

ANNUAL FINANCIAL REPORT
CHEATHAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2006

**Comptroller of the Treasury
Department of Audit
Division of County Audit
Nashville, Tennessee**

ANNUAL FINANCIAL REPORT
CHEATHAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2006

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

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This financial report is available at www.comptroller.state.tn.us

CHEATHAM COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Cheatham County, Tennessee
For the Year Ended June 30, 2006

Scope

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2006.

Results

Our report on Cheatham County's financial statements is unqualified.

Our audit resulted in seven findings and recommendations, which we have reviewed with Cheatham County management. Detailed findings and recommendations are included in the Single Audit Section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The director of accounts and budgets did not maintain accounting records for the Road Department as required by the Fiscal Control Acts of 1957.
- ◆ The office had accounting deficiencies. General ledger accounts did not balance in the General and Solid Waste/Sanitation Funds. Payroll deduction accounts and the trustee's cash balances were not reconciled with fund accounting records on a current basis. A detailed listing of outstanding purchase orders was not available for audit inspection.
- ◆ Expenditures exceeded appropriations approved by the County Commission at the major category level of control (the legal level of control) of the General, Education Debt Service, Drug Control, General Capital Projects, and Other Capital Projects Funds.
- ◆ The office did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster.

OFFICE OF ROAD SUPERINTENDENT

- ◆ The office had accounting deficiencies. Payroll deduction accounts and the trustee's cash balances were not reconciled with fund accounting records on a current basis. Also, the detailed listing of outstanding purchase orders did not reconcile with the general ledger encumbrance account.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office did not implement adequate controls to protect its information resources.
-

OTHER FINDING

- ◆ Duties were not segregated adequately among employees in the Ambulance Service and the Offices of Trustee and Sheriff.

INTRODUCTORY SECTION

Cheatham County Officials

June 30, 2006

Officials

William Orange, County Mayor
Jerry Carney, Road Superintendent
Lynn Seifert, Director of Schools
Betty Balthrop, Assessor of Property
Dorothy Jones, Trustee
W. J. Hall, County Clerk
Julie Womack, Circuit and General Sessions Courts Clerk
Pam Jenkins, Clerk and Master
Dolores Moulton, Register
John Holder, Sheriff
Tara Patterson, Director of Accounts and Budgets

Board of County Commissioners

Karl Francis, Chairman	Bill Anderson
Ronnie Davidson	Ricky Burton
Donnie Jordan	Brenda Montgomery
Jack McCanless	LuAnn Engelman
Ann Jarreau	David Davidson
Carmel Maddox	David McCullough

Board of Education

Michael Stuart, Chairman	Dreama McCool Davidson
Rickey Thomas	Susan Greer
Barry Breen	Todd Ford

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

March 30, 2007

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

To the County Mayor and Board of County Commissioners:

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 Cheatham County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Cheatham County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cheatham County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented Cheatham County Emergency Communications District's financial statements which represent 1.6 percent and 0.8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and we did not audit the discretely presented Cheatham County Water and Waste Water Authority's financial statements which represent 1.4 percent and 0.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented Cheatham County Emergency Communications District and the discretely presented Cheatham County Water and Waste Water Authority is based on the reports of the other auditors.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit

includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 Cheatham County, Tennessee, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2007, on our consideration of Cheatham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management of Cheatham County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The budgetary comparison information on pages 63 through 67 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note V.B., Cheatham County has implemented Governmental Accounting Standards Board Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.

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

Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and includes a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Cheatham County, Tennessee
Statement of Net Assets
June 30, 2006

	Primary	Component Units		
	Governmental Activities	Cheatham County School Department	Emergency Communications District	Water and Wastewater Authority
<u>ASSETS</u>				
Cash	\$ 2,230	\$ 1,596,873	\$ 342,691	\$ 485,875
Equity in Pooled Cash and Investments	9,409,129	0	0	0
Inventories	3,363	0	0	0
Investments	0	0	8,596	0
Accounts Receivable	1,767,238	100,222	20,093	191,222
Allowance for Uncollectibles	(835,496)	0	0	0
Property Taxes Receivable	10,399,243	7,466,979	0	0
Allowance for Uncollectible Property Taxes	(249,195)	(174,707)	0	0
Due from Other Governments	624,847	1,277,813	11,838	0
Notes Receivable	40,000	0	0	0
Accrued Interest Receivable	286	0	726	0
Prepaid Items	0	0	5,009	0
Deferred Charges - Debt Issuance Costs	168,113	0	0	0
Notes Receivable - Long-term	373,000	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	1,081,058	781,997	0	0
Construction in Progress	0	0	316,283	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,733,142	45,660,880	0	205,521
Other Capital Assets	7,591,435	2,928,947	270,548	0
Infrastructure	966,701	0	0	0
Total Assets	\$ 37,075,094	\$ 59,639,004	\$ 975,784	\$ 882,618
<u>LIABILITIES</u>				
Accounts Payable	\$ 184,806	\$ 179,229	\$ 6,426	\$ 0
Accrued Payroll	0	0	0	0
Payroll Deductions Payable	125,667	20,344	0	0
Accrued Interest Payable	110,271	0	3,979	0
Due to Litigants, Heirs, and Others	1,545	0	0	0
Matured Interest on Bonds	12,211	0	0	0
Capital Outlay Notes Payable	27,000	0	0	0
Deferred Revenue - Current Property Taxes	9,783,612	7,042,070	0	0
Noncurrent Liabilities:				
Due Within One Year	1,609,168	11,769	40,000	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	27,262,441	105,922	373,000	0
Total Liabilities	\$ 39,116,721	\$ 7,359,334	\$ 423,405	\$ 0

(Continued)

Exhibit A

Cheatham County, Tennessee
Statement of Net Assets (Cont.)

	Primary	Component Units		
	Governmental Activities	Cheatham County School Department	Emergency Communications District	Water and Wastewater Authority
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 12,205,231	\$ 49,371,824	\$ 182,852	\$ 205,521
Restricted for:				
Capital Projects	632,819	0	0	0
Central Cafeteria	0	853,291	0	0
Debt Service	5,863,292	0	0	0
Highway/ Public Works	1,584,700	0	0	0
Other Purposes	594,542	25,636	0	0
Unrestricted	<u>(22,922,211)</u>	<u>2,028,919</u>	<u>369,527</u>	<u>677,097</u>
Total Net Assets	<u>\$ (2,041,627)</u>	<u>\$ 52,279,670</u>	<u>\$ 552,379</u>	<u>\$ 882,618</u>

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

Exhibit B

Cheatham County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2006

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Total Governmental Activities	Cheatham County School Department	Emergency Communications District	Water and Wastewater Authority
Primary Government:								
General Government	\$ 1,533,437	\$ 701,166	\$ 28,872	\$ 0	\$ (803,399)	\$ 0	\$ 0	\$ 0
Finance	888,197	929,491	12,063	0	53,357	0	0	0
Administration of Justice	973,303	854,542	36,340	0	(82,421)	0	0	0
Public Safety	4,617,349	441,588	304,900	167,136	(3,703,725)	0	0	0
Public Health and Welfare	2,657,190	787,573	119,089	257,857	(1,492,671)	0	0	0
Social, Cultural, and Recreational Services	374,406	1,835	0	22,551	(350,020)	0	0	0
Agriculture and Natural Resources	113,360	0	0	0	(113,360)	0	0	0
Other Operations	1,045,200	0	28,520	0	(1,016,680)	0	0	0
Highways/Public Works	3,089,986	125	1,493,126	340,947	(1,255,788)	0	0	0
Education	1,427,201	0	0	0	(1,427,201)	0	0	0
Interest on Long-term Debt	1,241,619	0	0	0	(1,241,619)	0	0	0
Other Debt Service	43,676	0	0	0	(43,676)	0	0	0
Total Primary Government	\$ 18,004,924	\$ 3,716,320	\$ 2,022,910	\$ 788,491	\$ (11,477,203)	\$ 0	\$ 0	\$ 0
Component Units:								
Cheatham County School Department	\$ 44,145,032	\$ 2,507,259	\$ 4,235,487	\$ 760,190	\$ (36,642,096)	\$ (36,642,096)	\$ 0	\$ 0
Emergency Communications District	305,361	320,595	0	0	0	0	15,234	0
Water and Wastewater Authority	79,120	68,985	0	0	0	0	0	(10,135)
Total Component Units	\$ 44,529,513	\$ 2,896,839	\$ 4,235,487	\$ 760,190	\$ 0	\$ (36,642,096)	\$ 15,234	\$ (10,135)

(Continued)

Exhibit B

Cheatham County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Total Governmental Activities	Cheatham County School Department	Emergency Communications District	Water and Wastewater Authority
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 6,105,469	\$ 6,862,799	\$ 0	\$ 0
Property Taxes Levied for Debt Service					3,886,447	0	0	0
Local Option Sales Tax					1,278,687	1,605,624	0	0
Other Local Taxes					4,031,530	357,090	0	0
Grants and Contributions Not Restricted to Specific Programs					371,254	26,803,236	10,000	0
Unrestricted Investment Earnings					535,388	15,947	7,033	12,711
Miscellaneous					442,477	87,761	0	0
Total General Revenues					<u>\$ 16,651,252</u>	<u>\$ 35,732,457</u>	<u>\$ 17,033</u>	<u>\$ 12,711</u>
Change in Net Assets					\$ 5,174,049	\$ (909,639)	\$ 32,267	\$ 2,576
Net Assets, July 1, 2005					(7,215,676)	53,189,309	520,112	880,042
Net Assets, June 30, 2006					<u>\$ (2,041,627)</u>	<u>\$ 52,279,670</u>	<u>\$ 552,379</u>	<u>\$ 882,618</u>

Exhibit C-1

Cheatham County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2006

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,000	\$ 0	\$ 0	\$ 1,230	\$ 2,230
Equity in Pooled Cash and Investments	2,603,667	1,863,680	2,562,885	2,378,897	9,409,129
Inventories	3,363	0	0	0	3,363
Accounts Receivable	1,630,359	19,733	115,543	1,603	1,767,238
Allowance for Uncollectibles	(835,496)	0	0	0	(835,496)
Due from Other Governments	102,903	282,065	239,879	0	624,847
Due from Other Funds	0	0	713,716	0	713,716
Property Taxes Receivable	4,623,528	513,725	3,606,667	1,655,323	10,399,243
Allowance for Uncollectible Property Taxes	(109,700)	(12,188)	(88,031)	(39,276)	(249,195)
Notes Receivable - Current	0	0	0	40,000	40,000
Accrued Interest Receivable	0	0	0	286	286
Notes Receivable - Long-term	0	0	0	373,000	373,000
Total Assets	\$ 8,019,624	\$ 2,667,015	\$ 7,150,659	\$ 4,411,063	\$ 22,248,361
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 128,444	\$ 4,653	\$ 1,632	\$ 50,077	\$ 184,806
Payroll Deductions Payable	34,179	91,239	0	249	125,667
Due to Other Funds	713,716	0	0	0	713,716
Due to Litigants, Heirs, and Others	0	0	0	1,545	1,545
Matured Interest on Bonds	0	0	12,211	0	12,211
Capital Outlay Notes Payable	0	0	0	27,000	27,000
Deferred Revenue - Current Property Taxes	4,354,251	483,806	3,386,640	1,558,915	9,783,612
Deferred Revenue - Delinquent Property Taxes	114,567	12,730	94,766	41,018	263,081
Other Deferred Revenues	513,172	145,951	135,731	373,286	1,168,140
Total Liabilities	\$ 5,858,329	\$ 738,379	\$ 3,630,980	\$ 2,052,090	\$ 12,279,778

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 58,061	\$ 125,078	\$ 0	\$ 4,985	\$ 188,124
Reserved for Alcohol and Drug Treatment	27,288	0	0	0	27,288
Reserved for Litter Enforcement Awards	21,195	0	0	0	21,195
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	257,380	0	0	0	257,380
Reserved for Sexual Offender Registration	3,630	0	0	0	3,630
Reserved for Courtroom Security	2	0	0	0	2
Reserved for Computer System - Register	18,999	0	0	0	18,999
Reserved for Automation Purposes - Circuit Court	2,901	0	0	0	2,901
Reserved for Automation Purposes - General Sessions Court	11,225	0	0	0	11,225
Reserved for Automation Purposes - Chancery Court	2,208	0	0	0	2,208
Reserved for Automation Purposes - Sheriff	4,945	0	0	0	4,945
Reserved for Long-Term Notes Receivable	0	0	0	373,000	373,000
Unreserved, Reported In:					
General Fund	1,753,461	0	0	0	1,753,461
Special Revenue Funds	0	\$ 1,803,558	\$ 0	\$ 381,439	\$ 2,184,997
Debt Service Funds	0	0	3,519,679	979,459	4,499,138
Capital Projects Funds	0	0	0	620,090	620,090
Total Fund Balances	\$ 2,161,295	\$ 1,928,636	\$ 3,519,679	\$ 2,358,973	\$ 9,968,583
Total Liabilities and Fund Balances	\$ 8,019,624	\$ 2,667,015	\$ 7,150,659	\$ 4,411,063	\$ 22,248,361

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

Exhibit C-2

Cheatham County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2006

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 9,968,583
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,081,058	
Add: buildings and improvements net of accumulated depreciation	5,733,142	
Add: other capital assets net of accumulated depreciation	7,591,435	
Add: infrastructure net of accumulated depreciation	<u>966,701</u>	15,372,336
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,431,221
(3) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.		168,113
(4) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.		(110,271)
(5) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (19,075,000)	
Less: notes payable	(1,257,000)	
Less: capital leases payable	(138,855)	
Less: others loans payable	(7,231,430)	
Less: compensated absences	(664,520)	
Less: landfill closure/postclosure costs	(995,374)	
Add: deferred amount on refunded notes	<u>490,570</u>	<u>(28,871,609)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (2,041,627)</u>

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

Exhibit C-3

Cheatham County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,193,861	\$ 815,522	\$ 6,681,814	\$ 1,725,882	\$ 15,417,079
Licenses and Permits	309,438	0	0	0	309,438
Fines, Forfeitures, and Penalties	197,213	0	0	39,267	236,480
Charges for Current Services	877,393	10,395	0	107,827	995,615
Other Local Revenues	634,446	29,499	36,838	173,419	874,202
Fees Received from County Officials	1,785,983	0	0	0	1,785,983
State of Tennessee	518,836	1,840,159	70,125	135,353	2,564,473
Federal Government	364,605	0	0	0	364,605
Other Governments and Citizens Groups	320,574	16,448	0	0	337,022
Total Revenues	\$ 11,202,349	\$ 2,712,023	\$ 6,788,777	\$ 2,181,748	\$ 22,884,897
<u>Expenditures</u>					
Current:					
General Government	\$ 1,274,057	\$ 0	\$ 102,359	\$ 91,343	\$ 1,467,759
Finance	888,895	0	0	0	888,895
Administration of Justice	967,129	0	0	0	967,129
Public Safety	4,318,450	0	0	25,285	4,343,735
Public Health and Welfare	1,547,301	0	0	874,978	2,422,279
Social, Cultural, and Recreational Services	343,094	0	0	0	343,094
Agricultural and Natural Resources	114,273	0	0	0	114,273
Other Operations	1,011,832	0	0	4,844	1,016,676
Highways	0	2,923,258	0	0	2,923,258
Capital Outlay	0	0	0	1,427,201	1,427,201
Debt Service:					
Principal on Debt	0	70,790	4,840,500	547,340	5,458,630
Interest on Debt	0	8,755	1,153,108	87,807	1,249,670
Other Debt Service	0	0	27,266	5,019	32,285
Capital Projects	172,598	0	0	318,055	490,653
Total Expenditures	\$ 10,637,629	\$ 3,002,803	\$ 6,123,233	\$ 3,381,872	\$ 23,145,537
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 564,720	\$ (290,780)	\$ 665,544	\$ (1,200,124)	\$ (260,640)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 575,000	\$ 0	\$ 0	\$ 1,427,201	\$ 2,002,201
Insurance Recovery	413	0	3,150	35,119	38,682
Transfers In	11,332	0	713,716	441,269	1,166,317
Transfers Out	(1,139,623)	0	0	(26,694)	(1,166,317)
Total Other Financing Sources (Uses)	\$ (552,878)	\$ 0	\$ 716,866	\$ 1,876,895	\$ 2,040,883
Net Change in Fund Balances					
Fund Balance, July 1, 2005	\$ 11,842	\$ (290,780)	\$ 1,382,410	\$ 676,771	\$ 1,780,243
	2,149,453	2,219,416	2,137,269	1,682,202	8,188,340
Fund Balance, June 30, 2006					
	\$ 2,161,295	\$ 1,928,636	\$ 3,519,679	\$ 2,358,973	\$ 9,968,583

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

Exhibit C-4

Cheatham 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, 2006

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,780,243
(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 outlays in the current period	\$ 791,626	
Less: current year depreciation	<u>(1,069,768)</u>	(278,142)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2006	\$ 1,431,221	
Less: deferred delinquent property taxes and other deferred June 30, 2005	<u>(1,137,145)</u>	294,076
(3) The issuance of long-term debt (e.g., notes, bonds) 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 assets.		
Add: principal payment on capital leases	\$ 70,790	
Add: principal payment on notes	1,779,541	
Add: principal payment on bonds	2,345,000	
Add: principal payment on other loans	1,263,299	
Less: note proceeds	(2,002,201)	
Less: change in deferred amount on refunding debt	(56,682)	
Less: change in deferred debt issuance costs	<u>(11,391)</u>	3,388,356
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 64,733	
Change in landfill closure/postclosure care costs	13,000	
Change in compensated absences	<u>(88,217)</u>	(10,484)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 5,174,049</u>

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

Exhibit D

Cheatham County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2006

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 847,601
Due from Other Governments	<u>370,775</u>
Total Assets	<u>\$ 1,218,376</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 370,775
Due to Litigants, Heirs, and Others	<u>847,601</u>
Total Liabilities	<u>\$ 1,218,376</u>

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

CHEATHAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cheatham 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 Cheatham County:

A. Reporting Entity

Cheatham County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Cheatham 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.

Blended Component Units – There are no legally separate component units of Cheatham County that meet the criteria for being reported as part of the primary government by the blending method.

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 Cheatham County School Department operates the public school system in the county, and the voters of Cheatham County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, 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 Cheatham County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Cheatham County, and the Cheatham County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Cheatham County Water and Wastewater Authority provides water and wastewater treatment services for industries in the Cheatham County Industrial Park and to some county schools, and the Cheatham County

Commission appoints its governing body. The authority is funded primarily from user service fees.

The Cheatham County School Department, the Cheatham County Emergency Communications District, and the Cheatham County Water and Wastewater Authority issue separate financial statements from those of the county. The School Department's financial statements are published as a separate report, but under the same cover as the county's financial statements. The Cheatham County Emergency Communications District's and the Cheatham County Water and Wastewater Authority's financial statements are published as separate reports. Complete financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Cheatham County Emergency Communications District
P.O. Box 682
Ashland City, TN 37015

Cheatham County Water and Wastewater Authority
100 Public Square
Suite 115
Ashland City, TN 37015

Related Organization – The Cheatham County Industrial Development Board is a related organization of Cheatham County. The county's officials are responsible for appointing the members of the board, but the county's accountability for this organization does not extend beyond making the appointments. During the year ended June 30, 2006, the county did not appropriate any operating subsidies to the Cheatham County Industrial Development Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 Cheatham 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 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.

Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues (\$1,427,201) were contributed by the county to the School Department during the year ended June 30, 2006.

Separate financial statements are provided for governmental funds and fiduciary funds. 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 fund 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 Cheatham 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, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Cheatham 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. Fiduciary funds 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. Cheatham 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 debt service funds 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.

Cheatham County reports the following major governmental funds:

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

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

Education 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.

Additionally, Cheatham County reports the following fund types:

Capital Projects Funds – These funds account for the financial resources to be used for the acquisition or construction of major capital facilities.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Cheatham County. 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 Cheatham 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 School Department reports the following fund type:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Cheatham County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Cheatham County has 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 and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables exceeding 180 days comprise the allowance for uncollectibles. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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 deferred revenue 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 with offsetting deferred revenue 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.

3. Inventories

Inventories in the General Fund consist of expendable supplies held for consumption and are valued at cost. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 \$5,000 or more for the primary government (infrastructure \$50,000) and \$10,000 or more for the School Department and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Land Improvements	10-20
Other Capital Assets	5-15
Infrastructure	20-40

5. Compensated Absences

It is the county’s policy to permit employees to accumulate earned but unused vacation (with the exception of the Offices of County Clerk, Circuit and General Sessions Courts Clerk, and Register) and sick pay benefits. There is no liability for unpaid accumulated sick leave (with the exception of the Road Department) since Cheatham County does not have a policy to pay any amounts when employees separate from service with the government. School Department employees may accumulate limited amounts of earned but unused vacation benefits. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 and 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 landfill closure and postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2006, Cheatham County has \$24,535,180 outstanding debt for capital purposes of the discretely presented Cheatham County School Department. The debt is a liability of Cheatham County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Cheatham County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2006:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Kingston Springs Library	\$ 11,873
Parks and Recreation	192,115
General Purpose School:	
Daycare	244,898

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 assets

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 assets.

