

**ANNUAL FINANCIAL REPORT
CHEATHAM COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
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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, 2007

Scope

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2007.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include two component units whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in six 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 Fund. Payroll deduction accounts and the trustee's cash balances were not reconciled with fund accounting records on a current basis. The detailed listing of outstanding purchase orders did not reconcile with the general ledger encumbrance account.
- ◆ Expenditures and other uses exceeded appropriations approved by the County Commission in the General and Unemployment Compensation Funds. Expenditures exceeded appropriations approved by the County Commission at the major appropriation category level of control (the legal level of control) in the Highway/Public Works, Education Debt Service, and Solid Waste/Sanitation 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.
-

OTHER FINDING

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

INTRODUCTORY SECTION

Cheatham County Officials

June 30, 2007

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

David McCullough, Chairman	David Davidson
Brenda Montgomery	LuAnn Engelman
William Anderson	Patricia Jarreau
William Baker	Jack McCanless
Rickey Burton	Adair Schippers
Wendell Crouch	John-Paul Wood, Jr.

Board of Education

Barry Breen, Chairman	Rickey Thomas
Susan Greer	Dianne Proffitt
Jackie Kemp	Chris Spiegel

FINANCIAL SECTION



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

November 16, 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, 2007, 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 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 provides a reasonable basis for our opinions.

The financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority, component units requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Cheatham County Emergency

Communications District and the Cheatham County Water and Wastewater Authority, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Cheatham County, Tennessee, at June 30, 2007, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of June 30, 2007, 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 November 16, 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 accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information on pages 59 through 65 are not required parts of the basic financial statements but they do provide 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cheatham County's basic financial statements. 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/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Cheatham County, Tennessee
Statement of Net Assets
June 30, 2007

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Cheatham County School Department</u>
<u>ASSETS</u>		
Cash	\$ 2,330	\$ 0
Equity in Pooled Cash and Investments	10,731,980	4,045,402
Inventories	4,320	0
Accounts Receivable	2,021,479	116,554
Allowance for Uncollectibles	(1,016,870)	0
Property Taxes Receivable	10,621,134	7,461,353
Allowance for Uncollectible Property Taxes	(200,098)	(142,202)
Due from Other Governments	697,292	1,173,751
Notes Receivable	373,000	0
Deferred Charges - Debt Issuance Costs	135,547	0
Capital Assets:		
Assets Not Depreciated:		
Land	1,263,448	781,997
Construction in Progress	0	1,778,202
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,506,097	44,288,661
Other Capital Assets	889,918	2,711,586
Infrastructure	7,142,791	0
Total Assets	<u>\$ 38,172,368</u>	<u>\$ 62,215,304</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 203,853	\$ 187,755
Accrued Payroll	0	28,537
Payroll Deductions Payable	205,920	0
Contracts Payable	0	488,553
Retainage Payable	0	49,283
Accrued Interest Payable	99,938	0
Deferred Revenue - Current Property Taxes	10,087,366	7,078,983
Noncurrent Liabilities:		
Due Within One Year	1,674,877	33,969
Due in More Than One Year (net of deferred amount on refunding)	<u>26,084,688</u>	<u>101,908</u>
Total Liabilities	<u>\$ 38,356,642</u>	<u>\$ 7,968,988</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Cheatham County School Department
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 11,856,446	\$ 0
Invested in Capital Assets Restricted for:	0	49,560,446
Capital Projects	869,338	655,101
Central Cafeteria	0	901,384
Debt Service	7,388,083	0
Highway/Public Works	1,643,961	0
Other Purposes	269,286	54,964
Unrestricted	<u>(22,211,388)</u>	<u>3,074,421</u>
Total Net Assets	<u>\$ (184,274)</u>	<u>\$ 54,246,316</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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Cheatham County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,447,921	\$ 770,578	\$ 43,597	\$ 0	\$ (633,746)	\$ 0
Finance	956,061	982,642	9,142	0	35,723	0
Administration of Justice	1,056,759	874,108	26,155	0	(156,496)	0
Public Safety	4,646,075	330,102	145,744	0	(4,170,229)	0
Public Health and Welfare	3,132,422	948,217	253,692	346,714	(1,583,799)	0
Social, Cultural, and Recreational Services	327,761	2,947	15,141	0	(309,673)	0
Agriculture and Natural Resources	109,974	0	0	0	(109,974)	0
Other Operations	1,110,113	47,720	0	0	(1,062,393)	0
Highways/Public Works	3,749,631	21,963	1,660,789	264,456	(1,802,423)	0
Education	4,487,312	0	0	0	(4,487,312)	0
Interest on Long-term Debt	1,218,919	0	0	0	(1,218,919)	0
Other Debt Service	60,984	0	0	0	(60,984)	0
Total Primary Government	\$ 22,303,932	\$ 3,978,277	\$ 2,154,260	\$ 611,170	\$ (15,560,225)	\$ 0
Component Unit:						
Cheatham County School Department	\$ 46,191,743	\$ 2,584,097	\$ 4,264,982	\$ 4,240,143	\$ (35,102,521)	\$ (35,102,521)
Total Component Unit	\$ 46,191,743	\$ 2,584,097	\$ 4,264,982	\$ 4,240,143	\$ 0	\$ (35,102,521)

(Continued)

Exhibit B

Cheatham County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Cheatham County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,975,971	\$ 7,126,882
Property Taxes Levied for Debt Service					3,567,702	0
Local Option Sales Taxes					1,344,600	1,671,213
Other Local Taxes					4,670,400	378,363
Grants and Contributions Not Restricted to Specific Programs					928,417	27,745,713
Unrestricted Investment Earnings					818,121	28,910
Miscellaneous					112,367	118,086
Total General Revenues					<u>\$ 17,417,578</u>	<u>\$ 37,069,167</u>
Change in Net Assets					\$ 1,857,353	\$ 1,966,646
Net Assets, July 1, 2006					<u>(2,041,627)</u>	<u>52,279,670</u>
Net Assets, June 30, 2007					<u>\$ (184,274)</u>	<u>\$ 54,246,316</u>

Exhibit C-1

Cheatham County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2007

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,000	\$ 0	\$ 0	\$ 1,330	\$ 2,330
Equity in Pooled Cash and Investments	2,683,550	1,436,418	3,505,425	3,106,587	10,731,980
Inventories	4,320	0	0	0	4,320
Accounts Receivable	1,815,758	59,521	118,262	27,938	2,021,479
Allowance for Uncollectibles	(1,016,870)	0	0	0	(1,016,870)
Due from Other Governments	165,839	294,929	232,652	3,872	697,292
Due from Other Funds	2,295	0	928,750	0	931,045
Property Taxes Receivable	5,240,634	483,108	3,227,847	1,669,545	10,621,134
Allowance for Uncollectible Property Taxes	(94,162)	(9,476)	(64,803)	(31,657)	(200,098)
Notes Receivable - Long-term	0	0	0	373,000	373,000
Total Assets	<u>\$ 8,802,364</u>	<u>\$ 2,264,500</u>	<u>\$ 7,948,133</u>	<u>\$ 5,150,615</u>	<u>\$ 24,165,612</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 106,916	\$ 3,568	\$ 0	\$ 93,369	\$ 203,853
Payroll Deductions Payable	46,502	157,437	0	1,981	205,920
Due to Other Funds	928,750	0	0	2,295	931,045
Deferred Revenue - Current Property Taxes	4,997,971	457,131	3,047,543	1,584,721	10,087,366
Deferred Revenue - Delinquent Property Taxes	132,199	14,689	102,820	47,330	297,038
Other Deferred Revenues	434,812	153,540	119,625	0	707,977
Total Liabilities	<u>\$ 6,647,150</u>	<u>\$ 786,365</u>	<u>\$ 3,269,988</u>	<u>\$ 1,729,696</u>	<u>\$ 12,433,199</u>

(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	\$ 58,285	\$ 0	\$ 0	\$ 66,389	\$ 124,674
Reserved for Alcohol and Drug Treatment	33,063	0	0	0	33,063
Reserved for Litter Enforcement Awards	21,195	0	0	0	21,195
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	305,683	0	0	0	305,683
Reserved for Sexual Offender Registration	7,130	0	0	0	7,130
Reserved for Courtroom Security	49	0	0	0	49
Reserved for Computer System - Register	26,288	0	0	0	26,288
Reserved for Automation Purposes - Circuit Court	4,807	0	0	0	4,807
Reserved for Automation Purposes - General Sessions Court	21,124	0	0	0	21,124
Reserved for Automation Purposes - Chancery Court	3,248	0	0	0	3,248
Reserved for Automation Purposes - Sheriff	5,986	0	0	0	5,986
Reserved for Long-term Notes Receivable	0	0	0	373,000	373,000
Unreserved, Reported In:					
General Fund	1,668,356	0	0	0	1,668,356
Special Revenue Funds	0	1,478,135	0	421,228	1,899,363
Debt Service Funds	0	0	4,678,145	1,772,042	6,450,187
Capital Projects Funds	0	0	0	788,260	788,260
Total Fund Balances	\$ 2,155,214	\$ 1,478,135	\$ 4,678,145	\$ 3,420,919	\$ 11,732,413
Total Liabilities and Fund Balances	\$ 8,802,364	\$ 2,264,500	\$ 7,948,133	\$ 5,150,615	\$ 24,165,612

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, 2007

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)		\$ 11,732,413
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,263,448	
Add: buildings and improvements net of accumulated depreciation	5,506,097	
Add: other capital assets net of accumulated depreciation	889,918	
Add: infrastructure net of accumulated depreciation	<u>7,142,791</u>	14,802,254
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,005,015
(3) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges is reflected on the statement of net assets.		135,547
(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.		(99,938)
(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	\$ (18,085,000)	
Less: notes payable	(1,163,000)	
Less: capital leases payable	(85,663)	
Less: others loans payable	(7,229,547)	
Less: compensated absences	(648,210)	
Less: landfill closure/postclosure costs	(982,374)	
Add: deferred amount on refunded bonds	<u>434,229</u>	<u>(27,759,565)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (184,274)</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, 2007

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,664,856	\$ 902,874	\$ 6,730,749	\$ 0	\$ 1,805,810	\$ 16,104,289
Licenses and Permits	469,760	0	0	0	0	469,760
Fines, Forfeitures, and Penalties	187,558	0	0	0	38,225	225,783
Charges for Current Services	923,291	0	0	0	137,551	1,060,842
Other Local Revenues	936,640	37,252	17,666	0	28,188	1,019,746
Fees Received from County Officials	1,812,576	0	0	0	0	1,812,576
State of Tennessee	578,923	1,928,520	75,970	0	34,970	2,618,383
Federal Government	410,774	0	0	0	0	410,774
Other Governments and Citizens Groups	257,372	0	17,066	0	590,900	865,338
Total Revenues	\$ 12,241,750	\$ 2,868,646	\$ 6,841,451	\$ 0	\$ 2,635,644	\$ 24,587,491
<u>Expenditures</u>						
Current:						
General Government	\$ 1,356,512	\$ 0	\$ 102,231	\$ 0	\$ 92,644	\$ 1,551,387
Finance	941,495	0	0	0	0	941,495
Administration of Justice	1,062,281	0	0	0	0	1,062,281
Public Safety	4,062,042	0	0	0	20,218	4,082,260
Public Health and Welfare	1,731,140	0	0	0	934,840	2,665,980
Social, Cultural, and Recreational Services	292,573	0	0	0	0	292,573
Agriculture and Natural Resources	109,141	0	0	0	0	109,141
Other Operations	1,108,660	0	0	0	7,232	1,115,892
Highways	0	3,260,058	0	0	0	3,260,058

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Debt Service:						
Principal on Debt	\$ 0	\$ 53,192	\$ 5,405,090	\$ 0	\$ 168,105	\$ 5,626,387
Interest on Debt	0	5,771	1,079,104	0	88,036	1,172,911
Other Debt Service	0	126	25,310	0	2,982	28,418
Capital Projects	839,194	0	0	4,308,882	266,108	5,414,184
Total Expenditures	<u>\$ 11,503,038</u>	<u>\$ 3,319,147</u>	<u>\$ 6,611,735</u>	<u>\$ 4,308,882</u>	<u>\$ 1,580,165</u>	<u>\$ 27,322,967</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 738,712</u>	<u>\$ (450,501)</u>	<u>\$ 229,716</u>	<u>\$ (4,308,882)</u>	<u>\$ 1,055,479</u>	<u>\$ (2,735,476)</u>
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 178,430	\$ 0	\$ 0	\$ 3,887,015	\$ 0	\$ 4,065,445
Other Loans Issued	0	0	0	421,867	0	421,867
Insurance Recovery	2,275	0	0	0	9,719	11,994
Transfers In	3,252	0	928,750	0	0	932,002
Transfers Out	(928,750)	0	0	0	(3,252)	(932,002)
Total Other Financing Sources (Uses)	<u>\$ (744,793)</u>	<u>\$ 0</u>	<u>\$ 928,750</u>	<u>\$ 4,308,882</u>	<u>\$ 6,467</u>	<u>\$ 4,499,306</u>
Net Change in Fund Balances	\$ (6,081)	\$ (450,501)	\$ 1,158,466	\$ 0	\$ 1,061,946	\$ 1,763,830
Fund Balance, July 1, 2006	<u>2,161,295</u>	<u>1,928,636</u>	<u>3,519,679</u>	<u>0</u>	<u>2,358,973</u>	<u>9,968,583</u>
Fund Balance, June 30, 2007	<u>\$ 2,155,214</u>	<u>\$ 1,478,135</u>	<u>\$ 4,678,145</u>	<u>\$ 0</u>	<u>\$ 3,420,919</u>	<u>\$ 11,732,413</u>

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, 2007

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)		\$ 1,763,830
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 454,431	
Less: current year depreciation expense	<u>(1,024,513)</u>	(570,082)
(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, 2007	\$ 1,005,015	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(1,431,221)</u>	(426,206)
(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	\$ 53,192	
Add: principal payment on notes	4,159,445	
Add: principal payment on bonds	990,000	
Add: principal payment on other loans	423,750	
Less: note proceeds	(4,065,445)	
Less: other loan proceeds	(421,867)	
Less: change in deferred amount on refunding debt	(56,341)	
Less: change in deferred debt issuance costs	<u>(32,566)</u>	1,050,168
(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	\$ 10,333	
Change in landfill closure/postclosure care costs	13,000	
Change in compensated absences	<u>16,310</u>	<u>39,643</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,857,353</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, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 663,825
Due from Other Governments	<u>385,772</u>
Total Assets	<u>\$ 1,049,597</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 385,772
Due to Litigants, Heirs, and Others	<u>663,825</u>
Total Liabilities	<u>\$ 1,049,597</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, 2007

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 financial statements of the Cheatham County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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 financial statements of the Cheatham County Water and Wastewater Authority were not available from other auditors in time for inclusion in this report.

