2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

This finding is a result of the same unforeseen software malfunction addressed in finding 2017-001. The previously described software issue resulted in the inability of the Finance Department to reconcile the general ledger cash account with the Bradley County Trustee Reports in the General Fund. Throughout the year when discrepancies were discovered between the Finance Department records and the Trustee's Office records, both offices worked diligently to locate the cause of any discrepancies. It was determined that during the fiscal year some cash receipts were not sent to the Finance Department, but that issue was corrected as soon as it was discovered. As previously stated, the issue with the sub-funds has been corrected and steps have been taken to ensure that all cash receipts are received in the Finance Department.

FINDING 2017-003

GENERAL FUND GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

(Internal Control---Significant Deficiency Under Government Auditing Standards)

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:	July, 2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

This finding is also related to the cause of finding 2017-001 and 2017-002. When the year was closed, large amounts of journal entries must be entered into the software system to properly move the sub-fund liabilities into the General Fund. The previously addressed issues with the closing of the sub-funds resulted in the General Fund General Ledger Payroll Liability Accounts not being properly reconciled. In the next fiscal year, the problems with reconciliation of these accounts will be eliminated when the sub-funds are moved into separate accounts.

FINDING 2017-004

THE OFFICE FAILED TO MAKE TIMELY PAYMENTS TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM RESULTING IN ASSESSED PENALTIES TOTALING \$11,929.

(Noncompliance Under Government Auditing Standards)

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 2016
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

The Bradley County Commission voted effective October 1, 2016 to change from the regular defined benefit plan in the Tennessee Consolidated Retirement System to the Hybrid Plan for all Bradley County employees hired after this date. In the process of entering newly hired employees into the Hybrid Plan, many issues were discovered that had to be addressed. Local Government Software used by Bradley County for payroll was not set up correctly for the employee deductions to report correctly in the payroll system. As such, issues arose in getting the retirement information to upload into the Tennessee Consolidated Retirement System for the initial month of the retirement plan change. As a result of these issues with changing retirement plans, the payment was late by two days and penalties were charged. All issues with the change in retirement plans have been corrected and no other payments were late.

FINDING 2017-005

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

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 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

The Bradley County Finance Department is composed of three employees, and this Department has always and will continue to work diligently toward segregation of duties as much as possible with the personnel resources available in the Department. The Finance Director has always and will continue to reconcile the cash receipts and other accounts. This office will strive to continue making sure that all accounting requirements are met and that all standards are upheld, including segregation of duties to the fullest extent possible.


County Mayor 12/4/17


Finance Director 12/4/17



Office of Superintendent

Sandra Knight Collins

508 Withrow Road, McDonald, TN 37353

Phone: 423-728-7006 Fax: 423-478-8899

E-mail: sknight@bradleycountyttn.gov

Corrective Action Plan

FINDING: COMPETITIVE BIDS WERE NOT SOLICITED ON THE PURCHASE OF CERTAIN HIGHWAY EQUIPMENT

Response and Corrective Action Plan Prepared by:
Sandra K. Collins, Road Superintendent

Person Responsible for Implementing the Corrective Action:
Sandra K. Collins, Road Superintendent

Anticipated Completion Date of Corrective Action:
September 18, 2017

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
Not applicable

Planned Corrective Action:
Resolution #2017-45 was passed by the Bradley County Commission on September 18, 2017, allowing purchases to be made through National Joint Power Alliance for all of Bradley County Government.

Signature: 



JERRI S. BRYANT
CHANCELLOR

10th CHANCERY DIVISION

OFFICE OF
CLERK & MASTER
BRADLEY COUNTY CHANCERY COURT
SARAH E. COLEMAN, CLERK & MASTER
155 N. OCOEE ST., RM 203
CLEVELAND, TN 37311
Office: 423-728-7209
Fax: 423-339-0723

August 23, 2017

Bradley County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the audit 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

Bradley County, Tennessee
Office of the Clerk & Master and Probate Courts Clerk

FINDING 2017-001

**DUTIES WERE NOT SEGREGATED ADEQUATELY
IN THE OFFICE OF CLERK AND MASTER AND
PROBATE COURTS CLERK**

Response and Corrective Action Plan Prepared by:	Sarah Coleman
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	June 30, 2018
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:

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 checklists on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices. We have implemented most of these to date. However, we recently began initialing the deposits for a checks and balance system but had not implemented this practice for enough time to avoid the finding.

FINDING 2017-002

EXCESS FEES WERE NOT REPORTED AND PAID TO THE COUNTY IN COMPLIANCE WITH STATE STATUTE (noncompliance under Government Auditing Standards)

Response and Corrective Action Plan Prepared by:

Sarah Coleman

Person Responsible for Implementing the Corrective Action:

Same

Anticipated Completion Date of Corrective Action:

June 30, 2018

Repeat Finding:

NO

Planned Corrective Action:

Clerk and Master:

I will implement a reminder system in the calendar to avoid this problem in the future to ensure that excess funds are paid quarterly.



Sarah E. Coleman
Sarah E. Coleman, Clerk & Master