Discretely Presented Cheatham 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 assets.

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 assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Cheatham 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 assets 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) which is not budgeted. 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 Cheatham 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 State 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 Cheatham 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 the GAAP basis is presented on the face of each budgetary schedule.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Category</u>	<u>Amount</u>
General:	
Other Administration of Justice	\$ 988
County Coroner/Medical Examiner	578
Parks and Fair Boards	97,039
Agriculture Extension Service	97
Other Charges	7,454
Transfers Out	130,916

Fund/Category (Cont.)	Amount
Education Debt Service:	
Other General Administration	\$ 25,159
Other Debt Service - Education	9,466
Drug Control:	
Other General Administration	64
General Capital Projects:	
Other General Administration	3,053
Other Capital Projects:	
Other General Administration	6,106

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues or available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cheatham County and the Cheatham 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets 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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2006, Cheatham County had the following investments carried at cost. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 496,979

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. Cheatham 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. Cheatham County has no investment policy that would further limit its investment choices. As of

June 30, 2006, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

The General Debt Service Fund had notes receivable of \$413,000 on June 30, 2006, from financing projects for the discretely presented Cheatham County Emergency Communications District. The amount of notes receivable that is not expected to be collected within one year is \$373,000.

C. Capital Assets

Capital asset activity for the year ended June 30, 2006, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-05	Increases	Balance 6-30-06
Capital Assets Not Depreciated:			
Land	\$ 1,071,554	\$ 9,504	\$ 1,081,058
Total Capital Assets Not Depreciated	<u>\$ 1,071,554</u>	<u>\$ 9,504</u>	<u>\$ 1,081,058</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 9,152,903	\$ 0	\$ 9,152,903
Infrastructure	16,175,643	435,600	16,611,243
Other capital assets	4,773,674	346,522	5,120,196
Total Capital Assets Depreciated	<u>\$ 30,102,220</u>	<u>\$ 782,122</u>	<u>\$ 30,884,342</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 3,192,716	\$ 227,045	\$ 3,419,761
Infrastructure	8,513,665	506,143	9,019,808
Other capital assets	3,816,915	336,580	4,153,495
Total Accumulated Depreciation	<u>\$ 15,523,296</u>	<u>\$ 1,069,768</u>	<u>\$ 16,593,064</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,578,924</u>	<u>\$ (287,646)</u>	<u>\$ 14,291,278</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,650,478</u>	<u>\$ (278,142)</u>	<u>\$ 15,372,336</u>

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

Governmental Activities:

General Government	\$ 86,794
Public Safety	269,000
Public Health and Welfare	92,435
Social, Cultural, and Recreational Services	32,795
Highway/Public Works	<u>588,744</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,069,768</u></u>

Discretely Presented Cheatham County School Department

Governmental Activities:

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets Not Depreciated:				
Land	\$ 781,997	\$ 0	\$ 0	\$ 781,997
Total Capital Assets Not Depreciated	<u>\$ 781,997</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 781,997</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 72,314,346	\$ 0	\$ 0	\$ 72,314,346
Other Capital Assets	2,956,367	1,558,876	(259,700)	4,255,543
Total Capital Assets Depreciated	<u>\$ 75,270,713</u>	<u>\$ 1,558,876</u>	<u>\$ (259,700)</u>	<u>\$ 76,569,889</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 24,886,482	\$ 1,766,984	\$ 0	\$ 26,653,466
Other Capital Assets	1,301,103	239,061	(213,568)	1,326,596
Total Accumulated Depreciation	<u>\$ 26,187,585</u>	<u>\$ 2,006,045</u>	<u>\$ (213,568)</u>	<u>\$ 27,980,062</u>
Total Capital Assets Depreciated, Net	<u>\$ 49,083,128</u>	<u>\$ (447,169)</u>	<u>\$ (46,132)</u>	<u>\$ 48,589,827</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 49,865,125</u></u>	<u><u>\$ (447,169)</u></u>	<u><u>\$ (46,132)</u></u>	<u><u>\$ 49,371,824</u></u>

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

Governmental Activities:

Support Services	<u>\$ 2,006,045</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,006,045</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2006, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Education Debt Service	General	\$ 713,176
School Department Component Unit:		
General Purpose School	Nonmajor governmental	1,841
Nonmajor governmental	"	300

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenses occur and payment between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2006, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>		
	General Fund	Education Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 713,716	\$ 425,907
Nonmajor governmental funds	11,332	0	15,362
Total	<u><u>\$ 11,332</u></u>	<u><u>\$ 713,716</u></u>	<u><u>\$ 441,269</u></u>

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

Cheatham County has entered into various capital leases for the purchase of highway equipment as follows:

Asset Description	Original Amount of Lease	Interest Rate	Date of Issuance	Last Payment Date
Tractor/Mower	\$ 56,730	4.05 %	10-1-02	1-21-08
Tractors/Mowers	71,800	4.95	3-1-03	3-21-08
Dump Truck	42,500	6.37	2-14-05	1-14-09
Two Tractors	81,474	5.15	4-15-05	4-15-10

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

Year Ending June 30	Amount
2007	\$ 58,963
2008	49,531
2009	25,460
2010	15,417
Total Minimum Lease Payments	\$ 149,371
Amount Representing Interest	<u>(10,516)</u>
Present Value of Minimum Lease Payments	<u>\$ 138,855</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, up to 20 years for other loans, and up to 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, and other loans included in long-term debt as of June 30, 2006, will be retired from the General Debt Service and Education Debt Service Funds.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2006, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-06
General Obligation Bonds	3.85 to 6.75%	\$ 23,500,000	\$ 9,395,000
General Obligation Bonds - Refunding	2 to 9	10,295,000	9,680,000
Capital Outlay Notes	3.95 to 6.95	1,375,000	1,257,000
Other Loans	variable	9,303,651	7,231,430
Capital Leases	4.05 to 6.37	252,504	138,855

In prior years, Cheatham County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority has loaned \$7,040,703 and \$2,262,948 to Cheatham County for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2006, the variable interest rates were 3.52 percent; and other fees based on the outstanding loan principal amounted to approximately .2 percent on the \$7,040,703 loan and .15 percent on the \$2,262,948 loan (letter of credit); .08 percent (remarketing fee); and \$100 per month per loan (trustee fee).

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2006, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2007	\$ 990,000	\$ 800,211	\$ 94,000	\$ 70,080
2008	1,035,000	748,417	101,000	62,063
2009	1,100,000	700,889	103,000	55,659
2010	1,075,000	662,164	110,000	50,539
2011	1,130,000	625,022	112,000	45,062
2012-2016	6,535,000	2,450,210	657,000	129,104
2017-2021	6,485,000	1,056,098	80,000	3,222
2022	725,000	37,156	0	0
Total	\$ 19,075,000	\$ 7,080,167	\$ 1,257,000	\$ 415,729

Year Ending June 30	Other Loans (\$7,040,703)			
	Principal	Interest	Other Fees	Total
2007	\$ 318,416	\$ 190,943	\$ 16,389	\$ 525,748
2008	334,337	179,735	15,497	529,569
2009	351,054	167,966	14,561	533,581
2010	368,606	155,609	13,578	537,793
2011	387,037	142,634	12,546	542,217
2012-2016	2,245,554	494,671	45,349	2,785,574
2017-2019	1,419,518	94,217	10,994	1,524,729
Total	\$ 5,424,522	\$ 1,425,775	\$ 128,914	\$ 6,979,211

Year Ending June 30	Other Loans (\$2,262,948)			
	Principal	Interest	Other Fees	Total
2007	\$ 105,334	\$ 63,603	\$ 5,356	\$ 174,293
2008	110,600	59,895	5,114	175,609
2009	116,130	56,002	4,859	176,991
2010	121,937	51,915	4,592	178,444
2011	128,034	47,622	4,312	179,968
2012-2016	742,841	165,831	16,836	925,508
2017-2019	482,032	32,482	5,622	520,136
Total	\$ 1,806,908	\$ 477,350	\$ 46,691	\$ 2,330,949

There is \$979,459 available in the General Debt Service Fund and \$3,519,679 in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$531, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$731, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

Governmental Activities	Bonds	Notes	Other Loans
Balance, July 1, 2005	\$ 21,420,000	\$ 1,034,340	\$ 8,494,729
Additions	0	2,002,201	0
Deductions	(2,345,000)	(1,779,541)	(1,263,299)
Balance, June 30, 2006	<u>\$ 19,075,000</u>	<u>\$ 1,257,000</u>	<u>\$ 7,231,430</u>
Balance Due Within One Year	<u>\$ 990,000</u>	<u>\$ 94,000</u>	<u>\$ 423,750</u>

	Capital Leases	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2005	\$ 209,645	\$ 576,303	\$ 1,008,374
Additions	0	543,062	0
Deductions	(70,790)	(454,845)	(13,000)
Balance, June 30, 2006	<u>\$ 138,855</u>	<u>\$ 664,520</u>	<u>\$ 995,374</u>
Balance Due Within One Year	<u>\$ 53,192</u>	<u>\$ 33,226</u>	<u>\$ 15,000</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2006	\$ 29,362,179
Less: Due Within One Year	(1,609,168)
Less: Deferred Amount on Refunding	<u>(490,570)</u>
Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 27,262,441</u>

Compensated absences payable will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Cheatham County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Cheatham County School Department for the year ended June 30, 2006, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2005	\$ 73,477
Additions	88,428
Deductions	<u>(44,214)</u>
Balance, June 30, 2006	<u>\$ 117,691</u>
Balance Due Within One Year	<u>\$ 11,769</u>

Defeasance of Prior Debt

In prior years, Cheatham County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2006, the following outstanding bonds are considered defeased:

	<u>Amount</u>
1996 School Improvements #1	\$ 4,425,000
1996 School Improvements #2	4,425,000

G. Short-term Debt

Cheatham County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the following funds. 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, 2006, was as follows:

<u>Fund</u>	<u>Balance 7-1-05</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6-30-06</u>
General	\$ 0	\$ 500,000	\$ (500,000)	\$ 0
General Purpose School	0	500,000	(500,000)	0

V. OTHER INFORMATION

A. Risk Management

Cheatham County and the discretely presented Cheatham County School Department joined the Tennessee School Boards Risk Management Trust (TSB-RMT), which is a public entity risk pool established by the Tennessee School Boards Association, an association of member school districts. The county pays an annual premium to the TSB-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TSB-RMT provides for it to be self-sustaining through member premiums. The TSB-RMT reinsures through commercial insurance companies for claims exceeding \$200,000 for each insured event.

Cheatham County and the discretely presented Cheatham County School Department purchase its employees' health insurance through the State of Tennessee's Group Insurance Program.

B. Accounting Changes

The county adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries during the year ended June 30, 2006. GASB Statement No. 42 requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. In addition, GASB Statement No. 42 clarifies and establishes accounting requirements for insurance recoveries.

The provisions of GASB Statement No. 44, Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1) became effective for the year ended June 30, 2006. GASB Statement No. 44 applies to the preparation of the statistical section. State and local governments may, but are not required to, prepare a statistical section to accompany basic financial statements. However, a statistical section is required to accompany a comprehensive annual financial report. Since Cheatham County is not presenting a comprehensive annual financial report, it has elected not to prepare a statistical section. A limited statistical section was presented in the prior year's report. GASB Statement No. 44 amends guidance related to the preparation of the statistical section. This statement improves the understandability and usefulness of statistical information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by GASB Statement No. 34. GASB Statement No. 44 establishes the objectives of the statistical section and the five categories it contains: financial trends, revenue capacity, debt capacity, demographic and economic, and operating. It is reasonably expected that Cheatham County

will prepare and present a statistical section in subsequent years that follows the requirements of GASB Statement No. 44.

The provisions of GASB Statement No. 46, Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34 became effective for the year ended June 30, 2006. GASB Statement No. 46 provides guidance to determine when net assets have been restricted to a particular use by the passage of enabling legislation and specifies how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation as of the end of the reporting period. Cheatham County had no net assets restricted by enabling legislation to disclose as of June 30, 2006. But it is reasonably expected that Cheatham County will be required to disclose net assets restricted by enabling legislation in subsequent years.

The provisions of GASB Statement No. 47, Accounting for Termination Benefits became effective for the year ended June 30, 2006. GASB Statement No. 47 provides accounting and reporting guidance for state and local governments that offer benefits such as early retirement incentives or severance to employees who are involuntarily terminated. Statement No. 47 specifies when governments should recognize the cost of termination benefits they offer in accrual basis financial statements. Cheatham County was not offering any termination benefits to employees as of June 30, 2006. But it is reasonably expected that Cheatham County will offer termination benefits in subsequent years subject to the accounting and reporting requirements of GASB Statement No. 47.

C. Subsequent Events

On August 2, 2006, Cheatham County issued capital outlay notes of \$120,000 to purchase bleachers and \$319,763 to purchase a new roof.

On September 12, 2006, a tax anticipation note was issued for \$1,000,000 for the General Purpose School Fund for temporary operating funds.

On October 2, 2006, Cheatham County issued a capital outlay note for \$80,000 to purchase HVAC units for classrooms.

On October 3, 2006, Cheatham County issued a capital outlay note for \$500,000 to repair and upgrade the intersection of Old Clarksville Pike and Highway 49.

On November 20, 2006, the Cheatham County Commission authorized a capital outlay note not to exceed \$626,636 to purchase seven 84-passenger buses and one special education bus.

On February 1, 2007, Cheatham County issued capital outlay notes of \$178,430 to purchase land and \$2,622,226 for the expansion of West Cheatham Elementary.

On February 19, 2007, the Cheatham County Commission authorized a capital outlay note for \$118,390 to purchase bleachers.

D. Contingent Liabilities

The county's attorney advised that there were no pending lawsuits against the county at June 30, 2006.

E. Landfill Closure/Postclosure Care Costs

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. Although closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste, a portion of these closure and postclosure care costs are recorded as a liability in each accounting period based on landfill capacity used as of each balance sheet date. Cheatham County stopped accepting waste during March 1994 and has contracted its waste management to a private vendor. The \$995,374 reported as landfill closure and postclosure liability at June 30, 2006, represents the cumulative amount recorded to date based on landfill capacity used. Dollar estimates are based on what it would cost to perform all closure and postclosure care in 2006. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Cheatham County Joint Economic and Community Development Board is a joint venture between Cheatham County and the cities of Ashland City, Kingston Springs, Pegram, and Pleasant View. The board comprises the county mayor, city mayors, and eight additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Cheatham County did not appropriate any funds to the Cheatham County Joint Economic and Community Development Board during the 2005-06 year.

The Twenty-Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-Third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart 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 including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Cheatham County made no contributions to the DTF for the year ended June 30, 2006.

G. Jointly Governed Organization

The Cheatham County Rail Authority was created by the county in conjunction with Metropolitan Davidson County. The Cheatham County Rail Authority's board includes seven members. Five members are appointed by the Cheatham County Commission, and two members are appointed by Metropolitan Davidson County. Cheatham County did not appropriate any funds to the authority for the year ended June 30, 2006. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

H. Retirement Commitments

Plan Description

Employees of Cheatham County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with ten years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after ten years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Cheatham County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building,

Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Cheatham County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2006, was 4.05 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Cheatham County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2006, Cheatham County’s annual pension cost of \$444,564 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Cheatham County’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-06	\$444,564	100%	\$0
6-30-05	389,562	100	0
6-30-04	316,141	100	0

Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b) - (a)	(a/b)	(c)	((b-a)/c)
6-30-05	\$18,502	\$18,839	\$337	98.21%	\$9,279	3.63%
6-30-03	16,900	17,184	284	98.35	11,074	2.56
6-30-01	14,790	15,208	418	97.25	10,222	4.09

SCHOOL TEACHERS

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/Schools/>.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Cheatham County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2006, was 5.5 percent of annual covered payroll. The employer contribution requirement for the Cheatham County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2006, 2005, and 2004, were \$1,111,947, \$1,114,458, and \$636,838, respectively, equal to the required contributions for each year.

I. Other Post-employment Benefits

In addition to the retirement commitments described above, the discretely presented Cheatham County School Department provides post-retirement health care benefits, in accordance with contract provisions, to certified employees who retire from the School Department on or after age 55 with at least 30 years of verified Tennessee Consolidated Retirement Service and have 20 years of service with the School Department and have been covered under the School Department's group medical plan for a continuous two-year period immediately prior to retirement. The School Department pays 55 percent of medical premiums for retirees and their dependents. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not reported to the county. When retiree becomes eligible for Medicare, the county insurance plan becomes a secondary insurance. Also, the School Department provides term life insurance of \$5,000 for certified employees who retire from the School Department on or after age 60 with at least 30 years of teaching experience recognized the Tennessee Department of Education and have 20 years of service with the School Department. Currently, there are 27 employees participating.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by Chapter 250, Private Acts of 1933, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA). Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. Chapter 250, Private Acts of 1933, provides for the establishment of a Purchasing Commission whose responsibility is to establish guidelines for bid requirements and purchasing procedures and to keep a record of all purchases. The County Purchasing Law of 1983 provides for purchases exceeding \$5,000 and the Uniform Road Law provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. In January 1987, the County Commission

adopted a resolution requiring all purchases exceeding \$50 to be authorized by department heads and requiring the department head to obtain a purchase order issued by the director of accounts and budgets.

Office of Director of Schools

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

VI. OTHER NOTE - DISCRETELY PRESENTED CHEATHAM COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. General Statement and Summary of Significant Accounting Policies

The Cheatham County Emergency Communications District was established for the purpose of providing an enhanced level of 911 services for the Cheatham County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit and proprietary fund of Cheatham County. The Cheatham County Emergency Communications District is run by a board of directors, which is appointed by Cheatham County. The district must file a budget with Cheatham County each year. Any bond issued by the district is subject to approval by Cheatham County.

1. Summary of Significant Accounting Policies

The Cheatham County Emergency Communications District presents its financial statements on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20 and follows pronouncements of the Financial Accounting Standards Board (FASB) issued before November 30, 1989, unless they conflict with or contradict GASB guidance. After November 30, 1989, the district follows GASB guidelines only and does not follow any FASB guidelines issued after that date. The district follows GASB Statement No. 34, implemented July 1, 2002. Capital assets are recorded at cost and depreciated over their useful lives of five to ten years using the straight-line method. All equipment purchases under \$5,000 are expensed. The dispatchers are paid through the county government. The budget is compiled and brought before the board for approval. Revenues are recognized when earned, and expenses are recognized when incurred.

2. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

3. Major Sources of Revenue

The major sources of revenue are emergency telephone and wireless surcharges.

4. Occupancy and Personnel In-Kind

Cheatham County provides space for the district operations and provides for dispatcher costs and some utilities. No provision has been made to recognize these items in the financial statements.

B. Cash and Investments

The Tennessee Code Annotated requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2006:

<u>Type/Bank</u>	<u>Amount</u>
Checking - AmSouth Bank	\$ 94,736
Capital Projects - AmSouth Bank	118,411
Money Market - Prime Trust Bank	26,920
Certificates of Deposit - Prime Trust Bank	100,000
Local Government Investment Pool (LGIP)	<u>8,597</u>
Total	<u>\$ 348,664</u>

At June 30, 2006, the carrying amount of the Cheatham County Emergency Communications District's cash deposits was \$348,664. The district's deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. Any amounts over \$100,000 are covered by the government collateralization pool of which Prime Trust Bank and AmSouth Bank are members.

C. Bonding

Cheatham County Emergency Communications District has insurance coverage for commercial liability, automobile, and management and surety bonds covering the treasurer and other members of the board and the coordinator, of \$20,200 each at June 30, 2006. There have been no losses or settlements during the past three years.