The Cheatham County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Cheatham County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority were not available in time for inclusion, as previously mentioned. 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, 2007, 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 and its component units. 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 Cheatham County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues (\$4,308,882) were contributed by the county to the School Department during the year ended June 30, 2007.

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.

Education Capital Projects Fund – This fund accounts for debt issued by Cheatham County that is subsequently contributed to the

discretely presented Cheatham County School Department for general capital expenditures.

Additionally, Cheatham County reports the following fund type:

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 types:

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.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Cheatham County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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 and the Cheatham County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit 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 allowance for uncollectibles is based on historical collection data. 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), \$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 discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	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 Office of County Clerk) 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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and landfill closure/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, 2007, Cheatham County has \$23,617,402 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 Cheatham County 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, 2007:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Hotel/Motel	\$ 31,302
Fire Tax	108,907
Land Clean-Up	12,037
Assessor - Data Processing Fees	424
Health Department	3,452
Kingston Springs Library	9,691
Library	1,635
Parks and Recreation	310,827
Insurance	53,038
General Purpose School:	
Daycare	290,790

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, Other Boards and Committees, County Mayor/Executive, Personnel Office, 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. Fund Deficit

The Education Capital Projects Fund of the discretely presented School Department had a deficit of \$49,196 in the unreserved fund balance account at June 30, 2007. This deficit resulted from the recognition of the unperformed portion of construction contracts totaling \$704,297 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Expenditures Exceeded Appropriations

Total expenditures and other uses exceeded appropriations approved by the County Commission in the General (\$80,784) and Unemployment Compensation (\$17,461) Funds.

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 Overspent</u>
Highway/Public Works:	
Employee Benefits	\$ 1,683
Capital Outlay	2,450
Solid Waste/Sanitation:	
Other General Administration	2,238
Drug Control:	
Other General Administration	24
Education Debt Service:	
Other General Administration	4,231

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, 2007, 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	\$ 3,335,861

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, 2007, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

Notes receivable of \$373,000 in the General Debt Service Fund resulted from financing projects for the discretely presented Cheatham County Emergency Communications District. The long-term notes receivable are offset by a reservation of fund balance. The amount of notes receivable that is not expected to be collected within one year is \$345,000.

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 1,081,058	\$ 182,390	\$ 0	\$ 1,263,448
Total Capital Assets Not Depreciated	\$ 1,081,058	\$ 182,390	\$ 0	\$ 1,263,448

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 9,152,903	\$ 0	\$ 0	\$ 9,152,903
Infrastructure	16,611,243	59,400		16,670,643
Other Capital Assets	5,120,196	239,368	(512,057)	4,847,507
Total Capital Assets				
Depreciated	\$ 30,884,342	\$ 298,768	\$ (512,057)	\$ 30,671,053
Less Accumulated				
Depreciation for:				
Buildings and				
Improvements	\$ 3,419,761	\$ 227,045	\$ 0	\$ 3,646,806
Infrastructure	9,019,808	508,044		9,527,852
Other Capital Assets	4,153,495	289,424	(485,330)	3,957,589
Total Accumulated				
Depreciation	\$ 16,593,064	\$ 1,024,513	\$ (485,330)	\$ 17,132,247
Total Capital Assets				
Depreciated, Net	\$ 14,291,278	\$ (725,745)	\$ (26,727)	\$ 13,538,806
Governmental Activities				
Capital Assets, Net	\$ 15,372,336	\$ (543,355)	\$ (26,727)	\$ 14,802,254

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

Governmental Activities:

General Government	\$ 88,535
Public Safety	231,012
Public Health and Welfare	92,435
Social, Cultural, and Recreational Services	32,795
Highway/Public Works	579,736
Total Depreciation Expense -	
Governmental Activities	\$ 1,024,513

Discretely Presented Cheatham County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 781,997	\$ 0	\$ 0	\$ 781,997
Construction in Progress	0	1,778,202	0	1,778,202
Total Capital Assets Not Depreciated	\$ 781,997	\$ 1,778,202	\$ 0	\$ 2,560,199
Capital Assets Depreciated:				
Buildings and Improvements	\$ 72,314,346	\$ 396,462	\$ 0	\$ 72,710,808
Other Capital Assets	4,255,543	0	(111,000)	4,144,543
Total Capital Assets Depreciated	\$ 76,569,889	\$ 396,462	\$ (111,000)	\$ 76,855,351
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 26,653,466	\$ 1,768,681	\$ 0	\$ 28,422,147
Other Capital Assets	1,326,596	212,284	(105,923)	1,432,957
Total Accumulated Depreciation	\$ 27,980,062	\$ 1,980,965	\$ (105,923)	\$ 29,855,104
Total Capital Assets Depreciated, Net	\$ 48,589,827	\$ (1,584,503)	\$ (5,077)	\$ 47,000,247
Governmental Activities Capital Assets, Net	\$ 49,371,824	\$ 193,699	\$ (5,077)	\$ 49,560,446

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

Governmental Activities:

Support Services	<u>\$ 1,980,965</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,980,965</u></u>

D. Construction Commitments

At June 30, 2007, the School Department had uncompleted construction contracts of approximately \$704,297 for the construction of schools. Funding for these future expenditures is expected to be received from debt proceeds.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2007, 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	\$ 928,750
General	Nonmajor governmental	2,295
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	2,044

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Fund</u>	<u>Education Debt Service Fund</u>
General Fund	\$ 0	\$ 928,750
Nonmajor governmental fund	3,252	0
Total	<u>\$ 3,252</u>	<u>\$ 928,750</u>

Discretely Presented Cheatham County School Department

	<u>Transfers In</u>
	General
	Purpose
<u>Transfers Out</u>	<u>School Fund</u>
Nonmajor governmental fund	\$ <u>8,714</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.

F. Capital Leases

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

<u>Asset Description</u>	<u>Original Amount of Lease</u>	<u>Interest Rate</u>	<u>Date of Issuance</u>	<u>Last Payment Date</u>
Tractor/Mower	\$ 56,730	4.05 %	10-1-02	1-21-08
Tractors/Mowers	71,800	4.95	3-21-03	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, 2007, were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2008	\$ 49,531
2009	25,460
2010	<u>15,417</u>
Total Minimum Lease Payments	\$ 90,408
Amount Representing Interest	<u>(4,745)</u>
Present Value of Minimum Lease Payments	\$ <u>85,663</u>

G. 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 26 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, 2007, 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, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	3.85 to 6.75%	\$ 23,500,000	\$ 8,560,000
General Obligation Bonds - Refunding	2 to 9	10,295,000	9,525,000
Capital Outlay Notes	3.95 to 6.97	1,375,000	1,163,000
Other Loans	variable	9,725,518	7,229,547
Capital Leases	4.05 to 6.37	252,504	85,663

In prior years, Cheatham County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority 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, 2007, the variable interest rate was 3.84 percent; and other fees based on the outstanding loan principal amounted to approximately .25 percent on the \$7,040,703 loan and .2 percent on the \$2,262,948 loan (letter of credit); .08 percent (remarketing); and \$85 per month per loan (trustee).

During the current year, Cheatham County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$9,820,000 available for loan to Cheatham County on an as-needed basis for school renovation and construction projects. Cheatham County had borrowed \$421,867 of the loan at June 30, 2007. This loan is 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 this loan. At June 30, 2007, the variable interest rate was 3.82 percent, and other fees totaled \$85 per month (trustee), .17 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 1,035,000	\$ 748,417	\$ 101,000	\$ 60,069
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	1,185,000	585,046	119,000	39,474
2013-2017	6,845,000	2,194,374	577,000	92,037
2018-2022	5,715,000	764,044	41,000	815
Total	<u>\$ 18,085,000</u>	<u>\$ 6,279,956</u>	<u>\$ 1,163,000</u>	<u>\$ 343,655</u>

Year Ending June 30	Other Loans (\$7,040,703)			
	Principal	Interest	Other Fees	Total
2008	\$ 334,337	\$ 195,921	\$ 17,870	\$ 548,128
2009	351,054	183,093	16,767	550,914
2010	368,606	169,623	15,608	553,837
2011	387,037	155,479	14,392	556,908
2012	406,389	140,629	13,115	560,133
2013-2017	2,357,831	453,057	44,066	2,854,954
2018-2019	900,852	48,235	6,189	955,276
Total	<u>\$ 5,106,106</u>	<u>\$ 1,346,037</u>	<u>\$ 128,007</u>	<u>\$ 6,580,150</u>

Year Ending June 30	Other Loans (\$2,262,948)			Total
	Principal	Interest	Other Fees	
2008	\$ 110,600	\$ 65,289	\$ 5,784	\$ 181,673
2009	116,130	61,046	5,475	182,651
2010	121,937	56,590	5,150	183,677
2011	128,034	51,911	4,808	184,753
2012	134,436	46,998	4,450	185,884
2013-2017	779,982	152,262	16,211	948,455
2018-2019	310,455	16,912	3,274	330,641
Total	\$ 1,701,574	\$ 451,008	\$ 45,152	\$ 2,197,734

Year Ending June 30	Other Loans (\$9,820,000) Authorized			Total
	Principal	Interest	Other Fees	
2008	\$ 421,867	\$ 16,115	\$ 2,075	\$ 440,057
Total	\$ 421,867	\$ 16,115	\$ 2,075	\$ 440,057

There is \$1,772,042 available in the General Debt Service Fund and \$4,678,145 in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$504, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$740, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities	Other		
	Bonds	Notes	Loans
Balance, July 1, 2006	\$ 19,075,000	\$ 1,257,000	\$ 7,231,430
Additions	0	4,065,445	421,867
Deductions	(990,000)	(4,159,445)	(423,750)
Balance, June 30, 2007	\$ 18,085,000	\$ 1,163,000	\$ 7,229,547
Balance Due Within One Year	\$ 1,035,000	\$ 101,000	\$ 444,937

	Capital Leases	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2006	\$ 138,855	\$ 664,520	\$ 995,374
Additions	0	563,322	0
Deductions	(53,192)	(579,632)	(13,000)
Balance, June 30, 2007	\$ 85,663	\$ 648,210	\$ 982,374
Balance Due Within One Year	\$ 46,531	\$ 32,409	\$ 15,000

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 28,193,794
Less: Due Within One Year	(1,674,877)
Less: Deferred Amount on Refunding	<u>(434,229)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 26,084,688</u>

Compensated absences 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, 2007, was as follows:

Governmental Activities:

	Compensated Absences
Balance, July 1, 2006	\$ 117,691
Additions	108,236
Deductions	<u>(90,050)</u>
Balance, June 30, 2007	<u>\$ 135,877</u>

H. 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, 2007, was as follows:

<u>Fund</u>	<u>Balance</u> <u>7-1-06</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>6-30-07</u>
General Purpose School	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 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 employees' health insurance through the State of Tennessee's Group Insurance Program.

B. Subsequent Events

On July 16, 2007, the Cheatham County Commission authorized a capital outlay note not to exceed \$480,000 for roof replacement and to purchase six rooftop HVAC units for Kingston Springs Elementary School.

On October 12, 2007, a \$1,000,000 tax anticipation note was issued to provide temporary operating funds for the General Purpose School Fund.

On October 15, 2007, the Cheatham County Commission authorized a capital outlay note not to exceed \$262,490 for the purchase, installation, setup, and training of a jail and records management software system for the Sheriff's Department.

On October 23, 2007, tax anticipation notes were issued to provide temporary operating funds for the General Fund (\$500,000) and the Solid Waste/Sanitation Fund (\$500,000).

C. Contingent Liabilities

The county's attorney advised that there were no pending lawsuits against the county at June 30, 2007.