D. Capital Assets

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2006:

<u>Assets</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Communications Equipment	\$ 697,811	\$ 58,594	\$ 438,130
Office Equipment	11,439	1,484	8,601
Vehicles	9,427	879	1,399
Construction in Progress	318,408	0	0
Totals	<u>\$ 1,037,085</u>	<u>\$ 60,957</u>	<u>\$ 448,130</u>

Changes in property and equipment during the year are as follows:

<u>Assets</u>	<u>Balance 7-1-05</u>	<u>Additions</u>	<u>Balance 6-30-06</u>
PSAP Equipment	\$ 670,852	\$ 26,960	\$ 697,812
Office Equipment	11,439	0	11,439
Vehicles	800	8,627	9,427
Construction in Progress	0	318,408	318,408
Totals	<u>\$ 683,091</u>	<u>\$ 353,995</u>	<u>\$ 1,037,086</u>

E. Accounts Receivable and Due from State ECB

Accounts receivable consists of the following for emergency telephone and wireless surcharges collected for the district:

<u>Accounts Receivable</u>		
Bell South		\$ 19,181
Other Emergency Phone Service Charges		<u>912</u>
Subtotal		\$ 20,093
<u>Due from State ECB</u>		
State of Tennessee		<u>11,838</u>
Total		<u><u>\$ 31,931</u></u>

F. Notes Payable

On September 29, 2005, Cheatham County Emergency Communications District borrowed \$400,000 from Cheatham County at an interest rate of 3.979 percent. No principal payments were paid during the year ended June 30, 2006.

Maturities of long-term debt are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2006	\$ 0	\$ 0	\$ 13,000
2007	<u>13,000</u>	<u>286</u>	<u>0</u>
Totals	<u><u>\$ 13,000</u></u>	<u><u>\$ 286</u></u>	<u><u>\$ 0</u></u>

A schedule of current year activities is as follows:

<u>Balance</u>		<u>Principal</u>	<u>Balance</u>
<u>7-1-05</u>	<u>Additions</u>	<u>Payments</u>	<u>6-30-06</u>
<u>\$ 13,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,000</u>

Maturities of long-term debt are as follows:

Year Ending June 30	Principal	Interest	Balance
2007	\$ 27,000	\$ 15,379	\$ 373,000
2008	28,000	14,285	345,000
2009	29,000	13,151	316,000
2010	30,000	11,977	286,000
2011	31,000	10,763	255,000
2012	32,000	9,510	223,000
2013	34,000	8,197	189,000
2014	35,000	6,824	154,000
2015	36,000	5,411	118,000
2016	38,000	3,939	80,000
2017	39,000	2,407	41,000
2018	41,000	816	0
Total	<u>\$ 400,000</u>	<u>\$ 102,659</u>	<u>\$ 0</u>

A schedule of current year activities for notes payable is as follows:

Balance 7-1-05	Additions	Principal Payments	Balance 6-30-06
\$ 0	\$ 400,000	\$ 0	\$ 400,000

G. Contracts with Government Agencies

Cheatham County Emergency Communications District pays the Cheatham County Government for contract labor. The district has no employees of its own at June 30, 2006.

VII. OTHER NOTE – DISCRETELY PRESENTED CHEATHAM COUNTY WATER AND WASTE WATER AUTHORITY

A. General Statement and Summary of Significant Accounting Policies

The Cheatham County Water and Waste Water Authority was established by resolution of the Cheatham County Commission to be operational July 1, 1998, for the purpose of operating the industrial park wastewater system. The authority is a component unit and proprietary fund of Cheatham County. The Cheatham County Water and Waste Water Authority is run by a board of directors appointed by Cheatham County.

Summary of Significant Accounting Policies

1. Capital Assets and Depreciation

Capital assets are recorded at cost and depreciated over their useful lives of 40 years using the straight-line method. Construction period interest is capitalized. All capital expenditures under \$1,000 are expensed. Of the \$913,428 of capital assets included in these financial statements, approximately \$759,000 is based not on cost, but on the best evidence available, which is bid cost and/or preliminary cost estimates according to the engineer.

2. Basis of Accounting

The Cheatham County Water and Waste Water Authority presents its financial statements on the accrual basis and according to Governmental Accounting Standards Board (GASB) Statement No. 20, follows pronouncements of the Financial Accounting Standards Board (FASB) issued before November 30, 1989, unless they conflict with or contradict GASB guidance. After November 30, 1989, the district follows GASB guidelines only and does not follow any FASB guidelines issued after that date. Revenues are recognized when earned and expenses are recognized when incurred.

3. Measurement Focus

The authority uses the economic resources measurement focus. Accordingly, it reports all assets and liabilities on the statement of net assets. The reported net assets are segregated into three components: invested in capital assets, net of related debt; restricted; and unrestricted. The authority's operating statement presents increases (revenues) and decreases (expenses) in net assets.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

6. Major Sources of Revenue

The major source of operating revenue is sewer charges. The major source of nonoperating revenue is interest income.

B. Cash and Investments

Tennessee Code Annotated (TCA) requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2006:

	<u>Amount</u>
Checking - Community B&T	\$ 150,094
Money Market - Community B&T	<u>335,781</u>
Total	<u><u>\$ 485,875</u></u>

At June 30, 2006, the carrying amount of the Cheatham County Water and Waste Water Authority's cash deposits was \$485,875. The authority's deposit accounts are covered up to \$100,000 by the Federal Deposit Insurance Corporation. Any amounts over \$100,000 are covered by the government collateralization pool of which Community Bank & Trust is a member. The authority is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the TCA [Acts 1992, ch. 891, section 10].

C. Bonding

The authority is exposed to various risks of loss related to torts, errors, and omissions. The authority has elected not to obtain insurance policies to transfer risk to a commercial insurance company either directly or through the Tennessee County Services Pool and is, in effect, self-insured with an unfunded plan. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

D. Capital Assets

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2006:

<u>Assets</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Water Sewage Plant	<u>\$ 913,428</u>	<u>\$ 22,836</u>	<u>\$ 707,907</u>

Changes in property and equipment during the year are as follows:

<u>Assets</u>	<u>Balance 7-1-05</u>	<u>Additions</u>	<u>Balance 6-30-06</u>
Water Sewer Plant	<u>\$ 913,428</u>	<u>\$ 0</u>	<u>\$ 913,428</u>
Total Capital Assets	<u>\$ 913,428</u>	<u>\$ 0</u>	<u>\$ 913,428</u>
<u>Accum. Depreciation</u>			
Water Sewer Plant	<u>\$ 685,072</u>	<u>\$ 22,836</u>	<u>\$ 707,908</u>
Total Accum. Depreciation	<u>\$ 685,072</u>	<u>\$ 22,836</u>	<u>\$ 707,908</u>
<u>Net Capital Assets</u>			
Water Sewer Plant	<u>\$ 228,356</u>	<u>\$ (22,836)</u>	<u>\$ 205,520</u>
Total Net Capital Assets	<u>\$ 228,356</u>	<u>\$ (22,836)</u>	<u>\$ 205,520</u>

E. Accounts Receivable and Due from State ECB

Accounts receivable consists of the following for sewer charges:

Accounts Receivable

Trinity	\$ 165,108
Gates Bluegrass Precast	18,275
A/R - other	<u>7,840</u>
Total	<u>\$ 191,223</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,193,861	\$ 0	\$ 0	\$ 6,193,861	\$ 6,010,694	\$ 6,010,694	\$ 183,167
Licenses and Permits	309,438	0	0	309,438	376,500	376,500	(67,062)
Fines, Forfeitures, and Penalties	197,213	0	0	197,213	185,800	185,800	11,413
Charges for Current Services	877,393	0	0	877,393	755,069	778,069	99,324
Other Local Revenues	634,446	0	0	634,446	438,500	502,971	131,475
Fees Received from County Officials	1,785,983	0	0	1,785,983	1,750,000	1,730,000	55,983
State of Tennessee	518,836	0	0	518,836	629,397	629,397	(110,561)
Federal Government	364,605	0	0	364,605	50,359	377,302	(12,697)
Other Governments and Citizens Groups	320,574	0	0	320,574	269,064	269,064	51,510
Total Revenues	\$ 11,202,349	\$ 0	\$ 0	\$ 11,202,349	\$ 10,465,383	\$ 10,859,797	\$ 342,552
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 86,465	\$ 0	\$ 0	\$ 86,465	\$ 95,858	\$ 94,858	\$ 8,393
Other Boards and Committees	0	0	0	0	300	300	300
County Mayor/Executive	141,012	(376)	4,782	145,418	152,584	149,077	3,659
Personnel Office	60,080	(1,605)	0	58,475	63,733	59,297	822
Election Commission	239,984	0	485	240,469	114,060	249,553	9,084
Register of Deeds	152,167	(5,637)	7,359	153,889	169,108	161,235	7,346
Planning	188,688	(4,100)	0	184,588	213,198	207,363	22,775
County Buildings	405,661	(3,798)	0	401,863	389,034	408,386	6,523
<u>Finance</u>							
Accounting and Budgeting	233,803	(11,919)	374	222,258	266,380	222,771	513
Property Assessor's Office	201,849	0	0	201,849	240,500	208,751	6,902
Reappraisal Program	35,936	0	0	35,936	40,189	36,252	316
County Trustee's Office	159,802	(53)	1,110	160,859	172,324	163,316	2,457
County Clerk's Office	257,505	0	0	257,505	293,749	264,760	7,255

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 346,179	\$ (283)	\$ 19,269	\$ 365,165	\$ 394,200	\$ 382,685	\$ 17,520
General Sessions Court	110,571	0	0	110,571	111,638	114,001	3,430
Chancery Court	169,575	0	0	169,575	189,467	173,041	3,466
Juvenile Court	237,663	(83)	3,694	241,274	265,825	243,803	2,529
Other Administration of Justice	103,141	(36)	3,694	106,799	104,449	105,811	(988)
<u>Public Safety</u>							
Sheriff's Department	1,537,316	(1,974)	5,031	1,540,373	1,721,363	1,602,318	61,945
Jail	1,206,557	(344)	500	1,206,713	1,237,709	1,222,710	15,997
Fire Prevention and Control	200,000	0	0	200,000	200,000	200,000	0
Rural Fire Protection	217,394	0	0	217,394	217,394	217,394	0
Other Emergency Management	259,836	(9,188)	3,844	254,492	99,554	255,904	1,412
County Coroner/Medical Examiner	45,178	0	0	45,178	34,600	44,600	(578)
Other Public Safety	852,169	0	0	852,169	493,532	862,071	9,902
<u>Public Health and Welfare</u>							
Local Health Center	39,518	(1)	0	39,517	74,652	96,992	57,475
Rabies and Animal Control	113,318	(881)	2,779	115,216	164,671	147,985	32,769
Ambulance/Emergency Medical Services	1,309,428	0	452	1,309,880	1,399,476	1,320,321	10,441
Other Local Health Services	29,621	0	0	29,621	34,356	30,420	799
Regional Mental Health Center	7,500	0	0	7,500	7,500	7,500	0
General Welfare Assistance	9,671	0	0	9,671	27,875	12,004	2,333
Sanitation Education/Information	38,245	(200)	50	38,095	38,465	39,965	1,870
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	27,869	0	0	27,869	32,000	28,599	730
Libraries	160,186	(1,961)	4,638	162,863	170,434	169,086	6,223
Parks and Fair Boards	155,039	0	0	155,039	58,000	58,000	(97,039)

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	\$ 85,614	\$ 0	\$ 0	\$ 85,614	\$ 80,109	\$ 85,517	\$ (97)
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	27,659	0	0	27,659	34,186	28,044	385
<u>Other Operations</u>							
Other Economic and Community Development	68,131	(5,000)	0	63,131	68,884	84,684	21,553
Veterans' Services	0	0	0	0	1,991	1,990	1,990
Other Charges	127,454	0	0	127,454	120,000	120,000	(7,454)
Contributions to Other Agencies	20,885	0	0	20,885	21,167	21,167	282
Employee Benefits	554,984	0	0	554,984	26,000	557,451	2,467
Miscellaneous	240,378	0	0	240,378	234,428	244,728	4,350
<u>Capital Projects</u>							
General Administration Projects	160,926	(152,990)	0	7,936	0	9,094	1,158
Public Health and Welfare Projects	11,672	0	0	11,672	0	11,672	0
Total Expenditures	\$ 10,637,629	\$ (200,429)	\$ 58,061	\$ 10,495,261	\$ 9,875,942	\$ 10,726,476	\$ 231,215
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 564,720	\$ 200,429	\$ (58,061)	\$ 707,088	\$ 589,441	\$ 133,321	\$ 573,767
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 575,000	\$ 0	\$ 0	\$ 575,000	\$ 0	\$ 400,000	\$ 175,000
Insurance Recovery	413	0	0	413	0	500	(87)
Transfers In	11,332	0	0	11,332	0	11,332	0
Transfers Out	(1,139,623)	0	0	(1,139,623)	(582,800)	(1,008,707)	(130,916)
Total Other Financing Sources (Uses)	\$ (552,878)	\$ 0	\$ 0	\$ (552,878)	\$ (582,800)	\$ (596,875)	\$ 43,997
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 2,149,453	(200,429)	0	1,949,024	1,492,604	1,492,604	456,420
Fund Balance, June 30, 2006	\$ 2,161,295	\$ 0	\$ (58,061)	\$ 2,103,234	\$ 1,499,245	\$ 1,029,050	\$ 1,074,184

Exhibit E-2

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 815,522	\$ 0	\$ 0	\$ 815,522	\$ 802,300	\$ 802,300	\$ 13,222
Charges for Current Services	10,395	0	0	10,395	5,100	5,100	5,295
Other Local Revenues	29,499	0	0	29,499	12,850	12,850	16,649
State of Tennessee	1,840,159	0	0	1,840,159	2,088,253	2,088,253	(248,094)
Other Governments and Citizens Groups	16,448	0	0	16,448	0	0	16,448
Total Revenues	\$ 2,712,023	\$ 0	\$ 0	\$ 2,712,023	\$ 2,908,503	\$ 2,908,503	\$ (196,480)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 158,318	\$ 0	\$ 78	\$ 158,396	\$ 171,482	\$ 171,482	\$ 13,086
Highway and Bridge Maintenance	1,934,173	(118,000)	125,000	1,941,173	2,013,456	2,171,992	230,819
Operation and Maintenance of Equipment	284,884	0	0	284,884	324,173	324,173	39,289
Other Charges	127,490	0	0	127,490	131,950	136,950	9,460
Employee Benefits	353,367	0	0	353,367	322,089	379,296	25,929
Capital Outlay	65,026	0	0	65,026	35,139	76,675	11,649
<u>Principal on Debt</u>							
Highways and Streets	70,790	0	0	70,790	69,276	70,790	0
<u>Interest on Debt</u>							
Highways and Streets	8,755	0	0	8,755	8,686	8,755	0
Total Expenditures	\$ 3,002,803	\$ (118,000)	\$ 125,078	\$ 3,009,881	\$ 3,076,251	\$ 3,340,113	\$ 330,232
Excess (Deficiency) of Revenues Over Expenditures	\$ (290,780)	\$ 118,000	\$ (125,078)	\$ (297,858)	\$ (167,748)	\$ (431,610)	\$ 133,752
Net Change in Fund Balance	\$ (290,780)	\$ 118,000	\$ (125,078)	\$ (297,858)	\$ (167,748)	\$ (431,610)	\$ 133,752
Fund Balance, July 1, 2005	2,219,416	(118,000)	0	2,101,416	1,995,887	1,995,887	105,529
Fund Balance, June 30, 2006	\$ 1,928,636	\$ 0	\$ (125,078)	\$ 1,803,558	\$ 1,828,139	\$ 1,564,277	\$ 239,281

CHEATHAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2006

A. BUDGETARY INFORMATION

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 Cheatham 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 State 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 Cheatham 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 generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures and other uses exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the General Fund:

<u>Fund/Category</u>	<u>Amount</u>
General:	
Other Administration of Justice	\$ 988
County Coroner/Medical Examiner	578
Parks and Fair Boards	97,039
Agriculture Extension Service	97
Other Charges	7,454
Transfers Out	130,916

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues and available fund balance.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions of Cheatham County’s recycling/convenience centers.

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

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

Unemployment Compensation Fund – The Unemployment Compensation Fund is used to account for transactions of the county’s unemployment compensation plan.

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for general capital expenditures.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for motor vehicle purchases.

Exhibit F-1

Cheatham County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	
<u>ASSETS</u>						
Cash	\$ 0	\$ 150	\$ 0	\$ 1,080	\$ 0	\$ 1,230
Equity in Pooled Cash and Investments	21,929	304,215	76,889	0	24,094	427,127
Accounts Receivable	0	1,138	0	465	0	1,603
Property Taxes Receivable	0	856,203	0	0	0	856,203
Allowance for Uncollectible Property Taxes	0	(20,314)	0	0	0	(20,314)
Notes Receivable - Current	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0
Notes Receivable - Long-Term	0	0	0	0	0	0
Total Assets	\$ 21,929	\$ 1,141,392	\$ 76,889	\$ 1,545	\$ 24,094	\$ 1,265,849
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 0	\$ 50,077	\$ 0	\$ 0	\$ 0	\$ 50,077
Payroll Deductions Payable	0	249	0	0	0	249
Due to Litigants, Heirs, and Others	0	0	0	1,545	0	1,545
Capital Outlay Notes Payable	0	0	0	0	0	0
Deferred Revenue - Current Property Taxes	0	806,337	0	0	0	806,337
Deferred Revenue - Delinquent Property Taxes	0	21,217	0	0	0	21,217
Other Deferred Revenues	0	0	0	0	0	0
Total Liabilities	\$ 0	\$ 877,880	\$ 0	\$ 1,545	\$ 0	\$ 879,425
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 2,885	\$ 2,100	\$ 0	\$ 0	\$ 0	\$ 4,985
Reserved for Long-Term Notes Receivable	0	0	0	0	0	0
Unreserved	19,044	261,412	76,889	0	24,094	381,439
Total Fund Balances	\$ 21,929	\$ 263,512	\$ 76,889	\$ 0	\$ 24,094	\$ 386,424
Total Liabilities and Fund Balances	\$ 21,929	\$ 1,141,392	\$ 76,889	\$ 1,545	\$ 24,094	\$ 1,265,849

(Continued)

Exhibit F-1

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

	Debt	Capital Projects Funds			Total Nonmajor Governmental Funds
	Service Fund	General Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,230
Equity in Pooled Cash and Investments	1,336,681	279,829	335,260	615,089	2,378,897
Accounts Receivable	0	0	0	0	1,603
Property Taxes Receivable	285,395	171,248	342,477	513,725	1,655,323
Allowance for Uncollectible Property Taxes	(6,772)	(4,064)	(8,126)	(12,190)	(39,276)
Notes Receivable - Current	40,000	0	0	0	40,000
Accrued Interest Receivable	286	0	0	0	286
Notes Receivable - Long-Term	373,000	0	0	0	373,000
Total Assets	\$ 2,028,590	\$ 447,013	\$ 669,611	\$ 1,116,624	\$ 4,411,063
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,077
Payroll Deductions Payable	0	0	0	0	249
Due to Litigants, Heirs, and Others	0	0	0	0	1,545
Capital Outlay Notes Payable	27,000	0	0	0	27,000
Deferred Revenue - Current Property Taxes	268,773	161,274	322,531	483,805	1,558,915
Deferred Revenue - Delinquent Property Taxes	7,072	4,243	8,486	12,729	41,018
Other Deferred Revenues	373,286	0	0	0	373,286
Total Liabilities	\$ 676,131	\$ 165,517	\$ 331,017	\$ 496,534	\$ 2,052,090
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,985
Reserved for Long-Term Notes Receivable	373,000	0	0	0	373,000
Unreserved	979,459	281,496	338,594	620,090	1,980,988
Total Fund Balances	\$ 1,352,459	\$ 281,496	\$ 338,594	\$ 620,090	\$ 2,358,973
Total Liabilities and Fund Balances	\$ 2,028,590	\$ 447,013	\$ 669,611	\$ 1,116,624	\$ 4,411,063

Exhibit F-2

Cheatham County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2006

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Total
<u>Revenues</u>					
Local Taxes	\$ 24,336	\$ 805,712	\$ 0	\$ 0	\$ 830,048
Fines, Forfeitures, and Penalties	0	0	39,267	0	39,267
Charges for Current Services	0	74,127	0	33,700	107,827
Other Local Revenues	0	16,956	855	0	17,811
State of Tennessee	0	120,700	0	0	120,700
Total Revenues	\$ 24,336	\$ 1,017,495	\$ 40,122	\$ 33,700	\$ 1,115,653
<u>Expenditures</u>					
Current:					
General Government	\$ 27,574	\$ 16,805	\$ 364	\$ 30,351	\$ 75,094
Public Safety	0	0	25,285	0	25,285
Public Health and Welfare	0	874,978	0	0	874,978
Other Operations	0	4,844	0	0	4,844
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	0	0
Interest on Debt	0	0	0	0	0
Other Debt Service	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 27,574	\$ 896,627	\$ 25,649	\$ 30,351	\$ 980,201
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,238)	\$ 120,868	\$ 14,473	\$ 3,349	\$ 135,452
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	(26,694)	0	0	(26,694)
Total Other Financing Sources (Uses)	\$ 0	\$ (26,694)	\$ 0	\$ 0	\$ (26,694)
Net Change in Fund Balances	\$ (3,238)	\$ 94,174	\$ 14,473	\$ 3,349	\$ 108,758
Fund Balance, July 1, 2005	25,167	169,338	62,416	20,745	277,666
Fund Balance, June 30, 2006	\$ 21,929	\$ 263,512	\$ 76,889	\$ 24,094	\$ 386,424

(Continued)

Exhibit F-2

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

	Debt	Capital Projects Funds				Total Nonmajor Governmental Funds
	Service Fund	General Capital Projects	Education Capital Projects	Other Capital Projects	Total	
	General Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 434,338	\$ 153,837	\$ 0	\$ 307,659	\$ 461,496	\$ 1,725,882
Fines, Forfeitures, and Penalties	0	0	0	0	0	39,267
Charges for Current Services	0	0	0	0	0	107,827
Other Local Revenues	155,608	0	0	0	0	173,419
State of Tennessee	5,233	3,140	0	6,280	9,420	135,353
Total Revenues	\$ 595,179	\$ 156,977	\$ 0	\$ 313,939	\$ 470,916	\$ 2,181,748
<u>Expenditures</u>						
Current:						
General Government	\$ 7,090	\$ 3,053	\$ 0	\$ 6,106	\$ 9,159	\$ 91,343
Public Safety	0	0	0	0	0	25,285
Public Health and Welfare	0	0	0	0	0	874,978
Other Operations	0	0	0	0	0	4,844
Capital Outlay	0	0	1,427,201	0	1,427,201	1,427,201
Debt Service:						
Principal on Debt	547,340	0	0	0	0	547,340
Interest on Debt	87,807	0	0	0	0	87,807
Other Debt Service	5,019	0	0	0	0	5,019
Capital Projects	0	27,426	0	290,629	318,055	318,055
Total Expenditures	\$ 647,256	\$ 30,479	\$ 1,427,201	\$ 296,735	\$ 1,754,415	\$ 3,381,872
Excess (Deficiency) of Revenues Over Expenditures	\$ (52,077)	\$ 126,498	\$ (1,427,201)	\$ 17,204	\$ (1,283,499)	\$ (1,200,124)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 1,427,201	\$ 0	\$ 1,427,201	\$ 1,427,201
Insurance Recovery	0	0	0	35,119	35,119	35,119
Transfers In	0	154,998	0	286,271	441,269	441,269
Transfers Out	0	0	0	0	0	(26,694)
Total Other Financing Sources (Uses)	\$ 0	\$ 154,998	\$ 1,427,201	\$ 321,390	\$ 1,903,589	\$ 1,876,895
Net Change in Fund Balances	\$ (52,077)	\$ 281,496	\$ 0	\$ 338,594	\$ 620,090	\$ 676,771
Fund Balance, July 1, 2005	1,404,536	0	0	0	0	1,682,202
Fund Balance, June 30, 2006	\$ 1,352,459	\$ 281,496	\$ 0	\$ 338,594	\$ 620,090	\$ 2,358,973

Exhibit F-3

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Courthouse & Jail Maintenance Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 24,336	\$ 0	\$ 0	\$ 24,336	\$ 26,000	\$ 26,000	\$ (1,664)
Total Revenues	\$ 24,336	\$ 0	\$ 0	\$ 24,336	\$ 26,000	\$ 26,000	\$ (1,664)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 27,308	\$ (395)	\$ 2,885	\$ 29,798	\$ 25,000	\$ 31,000	\$ 1,202
Other General Administration	266	0	0	266	350	350	84
Total Expenditures	\$ 27,574	\$ (395)	\$ 2,885	\$ 30,064	\$ 25,350	\$ 31,350	\$ 1,286
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,238)	\$ 395	\$ (2,885)	\$ (5,728)	\$ 650	\$ (5,350)	\$ (378)
Net Change in Fund Balance	\$ (3,238)	\$ 395	\$ (2,885)	\$ (5,728)	\$ 650	\$ (5,350)	\$ (378)
Fund Balance, July 1, 2005	25,167	(395)	0	24,772	31,133	31,133	(6,361)
Fund Balance, June 30, 2006	\$ 21,929	\$ 0	\$ (2,885)	\$ 19,044	\$ 31,783	\$ 25,783	\$ (6,739)

Exhibit F-4

Cheatham 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, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 805,712	\$ 0	\$ 0	\$ 805,712	\$ 812,600	\$ 812,600	\$ (6,888)
Charges for Current Services	74,127	0	0	74,127	55,000	55,000	19,127
Other Local Revenues	16,956	0	0	16,956	9,100	9,100	7,856
State of Tennessee	120,700	0	0	120,700	9,000	114,000	6,700
Total Revenues	\$ 1,017,495	\$ 0	\$ 0	\$ 1,017,495	\$ 885,700	\$ 990,700	\$ 26,795
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 16,805	\$ 0	\$ 0	\$ 16,805	\$ 13,000	\$ 16,900	\$ 95
<u>Public Health and Welfare</u>							
Sanitation Management	114,602	0	0	114,602	115,632	116,891	2,289
Convenience Centers	695,123	(1,505)	2,100	695,718	572,252	730,988	35,270
Landfill Operation and Maintenance	65,253	(1,143)	0	64,110	53,800	75,450	11,340
<u>Other Operations</u>							
Employee Benefits	3,500	0	0	3,500	3,500	3,500	0
Miscellaneous	1,344	0	0	1,344	1,341	1,344	0
Total Expenditures	\$ 896,627	\$ (2,648)	\$ 2,100	\$ 896,079	\$ 759,525	\$ 945,073	\$ 48,994
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 120,868	\$ 2,648	\$ (2,100)	\$ 121,416	\$ 126,175	\$ 45,627	\$ 75,789
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (26,694)	\$ 0	\$ 0	\$ (26,694)	\$ 0	\$ (26,694)	\$ 0
Total Other Financing Sources (Uses)	\$ (26,694)	\$ 0	\$ 0	\$ (26,694)	\$ 0	\$ (26,694)	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 169,338	(2,648)	0	166,690	214,420	214,420	(47,730)
Fund Balance, June 30, 2006	\$ 263,512	\$ 0	\$ (2,100)	\$ 261,412	\$ 340,595	\$ 233,353	\$ 28,059

Exhibit F-5

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 39,267	\$ 60,000	\$ 60,000	\$ (20,733)
Other Local Revenues	855	0	0	855
Total Revenues	<u>\$ 40,122</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ (19,878)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 364	\$ 300	\$ 300	\$ (64)
<u>Public Safety</u>				
Drug Enforcement	25,285	92,278	92,278	66,993
Total Expenditures	<u>\$ 25,649</u>	<u>\$ 92,578</u>	<u>\$ 92,578</u>	<u>\$ 66,929</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,473	\$ (32,578)	\$ (32,578)	\$ 47,051
Net Change in Fund Balance	\$ 14,473	\$ (32,578)	\$ (32,578)	\$ 47,051
Fund Balance, July 1, 2005	62,416	37,554	37,554	24,862
Fund Balance, June 30, 2006	<u>\$ 76,889</u>	<u>\$ 4,976</u>	<u>\$ 4,976</u>	<u>\$ 71,913</u>

Exhibit F-6

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Unemployment Compensation Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 33,700	\$ 22,400	\$ 42,900	\$ (9,200)
Total Revenues	\$ 33,700	\$ 22,400	\$ 42,900	\$ (9,200)
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 30,351	\$ 15,000	\$ 35,500	\$ 5,149
Total Expenditures	\$ 30,351	\$ 15,000	\$ 35,500	\$ 5,149
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,349	\$ 7,400	\$ 7,400	\$ (4,051)
Net Change in Fund Balance	\$ 3,349	\$ 7,400	\$ 7,400	\$ (4,051)
Fund Balance, July 1, 2005	20,745	29,621	29,621	(8,876)
Fund Balance, June 30, 2006	\$ 24,094	\$ 37,021	\$ 37,021	\$ (12,927)

Exhibit F-7

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 434,338	\$ 427,364	\$ 427,364	\$ 6,974
Other Local Revenues	155,608	7,932	226,412	(70,804)
State of Tennessee	5,233	7,000	7,000	(1,767)
Total Revenues	<u>\$ 595,179</u>	<u>\$ 442,296</u>	<u>\$ 660,776</u>	<u>\$ (65,597)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 7,090	\$ 8,000	\$ 8,000	\$ 910
<u>Principal on Debt</u>				
General Government	547,340	545,710	742,340	195,000
<u>Interest on Debt</u>				
General Government	87,807	129,040	140,855	53,048
<u>Other Debt Service</u>				
General Government	5,019	4,100	7,600	2,581
Total Expenditures	<u>\$ 647,256</u>	<u>\$ 686,850</u>	<u>\$ 898,795</u>	<u>\$ 251,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (52,077)</u>	<u>\$ (244,554)</u>	<u>\$ (238,019)</u>	<u>\$ 185,942</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 219,480	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 219,480</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (52,077)	\$ (25,074)	\$ (238,019)	\$ 185,942
Fund Balance, July 1, 2005	1,404,536	1,116,442	1,116,442	288,094
Fund Balance, June 30, 2006	<u>\$ 1,352,459</u>	<u>\$ 1,091,368</u>	<u>\$ 878,423</u>	<u>\$ 474,036</u>

Exhibit F-8

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 153,837	\$ 150,000	\$ 150,000	\$ 3,837
State of Tennessee	3,140	0	0	3,140
Total Revenues	<u>\$ 156,977</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 6,977</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 3,053	\$ 0	\$ 0	\$ (3,053)
<u>Capital Projects</u>				
General Administration Projects	27,426	150,000	150,000	122,574
Total Expenditures	<u>\$ 30,479</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 119,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 126,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 126,498</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 154,998	\$ 30,000	\$ 154,998	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 154,998</u>	<u>\$ 30,000</u>	<u>\$ 154,998</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 281,496	\$ 30,000	\$ 154,998	\$ 126,498
Fund Balance, July 1, 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2006	<u><u>\$ 281,496</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 154,998</u></u>	<u><u>\$ 126,498</u></u>

Exhibit F-9

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 307,659	\$ 300,000	\$ 300,000	\$ 7,659
State of Tennessee	6,280	0	0	6,280
Total Revenues	<u>\$ 313,939</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 13,939</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 6,106	\$ 0	\$ 0	\$ (6,106)
<u>Capital Projects</u>				
General Administration Projects	290,629	325,028	345,153	54,524
Total Expenditures	<u>\$ 296,735</u>	<u>\$ 325,028</u>	<u>\$ 345,153</u>	<u>\$ 48,418</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,204</u>	<u>\$ (25,028)</u>	<u>\$ (45,153)</u>	<u>\$ 62,357</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 35,119	\$ 0	\$ 4,125	\$ 30,994
Transfers In	286,271	234,000	286,271	0
Total Other Financing Sources (Uses)	<u>\$ 321,390</u>	<u>\$ 234,000</u>	<u>\$ 290,396</u>	<u>\$ 30,994</u>
Net Change in Fund Balance	\$ 338,594	\$ 208,972	\$ 245,243	\$ 93,351
Fund Balance, July 1, 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2006	<u><u>\$ 338,594</u></u>	<u><u>\$ 208,972</u></u>	<u><u>\$ 245,243</u></u>	<u><u>\$ 93,351</u></u>

Major Governmental Fund

Education Debt Service Fund

The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, education related debt principal, interest, and related costs.

Exhibit G

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,681,814	\$ 5,898,576	\$ 5,898,576	\$ 783,238
Other Local Revenues	36,838	0	0	36,838
State of Tennessee	70,125	66,800	66,800	3,325
Total Revenues	<u>\$ 6,788,777</u>	<u>\$ 5,965,376</u>	<u>\$ 5,965,376</u>	<u>\$ 823,401</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 102,359	\$ 77,200	\$ 77,200	\$ (25,159)
<u>Principal on Debt</u>				
Education	4,840,500	4,671,965	5,111,728	271,228
<u>Interest on Debt</u>				
Education	1,153,108	1,267,699	1,287,699	134,591
<u>Other Debt Service</u>				
Education	27,266	17,800	17,800	(9,466)
Total Expenditures	<u>\$ 6,123,233</u>	<u>\$ 6,034,664</u>	<u>\$ 6,494,427</u>	<u>\$ 371,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 665,544</u>	<u>\$ (69,288)</u>	<u>\$ (529,051)</u>	<u>\$ 1,194,595</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 530,450	\$ 0	\$ 0
Insurance Recovery	3,150	0	0	3,150
Transfers In	713,716	0	530,450	183,266
Total Other Financing Sources (Uses)	<u>\$ 716,866</u>	<u>\$ 530,450</u>	<u>\$ 530,450</u>	<u>\$ 186,416</u>
Net Change in Fund Balance	\$ 1,382,410	\$ 461,162	\$ 1,399	\$ 1,381,011
Fund Balance, July 1, 2005	<u>2,137,269</u>	<u>303,771</u>	<u>303,771</u>	<u>1,833,498</u>
Fund Balance, June 30, 2006	<u>\$ 3,519,679</u>	<u>\$ 764,933</u>	<u>\$ 305,170</u>	<u>\$ 3,214,509</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.

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

Exhibit H-1

Cheatham County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2006

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 847,601	\$ 847,601
Due from Other Governments	370,775	0	370,775
Total Assets	<u>\$ 370,775</u>	<u>\$ 847,601</u>	<u>\$ 1,218,376</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 370,775	\$ 0	\$ 370,775
Due to Litigants, Heirs, and Others	0	847,601	847,601
Total Liabilities	<u>\$ 370,775</u>	<u>\$ 847,601</u>	<u>\$ 1,218,376</u>

Exhibit H-2

Cheatham County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2006

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,032,697	\$ 2,032,697	\$ 0
Due from Other Governments	336,194	370,775	336,194	370,775
Total Assets	\$ 336,194	\$ 2,403,472	\$ 2,368,891	\$ 370,775
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 336,194	\$ 2,403,472	\$ 2,368,891	\$ 370,775
Total Liabilities	\$ 336,194	\$ 2,403,472	\$ 2,368,891	\$ 370,775
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 806,388	\$ 9,369,242	\$ 9,328,029	\$ 847,601
Total Assets	\$ 806,388	\$ 9,369,242	\$ 9,328,029	\$ 847,601
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 806,388	\$ 9,369,242	\$ 9,328,029	\$ 847,601
Total Liabilities	\$ 806,388	\$ 9,369,242	\$ 9,328,029	\$ 847,601
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 806,388	\$ 9,369,242	\$ 9,328,029	\$ 847,601
Equity in Pooled Cash and Investments	0	2,032,697	2,032,697	0
Due from Other Governments	336,194	370,775	336,194	370,775
Total Assets	\$ 1,142,582	\$ 11,772,714	\$ 11,696,920	\$ 1,218,376
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 336,194	\$ 2,403,472	\$ 2,368,891	\$ 370,775
Due to Litigants, Heirs, and Others	806,388	9,369,242	9,328,029	847,601
Total Liabilities	\$ 1,142,582	\$ 11,772,714	\$ 11,696,920	\$ 1,218,376

Cheatham County School Department

This section presents fund financial statements for the Cheatham 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

Cheatham County, Tennessee
Statement of Activities
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Total Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 25,676,600	\$ 38,477	\$ 2,112,435	\$ 0	\$ (23,525,688)
Support Services	14,861,098	2,354,618	1,497,460	760,190	(10,248,830)
Operation of Noninstructional Services	3,607,334	114,164	625,592	0	(2,867,578)
Total Governmental Activities	<u>\$ 44,145,032</u>	<u>\$ 2,507,259</u>	<u>\$ 4,235,487</u>	<u>\$ 760,190</u>	<u>\$ (36,642,096)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,862,799
Local Option Sales Tax					1,605,624
Other Local Taxes					357,090
Grants and Contributions Not Restricted to Specific Programs					26,803,236
Unrestricted Investment Earnings					15,947
Miscellaneous					87,761
Total General Revenues					<u>\$ 35,732,457</u>
Change in Net Assets					\$ (909,639)
Net Assets, July 1, 2005					<u>53,189,309</u>
Net Assets, June 30, 2006					<u>\$ 52,279,670</u>

Exhibit I-2

Cheatham County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2006

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 842,436	\$ 754,437	\$ 1,596,873
Accounts Receivable	97,433	2,789	100,222
Due from Other Governments	1,127,666	150,147	1,277,813
Due from Other Funds	1,841	300	2,141
Property Taxes Receivable	7,466,979	0	7,466,979
Allowance for Uncollectible Property Taxes	(174,707)	0	(174,707)
Total Assets	<u>\$ 9,361,648</u>	<u>\$ 907,673</u>	<u>\$ 10,269,321</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 153,596	\$ 25,633	\$ 179,229
Accrued Payroll	19,372	972	20,344
Due to Other Funds	0	2,141	2,141
Deferred Revenue - Current Property Taxes	7,042,070	0	7,042,070
Deferred Revenue - Delinquent Property Taxes	179,631	0	179,631
Other Deferred Revenues	170,164	0	170,164
Total Liabilities	<u>\$ 7,564,833</u>	<u>\$ 28,746</u>	<u>\$ 7,593,579</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 96,541	\$ 57,175	\$ 153,716
Reserved for Title I Grants to Local Education Agencies	0	8,117	8,117
Reserved for Special Education - Grants to States	0	168	168
Other Federal Reserves	0	1,876	1,876
Unreserved, Reported In:			
General Fund	1,700,274	0	1,700,274
Special Revenue Funds	0	811,591	811,591
Total Fund Balances	<u>\$ 1,796,815</u>	<u>\$ 878,927</u>	<u>\$ 2,675,742</u>
Total Liabilities and Fund Balances	<u>\$ 9,361,648</u>	<u>\$ 907,673</u>	<u>\$ 10,269,321</u>

Exhibit I-3

Cheatham County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

Discretely Presented Cheatham County School Department

June 30, 2006

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 2,675,742
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add - land	\$ 781,997	
Add - buildings and improvements net of accumulated depreciation	45,660,880	
Add - other capital assets net of accumulated depreciation	<u>2,928,947</u>	49,371,824
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		349,795
(3) Compensated absences payable are not due and payable in the current period and therefore are not reported in the governmental funds.		<u>(117,691)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 52,279,670</u>

Exhibit I-4

Cheatham County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	Funds	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 8,864,003	\$ 0	\$ 8,864,003
Licenses and Permits	3,582	0	3,582
Charges for Current Services	970,462	1,605,797	2,576,259
Other Local Revenues	44,952	11,117	56,069
State of Tennessee	26,827,460	34,048	26,861,508
Federal Government	737,252	3,207,210	3,944,462
Other Governments and Citizens Groups	760,190	0	760,190
Total Revenues	<u>\$ 38,207,901</u>	<u>\$ 4,858,172</u>	<u>\$ 43,066,073</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 24,117,053	\$ 1,402,795	\$ 25,519,848
Support Services	13,290,941	835,419	14,126,360
Operation of Non-Instructional Services	1,032,898	2,654,434	3,687,332
Capital Outlay	160,070	0	160,070
Total Expenditures	<u>\$ 38,600,962</u>	<u>\$ 4,892,648</u>	<u>\$ 43,493,610</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (393,061)</u>	<u>\$ (34,476)</u>	<u>\$ (427,537)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 32,128	\$ 0	\$ 32,128
Total Other Financing Sources (Uses)	<u>\$ 32,128</u>	<u>\$ 0</u>	<u>\$ 32,128</u>
Net Change in Fund Balances	\$ (360,933)	\$ (34,476)	\$ (395,409)
Fund Balance, July 1, 2005	<u>2,157,748</u>	<u>913,403</u>	<u>3,071,151</u>
Fund Balance, June 30, 2006	<u>\$ 1,796,815</u>	<u>\$ 878,927</u>	<u>\$ 2,675,742</u>

Exhibit I-5

Cheatham County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

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)		\$ (395,409)
(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 outlays in the current period	\$ 1,558,876	
Less: current year depreciation	<u>(2,006,045)</u>	(447,169)
(2) The net effect of loss on disposal involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(46,132)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2005	\$ (326,510)	
Add: deferred delinquent property taxes and other deferred June 30, 2006	<u>349,795</u>	23,285
(4) Compensated absences 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.		<u>(44,214)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (909,639)</u>