D. 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 \$982,374 reported as landfill closure and postclosure liability at June 30, 2007, 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 2007. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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 2006-07 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 each judicial district. Cheatham County made no contributions to the DTF for the year ended June 30, 2007.

Cheatham County does not retain an equity interest in any of these joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board
100 Public Square
Ashland City, TN 37015

District Attorney General
Twenty-Third Judicial District Drug Task Force
P.O. Box 580
Charlotte, TN 37036

F. 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, 2007. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

G. Retirement Commitments

Employees

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 <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, 2007, was 5.16 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, 2007, Cheatham County's annual pension cost of \$572,085 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
6-30-07	\$572,085	100%	\$0
6-30-06	444,564	100	0
6-30-05	389,562	100	0

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 <http://www.treasury.state.tn.us>.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 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, 2007, 2006, and 2005, were \$1,266,589, \$1,111,947, and \$1,114,458, respectively, equal to the required contributions for each year.

H. 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 with at least 30 years of verified Tennessee Consolidated Retirement Service or have attained the age of 55, have 20 years of service with the Cheatham County 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 ceases. 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 by the Tennessee Department of Education and have 20 years of service with the School Department. Currently, there are 27 employees participating.

I. 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 (\$10,000 effective May 10, 2007) 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 heads to obtain purchase orders issued by the director of accounts and budgets.

Office of Director of Schools

Purchasing procedures for the discretely presented Cheatham County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, 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. The Board of Education requires competitive bids on all purchases exceeding \$5,000.

**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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,664,856	\$ 0	\$ 0	\$ 6,664,856	\$ 6,283,951	\$ 6,807,076	\$ (142,220)
Licenses and Permits	469,760	0	0	469,760	494,324	494,324	(24,564)
Fines, Forfeitures, and Penalties	187,558	0	0	187,558	256,000	261,000	(73,442)
Charges for Current Services	923,291	0	0	923,291	855,501	865,803	57,488
Other Local Revenues	936,640	0	0	936,640	682,000	699,053	237,587
Fees Received from County Officials	1,812,576	0	0	1,812,576	1,781,000	1,781,000	31,576
State of Tennessee	578,923	0	0	578,923	640,706	644,487	(65,564)
Federal Government	410,774	0	0	410,774	53,359	390,366	20,408
Other Governments and Citizens Groups	257,372	0	0	257,372	231,533	231,533	25,839
Total Revenues	\$ 12,241,750	\$ 0	\$ 0	\$ 12,241,750	\$ 11,278,374	\$ 12,174,642	\$ 67,108
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 114,905	\$ 0	\$ 0	\$ 114,905	\$ 92,831	\$ 114,931	\$ 26
Other Boards and Committees	296	0	0	296	200	297	1
County Mayor/Executive	151,129	(4,782)	3,451	149,798	154,991	160,627	10,829
Personnel Office	60,150	0	198	60,348	65,487	61,421	1,073
Election Commission	132,086	(485)	107	131,708	139,388	135,792	4,084
Register of Deeds	160,024	(7,359)	1,897	154,562	161,867	155,995	1,433
Planning	100,792	0	387	101,179	111,431	103,694	2,515
Building	190,947	0	0	190,947	208,879	201,333	10,386
County Buildings	446,183	0	6,578	452,761	447,549	466,373	13,612
<u>Finance</u>							
Accounting and Budgeting	240,054	(374)	7,900	247,580	263,361	250,446	2,866
Property Assessor's Office	207,627	0	0	207,627	245,239	227,535	19,908
Reappraisal Program	38,604	0	0	38,604	41,987	38,921	317
County Trustee's Office	177,843	(1,110)	0	176,733	175,938	180,658	3,925

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 277,367	\$ 0	\$ 143	\$ 277,510	\$ 294,378	\$ 280,579	\$ 3,069
<u>Administration of Justice</u>							
Circuit Court	375,398	(19,269)	7,359	363,488	400,308	371,164	7,676
General Sessions Court	114,285	0	0	114,285	175,460	123,778	9,493
Chancery Court	175,784	0	8,254	184,038	202,635	188,770	4,732
Juvenile Court	266,863	(3,694)	3,363	266,532	281,674	271,161	4,629
Other Administration of Justice	3,694	(3,694)	0	0	0	0	0
Probation Services	126,257	0	0	126,257	127,469	129,338	3,081
<u>Public Safety</u>							
Sheriff's Department	1,765,044	(5,031)	8,464	1,768,477	1,793,966	1,773,899	5,422
Jail	1,256,531	(500)	1,457	1,257,488	1,290,342	1,261,757	4,269
Fire Prevention and Control	200,000	0	0	200,000	200,000	200,000	0
Rural Fire Protection	224,851	0	0	224,851	224,851	224,851	0
Other Emergency Management	101,848	(3,844)	0	98,004	101,291	98,955	951
County Coroner/Medical Examiner	41,676	0	0	41,676	34,600	42,600	924
Other Public Safety	472,092	0	0	472,092	524,764	482,475	10,383
<u>Public Health and Welfare</u>							
Local Health Center	26,696	0	0	26,696	68,149	68,149	41,453
Rabies and Animal Control	161,969	(2,779)	250	159,440	187,774	172,377	12,937
Ambulance/Emergency Medical Services	1,405,178	(452)	2,077	1,406,803	1,434,362	1,418,882	12,079
Nursing Home	22,375	0	0	22,375	0	22,375	0
Other Local Health Services	34,673	0	0	34,673	35,532	35,271	598
Regional Mental Health Center	7,500	0	0	7,500	7,500	7,500	0
General Welfare Assistance	33,198	0	0	33,198	27,875	33,198	0
Sanitation Education/Information	39,551	(50)	0	39,501	39,428	39,919	418

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 27,645	\$ 0	\$ 0	\$ 27,645	\$ 47,000	\$ 32,000	\$ 4,355
Libraries	197,890	(4,638)	6,400	199,652	177,188	202,715	3,063
Parks and Fair Boards	67,038	0	0	67,038	58,000	75,038	8,000
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	78,119	0	0	78,119	84,529	87,037	8,918
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	30,022	0	0	30,022	34,190	30,358	336
<u>Other Operations</u>							
Other Economic and Community Development	62,727	0	0	62,727	58,600	67,547	4,820
Veterans' Services	0	0	0	0	2,044	334	334
Other Charges	137,617	0	0	137,617	125,000	135,000	(2,617)
Contributions to Other Agencies	24,362	0	0	24,362	24,000	24,000	(362)
Employee Benefits	629,488	0	0	629,488	196,000	635,387	5,899
Miscellaneous	254,466	0	0	254,466	252,225	257,225	2,759
<u>Capital Projects</u>							
Public Health and Welfare Projects	524,194	0	0	524,194	0	485,541	(38,653)
Other General Government Projects	315,000	0	0	315,000	0	315,000	0
Total Expenditures	\$ 11,503,038	\$ (58,061)	\$ 58,285	\$ 11,503,262	\$ 10,621,282	\$ 11,693,203	\$ 189,941
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 738,712	\$ 58,061	\$ (58,285)	\$ 738,488	\$ 657,092	\$ 481,439	\$ 257,049
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 178,430	\$ 0	\$ 0	\$ 178,430	\$ 0	\$ 178,430	\$ 0
Insurance Recovery	2,275	0	0	2,275	0	500	1,775
Transfers In	3,252	0	0	3,252	0	3,252	0

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (928,750)	\$ 0	\$ 0	\$ (928,750)	\$ (656,250)	\$ (656,250)	\$ (272,500)
Total Other Financing Sources (Uses)	\$ (744,793)	\$ 0	\$ 0	\$ (744,793)	\$ (656,250)	\$ (474,068)	\$ (270,725)
Net Change in Fund Balance	\$ (6,081)	\$ 58,061	\$ (58,285)	\$ (6,305)	\$ 842	\$ 7,371	\$ (13,676)
Fund Balance, July 1, 2006	2,161,295	(58,061)	0	2,103,234	1,162,432	1,162,432	940,802
Fund Balance, June 30, 2007	\$ 2,155,214	\$ 0	\$ (58,285)	\$ 2,096,929	\$ 1,163,274	\$ 1,169,803	\$ 927,126

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 902,874	\$ 0	\$ 902,874	\$ 872,800	\$ 872,800	\$ 30,074
Charges for Current Services	0	0	0	10,000	10,000	(10,000)
Other Local Revenues	37,252	0	37,252	14,550	14,550	22,702
State of Tennessee	1,928,520	0	1,928,520	2,307,000	2,307,000	(378,480)
Total Revenues	\$ 2,868,646	\$ 0	\$ 2,868,646	\$ 3,204,350	\$ 3,204,350	\$ (335,704)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 159,738	\$ (78)	\$ 159,660	\$ 175,956	\$ 175,956	\$ 16,296
Highway and Bridge Maintenance	2,249,655	(125,000)	2,124,655	2,417,799	2,400,006	275,351
Operation and Maintenance of Equipment	328,204	0	328,204	383,739	393,339	65,135
Other Charges	113,235	0	113,235	123,550	123,550	10,315
Employee Benefits	391,776	0	391,776	372,300	390,093	(1,683)
Capital Outlay	17,450	0	17,450	15,000	15,000	(2,450)
<u>Principal on Debt</u>						
Highways and Streets	53,192	0	53,192	78,059	71,645	18,453
Education	0	0	0	78,059	0	0
<u>Interest on Debt</u>						
Highways and Streets	5,771	0	5,771	0	6,288	517
<u>Other Debt Service</u>						
Highways and Streets	126	0	126	0	126	0
Total Expenditures	\$ 3,319,147	\$ (125,078)	\$ 3,194,069	\$ 3,644,462	\$ 3,576,003	\$ 381,934
Excess (Deficiency) of Revenues Over Expenditures	\$ (450,501)	\$ 125,078	\$ (325,423)	\$ (440,112)	\$ (371,653)	\$ 46,230
Net Change in Fund Balance	\$ (450,501)	\$ 125,078	\$ (325,423)	\$ (440,112)	\$ (371,653)	\$ 46,230
Fund Balance, July 1, 2006	1,928,636	(125,078)	1,803,558	1,780,607	1,780,607	22,951
Fund Balance, June 30, 2007	\$ 1,478,135	\$ 0	\$ 1,478,135	\$ 1,340,495	\$ 1,408,954	\$ 69,181

Exhibit E-3

Cheatham County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

Required Supplementary Information

Schedule of Funding Progress for Cheatham County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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

CHEATHAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

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, Other Boards and Committees, County Mayor/Executive, Personnel Office, 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

Total expenditures and other uses exceeded appropriations approved by the County Commission in the General Fund by \$80,784.

Expenditures exceeded appropriations approved by the County Commission in the Employee Benefits (\$1,683) and Capital Outlay (\$2,450) major appropriation categories (the legal level of control) of the Highway/Public Works Fund.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

**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, long-term 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.

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, 2007

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 150	\$ 0	\$ 1,180	\$ 0	\$ 1,330
Equity in Pooled Cash and Investments	22,598	356,445	89,659	0	32,028	500,730
Accounts Receivable	1,998	4,983	1,829	1,115	0	9,925
Due from Other Governments	0	3,409	459	0	0	3,868
Property Taxes Receivable	0	835,961	0	0	0	835,961
Allowance for Uncollectible Property Taxes	0	(16,099)	0	0	0	(16,099)
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	\$ 24,596	\$ 1,184,849	\$ 91,947	\$ 2,295	\$ 32,028	\$ 1,335,715
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 0	\$ 89,686	\$ 0	\$ 0	\$ 3,683	\$ 93,369
Payroll Deductions Payable	0	1,981	0	0	0	1,981
Due to Other Funds	0	0	0	2,295	0	2,295
Deferred Revenue - Current Property Taxes	0	792,361	0	0	0	792,361
Deferred Revenue - Delinquent Property Taxes	0	24,481	0	0	0	24,481
Total Liabilities	\$ 0	\$ 908,509	\$ 0	\$ 2,295	\$ 3,683	\$ 914,487
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Reserved for Long-term Notes Receivable	0	0	0	0	0	0
Unreserved	24,596	276,340	91,947	0	28,345	421,228
Total Fund Balances	\$ 24,596	\$ 276,340	\$ 91,947	\$ 0	\$ 28,345	\$ 421,228
Total Liabilities and Fund Balances	\$ 24,596	\$ 1,184,849	\$ 91,947	\$ 2,295	\$ 32,028	\$ 1,335,715

(Continued)