Exhibit I-6

Cheatham County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2006

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 4,009	\$ 750,428	\$ 754,437
Accounts Receivable	0	2,789	2,789
Due from Other Governments	49,773	100,374	150,147
Due from Other Funds	300	0	300
Total Assets	<u>\$ 54,082</u>	<u>\$ 853,591</u>	<u>\$ 907,673</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 25,633	\$ 0	\$ 25,633
Accrued Payroll	972	0	972
Due to Other Funds	1,841	300	2,141
Total Liabilities	<u>\$ 28,446</u>	<u>\$ 300</u>	<u>\$ 28,746</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 15,475	\$ 41,700	\$ 57,175
Reserved for Title I Grants to Local Education Agencies	8,117	0	8,117
Reserved for Special Education - Grants to States	168	0	168
Other Federal Reserves	1,876	0	1,876
Unreserved	0	811,591	811,591
Total Fund Balances	<u>\$ 25,636</u>	<u>\$ 853,291</u>	<u>\$ 878,927</u>
Total Liabilities and Fund Balances	<u>\$ 54,082</u>	<u>\$ 853,591</u>	<u>\$ 907,673</u>

Exhibit I-7

Cheatham County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,605,797	\$ 1,605,797
Other Local Revenues	0	11,117	11,117
State of Tennessee	0	34,048	34,048
Federal Government	2,240,847	966,363	3,207,210
Total Revenues	<u>\$ 2,240,847</u>	<u>\$ 2,617,325</u>	<u>\$ 4,858,172</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,402,795	\$ 0	\$ 1,402,795
Support Services	835,419	0	835,419
Operation of Non-Instructional Services	0	2,654,434	2,654,434
Total Expenditures	<u>\$ 2,238,214</u>	<u>\$ 2,654,434</u>	<u>\$ 4,892,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,633</u>	<u>\$ (37,109)</u>	<u>\$ (34,476)</u>
Net Change in Fund Balances	\$ 2,633	\$ (37,109)	\$ (34,476)
Fund Balance, July 1, 2005	<u>23,003</u>	<u>890,400</u>	<u>913,403</u>
Fund Balance, June 30, 2006	<u>\$ 25,636</u>	<u>\$ 853,291</u>	<u>\$ 878,927</u>

Exhibit I-8

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cheatham County School Department
General Purpose School Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,864,003	\$ 0	\$ 0	\$ 8,864,003	\$ 8,843,070	\$ 8,843,070	\$ 20,933
Licenses and Permits	3,582	0	0	3,582	3,600	3,600	(18)
Charges for Current Services	970,462	0	0	970,462	941,925	941,925	28,537
Other Local Revenues	44,952	0	0	44,952	97,400	108,207	(63,255)
State of Tennessee	26,827,460	0	0	26,827,460	26,601,318	26,862,585	(35,125)
Federal Government	737,252	0	0	737,252	641,186	804,959	(67,707)
Other Governments and Citizens Groups	760,190	0	0	760,190	0	760,190	0
Total Revenues	\$ 38,207,901	\$ 0	\$ 0	\$ 38,207,901	\$ 37,128,499	\$ 38,324,536	\$ (116,635)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,346,423	\$ (46,395)	\$ 7,581	\$ 20,307,609	\$ 20,235,850	\$ 20,480,684	\$ 173,075
Alternative Instruction Program	91,534	0	0	91,534	101,604	93,602	2,068
Special Education Program	2,546,539	0	0	2,546,539	2,554,520	2,567,076	20,537
Vocational Education Program	1,028,964	0	7,064	1,036,028	1,053,404	1,037,708	1,680
Adult Education Program	103,593	(3,594)	1,202	101,201	122,073	128,194	26,993
<u>Support Services</u>							
Attendance	83,449	0	0	83,449	85,081	84,955	1,506
Health Services	145,778	(1,043)	0	144,735	147,946	146,857	2,122
Other Student Support	1,139,987	0	0	1,139,987	1,110,934	1,143,253	3,266
Regular Instruction Program	1,461,069	(646)	8,000	1,468,423	1,521,823	1,518,169	49,746
Alternative Instruction Program	15,604	(491)	0	15,113	15,788	15,788	675
Special Education Program	342,930	0	0	342,930	353,857	353,738	10,808
Vocational Education Program	119,340	0	0	119,340	118,516	120,206	866
Adult Programs	78,740	0	0	78,740	99,799	99,887	21,147
Board of Education	618,888	0	0	618,888	585,062	624,696	5,808

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 190,031	\$ 0	\$ 975	\$ 191,006	\$ 201,455	\$ 194,828	\$ 3,822
Office of the Principal	2,001,572	0	0	2,001,572	2,046,870	2,026,584	25,012
Fiscal Services	260,820	0	0	260,820	256,982	262,033	1,213
Operation of Plant	3,022,687	0	0	3,022,687	3,029,853	3,059,853	37,166
Maintenance of Plant	890,269	(43,557)	37,378	884,090	877,351	898,563	14,473
Transportation	2,919,777	(690,124)	1,250	2,230,903	1,501,004	2,279,581	48,678
<u>Operation of Non-Instructional Services</u>							
Community Services	859,418	(127)	1,626	860,917	959,927	960,437	99,520
Early Childhood Education	173,480	0	773	174,253	0	175,134	881
<u>Capital Outlay</u>							
Regular Capital Outlay	160,070	(12,960)	30,692	177,802	198,800	225,586	47,784
Total Expenditures	\$ 38,600,962	\$ (798,937)	\$ 96,541	\$ 37,898,566	\$ 37,178,499	\$ 38,497,412	\$ 598,846
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (393,061)	\$ 798,937	\$ (96,541)	\$ 309,335	\$ (50,000)	\$ (172,876)	\$ 482,211
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 32,128	\$ 0	\$ 0	\$ 32,128	\$ 0	\$ 27,876	\$ 4,252
Total Other Financing Sources (Uses)	\$ 32,128	\$ 0	\$ 0	\$ 32,128	\$ 0	\$ 27,876	\$ 4,252
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ (360,933)	\$ 798,937	\$ (96,541)	\$ 341,463	\$ (50,000)	\$ (145,000)	\$ 486,463
	2,157,748	(798,937)	0	1,358,811	1,052,530	1,052,530	306,281
Fund Balance, June 30, 2006							
	\$ 1,796,815	\$ 0	\$ (96,541)	\$ 1,700,274	\$ 1,002,530	\$ 907,530	\$ 792,744

Exhibit I-9

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cheatham County School Department
School Federal Projects Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,240,847	\$ 0	\$ 0	\$ 2,240,847	\$ 2,739,878	\$ 2,739,878	\$ (499,031)
Total Revenues	\$ 2,240,847	\$ 0	\$ 0	\$ 2,240,847	\$ 2,739,878	\$ 2,739,878	\$ (499,031)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 470,147	\$ 0	\$ 0	\$ 470,147	\$ 672,217	\$ 539,401	\$ 69,254
Special Education Program	815,781	0	0	815,781	1,046,482	1,046,482	230,701
Vocational Education Program	116,867	(9,186)	13,175	120,856	119,246	122,846	1,990
<u>Support Services</u>							
Other Student Support	67,110	0	0	67,110	75,278	78,148	11,038
Regular Instruction Program	333,273	(4,650)	2,300	330,923	304,385	434,331	103,408
Special Education Program	413,452	(164)	0	413,288	522,760	522,760	109,472
Vocational Education Program	5,767	0	0	5,767	9,500	5,900	133
Transportation	15,817	0	0	15,817	18,971	18,971	3,154
Total Expenditures	\$ 2,238,214	\$ (14,000)	\$ 15,475	\$ 2,239,689	\$ 2,768,839	\$ 2,768,839	\$ 529,150
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,633	\$ 14,000	\$ (15,475)	\$ 1,158	\$ (28,961)	\$ (28,961)	\$ 30,119
Net Change in Fund Balance	\$ 2,633	\$ 14,000	\$ (15,475)	\$ 1,158	\$ (28,961)	\$ (28,961)	\$ 30,119
Fund Balance, July 1, 2005	23,003	(14,000)	0	9,003	28,961	28,961	(19,958)
Fund Balance, June 30, 2006	\$ 25,636	\$ 0	\$ (15,475)	\$ 10,161	\$ 0	\$ 0	\$ 10,161

Exhibit I-10

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cheatham County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,605,797	\$ 0	\$ 1,605,797	\$ 1,595,518	\$ 1,595,518	\$ 10,279
Other Local Revenues	11,117	0	11,117	6,000	6,000	5,117
State of Tennessee	34,048	0	34,048	36,000	36,000	(1,952)
Federal Government	966,363	0	966,363	905,000	905,000	61,363
Total Revenues	\$ 2,617,325	\$ 0	\$ 2,617,325	\$ 2,542,518	\$ 2,542,518	\$ 74,807
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,654,434	\$ 41,700	\$ 2,696,134	\$ 2,572,580	\$ 2,872,580	\$ 176,446
Total Expenditures	\$ 2,654,434	\$ 41,700	\$ 2,696,134	\$ 2,572,580	\$ 2,872,580	\$ 176,446
Excess (Deficiency) of Revenues Over Expenditures	\$ (37,109)	\$ (41,700)	\$ (78,809)	\$ (30,062)	\$ (330,062)	\$ 251,253
Net Change in Fund Balance	\$ (37,109)	\$ (41,700)	\$ (78,809)	\$ (30,062)	\$ (330,062)	\$ 251,253
Fund Balance, July 1, 2005	890,400	0	890,400	878,689	878,689	11,711
Fund Balance, June 30, 2006	\$ 853,291	\$ (41,700)	\$ 811,591	\$ 848,627	\$ 548,627	\$ 262,964

MISCELLANEOUS SCHEDULES

Exhibit J-1

Cheatham County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2006

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-05	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-06
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Animal Control Facility	\$ 378,500	3.98 %	12-15-03	5-26-06	\$ 289,340	\$ 0	\$ 289,340	\$ 0
Nursing Home Facility	800,000	3.95 to 5.95	3-23-04	3-15-16	745,000	0	55,000	690,000
Nursing Home Renovations	175,000	6.970	9-28-05	3-15-16	0	175,000	8,000	167,000
E-911 Communication Tower	400,000	3.979	9-29-05	3-15-16	0	400,000	0	400,000
Total Payable through General Debt Service Fund					<u>\$ 1,034,340</u>	<u>\$ 575,000</u>	<u>\$ 352,340</u>	<u>\$ 1,257,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Buses	667,011	4.45	7-1-05	7-21-05	\$ 0	\$ 667,011	\$ 667,011	\$ 0
School Buses	696,050	7.75	5-26-06	6-29-06	0	696,050	696,050	0
School Buses	64,104	7.75	5-26-06	6-29-06	0	64,140	64,140	0
Total Payable through Education Debt Service Fund					<u>\$ 0</u>	<u>\$ 1,427,201</u>	<u>\$ 1,427,201</u>	<u>\$ 0</u>
Total Notes Payable					<u>\$ 1,034,340</u>	<u>\$ 2,002,201</u>	<u>\$ 1,779,541</u>	<u>\$ 1,257,000</u>
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Dump Truck	79,995	4.09	6-27-02	6-1-06	\$ 20,099	\$ 0	\$ 20,099	\$ 0
Tractor/Mower	56,730	4.05	10-1-02	1-21-08	30,802	0	11,525	19,277
Two Tractor/Mowers	71,800	4.95	3-21-03	3-21-08	41,321	0	14,486	26,835
Dump Truck	42,500	6.37	2-14-05	1-14-09	38,343	0	9,879	28,464
Two Tractors	81,474	5.15	4-15-05	4-15-10	79,080	0	14,801	64,279
Total Capital Leases Payable					<u>\$ 209,645</u>	<u>\$ 0</u>	<u>\$ 70,790</u>	<u>\$ 138,855</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Public Works Projects	1,977,211	Variable	11-1-1999	5-25-19	\$ 1,741,250	\$ 0	\$ 145,000	\$ 1,596,250
Total Payable through General Debt Service Fund					<u>\$ 1,741,250</u>	<u>\$ 0</u>	<u>\$ 145,000</u>	<u>\$ 1,596,250</u>
<u>Payable through Education Debt Service Fund</u>								
Public Works Projects	5,063,492	Variable	11-1-1999	5-25-19	\$ 3,986,525	\$ 0	\$ 158,253	\$ 3,828,272
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	1,907,226	0	100,318	1,806,908
Public Works Projects	7,921,436	Variable	9-2-03	5-25-06	859,728	0	859,728	0
Total Payable through Education Debt Service Fund					<u>\$ 6,753,479</u>	<u>\$ 0</u>	<u>\$ 1,118,299</u>	<u>\$ 5,635,180</u>
Total Other Loans Payable					<u>\$ 8,494,729</u>	<u>\$ 0</u>	<u>\$ 1,263,299</u>	<u>\$ 7,231,430</u>

(Continued)

Exhibit J-1

Cheatham County, Tennessee

Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-05	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-06
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Bond - Nursing Home	\$ 690,000	7 to 9	% 1-1-1989	1-1-09	\$ 225,000	\$ 0	\$ 50,000	\$ 175,000
Total Payable through General Debt Service Fund					\$ 225,000	\$ 0	\$ 50,000	\$ 175,000
<u>Payable through Education Debt Service Fund</u>								
Schools	8,000,000	2.7 to 4.5	3-2-1994	4-1-06	\$ 1,425,000	\$ 0	\$ 1,425,000	\$ 0
Schools	8,000,000	3.85 to 6.75	12-1-1996	6-1-21	1,925,000	0	250,000	1,675,000
Schools	8,000,000	4.85 to 6.75	12-1-1996	6-1-22	2,650,000	0	200,000	2,450,000
Schools	7,500,000	4 to 4.85	7-1-1998	6-1-18	5,590,000	0	320,000	5,270,000
Refunding	9,605,000	2 to 4	9-15-04	6-1-19	9,605,000	0	100,000	9,505,000
Total Payable through Education Debt Service Fund					\$ 21,195,000	\$ 0	\$ 2,295,000	\$ 18,900,000
Total Bonds Payable					\$ 21,420,000	\$ 0	\$ 2,345,000	\$ 19,075,000

Exhibit J-2

Cheatham County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2007	\$ 990,000	\$ 800,211	\$ 1,790,211
2008	1,035,000	748,417	1,783,417
2009	1,100,000	700,889	1,800,889
2010	1,075,000	662,164	1,737,164
2011	1,130,000	625,022	1,755,022
2012	1,185,000	585,046	1,770,046
2013	1,245,000	541,457	1,786,457
2014	1,305,000	494,047	1,799,047
2015	1,370,000	442,185	1,812,185
2016	1,430,000	387,475	1,817,475
2017	1,495,000	329,210	1,824,210
2018	1,560,000	267,000	1,827,000
2019	1,055,000	201,075	1,256,075
2020	1,150,000	158,875	1,308,875
2021	1,225,000	99,938	1,324,938
2022	725,000	37,156	762,156
Total	<u>\$ 19,075,000</u>	<u>\$ 7,080,167</u>	<u>\$ 26,155,167</u>

Exhibit J-3

Cheatham County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2006

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-06
<u>General Debt Service Fund</u>						
Loan	Emergency Communications District	\$ 193,000	7-8-1999	12-1-06	4.4 %	\$ 13,000
Loan	Emergency Communications District	400,000	9-29-05	9-1-17	3.979	<u>400,000</u>
Total Notes Receivable						<u>\$ 413,000</u>

Exhibit J-4

Cheatham County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2006

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Education Debt Service	Development tax	\$ 713,716
General	General Capital Projects	To open new fund	139,636
General	Other Capital Projects	To open new fund	286,271
Solid Waste/Sanitation	General	Solid waste grant reimbursement	11,332
Solid Waste/Sanitation	General Capital Projects	Solid waste grant reimbursement	<u>15,362</u>
Total Transfers			<u>\$ 1,166,317</u>

Exhibit J-5

Cheatham County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 64,679	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	61,652	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	87,590 (1)	(2)	
Trustee	Section 8-24-102, <u>TCA</u>	56,000	1,096,200	RLI Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	56,000	10,000	Western Surety Company
Director of Accounts and Budgets:	County Commission			
Frank Luppe (7-1-05 through 9-18-05)		11,782	25,000	RLI Insurance Company
Tara Patterson (9-19-05 through 6-30-06)		43,114	25,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	56,000	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	56,000	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	56,000	50,000	"
Register	Section 8-24-102, <u>TCA</u>	56,000	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	62,118 (3)	50,000	"
<u>Employee Bonds</u>				
General Employee Blanket Bond			150,000	Tennessee School Boards Risk Management Trust
School Employee Blanket Bond			150,000	Tennessee School Boards Risk Management Trust
Director of Emergency Medical Services and Coroner			25,000	RLI Insurance Company
Emergency Management Coordinator			25,000	"

- (1) Includes \$1,000 for chief executive officer training supplement and \$1,590 for longevity pay.
(2) Covered under the School Employee Blanket Bond.
(3) Includes a law enforcement training supplement of \$519.

Exhibit J-6

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2006

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,078,173	\$ 0	\$ 725,628	\$ 0	\$ 0	\$ 451,502
Trustee's Collections - Prior Year	161,790	0	27,011	0	0	16,227
Circuit/Clerk & Master Collections - Prior Years	86,789	0	8,752	0	0	7,876
Interest and Penalty	53,922	0	6,077	0	0	6,620
Pick-up Taxes	4,332	0	797	0	0	844
Payments in-Lieu-of Taxes - Local Utilities	38,495	0	6,320	0	0	6,425
Payments in-Lieu-of Taxes - Other	1,628	0	26,948	0	0	181
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	40,154	0	0	0	0	0
Wheel Tax	0	0	0	0	0	322,504
Litigation Tax - General	118,003	24,336	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	45,474	0	0	0	0	0
Business Tax	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	836
Adequate Facilities/Development Tax	1,070,559	0	0	0	0	0
Other County Local Option Taxes	235,148	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	22,566	0	4,179	0	0	2,507
Wholesale Beer Tax	230,704	0	0	0	0	0
Beer Privilege Tax	1,908	0	0	0	0	0
Interstate Telecommunications Tax	4,216	0	0	0	0	0
Total Local Taxes	\$ 6,193,861	\$ 24,336	\$ 805,712	\$ 0	\$ 0	\$ 815,522
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 8,070	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	6,265	0	0	0	0	0
Cable TV Franchise	66,231	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,550	0	0	0	0	0
Building Permits	210,292	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 17,030	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 309,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 17,559	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,414	0	0	0	0	0
Data Entry Fee - Circuit Court	1,391	0	0	0	0	0
<u>Criminal Court</u>						
Drug Control Fines	75	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	37,611	0	0	0	0	0
Fines for Littering	190	0	0	0	0	0
Officers Costs	79,737	0	0	0	0	0
Game and Fish Fines	428	0	0	0	0	0
Jail Fees	18,527	0	0	0	0	0
Judicial Commissioner Fees	1,891	0	0	0	0	0
DUI Treatment Fines	8,194	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,122	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,785	0	0	0	0	0
Drug Control Fines	2,530	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,670	0	0	0	0	0
Data Entry Fee - Chancery Court	1,260	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	0	0	0	32,853	0	0
DUI Treatment Fines	340	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	5,565	0	0
Data Entry Fee - Other Courts	35	0	0	0	0	0

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 8,452	\$ 0	\$ 0	\$ 849	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 197,213	\$ 0	\$ 0	\$ 39,267	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,700	\$ 0
Tipping Fees	0	0	74,127	0	0	0
Patient Charges	718,872	0	0	0	0	0
Work Release Charges for Board	3,630	0	0	0	0	0
Other General Service Charges	10,370	0	0	0	0	10,395
<u>Fees</u>						
Copy Fees	11,344	0	0	0	0	0
Library Fees	1,835	0	0	0	0	0
Telephone Commissions	19,761	0	0	0	0	0
Vending Machine Collections	2,550	0	0	0	0	0
Constitutional Officers' Fees and Commissions	15,862	0	0	0	0	0
Data Processing Fee - Register	21,160	0	0	0	0	0
Probation Fees	64,872	0	0	0	0	0
Data Processing Fee - Sheriff	4,587	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,550	0	0	0	0	0
Total Charges for Current Services	\$ 877,393	\$ 0	\$ 74,127	\$ 0	\$ 33,700	\$ 10,395
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 527,940	\$ 0	\$ 75	\$ 0	\$ 0	\$ 357
Lease/Rentals	61,083	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	125
Sale of Recycled Materials	0	0	16,871	0	0	0
Retirees' Insurance Payments	0	0	0	0	0	5,644
Miscellaneous Refunds	8,401	0	10	855	0	23,373
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions & Gifts	\$ 26,530	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
Other Local Revenues	10,492	0	0	0	0	0
Total Other Local Revenues	\$ 634,446	\$ 0	\$ 16,956	\$ 855	\$ 0	\$ 29,499
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 381,623	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	379,534	0	0	0	0	0
Clerk and Master	166,519	0	0	0	0	0
Register	300,937	0	0	0	0	0
Sheriff	25,364	0	0	0	0	0
Trustee	532,006	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,785,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,360	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	12,063	0	0	0	0	0
Solid Waste Grants	0	0	105,000	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,968	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	11,257	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	158,467
State Aid Program	0	0	0	0	0	182,480
Litter Program	48,979	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	3,853	0	0	0	0	0
Income Tax	9,932	0	0	0	0	0
Beer Tax	17,212	0	0	0	0	0