Exhibit F-1

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

	Debt Service		Capital Projects Funds		Total Nonmajor Governmental Funds
	Fund				
	General Debt Service	General Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	1,330
Equity in Pooled Cash and Investments	1,753,409	443,957	408,491	852,448	3,106,587
Accounts Receivable	17,625	130	258	388	27,938
Due from Other Governments	2	0	2	2	3,872
Property Taxes Receivable	196,569	253,380	383,635	637,015	1,669,545
Allowance for Uncollectible Property Taxes	(4,551)	(4,077)	(6,930)	(11,007)	(31,657)
Notes Receivable - Long-term	373,000	0	0	0	373,000
Total Assets	\$ 2,336,054	\$ 693,390	\$ 785,456	\$ 1,478,846	\$ 5,150,615
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	93,369
Payroll Deductions Payable	0	0	0	0	1,981
Due to Other Funds	0	0	0	0	2,295
Deferred Revenue - Current Property Taxes	182,852	243,803	365,705	609,508	1,584,721
Deferred Revenue - Delinquent Property Taxes	8,160	4,896	9,793	14,689	47,330
Total Liabilities	\$ 191,012	\$ 248,699	\$ 375,498	\$ 624,197	\$ 1,729,696
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 66,389	\$ 66,389	\$ 66,389
Reserved for Long-term Notes Receivable	373,000	0	0	0	373,000
Unreserved	1,772,042	444,691	343,569	788,260	2,981,530
Total Fund Balances	\$ 2,145,042	\$ 444,691	\$ 409,958	\$ 854,649	\$ 3,420,919
Total Liabilities and Fund Balances	\$ 2,336,054	\$ 693,390	\$ 785,456	\$ 1,478,846	\$ 5,150,615

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, 2007

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	
<u>Revenues</u>						
Local Taxes	\$ 27,647	\$ 827,618	\$ 0	\$ 0	\$ 0	\$ 855,265
Fines, Forfeitures, and Penalties	0	0	38,225	0	0	38,225
Charges for Current Services	0	100,162	0	677	36,712	137,551
Other Local Revenues	0	26,770	0	0	0	26,770
State of Tennessee	0	18,088	0	0	0	18,088
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	\$ 27,647	\$ 972,638	\$ 38,225	\$ 677	\$ 36,712	\$ 1,075,899
<u>Expenditures</u>						
Current:						
General Government	\$ 24,980	\$ 17,738	\$ 374	\$ 0	\$ 32,461	\$ 75,553
Public Safety	0	0	19,541	677	0	20,218
Public Health and Welfare	0	934,840	0	0	0	934,840
Other Operations	0	7,232	0	0	0	7,232
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 24,980	\$ 959,810	\$ 19,915	\$ 677	\$ 32,461	\$ 1,037,843
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,667	\$ 12,828	\$ 18,310	\$ 0	\$ 4,251	\$ 38,056
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	(3,252)	0	0	(3,252)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (3,252)	\$ 0	\$ 0	\$ (3,252)
Net Change in Fund Balances	\$ 2,667	\$ 12,828	\$ 15,058	\$ 0	\$ 4,251	\$ 34,804
Fund Balance, July 1, 2006	21,929	263,512	76,889	0	24,094	386,424
Fund Balance, June 30, 2007	\$ 24,596	\$ 276,340	\$ 91,947	\$ 0	\$ 28,345	\$ 421,228

(Continued)

Exhibit F-2

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

	Debt Service Fund		Capital Projects Funds		Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Local Taxes	\$ 461,954	\$ 162,866	\$ 325,725	\$ 488,591	\$ 1,805,810
Fines, Forfeitures, and Penalties	0	0	0	0	38,225
Charges for Current Services	0	0	0	0	137,551
Other Local Revenues	43	0	1,375	1,375	28,188
State of Tennessee	6,029	3,618	7,235	10,853	34,970
Other Governments and Citizens Groups	590,900	0	0	0	590,900
Total Revenues	\$ 1,058,926	\$ 166,484	\$ 334,335	\$ 500,819	\$ 2,635,644
<u>Expenditures</u>					
Current:					
General Government	\$ 7,220	\$ 3,289	\$ 6,582	\$ 9,871	\$ 92,644
Public Safety	0	0	0	0	20,218
Public Health and Welfare	0	0	0	0	934,840
Other Operations	0	0	0	0	7,232
Debt Service:					
Principal on Debt	168,105	0	0	0	168,105
Interest on Debt	88,036	0	0	0	88,036
Other Debt Service	2,982	0	0	0	2,982
Capital Projects	0	0	266,108	266,108	266,108
Total Expenditures	\$ 266,343	\$ 3,289	\$ 272,690	\$ 275,979	\$ 1,580,165
Excess (Deficiency) of Revenues Over Expenditures	\$ 792,583	\$ 163,195	\$ 61,645	\$ 224,840	\$ 1,055,479
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 9,719	\$ 9,719	\$ 9,719
Transfers Out	0	0	0	0	(3,252)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 9,719	\$ 9,719	\$ 6,467
Net Change in Fund Balances	\$ 792,583	\$ 163,195	\$ 71,364	\$ 234,559	\$ 1,061,946
Fund Balance, July 1, 2006	1,352,459	281,496	338,594	620,090	2,358,973
Fund Balance, June 30, 2007	\$ 2,145,042	\$ 444,691	\$ 409,958	\$ 854,649	\$ 3,420,919

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 27,647	\$ 0	\$ 27,647	\$ 27,000	\$ 27,000	\$ 647
Total Revenues	\$ 27,647	\$ 0	\$ 27,647	\$ 27,000	\$ 27,000	\$ 647
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 24,738	\$ (2,885)	\$ 21,853	\$ 25,000	\$ 25,000	\$ 3,147
Other General Administration	242	0	242	350	350	108
Total Expenditures	\$ 24,980	\$ (2,885)	\$ 22,095	\$ 25,350	\$ 25,350	\$ 3,255
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,667	\$ 2,885	\$ 5,552	\$ 1,650	\$ 1,650	\$ 3,902
Net Change in Fund Balance	\$ 2,667	\$ 2,885	\$ 5,552	\$ 1,650	\$ 1,650	\$ 3,902
Fund Balance, July 1, 2006	21,929	(2,885)	19,044	19,817	19,817	(773)
Fund Balance, June 30, 2007	\$ 24,596	\$ 0	\$ 24,596	\$ 21,467	\$ 21,467	\$ 3,129

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 827,618	\$ 0	\$ 827,618	\$ 836,250	\$ 836,250	\$ (8,632)
Charges for Current Services	100,162	0	100,162	57,000	57,000	43,162
Other Local Revenues	26,770	0	26,770	11,150	11,150	15,620
State of Tennessee	18,088	0	18,088	9,000	9,000	9,088
Total Revenues	\$ 972,638	\$ 0	\$ 972,638	\$ 913,400	\$ 913,400	\$ 59,238
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 17,738	\$ 0	\$ 17,738	\$ 15,000	\$ 15,500	\$ (2,238)
<u>Public Health and Welfare</u>						
Sanitation Management	129,641	0	129,641	142,783	131,480	1,839
Convenience Centers	721,858	(2,100)	719,758	690,791	733,642	13,884
Landfill Operation and Maintenance	83,341	0	83,341	59,800	87,528	4,187
<u>Other Operations</u>						
Employee Benefits	2,265	0	2,265	0	2,265	0
Miscellaneous	4,967	0	4,967	5,000	5,000	33
Total Expenditures	\$ 959,810	\$ (2,100)	\$ 957,710	\$ 913,374	\$ 975,415	\$ 17,705
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,828	\$ 2,100	\$ 14,928	\$ 26	\$ (62,015)	\$ 76,943
Net Change in Fund Balance	\$ 12,828	\$ 2,100	\$ 14,928	\$ 26	\$ (62,015)	\$ 76,943
Fund Balance, July 1, 2006	263,512	(2,100)	261,412	189,639	189,639	71,773
Fund Balance, June 30, 2007	\$ 276,340	\$ 0	\$ 276,340	\$ 189,665	\$ 127,624	\$ 148,716

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 38,225	\$ 36,000	\$ 36,000	\$ 2,225
Total Revenues	\$ 38,225	\$ 36,000	\$ 36,000	\$ 2,225
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 374	\$ 350	\$ 350	\$ (24)
<u>Public Safety</u>				
Drug Enforcement	19,541	35,500	37,740	18,199
Total Expenditures	\$ 19,915	\$ 35,850	\$ 38,090	\$ 18,175
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,310	\$ 150	\$ (2,090)	\$ 20,400
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (3,252)	\$ 0	\$ (3,252)	\$ 0
Total Other Financing Sources (Uses)	\$ (3,252)	\$ 0	\$ (3,252)	\$ 0
Net Change in Fund Balance	\$ 15,058	\$ 150	\$ (5,342)	\$ 20,400
Fund Balance, July 1, 2006	76,889	29,838	29,838	47,051
Fund Balance, June 30, 2007	\$ 91,947	\$ 29,988	\$ 24,496	\$ 67,451

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 36,712	\$ 22,400	\$ 22,400	\$ 14,312
Total Revenues	\$ 36,712	\$ 22,400	\$ 22,400	\$ 14,312
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 32,461	\$ 15,000	\$ 15,000	\$ (17,461)
Total Expenditures	\$ 32,461	\$ 15,000	\$ 15,000	\$ (17,461)
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,251	\$ 7,400	\$ 7,400	\$ (3,149)
Net Change in Fund Balance	\$ 4,251	\$ 7,400	\$ 7,400	\$ (3,149)
Fund Balance, July 1, 2006	24,094	28,145	28,145	(4,051)
Fund Balance, June 30, 2007	\$ 28,345	\$ 35,545	\$ 35,545	\$ (7,200)

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 461,954	\$ 452,350	\$ 452,350	\$ 9,604
Other Local Revenues	43	0	0	43
State of Tennessee	6,029	5,000	5,000	1,029
Other Governments and Citizens Groups	590,900	0	225,676	365,224
Total Revenues	<u>\$ 1,058,926</u>	<u>\$ 457,350</u>	<u>\$ 683,026</u>	<u>\$ 375,900</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 7,220	\$ 8,000	\$ 8,000	\$ 780
<u>Principal on Debt</u>				
General Government	168,105	294,000	294,000	125,895
<u>Interest on Debt</u>				
General Government	88,036	107,907	107,907	19,871
<u>Other Debt Service</u>				
General Government	2,982	4,100	5,412	2,430
Total Expenditures	<u>\$ 266,343</u>	<u>\$ 414,007</u>	<u>\$ 415,319</u>	<u>\$ 148,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 792,583</u>	<u>\$ 43,343</u>	<u>\$ 267,707</u>	<u>\$ 524,876</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 225,676	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 225,676</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 792,583	\$ 269,019	\$ 267,707	\$ 524,876
Fund Balance, July 1, 2006	1,352,459	1,379,462	1,379,462	(27,003)
Fund Balance, June 30, 2007	<u>\$ 2,145,042</u>	<u>\$ 1,648,481</u>	<u>\$ 1,647,169</u>	<u>\$ 497,873</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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 162,866	\$ 155,450	\$ 155,450	\$ 7,416
State of Tennessee	3,618	1,750	1,750	1,868
Total Revenues	<u>\$ 166,484</u>	<u>\$ 157,200</u>	<u>\$ 157,200</u>	<u>\$ 9,284</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 3,289	\$ 0	\$ 3,400	\$ 111
<u>Capital Projects</u>				
Other General Government Projects	0	150,000	150,000	150,000
Total Expenditures	<u>\$ 3,289</u>	<u>\$ 150,000</u>	<u>\$ 153,400</u>	<u>\$ 150,111</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 163,195</u>	<u>\$ 7,200</u>	<u>\$ 3,800</u>	<u>\$ 159,395</u>
Net Change in Fund Balance	\$ 163,195	\$ 7,200	\$ 3,800	\$ 159,395
Fund Balance, July 1, 2006	<u>281,496</u>	<u>68,448</u>	<u>68,448</u>	<u>213,048</u>
Fund Balance, June 30, 2007	<u><u>\$ 444,691</u></u>	<u><u>\$ 75,648</u></u>	<u><u>\$ 72,248</u></u>	<u><u>\$ 372,443</u></u>