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 40,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	84,779	0	15,700	0	0	9,420
Prisoner Transportation	528	0	0	0	0	0
Contracted Prisoner Boarding	249,375	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,463,311
Petroleum Special Tax	0	0	0	0	0	26,481
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Revenues	2,000	0	0	0	0	0
Total State of Tennessee	\$ 518,836	\$ 0	\$ 120,700	\$ 0	\$ 0	\$ 1,840,159
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 18,359	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	157,918	0	0	0	0	0
Other Federal through State	167,136	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	21,192	0	0	0	0	0
Total Federal Government	\$ 364,605	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 85,053	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0	16,448
Contributions	235,521	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 320,574	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,448
Total	\$ 11,202,349	\$ 24,336	\$ 1,017,495	\$ 40,122	\$ 33,700	\$ 2,712,023

Exhibit J-6

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	<u>Other</u> <u>Capital</u> <u>Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 251,759	\$ 3,373,674	\$ 151,104	\$ 302,193	\$ 9,334,033
Trustee's Collections - Prior Year	9,141	122,485	0	0	336,654
Circuit/Clerk & Master Collections - Prior Years	4,448	62,894	0	0	170,759
Interest and Penalty	2,854	45,704	217	434	115,828
Pick-up Taxes	266	3,559	150	300	10,248
Payments in-Lieu-of Taxes - Local Utilities	876	31,624	525	2,579	86,844
Payments in-Lieu-of Taxes - Other	1,373	1,346	1,005	481	32,962
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	1,245,890	0	0	1,245,890
Hotel/Motel Tax	0	0	0	0	40,154
Wheel Tax	0	1,068,108	0	0	1,390,612
Litigation Tax - General	0	0	0	0	142,339
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	45,474
Business Tax	162,228	0	0	0	162,228
Mineral Severance Tax	0	0	0	0	836
Adequate Facilities/Development Tax	0	707,864	0	0	1,778,423
Other County Local Option Taxes	0	0	0	0	235,148
<u>Statutory Local Taxes</u>					
Bank Excise Tax	1,393	18,666	836	1,672	51,819
Wholesale Beer Tax	0	0	0	0	230,704
Beer Privilege Tax	0	0	0	0	1,908
Interstate Telecommunications Tax	0	0	0	0	4,216
Total Local Taxes	\$ 434,338	\$ 6,681,814	\$ 153,837	\$ 307,659	\$ 15,417,079
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,070
Animal Vaccination	0	0	0	0	6,265
Cable TV Franchise	0	0	0	0	66,231
<u>Permits</u>					
Beer Permits	0	0	0	0	1,550
Building Permits	0	0	0	0	210,292

(Continued)

Exhibit J-6

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Other Permits	\$ 0	\$ 0	\$ 0	\$ 0	17,030
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	309,438
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	17,559
Officers Costs	0	0	0	0	6,414
Data Entry Fee - Circuit Court	0	0	0	0	1,391
<u>Criminal Court</u>					
Drug Control Fines	0	0	0	0	75
<u>General Sessions Court</u>					
Fines	0	0	0	0	37,611
Fines for Littering	0	0	0	0	190
Officers Costs	0	0	0	0	79,737
Game and Fish Fines	0	0	0	0	428
Jail Fees	0	0	0	0	18,527
Judicial Commissioner Fees	0	0	0	0	1,891
DUI Treatment Fines	0	0	0	0	8,194
Data Entry Fee - General Sessions Court	0	0	0	0	9,122
Courtroom Security Fee	0	0	0	0	2
<u>Juvenile Court</u>					
Fines	0	0	0	0	1,785
Drug Control Fines	0	0	0	0	2,530
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,670
Data Entry Fee - Chancery Court	0	0	0	0	1,260
<u>Other Courts - In-county</u>					
Drug Control Fines	0	0	0	0	32,853
DUI Treatment Fines	0	0	0	0	340
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	5,565
Data Entry Fee - Other Courts	0	0	0	0	35

Exhibit J-6

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	9,301
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	236,480
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	33,700
Tipping Fees	0	0	0	0	74,127
Patient Charges	0	0	0	0	718,872
Work Release Charges for Board	0	0	0	0	3,630
Other General Service Charges	0	0	0	0	20,765
<u>Fees</u>					
Copy Fees	0	0	0	0	11,344
Library Fees	0	0	0	0	1,835
Telephone Commissions	0	0	0	0	19,761
Vending Machine Collections	0	0	0	0	2,550
Constitutional Officers' Fees and Commissions	0	0	0	0	15,862
Data Processing Fee - Register	0	0	0	0	21,160
Probation Fees	0	0	0	0	64,872
Data Processing Fee - Sheriff	0	0	0	0	4,587
Sexual Offender Registration Fees - Sheriff	0	0	0	0	2,550
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	995,615
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 6,730	\$ 0	\$ 0	\$ 0	535,102
Lease/Rentals	148,878	0	0	0	209,961
Sale of Materials and Supplies	0	0	0	0	125
Sale of Recycled Materials	0	0	0	0	16,871
Retirees' Insurance Payments	0	0	0	0	5,644
Miscellaneous Refunds	0	0	0	0	32,639
<u>Nonrecurring Items</u>					
Sale of Equipment	0	36,838	0	0	36,838

(Continued)

Exhibit J-6

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Contributions & Gifts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,530
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	10,492
Total Other Local Revenues	\$ 155,608	\$ 36,838	\$ 0	\$ 0	\$ 874,202
<u>Fees Received from County Officials</u>					
<u>Fees-In-Lieu of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 381,623
Circuit Court Clerk	0	0	0	0	379,534
Clerk and Master	0	0	0	0	166,519
Register	0	0	0	0	300,937
Sheriff	0	0	0	0	25,364
Trustee	0	0	0	0	532,006
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,785,983
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,360
State Reappraisal Grant	0	0	0	0	12,063
Solid Waste Grants	0	0	0	0	105,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	12,968
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	11,257
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	158,467
State Aid Program	0	0	0	0	182,480
Litter Program	0	0	0	0	48,979
<u>Other State Revenues</u>					
Flood Control	0	0	0	0	3,853
Income Tax	0	0	0	0	9,932
Beer Tax	0	0	0	0	17,212

(Continued)

Exhibit J-6

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	<u>Other</u> <u>Capital</u> <u>Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,150
State Revenue Sharing - T.V.A.	5,233	70,125	3,140	6,280	194,677
Prisoner Transportation	0	0	0	0	528
Contracted Prisoner Boarding	0	0	0	0	249,375
Gasoline and Motor Fuel Tax	0	0	0	0	1,463,311
Petroleum Special Tax	0	0	0	0	26,481
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Revenues	0	0	0	0	2,000
Total State of Tennessee	\$ 5,233	\$ 70,125	\$ 3,140	\$ 6,280	\$ 2,564,473
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,359
Homeland Security Grants	0	0	0	0	157,918
Other Federal through State	0	0	0	0	167,136
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	21,192
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,605
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,053
Paving and Maintenance	0	0	0	0	16,448
Contributions	0	0	0	0	235,521
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 337,022
Total	\$ 595,179	\$ 6,788,777	\$ 156,977	\$ 313,939	\$ 22,884,897

Exhibit J-7

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 6,333,622	\$ 0	\$ 0	\$ 6,333,622
Trustee's Collections - Prior Year	266,189	0	0	266,189
Circuit/Clerk & Master Collections - Prior Years	130,970	0	0	130,970
Interest and Penalty	107,971	0	0	107,971
Pick-up Taxes	6,718	0	0	6,718
Payments in-Lieu-of Taxes - Local Utilities	59,943	0	0	59,943
Payments in-Lieu-of Taxes - Other	2,553	0	0	2,553
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,563,565	0	0	1,563,565
Wheel Tax	357,090	0	0	357,090
<u>Statutory Local Taxes</u>				
Bank Excise Tax	35,382	0	0	35,382
Total Local Taxes	\$ 8,864,003	\$ 0	\$ 0	\$ 8,864,003
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,582	\$ 0	\$ 0	\$ 3,582
Total Licenses and Permits	\$ 3,582	\$ 0	\$ 0	\$ 3,582
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 11,634	\$ 0	\$ 0	\$ 11,634
Tuition - Summer School	5,700	0	0	5,700
Lunch Payments - Children	0	0	930,758	930,758
Lunch Payments - Adults	0	0	61,473	61,473
Income from Breakfast	0	0	112,645	112,645
A la carte Sales	0	0	448,722	448,722
Receipts from Individual Schools	154,789	0	0	154,789
Community Service Fees - Children	798,339	0	0	798,339
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	52,199	52,199
Total Charges for Current Services	\$ 970,462	\$ 0	\$ 1,605,797	\$ 2,576,259
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 5,168	\$ 0	\$ 10,779	\$ 15,947
Miscellaneous Refunds	1,169	0	0	1,169
<u>Nonrecurring Items</u>				
Sale of Equipment	605	0	0	605
Damages Recovered from Individuals	1,834	0	338	2,172
Contributions & Gifts	12,352	0	0	12,352
<u>Other Local Revenues</u>				
Other Local Revenues	23,824	0	0	23,824
Total Other Local Revenues	\$ 44,952	\$ 0	\$ 11,117	\$ 56,069
<u>State of Tennessee</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 25,961,564	\$ 0	\$ 0	\$ 25,961,564

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Early Childhood Education	\$ 173,879	\$ 0	\$ 0	\$ 173,879
School Food Service	0	0	34,048	34,048
Driver Education	7,675	0	0	7,675
Other State Education Funds	136,841	0	0	136,841
Career Ladder Program	319,332	0	0	319,332
Career Ladder - Extended Contract	95,245	0	0	95,245
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	132,924	0	0	132,924
Total State of Tennessee	\$ 26,827,460	\$ 0	\$ 34,048	\$ 26,861,508
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 743,677	\$ 743,677
Breakfast	0	0	222,686	222,686
Adult Education State Grant Program	108,399	0	0	108,399
Vocational Education - Basic Grants to States	0	126,623	0	126,623
Title I Grants to Local Education Agencies	0	623,107	0	623,107
Innovative Education Program Strategies	0	20,284	0	20,284
Special Education - Grants to States	100,790	1,190,859	0	1,291,649
Special Education Preschool Grants	0	50,368	0	50,368
Eisenhower Professional Development State Grants	104,798	216,316	0	321,114
Other Federal through State	260,895	13,290	0	274,185
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	162,370	0	0	162,370
Total Federal Government	\$ 737,252	\$ 2,240,847	\$ 966,363	\$ 3,944,462
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 760,190	\$ 0	\$ 0	\$ 760,190
Total Other Governments and Citizens Groups	\$ 760,190	\$ 0	\$ 0	\$ 760,190
Total	\$ 38,207,901	\$ 2,240,847	\$ 2,617,325	\$ 43,066,073

Exhibit J-8

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2006

General Fund

General Government

County Commission

Other Salaries & Wages	\$	4,457	
Board and Committee Members Fees		51,427	
In-Service Training		125	
Social Security		4,264	
Audit Services		8,120	
Dues and Memberships		1,400	
Legal Services		13,179	
Other Supplies and Materials		1,434	
Office Equipment		2,059	
Total County Commission			\$ 86,465

County Mayor/Executive

County Official/Administrative Officer	\$	64,679	
Secretary(ies)		29,964	
Social Security		7,166	
State Retirement		4,096	
Communication		12,337	
Consultants		245	
Dues and Memberships		10,359	
Legal Services		5,984	
Maintenance & Repair Services - Office Equipment		550	
Maintenance & Repair Services - Vehicles		1,344	
Travel		1,161	
Gasoline		1,247	
Office Supplies		1,880	
Total County Mayor/Executive			141,012

Personnel Office

County Official/Administrative Officer	\$	45,199	
Social Security		3,396	
State Retirement		1,956	
Contracts with Private Agencies		3,835	
Printing, Stationery, and Forms		191	
Instructional Supplies and Materials		1,098	
Office Supplies		137	
Office Equipment		4,268	
Total Personnel Office			60,080

Election Commission

County Official/Administrative Officer	\$	42,906	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	12,258	
Board and Committee Members Fees		3,285	
In-Service Training		760	
Other Per Diem & Fees		2,223	
Social Security		4,409	
State Retirement		1,722	
Advertising		1,491	
Communication		737	
Dues and Memberships		25	
Maintenance & Repair Services - Equipment		2,683	
Printing, Stationery, and Forms		371	
Travel		36	
Office Supplies		881	
Data Processing Equipment		394	
Office Equipment		<u>165,803</u>	
Total Election Commission	\$		239,984

Register of Deeds

County Official/Administrative Officer	\$	56,000	
Deputy(ies)		47,380	
Part-time Personnel		4,780	
Social Security		8,178	
State Retirement		4,474	
Communication		2,346	
Data Processing Services		12,587	
Dues and Memberships		744	
Maintenance & Repair Services - Office Equipment		738	
Travel		294	
Office Supplies		12,161	
Furniture and Fixtures		1,523	
Office Equipment		<u>962</u>	
Total Register of Deeds			152,167

Planning

Assistant(s)	\$	33,098	
Supervisor/Director		42,491	
Investigator(s)		25,971	
Secretary(ies)		23,391	
Part-time Personnel		1,796	
Board and Committee Members Fees		2,160	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

In-Service Training	\$	443	
Social Security		9,689	
State Retirement		5,415	
Communication		3,932	
Data Processing Services		5,682	
Dues and Memberships		238	
Engineering Services		5,225	
Legal Services		9,293	
Maintenance & Repair Services - Equipment		1,251	
Maintenance & Repair Services - Vehicles		1,029	
Printing, Stationery, and Forms		2,000	
Other Contracted Services		9,558	
Gasoline		3,341	
Library Books/Media		35	
Office Supplies		1,430	
Communication Equipment		318	
Office Equipment		902	
Total Planning			\$ 188,688

County Buildings

Assistant(s)	\$	8,917	
Supervisor/Director		34,928	
Custodial Personnel		38,152	
Social Security		5,806	
State Retirement		3,163	
Maintenance & Repair Services - Buildings		50,981	
Maintenance & Repair Services - Vehicles		2,357	
Pest Control		5,220	
Custodial Supplies		8,419	
Diesel Fuel		819	
Electricity		133,660	
Fertilizer, Lime, and Seed		2,450	
Gasoline		4,754	
Natural Gas		45,448	
Propane Gas		12,806	
Small Tools		17	
Tires and Tubes		5	
Water and Sewer		45,658	
Other Supplies and Materials		2,101	
Total County Buildings			405,661

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	54,896	
Assistant(s)		20,548	
Data Processing Personnel		25,109	
Clerical Personnel		28,508	
In-Service Training		604	
Social Security		9,631	
State Retirement		5,194	
Advertising		19,668	
Data Processing Services		9,021	
Postal Charges		37,248	
Printing, Stationery, and Forms		5,514	
Travel		927	
Office Supplies		1,648	
Office Equipment		15,287	
Total Accounting and Budgeting			\$ 233,803

Property Assessor's Office

County Official/Administrative Officer	\$	56,000	
Deputy(ies)		35,552	
Assessment Personnel		55,619	
Other Salaries & Wages		8,832	
Social Security		11,521	
State Retirement		6,369	
Communication		1,007	
Contracts with Private Agencies		8,530	
Data Processing Services		12,704	
Dues and Memberships		1,068	
Legal Services		598	
Maintenance & Repair Services - Office Equipment		396	
Maintenance & Repair Services - Vehicles		331	
Printing, Stationery, and Forms		34	
Travel		194	
Gasoline		1,254	
Office Supplies		526	
Office Equipment		1,314	
Total Property Assessor's Office			201,849

Reappraisal Program

Other Salaries & Wages	\$	32,319
Social Security		2,218

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

State Retirement	\$ 1,399	
Total Reappraisal Program		\$ 35,936

County Trustee's Office

County Official/Administrative Officer	\$ 56,000	
Deputy(ies)	57,132	
Part-time Personnel	10,238	
In-Service Training	400	
Social Security	8,840	
State Retirement	4,896	
Communication	2,275	
Contracts with Other Public Agencies	1,000	
Data Processing Services	10,065	
Dues and Memberships	529	
Maintenance & Repair Services - Office Equipment	198	
Travel	966	
Office Supplies	1,080	
Data Processing Equipment	2,354	
Office Equipment	3,829	
Total County Trustee's Office		159,802

County Clerk's Office

County Official/Administrative Officer	\$ 56,000	
Deputy(ies)	112,473	
Part-time Personnel	35,346	
Other Salaries & Wages	7,867	
In-Service Training	325	
Social Security	15,202	
State Retirement	5,899	
Communication	3,171	
Data Processing Services	11,324	
Dues and Memberships	604	
Maintenance & Repair Services - Office Equipment	1,752	
Printing, Stationery, and Forms	3,541	
Travel	337	
Office Supplies	2,071	
Office Equipment	1,593	
Total County Clerk's Office		257,505

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,000	
Deputy(ies)		196,359	
Part-time Personnel		945	
Board and Committee Members Fees		222	
Jury and Witness Fees		13,368	
Social Security		18,937	
State Retirement		10,565	
Communication		2,119	
Contracts with Government Agencies		3,000	
Data Processing Services		6,405	
Dues and Memberships		494	
Maintenance & Repair Services - Office Equipment		2,073	
Matching Share		18,000	
Travel		234	
Office Supplies		8,120	
Office Equipment		9,338	
Total Circuit Court			\$ 346,179

General Sessions Court

Judge(s)	\$	59,251	
Deputy(ies)		28,140	
Other Salaries & Wages		725	
Social Security		6,324	
State Retirement		3,782	
Communication		760	
Data Processing Services		2,767	
Dues and Memberships		600	
Travel		600	
Drug Treatment		3,000	
Office Equipment		4,622	
Total General Sessions Court			110,571

Chancery Court

County Official/Administrative Officer	\$	56,000
Deputy(ies)		79,960
Social Security		9,710
State Retirement		5,884
Communication		1,314
Data Processing Services		7,869
Dues and Memberships		544

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	3,000	
Maintenance & Repair Services - Office Equipment		233	
Office Supplies		3,769	
Office Equipment		1,292	
Total Chancery Court			\$ 169,575

Juvenile Court

Judge(s)	\$	34,798	
Probation Officer(s)		69,926	
Guidance Personnel		28,566	
Social Workers		39,818	
Salary Supplements		16,059	
Other Salaries & Wages		11,106	
Social Security		14,585	
State Retirement		7,123	
Communication		3,965	
Contracts with Government Agencies		971	
Data Processing Services		1,200	
Dues and Memberships		835	
Maintenance & Repair Services - Office Equipment		725	
Travel		2,562	
Drugs and Medical Supplies		880	
Gasoline		849	
Library Books/Media		814	
Office Supplies		1,440	
Office Equipment		1,441	
Total Juvenile Court			237,663

Other Administration of Justice

Probation Officer(s)	\$	71,093	
Part-time Personnel		8,922	
In-Service Training		590	
Social Security		5,848	
State Retirement		3,077	
Communication		1,631	
Maintenance & Repair Services - Office Equipment		248	
Printing, Stationery, and Forms		266	
Travel		319	
Remittance of Revenue Collected		4,236	
Drugs and Medical Supplies		4,977	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Office Supplies	\$	564	
Office Equipment		1,370	
Total Other Administration of Justice			\$ 103,141

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,599	
Assistant(s)		29,964	
Supervisor/Director		49,526	
Deputy(ies)		581,041	
Detective(s)		42,539	
Investigator(s)		120,796	
Sergeant(s)		142,668	
Clerical Personnel		74,934	
Overtime Pay		10,644	
Other Salaries & Wages		27,296	
In-Service Training		1,290	
Social Security		83,201	
State Retirement		47,840	
Communication		29,736	
Dues and Memberships		1,700	
Maintenance & Repair Services - Equipment		7,451	
Maintenance & Repair Services - Vehicles		20,154	
Travel		2,733	
Gasoline		102,298	
Instructional Supplies and Materials		1,254	
Law Enforcement Supplies		6,087	
Office Supplies		7,525	
Tires and Tubes		2,277	
Uniforms		10,767	
Other Supplies and Materials		410	
Liability Insurance		28,021	
Vehicle and Equipment Insurance		14,308	
Workers' Compensation Insurance		25,445	
Data Processing Equipment		3,601	
Office Equipment		211	
Total Sheriff's Department			1,537,316