Exhibit F-9

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 325,725	\$ 0	\$ 325,725	\$ 312,600	\$ 312,600	\$ 13,125
Other Local Revenues	1,375	0	1,375	0	0	1,375
State of Tennessee	7,235	0	7,235	4,000	4,000	3,235
Total Revenues	<u>\$ 334,335</u>	<u>\$ 0</u>	<u>\$ 334,335</u>	<u>\$ 316,600</u>	<u>\$ 316,600</u>	<u>\$ 17,735</u>
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 6,582	\$ 0	\$ 6,582	\$ 0	\$ 6,800	\$ 218
<u>Capital Projects</u>						
Other General Government Projects	266,108	66,389	332,497	316,600	351,744	19,247
Total Expenditures	<u>\$ 272,690</u>	<u>\$ 66,389</u>	<u>\$ 339,079</u>	<u>\$ 316,600</u>	<u>\$ 358,544</u>	<u>\$ 19,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 61,645</u>	<u>\$ (66,389)</u>	<u>\$ (4,744)</u>	<u>\$ 0</u>	<u>\$ (41,944)</u>	<u>\$ 37,200</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,719	\$ 0	\$ 9,719	\$ 0	\$ 4,636	\$ 5,083
Total Other Financing Sources (Uses)	<u>\$ 9,719</u>	<u>\$ 0</u>	<u>\$ 9,719</u>	<u>\$ 0</u>	<u>\$ 4,636</u>	<u>\$ 5,083</u>
Net Change in Fund Balance	\$ 71,364	\$ (66,389)	\$ 4,975	\$ 0	\$ (37,308)	\$ 42,283
Fund Balance, July 1, 2006	<u>338,594</u>	<u>0</u>	<u>338,594</u>	<u>245,243</u>	<u>245,243</u>	<u>93,351</u>
Fund Balance, June 30, 2007	<u>\$ 409,958</u>	<u>\$ (66,389)</u>	<u>\$ 343,569</u>	<u>\$ 245,243</u>	<u>\$ 207,935</u>	<u>\$ 135,634</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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,730,749	\$ 6,195,500	\$ 6,195,500	\$ 535,249
Other Local Revenues	17,666	0	0	17,666
State of Tennessee	75,970	70,000	70,000	5,970
Other Governments and Citizens Groups	17,066	0	0	17,066
Total Revenues	<u>\$ 6,841,451</u>	<u>\$ 6,265,500</u>	<u>\$ 6,265,500</u>	<u>\$ 575,951</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 102,231	\$ 98,000	\$ 98,000	\$ (4,231)
<u>Principal on Debt</u>				
Education	5,405,090	1,554,650	5,607,575	202,485
<u>Interest on Debt</u>				
Education	1,079,104	1,290,443	1,319,902	240,798
<u>Other Debt Service</u>				
Education	25,310	17,800	25,624	314
Total Expenditures	<u>\$ 6,611,735</u>	<u>\$ 2,960,893</u>	<u>\$ 7,051,101</u>	<u>\$ 439,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 229,716</u>	<u>\$ 3,304,607</u>	<u>\$ (785,601)</u>	<u>\$ 1,015,317</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 562,500	\$ 0	\$ 0
Transfers In	928,750	0	562,500	366,250
Total Other Financing Sources (Uses)	<u>\$ 928,750</u>	<u>\$ 562,500</u>	<u>\$ 562,500</u>	<u>\$ 366,250</u>
Net Change in Fund Balance	\$ 1,158,466	\$ 3,867,107	\$ (223,101)	\$ 1,381,567
Fund Balance, July 1, 2006	<u>3,519,679</u>	<u>2,598,431</u>	<u>2,598,431</u>	<u>921,248</u>
Fund Balance, June 30, 2007	<u>\$ 4,678,145</u>	<u>\$ 6,465,538</u>	<u>\$ 2,375,330</u>	<u>\$ 2,302,815</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, 2007

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 663,825	\$ 663,825
Due from Other Governments	385,772	0	385,772
Total Assets	<u>\$ 385,772</u>	<u>\$ 663,825</u>	<u>\$ 1,049,597</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 385,772	\$ 0	\$ 385,772
Due to Litigants, Heirs, and Others	0	663,825	663,825
Total Liabilities	<u>\$ 385,772</u>	<u>\$ 663,825</u>	<u>\$ 1,049,597</u>

Exhibit H-2

Cheatham County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,228,366	\$ 2,228,366	\$ 0
Due from Other Governments	370,775	385,772	370,775	385,772
Total Assets	\$ 370,775	\$ 2,614,138	\$ 2,599,141	\$ 385,772
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 370,775	\$ 2,614,138	\$ 2,599,141	\$ 385,772
Total Liabilities	\$ 370,775	\$ 2,614,138	\$ 2,599,141	\$ 385,772
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 847,601	\$ 7,812,183	\$ 7,995,959	\$ 663,825
Total Assets	\$ 847,601	\$ 7,812,183	\$ 7,995,959	\$ 663,825
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 847,601	\$ 7,812,183	\$ 7,995,959	\$ 663,825
Total Liabilities	\$ 847,601	\$ 7,812,183	\$ 7,995,959	\$ 663,825
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 847,601	\$ 7,812,183	\$ 7,995,959	\$ 663,825
Equity in Pooled Cash and Investments	0	2,228,366	2,228,366	0
Due from Other Governments	370,775	385,772	370,775	385,772
Total Assets	\$ 1,218,376	\$ 10,426,321	\$ 10,595,100	\$ 1,049,597
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 370,775	\$ 2,614,138	\$ 2,599,141	\$ 385,772
Due to Litigants, Heirs, and Others	847,601	7,812,183	7,995,959	663,825
Total Liabilities	\$ 1,218,376	\$ 10,426,321	\$ 10,595,100	\$ 1,049,597

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, two Special Revenue Funds, and one Capital Projects Fund.

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit I-1

Cheatham County, Tennessee
Statement of Activities
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total
					Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 26,507,351	\$ 23,452	\$ 2,001,106	\$ 0	\$ (24,482,793)
Support Services	15,733,037	163,518	648,016	4,240,143	(10,681,360)
Operation of Non-Instructional Services	3,951,355	2,397,127	1,615,860	0	61,632
Total Governmental Activities	\$ 46,191,743	\$ 2,584,097	\$ 4,264,982	\$ 4,240,143	\$ (35,102,521)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 7,126,882
Local Option Sales Taxes					1,671,213
Other Local Taxes					378,363
Grants and Contributions Not Restricted to Specific Programs					27,745,713
Unrestricted Investment Earnings					28,910
Miscellaneous					118,086
Total General Revenues					\$ 37,069,167
Change in Net Assets					\$ 1,966,646
Net Assets, July 1, 2006					52,279,670
Net Assets, June 30, 2007					\$ 54,246,316

Exhibit I-2

Cheatham County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2007

	<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	\$ 1,940,735	\$ 2,104,667	\$ 4,045,402
Accounts Receivable	110,786	5,768	116,554
Due from Other Governments	1,161,848	11,903	1,173,751
Due from Other Funds	2,044	0	2,044
Property Taxes Receivable	7,461,353	0	7,461,353
Allowance for Uncollectible Property Taxes	(142,202)	0	(142,202)
Total Assets	\$ 10,534,564	\$ 2,122,338	\$ 12,656,902
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 171,188	\$ 16,567	\$ 187,755
Accrued Payroll	24,244	4,293	28,537
Contracts Payable	0	488,553	488,553
Retainage Payable	0	49,283	49,283
Due to Other Funds	0	2,044	2,044
Deferred Revenue - Current Property Taxes	7,078,983	0	7,078,983
Deferred Revenue - Delinquent Property Taxes	213,804	0	213,804
Other Deferred Revenues	165,026	0	165,026
Total Liabilities	\$ 7,653,245	\$ 560,740	\$ 8,213,985
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 774,858	\$ 776,384	\$ 1,551,242
Reserved for Career Ladder Program	14,649	0	14,649
Reserved for Basic Education Program	41,233	0	41,233
Reserved for Special Education - Grants to States	0	195	195
Other Federal Reserves	0	365	365
Unreserved, Reported In:			
General Fund	2,050,579	0	2,050,579
Special Revenue Funds	0	833,850	833,850
Capital Projects Funds (Deficit)	0	(49,196)	(49,196)
Total Fund Balances	\$ 2,881,319	\$ 1,561,598	\$ 4,442,917
Total Liabilities and Fund Balances	\$ 10,534,564	\$ 2,122,338	\$ 12,656,902

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, 2007

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)		\$	4,442,917
(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 - construction in progress		1,778,202	
Add - buildings and improvements net of accumulated depreciation		44,288,661	
Add - other capital assets net of accumulated depreciation		<u>2,711,586</u>	49,560,446
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			378,830
(3) Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.			<u>(135,877)</u>
Net assets of governmental activities (Exhibit A)		\$	<u>54,246,316</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, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 9,275,885	\$ 0	\$ 9,275,885
Licenses and Permits	2,983	0	2,983
Charges for Current Services	1,045,657	1,587,174	2,632,831
Other Local Revenues	102,261	21,681	123,942
State of Tennessee	28,032,773	33,016	28,065,789
Federal Government	482,823	3,189,498	3,672,321
Other Governments and Citizens Groups	1,290,620	2,949,523	4,240,143
Total Revenues	<u>\$ 40,233,002</u>	<u>\$ 7,780,892</u>	<u>\$ 48,013,894</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 25,061,783	\$ 1,268,955	\$ 26,330,738
Support Services	12,267,745	874,587	13,142,332
Operation of Non-Instructional Services	1,138,742	2,651,543	3,790,285
Capital Outlay	707,152	0	707,152
Capital Projects	0	2,294,422	2,294,422
Total Expenditures	<u>\$ 39,175,422</u>	<u>\$ 7,089,507</u>	<u>\$ 46,264,929</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,057,580</u>	<u>\$ 691,385</u>	<u>\$ 1,748,965</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 18,210	\$ 0	\$ 18,210
Transfers In	8,714	0	8,714
Transfers Out	0	(8,714)	(8,714)
Total Other Financing Sources (Uses)	<u>\$ 26,924</u>	<u>\$ (8,714)</u>	<u>\$ 18,210</u>
Net Change in Fund Balances	\$ 1,084,504	\$ 682,671	\$ 1,767,175
Fund Balance, July 1, 2006	1,796,815	878,927	2,675,742
Fund Balance, June 30, 2007	<u>\$ 2,881,319</u>	<u>\$ 1,561,598</u>	<u>\$ 4,442,917</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, 2007

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,767,175
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,174,664	
Less: current year depreciation expense	<u>(1,980,965)</u>	193,699
(2) A loss on disposal of capital assets decreases capital assets.		(5,077)
(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, 2006	\$ (349,795)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>378,830</u>	29,035
(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>(18,186)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,966,646</u>

Exhibit I-6

Cheatham County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2007

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 8,440	\$ 899,075	\$ 907,515	\$ 1,197,152	\$ 2,104,667
Accounts Receivable	0	5,768	5,768	0	5,768
Due from Other Governments	11,903	0	11,903	0	11,903
Total Assets	\$ 20,343	\$ 904,843	\$ 925,186	\$ 1,197,152	\$ 2,122,338
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 10,924	\$ 1,428	\$ 12,352	\$ 4,215	\$ 16,567
Accrued Payroll	4,293	0	4,293	0	4,293
Contracts Payable	0	0	0	488,553	488,553
Retainage Payable	0	0	0	49,283	49,283
Due to Other Funds	2,044	0	2,044	0	2,044
Total Liabilities	\$ 17,261	\$ 1,428	\$ 18,689	\$ 542,051	\$ 560,740
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 2,522	\$ 69,565	\$ 72,087	\$ 704,297	\$ 776,384
Reserved for Special Education - Grants to States	195	0	195	0	195
Other Federal Reserves	365	0	365	0	365
Unreserved (Deficit)	0	833,850	833,850	(49,196)	784,654
Total Fund Balances	\$ 3,082	\$ 903,415	\$ 906,497	\$ 655,101	\$ 1,561,598
Total Liabilities and Fund Balances	\$ 20,343	\$ 904,843	\$ 925,186	\$ 1,197,152	\$ 2,122,338

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, 2007

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,587,174	\$ 1,587,174	\$ 0	\$ 1,587,174
Other Local Revenues	0	21,681	21,681	0	21,681
State of Tennessee	0	33,016	33,016	0	33,016
Federal Government	2,129,702	1,059,796	3,189,498	0	3,189,498
Other Governments and Citizens Groups	0	0	0	2,949,523	2,949,523
Total Revenues	<u>\$ 2,129,702</u>	<u>\$ 2,701,667</u>	<u>\$ 4,831,369</u>	<u>\$ 2,949,523</u>	<u>\$ 7,780,892</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,268,955	\$ 0	\$ 1,268,955	\$ 0	\$ 1,268,955
Support Services	874,587	0	874,587	0	874,587
Operation of Non-Instructional Services	0	2,651,543	2,651,543	0	2,651,543
Capital Projects	0	0	0	2,294,422	2,294,422
Total Expenditures	<u>\$ 2,143,542</u>	<u>\$ 2,651,543</u>	<u>\$ 4,795,085</u>	<u>\$ 2,294,422</u>	<u>\$ 7,089,507</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (13,840)</u>	<u>\$ 50,124</u>	<u>\$ 36,284</u>	<u>\$ 655,101</u>	<u>\$ 691,385</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (8,714)	\$ 0	\$ (8,714)	\$ 0	\$ (8,714)
Total Other Financing Sources (Uses)	<u>\$ (8,714)</u>	<u>\$ 0</u>	<u>\$ (8,714)</u>	<u>\$ 0</u>	<u>\$ (8,714)</u>
Net Change in Fund Balances	\$ (22,554)	\$ 50,124	\$ 27,570	\$ 655,101	\$ 682,671
Fund Balance, July 1, 2006	25,636	853,291	878,927	0	878,927
Fund Balance, June 30, 2007	<u>\$ 3,082</u>	<u>\$ 903,415</u>	<u>\$ 906,497</u>	<u>\$ 655,101</u>	<u>\$ 1,561,598</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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,275,885	\$ 0	\$ 0	\$ 9,275,885	\$ 9,338,346	\$ 9,338,346	\$ (62,461)
Licenses and Permits	2,983	0	0	2,983	3,900	3,900	(917)
Charges for Current Services	1,045,657	0	0	1,045,657	964,715	976,215	69,442
Other Local Revenues	102,261	0	0	102,261	34,200	59,841	42,420
State of Tennessee	28,032,773	0	0	28,032,773	27,587,815	28,083,217	(50,444)
Federal Government	482,823	0	0	482,823	567,825	598,714	(115,891)
Other Governments and Citizens Groups	1,290,620	0	0	1,290,620	0	1,264,789	25,831
Total Revenues	\$ 40,233,002	\$ 0	\$ 0	\$ 40,233,002	\$ 38,496,801	\$ 40,325,022	\$ (92,020)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,062,357	\$ (7,581)	\$ 19,166	\$ 21,073,942	\$ 20,934,090	\$ 21,258,328	\$ 184,386
Alternative Instruction Program	90,365	0	0	90,365	86,322	91,087	722
Special Education Program	2,650,265	0	0	2,650,265	2,728,327	2,699,099	48,834
Vocational Education Program	1,145,732	(7,064)	203	1,138,871	1,073,131	1,144,100	5,229
Adult Education Program	113,064	(1,202)	5,374	117,236	113,633	119,169	1,933
<u>Support Services</u>							
Attendance	91,875	0	0	91,875	92,433	92,996	1,121
Health Services	224,408	0	622	225,030	151,962	226,592	1,562
Other Student Support	1,148,676	0	0	1,148,676	1,171,037	1,170,007	21,331
Regular Instruction Program	1,529,417	(8,000)	12,631	1,534,048	1,572,287	1,594,779	60,731
Alternative Instruction Program	15,866	0	0	15,866	15,833	16,442	576
Special Education Program	357,930	0	0	357,930	361,641	373,465	15,535
Vocational Education Program	123,098	0	0	123,098	123,441	123,750	652
Adult Programs	88,348	0	0	88,348	96,301	98,904	10,556
Board of Education	652,907	0	0	652,907	667,762	675,262	22,355

(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 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 195,126	\$ (975)	\$ 0	\$ 194,151	\$ 202,550	\$ 202,843	\$ 8,692
Office of the Principal	2,026,305	0	0	2,026,305	2,051,274	2,062,501	36,196
Fiscal Services	268,488	0	0	268,488	264,633	269,847	1,359
Operation of Plant	3,151,526	0	0	3,151,526	3,208,710	3,212,178	60,652
Maintenance of Plant	867,405	(37,378)	29,123	859,150	894,495	898,295	39,145
Transportation	1,526,370	(1,250)	635,056	2,160,176	1,588,008	2,226,451	66,275
<u>Operation of Non-Instructional Services</u>							
Community Services	873,540	(1,626)	264	872,178	938,486	948,759	76,581
Early Childhood Education	265,202	(773)	6,219	270,648	175,133	271,051	403
<u>Capital Outlay</u>							
Regular Capital Outlay	707,152	(30,692)	66,200	742,660	100,000	743,053	393
Total Expenditures	\$ 39,175,422	\$ (96,541)	\$ 774,858	\$ 39,853,739	\$ 38,611,489	\$ 40,518,958	\$ 665,219
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,057,580	\$ 96,541	\$ (774,858)	\$ 379,263	\$ (114,688)	\$ (193,936)	\$ 573,199
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 18,210	\$ 0	\$ 0	\$ 18,210	\$ 0	\$ 16,498	\$ 1,712
Transfers In	8,714	0	0	8,714	7,860	7,860	854
Total Other Financing Sources (Uses)	\$ 26,924	\$ 0	\$ 0	\$ 26,924	\$ 7,860	\$ 24,358	\$ 2,566
Net Change in Fund Balance	\$ 1,084,504	\$ 96,541	\$ (774,858)	\$ 406,187	\$ (106,828)	\$ (169,578)	\$ 575,765
Fund Balance, July 1, 2006	1,796,815	(96,541)	0	1,700,274	1,796,150	1,796,150	(95,876)
Fund Balance, June 30, 2007	\$ 2,881,319	\$ 0	\$ (774,858)	\$ 2,106,461	\$ 1,689,322	\$ 1,626,572	\$ 479,889

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,129,702	\$ 0	\$ 0	\$ 2,129,702	\$ 2,368,197	\$ 2,694,247	\$ (564,545)
Total Revenues	\$ 2,129,702	\$ 0	\$ 0	\$ 2,129,702	\$ 2,368,197	\$ 2,694,247	\$ (564,545)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 494,233	\$ 0	\$ 0	\$ 494,233	\$ 536,570	\$ 542,276	\$ 48,043
Special Education Program	674,189	0	0	674,189	767,160	969,412	295,223
Vocational Education Program	100,533	(13,175)	2,522	89,880	87,180	89,882	2
<u>Support Services</u>							
Other Student Support	76,248	0	0	76,248	83,721	93,984	17,736
Regular Instruction Program	351,635	(2,300)	0	349,335	452,323	461,274	111,939
Special Education Program	432,128	0	0	432,128	423,100	520,352	88,224
Vocational Education Program	3,497	0	0	3,497	6,200	3,498	1
Transportation	11,079	0	0	11,079	12,424	14,214	3,135
Total Expenditures	\$ 2,143,542	\$ (15,475)	\$ 2,522	\$ 2,130,589	\$ 2,368,678	\$ 2,694,892	\$ 564,303
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,840)	\$ 15,475	\$ (2,522)	\$ (887)	\$ (481)	\$ (645)	\$ (242)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (8,714)	\$ 0	\$ 0	\$ (8,714)	\$ (9,512)	\$ (9,547)	\$ 833
Total Other Financing Sources (Uses)	\$ (8,714)	\$ 0	\$ 0	\$ (8,714)	\$ (9,512)	\$ (9,547)	\$ 833
Net Change in Fund Balance	\$ (22,554)	\$ 15,475	\$ (2,522)	\$ (9,601)	\$ (9,993)	\$ (10,192)	\$ 591
Fund Balance, July 1, 2006	25,636	(15,475)	0	10,161	25,636	25,636	(15,475)
Fund Balance, June 30, 2007	\$ 3,082	\$ 0	\$ (2,522)	\$ 560	\$ 15,643	\$ 15,444	\$ (14,884)

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,587,174	\$ 0	\$ 0	\$ 1,587,174	\$ 1,561,935	\$ 1,561,935	\$ 25,239
Other Local Revenues	21,681	0	0	21,681	12,000	12,000	9,681
State of Tennessee	33,016	0	0	33,016	39,000	39,000	(5,984)
Federal Government	1,059,796	0	0	1,059,796	931,000	931,000	128,796
Total Revenues	\$ 2,701,667	\$ 0	\$ 0	\$ 2,701,667	\$ 2,543,935	\$ 2,543,935	\$ 157,732
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,651,543	\$ (41,700)	\$ 69,565	\$ 2,679,408	\$ 0	\$ 2,726,087	\$ 46,679
Total Expenditures	\$ 2,651,543	\$ (41,700)	\$ 69,565	\$ 2,679,408	\$ 0	\$ 2,726,087	\$ 46,679
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,124	\$ 41,700	\$ (69,565)	\$ 22,259	\$ 2,543,935	\$ (182,152)	\$ 204,411
Net Change in Fund Balance	\$ 50,124	\$ 41,700	\$ (69,565)	\$ 22,259	\$ 2,543,935	\$ (182,152)	\$ 204,411
Fund Balance, July 1, 2006	853,291	(41,700)	0	811,591	736,856	736,856	74,735
Fund Balance, June 30, 2007	\$ 903,415	\$ 0	\$ (69,565)	\$ 833,850	\$ 3,280,791	\$ 554,704	\$ 279,146

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, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-07
PRIMARY GOVERNMENT								
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Nursing Home Facility	\$ 800,000	3.95 to 5.95 %	3-23-04	2-1-16	\$ 690,000	\$ 0	\$ 55,000	\$ 635,000
Nursing Home Renovations	175,000	6.970	9-28-05	3-15-16	167,000	0	12,000	155,000
E-911 Communication Tower	400,000	3.979	9-29-05	9-1-17	400,000	0	27,000	373,000
Total Payable through General Debt Service Fund					<u>\$ 1,257,000</u>	<u>\$ 0</u>	<u>\$ 94,000</u>	<u>\$ 1,163,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Roof	319,763	7.75	8-2-06	2-15-07	\$ 0	\$ 319,763	\$ 319,763	\$ 0
School Bleachers	120,000	8.25	8-2-06	2-15-07	0	120,000	120,000	0
School HVAC Units	80,000	Variable	10-2-06	2-15-07	0	80,000	80,000	0
School Buses	626,636	5.299	6-25-07	6-30-07	0	626,636	626,636	0
School Addition	2,622,226	5.11	2-1-07	2-15-07	0	2,622,226	2,622,226	0
School Land	178,430	5.11	2-1-07	2-15-07	0	178,430	178,430	0
School Bleachers	118,390	5.44	4-24-07	5-17-07	0	118,390	118,390	0
Total Payable through Education Debt Service Fund					<u>\$ 0</u>	<u>\$ 4,065,445</u>	<u>\$ 4,065,445</u>	<u>\$ 0</u>
Total Notes Payable					<u>\$ 1,257,000</u>	<u>\$ 4,065,445</u>	<u>\$ 4,159,445</u>	<u>\$ 1,163,000</u>
CAPITAL LEASES PAYABLE								
<u>Payable through Highway/Public Works Fund</u>								
Tractor/Mower	56,730	4.05	10-1-02	1-21-08	\$ 19,277	\$ 0	\$ 12,024	\$ 7,253
Two Tractor/Mowers	71,800	4.95	3-21-03	3-21-08	26,835	0	15,096	11,739
Dump Truck	42,500	6.37	2-14-05	1-14-09	28,464	0	10,495	17,969
Two Tractors	81,474	5.15	4-15-05	4-15-10	64,279	0	15,577	48,702
Total Capital Leases Payable					<u>\$ 138,855</u>	<u>\$ 0</u>	<u>\$ 53,192</u>	<u>\$ 85,663</u>
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Public Works Projects	1,977,211	Variable	11-1-1999	5-25-19	\$ 1,596,250	\$ 0	\$ 19,105	\$ 1,577,145
Total Payable through General Debt Service Fund					<u>\$ 1,596,250</u>	<u>\$ 0</u>	<u>\$ 19,105</u>	<u>\$ 1,577,145</u>
<u>Payable through Education Debt Service Fund</u>								
Public Works Projects	5,063,492	Variable	11-1-1999	5-25-19	\$ 3,828,272	\$ 0	\$ 299,311	\$ 3,528,961
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	1,806,908	0	105,334	1,701,574

(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 7-1-06	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-07
<u>OTHER LOANS PAYABLE (Cont.)</u>								
<u>Payable through Education Debt Service Fund (Cont.)</u>								
Public Works Projects	(1)	Variable	6-28-07	5-25-14	\$ 0	\$ 421,867	\$ 0	\$ 421,867
Total Payable through Education Debt Service Fund					\$ 5,635,180	\$ 421,867	\$ 404,645	\$ 5,652,402
Total Other Loans Payable					\$ 7,231,430	\$ 421,867	\$ 423,750	\$ 7,229,547
<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	\$ 175,000	\$ 0	\$ 55,000	\$ 120,000
Total Payable through General Debt Service Fund					\$ 175,000	\$ 0	\$ 55,000	\$ 120,000
<u>Payable through Education Debt Service Fund</u>								
Schools	8,000,000	3.85 to 6.75	12-1-1996	6-1-21	\$ 1,675,000	\$ 0	\$ 275,000	\$ 1,400,000
Schools	8,000,000	4.85 to 6.75	12-1-1996	6-1-22	2,450,000	0	225,000	2,225,000
Schools	7,500,000	4 to 4.85	7-1-1998	6-1-18	5,270,000	0	335,000	4,935,000
Refunding	9,605,000	2 to 4	9-15-04	6-1-19	9,505,000	0	100,000	9,405,000
Total Payable through Education Debt Service Fund					\$ 18,900,000	\$ 0	\$ 935,000	\$ 17,965,000
Total Bonds Payable					\$ 19,075,000	\$ 0	\$ 990,000	\$ 18,085,000

(1) Total amount approved was \$9,820,000, of which \$9,398,133 remains available for draws as of June 30, 2007.

Exhibit J-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
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>\$ 18,085,000</u>	<u>\$ 6,279,956</u>	<u>\$ 24,364,956</u>

Exhibit J-3

Cheatham County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2007

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-07</u>
<u>General Debt Service Fund</u> Loan	Emergency Communications District	\$ 400,000	9-29-05	9-1-17	3.979 %	<u>\$ 373,000</u>

Exhibit J-4

Cheatham County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Education Debt Service	Development tax	\$ 928,750
Drug Control	General	To provide funds for salary	<u>3,252</u>
Total Transfers Primary Government			<u>\$ 932,002</u>
<u>Discretely Presented Cheatham County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 8,714</u>
Total Transfers Discretely Presented Cheatham County School Department			<u>\$ 8,714</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, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 67,006	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	63,876	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	91,262 (1)	(2)	
Trustee	Section 8-24-102, <u>TCA</u>	58,015	1,441,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	58,015	10,000	Western Surety Company
Director of Accounts and Budgets	County Commission	58,015	25,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	58,015	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	58,015	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	58,015	50,000	"
Register	Section 8-24-102, <u>TCA</u>	58,015	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	64,416 (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	"
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 \$1,120 for longevity pay.

(2) Covered under the School Employee Blanket Bond.

(3) Includes a law enforcement training supplement of \$600.