Jail

Supervisor/Director	\$	42,539	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Sergeant(s)	\$	126,316	
Foremen		57,131	
Guards		502,146	
Clerical Personnel		29,857	
Board and Committee Members Fees		400	
Jury and Witness Fees		26,068	
Social Security		58,898	
State Retirement		28,880	
Maintenance & Repair Services - Equipment		3,258	
Medical and Dental Services		226,453	
Custodial Supplies		23,673	
Food Supplies		76,563	
Law Enforcement Supplies		1,104	
Other Supplies and Materials		2,338	
Other Equipment		933	
Total Jail			\$ 1,206,557

Fire Prevention and Control

Contracts with Other Public Agencies	\$	200,000	
Total Fire Prevention and Control			200,000

Rural Fire Protection

Remittance of Revenue Collected	\$	217,394	
Total Rural Fire Protection			217,394

Other Emergency Management

Assistant(s)	\$	29,110	
Supervisor/Director		39,744	
In-Service Training		110	
Social Security		4,954	
State Retirement		2,980	
Communication		2,597	
Maintenance & Repair Services - Equipment		309	
Maintenance & Repair Services - Vehicles		3,070	
Diesel Fuel		22	
Gasoline		3,361	
Office Supplies		385	
Other Supplies and Materials		167,535	
Other Charges		2,273	
Communication Equipment		1,287	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Equipment	\$ 2,099	
Total Other Emergency Management		\$ 259,836

County Coroner/Medical Examiner

County Official/Administrative Officer	\$ 45,085	
Social Security	59	
State Retirement	34	
Total County Coroner/Medical Examiner		45,178

Other Public Safety

County Official/Administrative Officer	\$ 39,849	
Assessment Personnel	31,361	
Dispatchers/Radio Operators	320,792	
Part-time Personnel	18,082	
Social Security	30,835	
State Retirement	11,250	
Contributions	400,000	
Total Other Public Safety		852,169

Public Health and Welfare

Local Health Center

Attendants	\$ 1,475	
Social Security	113	
Communication	1,910	
Janitorial Services	9,000	
Postal Charges	1,077	
Custodial Supplies	623	
Drugs and Medical Supplies	1,113	
Office Supplies	456	
Other Supplies and Materials	591	
Other Charges	18,976	
Site Development	4,184	
Total Local Health Center		39,518

Rabies and Animal Control

Assistant(s)	\$ 15,409
Supervisor/Director	34,446
Deputy(ies)	13,108
Attendants	9,745
In-Service Training	970

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Social Security	\$	5,384	
State Retirement		1,738	
Communication		1,359	
Maintenance & Repair Services - Equipment		304	
Maintenance & Repair Services - Vehicles		2,819	
Printing, Stationery, and Forms		864	
Veterinary Services		6,030	
Other Contracted Services		604	
Animal Food and Supplies		875	
Custodial Supplies		2,184	
Drugs and Medical Supplies		12,218	
Gasoline		3,569	
Office Supplies		401	
Uniforms		1,117	
Other Supplies and Materials		13	
Other Equipment		161	
Total Rabies and Animal Control			\$ 113,318

Ambulance/Emergency Medical Services

Supervisor/Director	\$	50,923
Accountants/Bookkeepers		25,773
Attendants		813,769
Part-time Personnel		106,032
Social Security		74,573
State Retirement		37,740
Communication		10,327
Consultants		2,400
Contracts with Private Agencies		5,590
Dues and Memberships		160
Licenses		1,340
Maintenance & Repair Services - Equipment		722
Maintenance & Repair Services - Vehicles		34,433
Rentals		10,710
Disposal Fees		3,177
Custodial Supplies		1,617
Drugs and Medical Supplies		53,122
Gasoline		33,853
Office Supplies		2,117
Tires and Tubes		2,844
Uniforms		3,971

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Other Supplies and Materials	\$	401	
Vehicle and Equipment Insurance		5,937	
Workers' Compensation Insurance		25,445	
In Service/Staff Development		2,356	
Communication Equipment		96	
Total Ambulance/Emergency Medical Services			\$ 1,309,428

Other Local Health Services

Secretary(ies)	\$	25,516	
Social Security		1,841	
State Retirement		1,104	
Communication		1,160	
Total Other Local Health Services			29,621

Regional Mental Health Center

Contracts with Other Public Agencies	\$	7,500	
Total Regional Mental Health Center			7,500

General Welfare Assistance

Contracts with Government Agencies	\$	9,671	
Total General Welfare Assistance			9,671

Sanitation Education/Information

Foremen	\$	22,962	
Social Security		1,756	
State Retirement		994	
Maintenance & Repair Services - Vehicles		1,983	
Gasoline		2,671	
Instructional Supplies and Materials		6,888	
Other Supplies and Materials		991	
Total Sanitation Education/Information			38,245

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Matching Share	\$	27,869	
Total Senior Citizens Assistance			27,869

Libraries

Supervisor/Director	\$	47,357	
Part-time Personnel		53,943	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Social Security	\$	7,612	
State Retirement		1,536	
Communication		2,903	
Dues and Memberships		575	
Library Books/Media		21,239	
Office Supplies		8,834	
Office Equipment		16,187	
Total Libraries			\$ 160,186

Parks and Fair Boards

Contributions	\$	155,039	
Total Parks and Fair Boards			155,039

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$	64,797	
Board and Committee Members Fees		175	
In-Service Training		750	
Social Security		4,871	
State Retirement		7,282	
Employee and Dependent Insurance		2,650	
Communication		3,091	
Travel		890	
Office Equipment		1,108	
Total Agriculture Extension Service			85,614

Forest Service

Contracts with Government Agencies	\$	1,000	
Total Forest Service			1,000

Soil Conservation

Social Security	\$	1,300	
State Retirement		928	
Contracts with Government Agencies		21,431	
Contracts with Other Public Agencies		3,000	
Other Contracted Services		1,000	
Total Soil Conservation			27,659

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations

Other Economic and Community Development

Supervisor/Director	\$	28,125	
Advertising		13,494	
Consultants		25,000	
Travel		1,077	
Office Supplies		435	
Total Other Economic and Community Development			\$ 68,131

Other Charges

Trustee's Commission	\$	127,454	
Total Other Charges			127,454

Contributions to Other Agencies

Contributions	\$	20,885	
Total Contributions to Other Agencies			20,885

Employee Benefits

Medical Insurance	\$	549,984	
Other Charges		5,000	
Total Employee Benefits			554,984

Miscellaneous

Longevity Pay	\$	81,424	
Boiler Insurance		982	
Building and Contents Insurance		51,740	
Liability Insurance		65,157	
Premiums on Corporate Surety Bonds		5,527	
Vehicle and Equipment Insurance		5,548	
Workers' Compensation Insurance		30,000	
Total Miscellaneous			240,378

Capital Projects

General Administration Projects

Other Supplies and Materials	\$	19,794	
Building Improvements		141,132	
Total General Administration Projects			160,926

Public Health and Welfare Projects

Other Construction	\$	11,672	
Total Public Health and Welfare Projects			11,672

Total General Fund			\$ 10,637,629
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(Continued)

Exhibit J-8

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

Courthouse & Jail Maintenance Fund

General Government

County Buildings

Building Improvements	\$ 27,308	
Total County Buildings		\$ 27,308

Other General Administration

Trustee's Commission	\$ 266	
Total Other General Administration		<u>266</u>

Total Courthouse & Jail Maintenance Fund		\$ 27,574
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Solid Waste/Sanitation Fund

General Government

Other General Administration

Trustee's Commission	\$ 16,805	
Total Other General Administration		\$ 16,805

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 45,334	
Clerical Personnel	19,197	
Part-time Personnel	10,774	
Other Salaries & Wages	13,091	
Social Security	6,746	
State Retirement	2,793	
Communication	919	
Electricity	2,121	
Office Supplies	913	
Water and Sewer	431	
Building and Contents Insurance	632	
Premiums on Corporate Surety Bonds	100	
Vehicle and Equipment Insurance	3,551	
Workers' Compensation Insurance	8,000	
Total Sanitation Management		114,602

Convenience Centers

Laborers	\$ 50,047	
Social Security	3,829	
Communication	4,383	
Contracts with Government Agencies	520,805	
Contracts with Private Agencies	43,347	
Maintenance & Repair Services - Equipment	7,051	

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Rentals	\$	3,189	
Diesel Fuel		28,911	
Electricity		3,582	
Equipment and Machinery Parts		9,095	
Lubricants		789	
Tires and Tubes		4,152	
Other Equipment		15,943	
Total Convenience Centers			\$ 695,123

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	7,405	
Evaluation and Testing		13,000	
Maintenance & Repair Services - Equipment		5,671	
Crushed Stone		2,807	
Equipment and Machinery Parts		13,779	
Fertilizer, Lime, and Seed		251	
Small Tools		912	
Other Supplies and Materials		553	
Other Equipment		20,875	
Total Landfill Operation and Maintenance			65,253

Other Operations

Employee Benefits

Other Charges	\$	3,500	
Total Employee Benefits			3,500

Miscellaneous

Longevity Pay	\$	1,344	
Total Miscellaneous			1,344

Total Solid Waste/Sanitation Fund \$ 896,627

Drug Control Fund

General Government

Other General Administration

Trustee's Commission	\$	364	
Total Other General Administration			\$ 364

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety

Drug Enforcement

Detective(s)	\$	9,946	
In-Service Training		725	
Social Security		725	
State Retirement		424	
Employee and Dependent Insurance		3,937	
Medical and Dental Services		275	
Animal Food and Supplies		131	
Other Supplies and Materials		722	
Law Enforcement Equipment		8,400	
Total Drug Enforcement			\$ 25,285

Total Drug Control Fund \$ 25,649

Unemployment Compensation Fund

General Government

Other General Administration

Unemployment Compensation	\$	30,351	
Total Other General Administration			\$ 30,351

Total Unemployment Compensation Fund 30,351

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	61,652	
Secretary(ies)		35,634	
Clerical Personnel		40,479	
Advertising		159	
Contracts with Private Agencies		5,855	
Data Processing Services		752	
Dues and Memberships		3,279	
Legal Services		23	
Licenses		786	
Printing, Stationery, and Forms		523	
Rentals		292	
Travel		1,104	
Custodial Supplies		576	
Data Processing Supplies		929	
Office Supplies		826	
Other Supplies and Materials		1,212	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Furniture and Fixtures	\$	89	
Office Equipment		4,148	
Total Administration			\$ 158,318

Highway and Bridge Maintenance

Foremen	\$	125,424	
Equipment Operators - Heavy		381,188	
Truck Drivers		262,803	
Laborers		25,698	
Overtime Pay		4,596	
Licenses		62	
Other Contracted Services		259,144	
Asphalt - Cold Mix		1,525	
Asphalt - Hot Mix		583,197	
Asphalt - Liquid		96,786	
Crushed Stone		53,555	
Other Road Supplies		1,100	
Pipe - Metal		6,671	
Road Signs		3,802	
Salt		5,076	
Wood Products		540	
Other Supplies and Materials		4,643	
Bridge Construction		118,363	
Total Highway and Bridge Maintenance			1,934,173

Operation and Maintenance of Equipment

Foremen	\$	42,203	
Mechanic(s)		69,795	
Overtime Pay		1,055	
Rentals		921	
Diesel Fuel		58,946	
Equipment Parts - Light		19,194	
Equipment and Machinery Parts		33,205	
Garage Supplies		6,768	
Gasoline		27,386	
Lubricants		2,082	
Propane Gas		2,578	
Small Tools		681	
Tires and Tubes		17,449	
Uniforms		2,621	
Total Operation and Maintenance of Equipment			284,884

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	5,094	
Maintenance & Repair Services - Buildings		5,774	
Maintenance & Repair Services - Equipment		1,879	
Maintenance & Repair Services - Office Equipment		35	
Electricity		10,077	
Natural Gas		3,026	
Water and Sewer		219	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		29,736	
Vehicle and Equipment Insurance		29,300	
Workers' Compensation Insurance		42,000	
Total Other Charges			\$ 127,490

Employee Benefits

Longevity Pay	\$	20,234	
Social Security		79,251	
State Retirement		44,410	
Life Insurance		2,266	
Medical Insurance		207,206	
Total Employee Benefits			353,367

Capital Outlay

Communication Equipment	\$	150	
Highway Equipment		15,447	
Motor Vehicles		43,120	
Other Equipment		6,309	
Total Capital Outlay			65,026

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	70,790	
Total Highways and Streets			70,790

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	8,755	
Total Highways and Streets			8,755

Total Highway/Public Works Fund \$ 3,002,803

(Continued)

Exhibit J-8

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

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 7,090	
Total Other General Administration		\$ 7,090

Principal on Debt

General Government

Principal on Bonds	\$ 50,000	
Principal on Notes	352,340	
Principal on Other Loans	<u>145,000</u>	
Total General Government		547,340

Interest on Debt

General Government

Interest on Bonds	\$ 16,545	
Interest on Notes	60,496	
Interest on Other Loans	<u>10,766</u>	
Total General Government		87,807

Other Debt Service

General Government

Bank Charges	\$ 1,498	
Legal Services	<u>3,521</u>	
Total General Government		<u>5,019</u>

Total General Debt Service Fund \$ 647,256

Education Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 102,359	
Total Other General Administration		\$ 102,359

Principal on Debt

Education

Principal on Bonds	\$ 2,295,000	
Principal on Notes	1,427,201	
Principal on Other Loans	<u>1,118,299</u>	
Total Education		4,840,500

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 891,791	
Interest on Notes	8,364	
Interest on Other Loans	<u>252,953</u>	
Total Education		\$ 1,153,108

Other Debt Service

Education

Bank Charges	\$ 27,016	
Fiscal Agent Charges	<u>250</u>	
Total Education		<u>27,266</u>

Total Education Debt Service Fund \$ 6,123,233

General Capital Projects Fund

General Government

Other General Administration

Trustee's Commission	\$ 3,053	
Total Other General Administration		\$ 3,053

Capital Projects

General Administration Projects

Other Capital Outlay	\$ 27,426	
Total General Administration Projects		<u>27,426</u>

Total General Capital Projects Fund 30,479

Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Contributions	\$ 1,427,201	
Total Regular Capital Outlay		\$ <u>1,427,201</u>

Total Education Capital Projects Fund 1,427,201

Other Capital Projects Fund

General Government

Other General Administration

Trustee's Commission	\$ 6,106	
Total Other General Administration		\$ 6,106

(Continued)

Exhibit J-8

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

<u>Other Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Motor Vehicles	\$	<u>290,629</u>	
Total General Administration Projects			\$ <u>290,629</u>
Total Other Capital Projects Fund			\$ <u>296,735</u>
Total Governmental Funds - Primary Government			\$ <u>23,145,537</u>

Exhibit J-9

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2006

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,534,707	
Career Ladder Program	183,989	
Career Ladder Extended Contracts	65,100	
Homebound Teachers	70,303	
Educational Assistants	765,215	
Certified Substitute Teachers	23,335	
Non-certified Substitute Teachers	207,575	
Social Security	889,817	
State Retirement	772,915	
Life Insurance	25,830	
Medical Insurance	2,312,587	
Dental Insurance	15,064	
Disability Insurance	50,539	
Employer Medicare	207,602	
Maintenance & Repair Services - Equipment	88,205	
Tuition	5,392	
Other Contracted Services	69,588	
Instructional Supplies and Materials	107,870	
Textbooks	441,647	
Other Supplies and Materials	57,524	
Fee Waivers	80,664	
Other Charges	3,283	
Regular Instruction Equipment	367,672	
Total Regular Instruction Program		\$ 20,346,423

Alternative Instruction Program

Teachers	\$ 62,027	
Educational Assistants	5,364	
Social Security	3,947	
State Retirement	3,068	
Medical Insurance	14,991	
Employer Medicare	923	
Instructional Supplies and Materials	315	
Other Supplies and Materials	899	
Total Alternative Instruction Program		91,534

Special Education Program

Teachers	\$ 1,460,028
Career Ladder Program	21,000

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Educational Assistants	\$	56,287	
Speech Pathologist		279,075	
Non-certified Substitute Teachers		7,364	
Social Security		108,422	
State Retirement		98,163	
Medical Insurance		304,225	
Dental Insurance		2,176	
Employer Medicare		25,358	
Contracts with Private Agencies		154,904	
Maintenance & Repair Services - Equipment		1,001	
Other Contracted Services		6,715	
Other Supplies and Materials		17,232	
Special Education Equipment		4,589	
Total Special Education Program			\$ 2,546,539

Vocational Education Program

Teachers	\$	796,338	
Career Ladder Program		10,500	
Certified Substitute Teachers		144	
Non-certified Substitute Teachers		768	
Social Security		48,858	
State Retirement		43,036	
Medical Insurance		103,208	
Dental Insurance		2,085	
Employer Medicare		11,427	
Maintenance & Repair Services - Equipment		705	
Instructional Supplies and Materials		11,398	
Other Supplies and Materials		497	
Total Vocational Education Program			1,028,964

Adult Education Program

Teachers	\$	63,085	
Social Security		3,911	
State Retirement		3,209	
Dental Insurance		501	
Employer Medicare		915	
Other Contracted Services		2,500	
Instructional Supplies and Materials		18,345	
Other Equipment		11,127	
Total Adult Education Program			103,593

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	65,691	
Career Ladder Program		1,000	
Social Security		4,115	
State Retirement		3,668	
Medical Insurance		4,869	
Employer Medicare		962	
Dues and Memberships		75	
Travel		423	
Other Supplies and Materials		600	
In Service/Staff Development		1,937	
Attendance Equipment		109	
Total Attendance			\$ 83,449

Health Services

Medical Personnel	\$	94,703	
Other Salaries & Wages		892	
Social Security		5,609	
State Retirement		4,120	
Medical Insurance		27,864	
Dental Insurance		260	
Employer Medicare		1,312	
Maintenance & Repair Services - Equipment		198	
Travel		5,089	
Drugs and Medical Supplies		4,020	
Other Supplies and Materials		122	
In Service/Staff Development		180	
Health Equipment		810	
Other Equipment		599	
Total Health Services			145,778

Other Student Support

Career Ladder Program	\$	13,060	
Guidance Personnel		819,170	
Social Security		50,013	
State Retirement		45,626	
Medical Insurance		108,745	
Dental Insurance		2,176	
Employer Medicare		11,696	
Other Contracted Services		55,000	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$ 34,501	
Total Other Student Support		\$ 1,139,987

Regular Instruction Program

Supervisor/Director	\$ 272,379	
Career Ladder Program	22,430	
Career Ladder Extended Contracts	9,000	
Librarians	497,914	
Materials Supervisor	12,249	
Secretary(ies)	60,885	
Other Salaries & Wages	92,859	
Social Security	58,126	
State Retirement	49,942	
Medical Insurance	101,044	
Dental Insurance	1,720	
Employer Medicare	13,594	
Dues and Memberships	11,235	
Travel	21,569	
Other Contracted Services	88,419	
Library Books/Media	64,782	
Other Supplies and Materials	21,713	
In Service/Staff Development	61,209	
Total Regular Instruction Program		1,461,069

Alternative Instruction Program

Supervisor/Director	\$ 12,039	
Career Ladder Program	200	
Social Security	759	
State Retirement	673	
Employer Medicare	177	
Maintenance & Repair Services - Equipment	1,265	
Library Books/Media	491	
Total Alternative Instruction Program		15,604

Special Education Program

Supervisor/Director	\$ 59,321
Career Ladder Program	2,000
Psychological Personnel	39,657
Secretary(ies)	57,285

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Salaries & Wages	\$	98,493	
Social Security		15,445	
State Retirement		10,462	
Medical Insurance		20,798	
Employer Medicare		3,612	
Travel		12,090	
Other Contracted Services		3,763	
Other Supplies and Materials		3,058	
In Service/Staff Development		16,946	
Total Special Education Program			\$ 342,930

Vocational Education Program

Supervisor/Director	\$	60,476	
Career Ladder Program		1,000	
Secretary(ies)		21,321	
Social Security		5,059	
State Retirement		4,309	
Medical Insurance		7,745	
Employer Medicare		1,183	
Communication		2,205	
Travel		798	
Other Contracted Services		15,000	
In Service/Staff Development		244	
Total Vocational Education Program			119,340

Adult Programs

Supervisor/Director	\$	48,154	
Career Ladder Program		800	
Clerical Personnel		7,747	
Other Salaries & Wages		9,552	
Social Security		3,953	
State Retirement		2,882	
Medical Insurance		1,641	
Dental Insurance		997	
Employer Medicare		925	
Travel		469	
In Service/Staff Development		1,620	
Total Adult Programs			78,740

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Other Salaries & Wages	\$	440	
Board and Committee Members Fees		5,130	
Social Security		344	
State Retirement		20	
Unemployment Compensation		25,000	
Employer Medicare		81	
Audit Services		7,800	
Dues and Memberships		9,644	
Legal Services		22,091	
Other Contracted Services		1,991	
Other Supplies and Materials		297	
Liability Insurance		57,543	
Trustee's Commission		218,446	
Workers' Compensation Insurance		257,267	
In Service/Staff Development		8,646	
Criminal Investigation of Applicants - TBI		216	
Other Charges		3,932	
Total Board of Education			\$ 618,888

Director of Schools

County Official/Administrative Officer	\$	87,590	
Secretary(ies)		30,605	
Social Security		7,351	
State Retirement		6,259	
Life Insurance		169	
Medical Insurance		8,039	
Dental Insurance		270	
Employer Medicare		1,719	
Communication		16,009	
Dues and Memberships		2,581	
Maintenance & Repair Services - Equipment		779	
Postal Charges		9,236	
Travel		2,650	
Other Contracted Services		6,966	
Office Supplies		5,908	
In Service/Staff Development		2,249	
Other Charges		1,651	
Total Director of Schools			190,031

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	760,464	
Career Ladder Program		24,986	
Career Ladder Extended Contracts		20,000	
Assistant Principals		358,637	
Secretary(ies)		415,112	
Social Security		94,272	
State Retirement		80,378	
Medical Insurance		139,663	
Dental Insurance		3,172	
Employer Medicare		22,048	
Communication		66,231	
Dues and Memberships		5,400	
Other Contracted Services		962	
Office Supplies		5,460	
Other Charges		4,787	
Total Office of the Principal			\$ 2,001,572

Fiscal Services

Supervisor/Director	\$	53,292	
Accountants/Bookkeepers		132,919	
Social Security		11,070	
State Retirement		8,100	
Medical Insurance		17,348	
Dental Insurance		1,083	
Employer Medicare		2,589	
Data Processing Services		6,858	
Dues and Memberships		30	
Maintenance & Repair Services - Equipment		6,842	
Travel		1,215	
Other Contracted Services		13,351	
Data Processing Supplies		4,799	
Office Supplies		476	
In Service/Staff Development		848	
Total Fiscal Services			260,820

Operation of Plant

Other Salaries & Wages	\$	15,750	
Social Security		977	
State Retirement		866	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Employer Medicare	\$	228	
Janitorial Services		1,200,251	
Travel		1,868	
Disposal Fees		30,186	
Other Contracted Services		102,821	
Custodial Supplies		94,414	
Electricity		1,077,390	
Natural Gas		162,488	
Water and Sewer		167,498	
Building and Contents Insurance		167,950	
Total Operation of Plant			\$ 3,022,687

Maintenance of Plant

Supervisor/Director	\$	46,627	
Secretary(ies)		23,230	
Maintenance Personnel		263,599	
Social Security		19,385	
State Retirement		11,968	
Medical Insurance		32,032	
Employer Medicare		4,534	
Communication		7,183	
Laundry Service		6,822	
Maintenance & Repair Services - Buildings		132,877	
Maintenance & Repair Services - Equipment		41,608	
Maintenance & Repair Services - Vehicles		7,997	
Pest Control		7,902	
Disposal Fees		2,446	
Other Contracted Services		6,327	
Equipment and Machinery Parts		112,630	
Gasoline		16,903	
General Construction Materials		18,956	
Other Supplies and Materials		21,744	
Vehicle and Equipment Insurance		4,916	
Other Charges		24,008	
Other Equipment		76,575	
Total Maintenance of Plant			890,269

Transportation

Supervisor/Director	\$	41,382	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$	124,489	
Bus Drivers		702,747	
Other Salaries & Wages		9,614	
In-Service Training		5,518	
Social Security		53,437	
State Retirement		34,286	
Medical Insurance		24,073	
Employer Medicare		12,497	
Communication		7,434	
Contracts with Parents		9,016	
Laundry Service		6,550	
Maintenance & Repair Services - Equipment		4,995	
Maintenance & Repair Services - Vehicles		18,134	
Medical and Dental Services		6,498	
Disposal Fees		393	
Other Contracted Services		4,057	
Crushed Stone		990	
Diesel Fuel		239,113	
Equipment and Machinery Parts		272	
Garage Supplies		1,154	
Gasoline		5,184	
Lubricants		6,980	
Small Tools		768	
Tires and Tubes		33,698	
Vehicle Parts		98,696	
Other Supplies and Materials		2,887	
Vehicle and Equipment Insurance		44,241	
In Service/Staff Development		381	
Other Charges		3,916	
Transportation Equipment		<u>1,416,377</u>	
Total Transportation			\$ 2,919,777

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	89,072
Teachers		32,880
Career Ladder Program		1,000
Other Salaries & Wages		526,095
Social Security		38,772

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

State Retirement	\$	15,704	
Medical Insurance		21,199	
Employer Medicare		9,068	
Communication		5,554	
Travel		3,390	
Other Contracted Services		3,750	
Instructional Supplies and Materials		4,525	
Other Supplies and Materials		107,399	
In Service/Staff Development		1,010	
Total Community Services			\$ 859,418

Early Childhood Education

Teachers	\$	69,983	
Educational Assistants		19,757	
Other Salaries & Wages		17,026	
Non-certified Substitute Teachers		1,704	
Social Security		6,587	
State Retirement		5,034	
Medical Insurance		8,928	
Employer Medicare		1,541	
Travel		47	
Instructional Supplies and Materials		25,303	
Other Supplies and Materials		14,996	
In Service/Staff Development		598	
Other Equipment		1,976	
Total Early Childhood Education			173,480

Capital Outlay

Regular Capital Outlay

Architects	\$	19,601	
Engineering Services		2,229	
Building Improvements		31,257	
Data Processing Equipment		8,936	
Furniture and Fixtures		13,567	
Motor Vehicles		14,400	
Other Capital Outlay		70,080	
Total Regular Capital Outlay			160,070

Total General Purpose School Fund \$ 38,600,962

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	188,715	
Educational Assistants		124,875	
Other Salaries & Wages		37,548	
Non-certified Substitute Teachers		3,456	
Social Security		20,629	
State Retirement		16,701	
Medical Insurance		29,201	
Employer Medicare		4,824	
Other Contracted Services		8,406	
Instructional Supplies and Materials		18,288	
Other Supplies and Materials		12,430	
Other Charges		292	
Regular Instruction Equipment		4,782	
Total Regular Instruction Program			\$ 470,147

Special Education Program

Teachers	\$	1,764	
Educational Assistants		401,973	
Other Salaries & Wages		88,223	
Social Security		28,231	
State Retirement		16,728	
Medical Insurance		72,868	
Employer Medicare		6,602	
Other Contracted Services		49,128	
Instructional Supplies and Materials		128,020	
Other Supplies and Materials		1,068	
Special Education Equipment		21,176	
Total Special Education Program			815,781

Vocational Education Program

Clerical Personnel	\$	12,378	
Social Security		767	
State Retirement		538	
Employer Medicare		180	
Travel		6,840	
Instructional Supplies and Materials		36,100	
Other Supplies and Materials		3,139	
Vocational Instruction Equipment		56,925	
Total Vocational Education Program			116,867

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Other Salaries & Wages	\$	43,961	
Social Security		2,706	
State Retirement		2,418	
Medical Insurance		4,879	
Employer Medicare		633	
Other Supplies and Materials		1,347	
Other Charges		<u>11,166</u>	
Total Other Student Support			\$ 67,110

Regular Instruction Program

Supervisor/Director	\$	48,580	
Secretary(ies)		27,963	
Other Salaries & Wages		92,768	
Social Security		9,988	
State Retirement		8,977	
Medical Insurance		30,075	
Employer Medicare		2,336	
Maintenance & Repair Services - Equipment		287	
Travel		3,847	
Other Supplies and Materials		2,085	
In Service/Staff Development		103,062	
Other Equipment		<u>3,305</u>	
Total Regular Instruction Program			333,273

Special Education Program

Psychological Personnel	\$	104,286	
Other Salaries & Wages		205,631	
Social Security		18,249	
State Retirement		17,045	
Medical Insurance		27,761	
Dental Insurance		1,088	
Employer Medicare		4,268	
Other Supplies and Materials		21,808	
In Service/Staff Development		9,815	
Other Charges		<u>3,501</u>	
Total Special Education Program			413,452

Vocational Education Program

Consultants	\$	3,000	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Travel	\$	880	
In Service/Staff Development		1,887	
Total Vocational Education Program			\$ 5,767

Transportation

Bus Drivers	\$	14,024	
In-Service Training		98	
Social Security		876	
State Retirement		614	
Employer Medicare		205	
Total Transportation			15,817

Total School Federal Projects Fund \$ 2,238,214

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	47,181	
Clerical Personnel		55,737	
Cafeteria Personnel		830,692	
Social Security		56,696	
State Retirement		27,651	
Life Insurance		2,349	
Medical Insurance		38,521	
Unemployment Compensation		200	
Employer Medicare		13,260	
Communication		10,029	
Maintenance & Repair Services - Equipment		67,749	
Transportation - Other than Students		20,746	
Travel		2,217	
Other Contracted Services		63,769	
Food Preparation Supplies		78,862	
Food Supplies		965,830	
Office Supplies		17,771	
Uniforms		11,108	
Utilities		115,489	
Other Supplies and Materials		500	
In Service/Staff Development		6,546	
Other Charges		960	

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Food Service Equipment	\$ 220,571	
Total Food Service		\$ 2,654,434
Total Central Cafeteria Fund		\$ 2,654,434
Total Governmental Funds - Cheatham County School Department		\$ 43,493,610

Exhibit J-10

Cheatham County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2006

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,032,697
Total Cash Receipts	<u>\$ 2,032,697</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,012,370
Trustee's Commission	<u>20,327</u>
Total Cash Disbursements	<u>\$ 2,032,697</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2005	<u>0</u>
 Cash Balance, June 30, 2006	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

March 30, 2007

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

To the County Mayor and Board of County Commissioners:

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 Cheatham County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Cheatham County's basic financial statements and have issued our report thereon dated March 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cheatham County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Cheatham County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the

accompanying Schedule of Findings and Questioned Costs as items 06.02, 06.04, 06.05, 06.06, and 06.07.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cheatham County's financial statements are free of 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 06.01 and 06.03.

We also noted certain other matters that we reported to the management of Cheatham County in separate communications.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 30, 2007

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

To the County Mayor and Board of County Commissioners

Compliance

We have audited the compliance of Cheatham County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Cheatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cheatham County's management. Our responsibility is to express an opinion on Cheatham County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cheatham 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. Our audit does not provide a legal determination on Cheatham County's compliance with those requirements.

In our opinion, Cheatham County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cheatham County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards

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 Cheatham County, Tennessee, as of and for the year ended June 30, 2006, and have issued our report thereon dated March 30, 2007. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/sb

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

For the Cheatham County Emergency Communications District

To the Board of Directors of the
Cheatham County Emergency Communications District
Ashland City, Tennessee

I have audited the financial statements of the Cheatham County Emergency Communications District, a component unit of Cheatham County as of and for the year ended June 30, 2006, and have issued my report. I conducted my 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 of America.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Cheatham County Emergency Communications District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cheatham County Emergency Communications District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the management of Cheatham County Emergency Communications District and the Comptroller of the Treasury of the State of Tennessee and is not intended to be used and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

For the Cheatham County Water and Waste Water Authority

To the Board of Directors of the
Cheatham County Water and Waste Water Authority
Pleasant View, Tennessee 37146

I have audited the financial statements of the Cheatham County Water and Waste Water Authority, a component unit of Cheatham County as of and for the year ended June 30, 2006, and have issued my report. I conducted my 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 of America.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Cheatham County Water and Waste Water Authority's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cheatham County Water and Waste Water Authority's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the management of Cheatham County Water and Waste Water Authority and the Comptroller of the Treasury of the State of Tennessee and is not intended to be used and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Cheatham County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2006

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Distribution (Noncash Assistance)	10.550	(2)	\$ 167,396
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	222,686
National School Lunch Program	10.555	(2)	743,677
Total U.S. Department of Agriculture			<u>\$ 1,133,759</u>
U.S. Department of Housing and Urban Development:			
Passed through State Department of Economic and Community Development:			
Home Investment Partnerships Program	14.239	(2)	\$ 11,672
Total U.S. Department of Housing and Urban Development			<u>\$ 11,672</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 6,291
Total U.S. Department of Interior			<u>\$ 6,291</u>
U.S. Department of Transportation:			
Passed through Governor's Highway Safety Office:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	Z-06-027337-00	\$ 10,464
Total U.S. Department of Transportation			<u>\$ 10,464</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 162,371
Passed-through State Department of Labor and Workforce Development:			
Adult Education-State Grant Program	84.002	(2)	108,746 (3)
Passed-through the University of Tennessee:			
Adult Education-State Grant Program	84.002	(2)	9,158 (3)
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	617,869
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,294,186
Special Education - Preschool Grants	84.173	N/A	51,465
Vocational Education - Basic Grants to States	84.048	N/A	113,449
Emergency Immigrant Education Program	84.162	N/A	13,330
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	72,080
Even Start - State Educational Agencies	84.213	(2)	111,688
State Grants for Innovative Programs	84.298	N/A	20,284
Education Technology State Grants	84.318	(2)	104,798
Improving Teacher Quality State Grants	84.367	N/A	214,517
Hurricane Education Recovery	84.938	N/A	41,194
Total U.S. Department of Education			<u>\$ 2,935,135</u>
U.S. Election Assistance Commission:			
Passed through Secretary of State's Office:			
Help America Vote Act Requirements Payments	90.401	Z-06-032926-00	\$ 145,000
Total U.S. Election Assistance Commission			<u>\$ 145,000</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	Z-05-022297-00	\$ 26,428
Total U.S. Department of Health and Human Services			<u>\$ 26,428</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Office of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.004	(2)	\$ 157,918
Emergency Management Performance Grants	97.042	Z-06-032848-00	18,359
Total U.S. Office of Homeland Security			<u>\$ 176,277</u>
Total Expenditure of Federal Awards			<u>\$ 4,445,026</u>

<u>State Grants</u>		<u>Contract Number</u>	
Litter Program - State Department of Transportation	N/A	(2)	\$ 48,979
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	12,063
Juvenile Services Program - State Commission on Children and Youth	N/A	Z-06-002577-00	9,360
Adult Basic Education - State Department of Labor and Workforce	N/A	(2)	28,815
Families First - State Department of Labor and Workforce	N/A	(2)	16,527
Health Department Programs- State Department of Health	N/A	(2)	11,257
Safe Schools Act - Tennessee Department of Education	N/A	(2)	42,001
Waste Reduction Grant- State Department of Conservation	N/A	(2)	<u>105,000</u>
Total State Grants			<u>\$ 274,002</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total Adult Education (CFDA No. 84.002) from the U.S. Department of Education \$117,904.

(4) Total Safe and Drug Free Schools and Communities - State Grants (CFDA No. 84.186) from the U.S. Department of Education \$72,080.

Cheatham County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2006

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Cheatham County, Tennessee, for the year ended June 30, 2005, which have not been corrected.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

Finding Number	Page Number	Subject
05.01	12	The director of accounts and budgets did not maintain accounting records for the Road Department
05.02	12-13	The office had accounting deficiencies
05.03 (A,C)	13-14	The office had deficiencies in budget operations
05.04	14	The office did not develop a disaster recovery plan

OFFICE OF ROAD SUPERINTENDENT

Finding Number	Page Number	Subject
05.05	15-16	The office had accounting deficiencies

OTHER FINDING

Finding Number	Page Number	Subject
05.11	18	Duties were not segregated adequately in the Ambulance Service and the Offices of Trustee and Sheriff

CHEATHAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2006

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Cheatham County is unqualified.
2. The audit of the financial statements of Cheatham County disclosed reportable conditions in internal control. None of these conditions was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Cheatham County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education Grants to States and Special Education Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Cheatham County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 06.01 **THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN ACCOUNTING RECORDS FOR THE ROAD DEPARTMENT**

(Material Noncompliance Under Government Auditing Standards)

Cheatham County operates under the Fiscal Control Acts of 1957, which require the director of accounts and budgets to maintain accounting records for funds administered by the county mayor and the road superintendent. However, the director of accounts and budgets did not maintain accounting records for the Road Department. Road Department personnel entered all of the department's accounting data into the computer system, reconciled the accounts, generated the reports, and stored the accounting records.

RECOMMENDATION

The director of accounts and budgets should maintain accounting records of the Road Department as required by the Fiscal Control Acts of 1957.

FINDING 06.02 **THE OFFICE HAD ACCOUNTING DEFICIENCIES** (Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies:

- A. At the end of fiscal years June 30, 2005, and June 30, 2006, general ledger accounts did not balance in the General Fund (\$100) and the Solid Waste/Sanitation Fund (\$19,934.35). The director of accounts and budgets was unable to provide any explanation for this discrepancy. Audit adjustments were provided to management for proper presentation in the financial statements of this report.
- B. General Fund payroll deduction accounts were not reconciled with subsidiary records and reports on a current basis. The failure to reconcile payroll deduction accounts on a current basis allowed errors to remain undiscovered and uncorrected.
- C. Finance Department personnel did not reconcile the trustee's cash balances with fund accounting records until requested by auditors. As a result, errors were not detected and corrected promptly.

- D. Encumbrances totaling \$58,061 were reflected on the general ledger of the General Fund at June 30, 2006. However, the client could not provide an itemized listing of outstanding purchase orders to support this balance. Our audit indicated that the encumbrance figure of \$58,061 was correct and that amount has been reflected in the financial statements of this report.

RECOMMENDATION

When general ledger accounts do not balance, Finance Department personnel should immediately investigate and resolve the problem. The office should reconcile all payroll deduction accounts and the trustee’s cash balances with fund accounting records monthly. A detailed listing of outstanding purchase orders at June 30 should be maintained to support general ledger balances.

FINDING 06.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
 (Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations approved by the County Commission in the major appropriation categories of the following funds:

General Fund:	
Other Administration of Justice	\$ 988
County Coroner/Medical Examiner	578
Parks and Fairs Board	97,039
Agriculture Extension Service	97
Other Charges	7,454
Transfers Out	130,916
Education Debt Service:	
Other General Administration	25,159
Other Debt Service - Education	9,466
Drug Control:	
Other General Administration	64
General Capital Projects:	
Other General Administration	3,053
Other Capital Projects:	
Other General Administration	<u>6,106</u>
 Total	 <u><u>\$ 280,920</u></u>

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission as required by state statute.

FINDING 06.04 **THE OFFICE DID NOT DEVELOP A DISASTER RECOVERY PLAN**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The Office of Director of Accounts and Budgets did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster. Without a formal, written plan, critical computerized applications could be disrupted indefinitely until the system could be repaired or a backup facility could be found and made operational.

RECOMMENDATION

Management should develop and regularly update a disaster recovery plan defining procedures for personnel to follow in the event of a major hardware or software failure, or temporary or permanent destruction of facilities. The plan should contain provisions for a contingency operations site, as well as the adequate backup of data files, system programs, user documentation, supplies, and computer hardware so that operations could continue as normally as possible. A copy of the plan should be kept in a secure area within the office, as well as at a secure, off-site location.

OFFICE OF ROAD SUPERINTENDENT

FINDING 06.05 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies:

- A. Payroll deduction accounts were not reconciled on a current basis. The failure to reconcile payroll deduction accounts on a current basis allowed errors to remain undiscovered and uncorrected for several months.
- B. Highway Department personnel did not properly reconcile the trustee’s cash balance with fund accounting records. As a result, the county failed to post one bi-weekly payroll to the accounting records. This error has been corrected in the financial statements of this report.

- C. Encumbrances totaling \$399,042 were reflected on the general ledger of the Highway/Public Works Fund at June 30, 2006. However, the detailed listing of outstanding purchase orders generated at year-end totaled \$125,078, resulting in a difference of \$273,964. Our audit indicated that the \$125,078 should be reflected as encumbrances in the financial statements of this report.

RECOMMENDATION

The office should reconcile all payroll deduction accounts and the trustee's cash balance with fund accounting records monthly. The detailed listing of outstanding purchase orders at June 30 should reconcile with encumbrances reflected on the general ledger.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 06.06 **THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-405(i), Tennessee Code Annotated. We provided the official with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented.

OTHER FINDING AND RECOMMENDATION

FINDING 06.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE AMBULANCE SERVICE AND IN THE OFFICES OF TRUSTEE AND SHERIFF**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among employees at the Ambulance Service and in the Offices of Trustee and Sheriff. Employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds.

RECOMMENDATION

To strengthen internal controls over operations, officials should segregate duties adequately among employees.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

CHEATHAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2006

There were no audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards in the prior year's Schedule of Findings and Questioned Costs.

Summary Schedule of Prior Year Audit Findings

Findings 5.08 and 5.12

Findings were corrected during the 2005-06 year. The School Department followed their corrective plan.