Exhibit J-6

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2007

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 4,018,035	\$ 0	\$ 746,825	\$ 0	\$ 0	\$ 0	\$ 448,098
Trustee's Collections - Prior Year	124,850	0	20,546	0	0	0	11,741
Circuit/Clerk & Master Collections - Prior Years	48,025	0	9,131	0	0	0	5,926
Interest and Penalty	42,370	0	7,666	0	0	0	5,425
Payments in-Lieu-of Taxes - Local Utilities	37,338	0	7,546	0	0	0	34,120
Payments in-Lieu-of Taxes - Other	168,122	0	31,133	0	0	0	18,780
<u>County Local Option Taxes</u>							
Local Option Sales Tax	608	0	0	0	0	0	0
Hotel/Motel Tax	43,087	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	375,138
Litigation Tax - General	125,750	27,647	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	48,302	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	778
Adequate Facilities/Development Tax	1,393,125	0	0	0	0	0	0
Other County Local Option Taxes	333,758	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	25,764	0	4,771	0	0	0	2,868
Wholesale Beer Tax	250,773	0	0	0	0	0	0
Beer Privilege Tax	1,700	0	0	0	0	0	0
Interstate Telecommunications Tax	3,249	0	0	0	0	0	0
Total Local Taxes	\$ 6,664,856	\$ 27,647	\$ 827,618	\$ 0	\$ 0	\$ 0	\$ 902,874
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	\$ 5,305	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	5,755	0	0	0	0	0	0
Cable TV Franchise	173,206	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	300	0	0	0	0	0	0
Building Permits	271,544	0	0	0	0	0	0
Other Permits	13,650	0	0	0	0	0	0
Total Licenses and Permits	\$ 469,760	\$ 0	\$ 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	Constitu - tional Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 10,825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,937	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,906	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	39,572	0	0	0	0	0	0
Officers Costs	77,330	0	0	0	0	0	0
Game and Fish Fines	447	0	0	0	0	0	0
Jail Fees	19,675	0	0	0	0	0	0
Judicial Commissioner Fees	2,147	0	0	0	0	0	0
DUI Treatment Fines	7,856	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,899	0	0	0	0	0	0
Courtroom Security Fee	48	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,318	0	0	0	0	0	0
Drug Control Fines	1,645	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	416	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,404	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	28,962	0	0	0
DUI Treatment Fines	360	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	9,263	0	0	0
Data Entry Fee - Other Courts	533	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Other Fines, Forfeitures, and Penalties	7,240	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 187,558	\$ 0	\$ 0	\$ 38,225	\$ 0	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,712	0
Tipping Fees	0	0	100,162	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	Constitu- tional Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Patient Charges	\$ 771,947	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Work Release Charges for Board	4,920	0	0	0	0	0	0
Other General Service Charges	7,763	0	0	0	0	0	0
<u>Fees</u>							
Copy Fees	2,089	0	0	0	0	0	0
Library Fees	2,947	0	0	0	0	0	0
Telephone Commissions	17,745	0	0	0	0	0	0
Vending Machine Collections	2,550	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	20,482	0	0	0	677	0	0
Data Processing Fee - Register	20,022	0	0	0	0	0	0
Probation Fees	64,325	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,001	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,500	0	0	0	0	0	0
Total Charges for Current Services	\$ 923,291	\$ 0	\$ 100,162	\$ 0	\$ 677	\$ 36,712	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 817,455	\$ 0	\$ 95	\$ 0	\$ 0	\$ 0	814
Lease/Rentals	65,135	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	21,963
Sale of Recycled Materials	0	0	26,675	0	0	0	0
Retirees' Insurance Payments	0	0	0	0	0	0	6,741
Miscellaneous Refunds	3,340	0	0	0	0	0	7,734
Expenditure Credits	7,238	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	0
Contributions & Gifts	0	0	0	0	0	0	0
Performance Bond Forfeitures	16,255	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	27,217	0	0	0	0	0	0
Total Other Local Revenues	\$ 936,640	\$ 0	\$ 26,770	\$ 0	\$ 0	\$ 0	\$ 37,252

(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	Constitu- tional - Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Fees Received from County Officials</u>							
<u>Fees-In-Lieu of Salary</u>							
County Clerk	\$ 396,376	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	390,977	0	0	0	0	0	0
Clerk and Master	143,515	0	0	0	0	0	0
Register	294,753	0	0	0	0	0	0
Sheriff	27,772	0	0	0	0	0	0
Trustee	559,183	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,812,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,355	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	9,142	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	16,800	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	2,333	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	264,456
Litter Program	30,555	0	0	0	0	0	0
<u>Other State Revenues</u>							
Flood Control	1,529	0	0	0	0	0	0
Income Tax	78,051	0	0	0	0	0	11
Beer Tax	18,753	0	0	0	0	0	0
Alcoholic Beverage Tax	44,036	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	97,676	0	18,088	0	0	0	10,853
Prisoner Transportation	696	0	0	0	0	0	0
Contracted Prisoner Boarding	237,615	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,624,311
Petroleum Special Tax	0	0	0	0	0	0	28,889
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	9,621	0	0	0	0	0	0
Other State Revenues	6,381	0	0	0	0	0	0
Total State of Tennessee	\$ 578,923	\$ 0	\$ 18,088	\$ 0	\$ 0	\$ 0	\$ 1,928,520

(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	Constitu- tional - Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 18,359	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	7,407	0	0	0	0	0	0
Other Federal through State	358,128	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Police Service (Lake Area)	26,880	0	0	0	0	0	0
Total Federal Government	\$ 410,774	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 253,319	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	4,053	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 257,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 12,241,750	\$ 27,647	\$ 972,638	\$ 38,225	\$ 677	\$ 36,712	\$ 2,868,646

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 248,932	\$ 3,137,418	\$ 149,370	\$ 298,740	\$ 9,047,418
Trustee's Collections - Prior Year	6,801	92,536	4,148	8,294	268,916
Circuit/Clerk & Master Collections - Prior Years	3,577	35,808	0	0	102,467
Interest and Penalty	2,452	31,036	657	1,309	90,915
Payments in-Lieu-of Taxes - Local Utilities	2,516	29,130	1,510	3,019	115,179
Payments in-Lieu-of Taxes - Other	10,378	142,974	6,227	12,454	390,068
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	1,360,098	0	0	1,360,706
Hotel/Motel Tax	0	0	0	0	43,087
Wheel Tax	0	1,113,905	0	0	1,489,043
Litigation Tax - General	0	0	0	0	153,397
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	48,302
Business Tax	185,708	0	0	0	185,708
Mineral Severance Tax	0	0	0	0	778
Adequate Facilities/Development Tax	0	767,805	0	0	2,160,930
Other County Local Option Taxes	0	0	0	0	333,758
<u>Statutory Local Taxes</u>					
Bank Excise Tax	1,590	20,039	954	1,909	57,895
Wholesale Beer Tax	0	0	0	0	250,773
Beer Privilege Tax	0	0	0	0	1,700
Interstate Telecommunications Tax	0	0	0	0	3,249
Total Local Taxes	\$ 461,954	\$ 6,730,749	\$ 162,866	\$ 325,725	\$ 16,104,289
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,305
Animal Vaccination	0	0	0	0	5,755
Cable TV Franchise	0	0	0	0	173,206
<u>Permits</u>					
Beer Permits	0	0	0	0	300
Building Permits	0	0	0	0	271,544
Other Permits	0	0	0	0	13,650
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 469,760

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	10,825
Officers Costs	0	0	0	0	3,937
Data Entry Fee - Circuit Court	0	0	0	0	1,906
<u>General Sessions Court</u>					
Fines	0	0	0	0	39,572
Officers Costs	0	0	0	0	77,330
Game and Fish Fines	0	0	0	0	447
Jail Fees	0	0	0	0	19,675
Judicial Commissioner Fees	0	0	0	0	2,147
DUI Treatment Fines	0	0	0	0	7,856
Data Entry Fee - General Sessions Court	0	0	0	0	9,899
Courtroom Security Fee	0	0	0	0	48
<u>Juvenile Court</u>					
Fines	0	0	0	0	2,318
Drug Control Fines	0	0	0	0	1,645
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	416
Data Entry Fee - Chancery Court	0	0	0	0	1,404
<u>Other Courts - In-county</u>					
Drug Control Fines	0	0	0	0	28,962
DUI Treatment Fines	0	0	0	0	360
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	9,263
Data Entry Fee - Other Courts	0	0	0	0	533
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	0	0	0	0	7,240
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	225,783
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	36,712
Tipping Fees	0	0	0	0	100,162

(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>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 771,947
Work Release Charges for Board	0	0	0	0	4,920
Other General Service Charges	0	0	0	0	7,763
<u>Fees</u>					
Copy Fees	0	0	0	0	2,089
Library Fees	0	0	0	0	2,947
Telephone Commissions	0	0	0	0	17,745
Vending Machine Collections	0	0	0	0	2,550
Constitutional Officers' Fees and Commissions	0	0	0	0	21,159
Data Processing Fee - Register	0	0	0	0	20,022
Probation Fees	0	0	0	0	64,325
Data Processing Fee - Sheriff	0	0	0	0	5,001
Sexual Offender Registration Fees - Sheriff	0	0	0	0	3,500
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,060,842
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 43	\$ 0	\$ 0	\$ 0	\$ 818,407
Lease/Rentals	0	0	0	0	65,135
Sale of Materials and Supplies	0	0	0	0	21,963
Sale of Recycled Materials	0	0	0	0	26,675
Retirees' Insurance Payments	0	0	0	0	6,741
Miscellaneous Refunds	0	0	0	0	11,074
Expenditure Credits	0	0	0	0	7,238
<u>Nonrecurring Items</u>					
Sale of Equipment	0	17,666	0	0	17,666
Contributions & Gifts	0	0	0	1,375	1,375
Performance Bond Forfeitures	0	0	0	0	16,255
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	27,217
Total Other Local Revenues	\$ 43	\$ 17,666	\$ 0	\$ 1,375	\$ 1,019,746

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Fees Received from County Officials</u>					
<u>Fees-In-Lieu of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 396,376
Circuit Court Clerk	0	0	0	0	390,977
Clerk and Master	0	0	0	0	143,515
Register	0	0	0	0	294,753
Sheriff	0	0	0	0	27,772
Trustee	0	0	0	0	559,183
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,812,576
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,355
State Reappraisal Grant	0	0	0	0	9,142
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	16,800
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	2,333
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	264,456
Litter Program	0	0	0	0	30,555
<u>Other State Revenues</u>					
Flood Control	0	0	0	0	1,529
Income Tax	0	0	0	0	78,062
Beer Tax	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	44,036
State Revenue Sharing - T.V.A.	6,029	75,970	3,618	7,235	219,469
Prisoner Transportation	0	0	0	0	696
Contracted Prisoner Boarding	0	0	0	0	237,615
Gasoline and Motor Fuel Tax	0	0	0	0	1,624,311
Petroleum Special Tax	0	0	0	0	28,889
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Grants	0	0	0	0	9,621
Other State Revenues	0	0	0	0	6,381
Total State of Tennessee	\$ 6,029	\$ 75,970	\$ 3,618	\$ 7,235	\$ 2,618,383

(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>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	18,359
Disaster Relief	0	0	0	0	7,407
Other Federal through State	0	0	0	0	358,128
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	26,880
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	410,774
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 590,900	\$ 17,066	\$ 0	\$ 0	861,285
Contracted Services	0	0	0	0	4,053
Total Other Governments and Citizens Groups	\$ 590,900	\$ 17,066	\$ 0	\$ 0	865,338
Total	\$ 1,058,926	\$ 6,841,451	\$ 166,484	\$ 334,335	\$ 24,587,491

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, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,790,745	\$ 0	\$ 0	\$ 0	\$ 6,790,745
Trustee's Collections - Prior Year	165,456	0	0	0	165,456
Circuit/Clerk & Master Collections - Prior Years	67,976	0	0	0	67,976
Interest and Penalty	68,532	0	0	0	68,532
Payments in-Lieu-of Taxes - Local Utilities	60,298	0	0	0	60,298
Payments in-Lieu-of Taxes - Other	2,723	0	0	0	2,723
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,700,124	0	0	0	1,700,124
Wheel Tax	372,418	0	0	0	372,418
<u>Statutory Local Taxes</u>					
Bank Excise Tax	41,668	0	0	0	41,668
Interstate Telecommunications Tax	5,945	0	0	0	5,945
Total Local Taxes	\$ 9,275,885	\$ 0	\$ 0	\$ 0	\$ 9,275,885
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,983	\$ 0	\$ 0	\$ 0	\$ 2,983
Total Licenses and Permits	\$ 2,983	\$ 0	\$ 0	\$ 0	\$ 2,983
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 1,915	\$ 0	\$ 0	\$ 0	\$ 1,915
Tuition - Summer School	3,150	0	0	0	3,150
Lunch Payments - Children	0	0	927,733	0	927,733
Lunch Payments - Adults	0	0	54,674	0	54,674
Income from Breakfast	0	0	118,307	0	118,307
A la carte Sales	0	0	441,900	0	441,900
Receipts from Individual Schools	186,079	0	0	0	186,079
Community Service Fees - Children	854,513	0	0	0	854,513
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	44,560	0	44,560
Total Charges for Current Services	\$ 1,045,657	\$ 0	\$ 1,587,174	\$ 0	\$ 2,632,831
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 7,454	\$ 0	\$ 21,456	\$ 0	\$ 28,910
Refund of Telecommunication & Internet Fees (E-Rate)	39,806	0	0	0	39,806
Miscellaneous Refunds	242	0	0	0	242
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	2,718	0	25	0	2,743
Contributions & Gifts	24,424	0	0	0	24,424
<u>Other Local Revenues</u>					
Other Local Revenues	27,617	0	200	0	27,817
Total Other Local Revenues	\$ 102,261	\$ 0	\$ 21,681	\$ 0	\$ 123,942
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 26,801,948	\$ 0	\$ 0	\$ 0	\$ 26,801,948

(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	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Early Childhood Education	\$ 268,397	\$ 0	\$ 0	\$ 0	\$ 268,397
School Food Service	0	0	33,016	0	33,016
Other State Education Funds	286,972	0	0	0	286,972
Career Ladder Program	308,714	0	0	0	308,714
Career Ladder - Extended Contract	95,206	0	0	0	95,206
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	157,969	0	0	0	157,969
Other State Revenues	113,567	0	0	0	113,567
Total State of Tennessee	<u>\$ 28,032,773</u>	<u>\$ 0</u>	<u>\$ 33,016</u>	<u>\$ 0</u>	<u>\$ 28,065,789</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 810,284	\$ 0	\$ 810,284
Breakfast	0	0	249,512	0	249,512
Adult Education State Grant Program	75,435	0	0	0	75,435
Vocational Education - Basic Grants to States	0	93,379	0	0	93,379
Title I Grants to Local Education Agencies	0	669,322	0	0	669,322
Innovative Education Program Strategies	0	8,802	0	0	8,802
Special Education - Grants to States	75,473	1,091,667	0	0	1,167,140
Special Education Preschool Grants	8,386	25,755	0	0	34,141
Eisenhower Professional Development State Grants	0	208,908	0	0	208,908
Other Federal through State	157,253	31,869	0	0	189,122
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	166,276	0	0	0	166,276
Total Federal Government	<u>\$ 482,823</u>	<u>\$ 2,129,702</u>	<u>\$ 1,059,796</u>	<u>\$ 0</u>	<u>\$ 3,672,321</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,290,620	\$ 0	\$ 0	\$ 2,949,523	\$ 4,240,143
Total Other Governments and Citizens Groups	<u>\$ 1,290,620</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,949,523</u>	<u>\$ 4,240,143</u>
Total	<u>\$ 40,233,002</u>	<u>\$ 2,129,702</u>	<u>\$ 2,701,667</u>	<u>\$ 2,949,523</u>	<u>\$ 48,013,894</u>

Exhibit J-8

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Other Salaries & Wages	\$	6,699	
Board and Committee Members Fees		54,027	
Social Security		4,609	
Audit Services		8,152	
Dues and Memberships		1,550	
Legal Services		38,430	
Other Supplies and Materials		1,438	
Total County Commission			\$ 114,905

Other Boards and Committees

Board and Committee Members Fees	\$	296	
Total Other Boards and Committees			296

County Mayor/Executive

County Official/Administrative Officer	\$	67,006	
Secretary(ies)		30,859	
Social Security		7,411	
State Retirement		5,045	
Communication		10,972	
Consultants		6,324	
Dues and Memberships		10,484	
Operating Lease Payments		5,135	
Maintenance & Repair Services - Vehicles		642	
Travel		471	
Gasoline		1,141	
Office Supplies		3,385	
Office Equipment		2,254	
Total County Mayor/Executive			151,129

Personnel Office

Supervisor/Director	\$	48,082	
Social Security		3,621	
State Retirement		2,479	
Contracts with Private Agencies		3,500	
Printing, Stationery, and Forms		150	
Instructional Supplies and Materials		844	
Office Supplies		307	
Office Equipment		1,167	
Total Personnel Office			60,150

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	52,138	
Attendants		21,147	
Board and Committee Members Fees		3,300	
Election Workers		25,675	
In-Service Training		225	
Other Per Diem & Fees		520	
Social Security		5,742	
State Retirement		2,109	
Advertising		6,147	
Communication		1,280	
Dues and Memberships		195	
Maintenance & Repair Services - Equipment		7,619	
Printing, Stationery, and Forms		2,077	
Travel		512	
Office Supplies		2,062	
Office Equipment		1,338	
Total Election Commission			\$ 132,086

Register of Deeds

County Official/Administrative Officer	\$	58,015	
Deputy(ies)		49,413	
Part-time Personnel		7,303	
In-Service Training		600	
Social Security		8,736	
State Retirement		5,014	
Communication		1,924	
Data Processing Services		11,737	
Dues and Memberships		865	
Maintenance & Repair Services - Office Equipment		750	
Travel		944	
Office Supplies		12,140	
Office Equipment		2,583	
Total Register of Deeds			160,024

Planning

Assistant(s)	\$	13,254	
Supervisor/Director		26,792	
Part-time Personnel		1,499	
In-Service Training		300	
Social Security		3,277	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

State Retirement	\$	1,005	
Communication		3,586	
Consultants		1,750	
Contracts with Government Agencies		10,500	
Dues and Memberships		530	
Maintenance Agreements		19,000	
Maintenance & Repair Services - Office Equipment		68	
Travel		2,420	
Other Contracted Services		354	
Office Supplies		2,579	
Office Equipment		13,878	
Total Planning			\$ 100,792

Building

Assistant(s)	\$	38,011	
Supervisor/Director		43,762	
Investigator(s)		27,800	
Secretary(ies)		20,407	
Part-time Personnel		2,147	
Board and Committee Members Fees		3,175	
In-Service Training		525	
Social Security		10,056	
State Retirement		6,284	
Communication		3,507	
Data Processing Services		4,283	
Dues and Memberships		310	
Engineering Services		11,840	
Maintenance & Repair Services - Equipment		999	
Maintenance & Repair Services - Vehicles		787	
Printing, Stationery, and Forms		986	
Travel		50	
Other Contracted Services		9,244	
Gasoline		3,622	
Office Supplies		1,787	
Communication Equipment		517	
Office Equipment		848	
Total Building			190,947

County Buildings

Assistant(s)	\$	15,770	
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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.)

County Buildings (Cont.)

Supervisor/Director	\$	37,390	
Custodial Personnel		38,830	
Social Security		6,482	
State Retirement		4,185	
Maintenance & Repair Services - Buildings		88,227	
Maintenance & Repair Services - Vehicles		1,052	
Pest Control		5,250	
Custodial Supplies		7,602	
Electricity		139,000	
Fertilizer, Lime, and Seed		1,007	
Gasoline		4,581	
Natural Gas		40,217	
Propane Gas		9,884	
Small Tools		7	
Tires and Tubes		1,412	
Water and Sewer		44,388	
Other Supplies and Materials		899	
Total County Buildings			\$ 446,183

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	58,015	
Assistant(s)		19,046	
Data Processing Personnel		26,820	
Clerical Personnel		30,384	
In-Service Training		1,741	
Social Security		10,086	
State Retirement		5,939	
Advertising		12,484	
Data Processing Services		6,319	
Postal Charges		47,735	
Printing, Stationery, and Forms		4,132	
Travel		2,101	
Office Supplies		2,710	
Office Equipment		12,542	
Total Accounting and Budgeting			240,054

Property Assessor's Office

County Official/Administrative Officer	\$	58,015
Deputy(ies)		36,616

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Assessment Personnel	\$	57,233	
Part-time Personnel		4,455	
Board and Committee Members Fees		6,900	
In-Service Training		15	
Social Security		11,581	
State Retirement		7,190	
Communication		1,158	
Contracts with Private Agencies		3,925	
Data Processing Services		14,527	
Dues and Memberships		1,043	
Maintenance & Repair Services - Office Equipment		90	
Maintenance & Repair Services - Vehicles		501	
Printing, Stationery, and Forms		159	
Travel		375	
Gasoline		1,150	
Office Supplies		515	
Office Equipment		2,179	
Total Property Assessor's Office			\$ 207,627

Reappraisal Program

Other Salaries & Wages	\$	34,447	
Social Security		2,381	
State Retirement		1,776	
Total Reappraisal Program			38,604

County Trustee's Office

County Official/Administrative Officer	\$	58,015	
Deputy(ies)		72,545	
Part-time Personnel		7,161	
In-Service Training		1,450	
Social Security		9,913	
State Retirement		6,194	
Communication		2,125	
Contracts with Other Public Agencies		928	
Data Processing Services		11,157	
Dues and Memberships		550	
Maintenance & Repair Services - Office Equipment		387	
Travel		604	
Office Supplies		3,075	
Data Processing Equipment		3,139	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Equipment	\$ 600	
Total County Trustee's Office		\$ 177,843

County Clerk's Office

County Official/Administrative Officer	\$ 58,015	
Deputy(ies)	119,115	
Part-time Personnel	34,915	
Other Salaries & Wages	9,175	
In-Service Training	1,185	
Social Security	15,692	
State Retirement	9,110	
Communication	2,454	
Data Processing Services	15,876	
Dues and Memberships	1,068	
Maintenance & Repair Services - Office Equipment	533	
Printing, Stationery, and Forms	3,938	
Travel	1,551	
Office Supplies	2,800	
Office Equipment	1,940	
Total County Clerk's Office		277,367

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 58,015	
Deputy(ies)	207,276	
Part-time Personnel	620	
Jury and Witness Fees	6,970	
Social Security	19,695	
State Retirement	13,143	
Communication	2,055	
Contracts with Government Agencies	2,750	
Data Processing Services	9,693	
Dues and Memberships	425	
Maintenance & Repair Services - Office Equipment	1,602	
Matching Share	18,000	
Remittance of Revenue Collected	7,885	
Office Supplies	8,525	
Office Equipment	18,744	
Total Circuit Court		375,398

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	69,142	
Deputy(ies)		29,932	
Social Security		6,978	
State Retirement		5,107	
Communication		643	
Dues and Memberships		135	
Travel		268	
Remittance of Revenue Collected		2,080	
Total General Sessions Court			\$ 114,285

Chancery Court

County Official/Administrative Officer	\$	58,015	
Deputy(ies)		82,144	
Part-time Personnel		2,358	
Social Security		10,283	
State Retirement		6,709	
Communication		1,717	
Data Processing Services		7,687	
Dues and Memberships		485	
Maintenance & Repair Services - Office Equipment		391	
Office Supplies		4,650	
Furniture and Fixtures		490	
Office Equipment		855	
Total Chancery Court			175,784

Juvenile Court

Judge(s)	\$	40,598	
Probation Officer(s)		73,463	
Social Workers		43,433	
Salary Supplements		17,356	
Secretary(ies)		29,422	
Other Salaries & Wages		12,017	
Social Security		15,772	
State Retirement		9,228	
Communication		3,594	
Contracts with Government Agencies		1,835	
Data Processing Services		1,200	
Dues and Memberships		1,868	
Maintenance & Repair Services - Office Equipment		595	
Travel		3,915	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Drugs and Medical Supplies	\$	825	
Gasoline		1,875	
Library Books/Media		200	
Office Supplies		3,163	
Office Equipment		6,504	
Total Juvenile Court			\$ 266,863

Other Administration of Justice

Office Equipment	\$	3,694	
Total Other Administration of Justice			3,694

Probation Services

Probation Officer(s)	\$	74,658	
Attendants		21,238	
Social Security		7,082	
State Retirement		4,317	
Communication		1,772	
Printing, Stationery, and Forms		927	
Remittance of Revenue Collected		9,537	
Drugs and Medical Supplies		5,164	
Office Supplies		1,562	
Total Probation Services			126,257

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,816	
Assistant(s)		30,859	
Supervisor/Director		51,005	
Deputy(ies)		685,980	
Detective(s)		43,767	
Investigator(s)		117,224	
Sergeant(s)		147,039	
Guards		50,626	
Clerical Personnel		72,927	
Overtime Pay		5,678	
Other Salaries & Wages		35,232	
In-Service Training		1,230	
Social Security		94,410	
State Retirement		61,085	
Communication		24,717	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Contracts with Government Agencies	\$	750	
Data Processing Services		641	
Dues and Memberships		1,700	
Maintenance & Repair Services - Equipment		6,889	
Maintenance & Repair Services - Office Equipment		6,195	
Maintenance & Repair Services - Vehicles		35,204	
Travel		3,119	
Gasoline		108,379	
Instructional Supplies and Materials		2,081	
Law Enforcement Supplies		9,386	
Office Supplies		6,487	
Tires and Tubes		10,227	
Uniforms		8,870	
Other Supplies and Materials		1,963	
Liability Insurance		28,021	
Vehicle and Equipment Insurance		13,808	
Workers' Compensation Insurance		25,445	
Data Processing Equipment		4,848	
Office Equipment		5,436	
Total Sheriff's Department			\$ 1,765,044

Jail

Supervisor/Director	\$	43,810	
Sergeant(s)		136,413	
Foremen		58,844	
Guards		539,166	
Clerical Personnel		30,323	
Board and Committee Members Fees		450	
Social Security		61,487	
State Retirement		37,675	
Maintenance & Repair Services - Equipment		6,225	
Medical and Dental Services		232,000	
Custodial Supplies		15,193	
Food Supplies		82,376	
Law Enforcement Supplies		1,440	
Prisoners Clothing		9,855	
Other Supplies and Materials		951	
Other Equipment		323	
Total Jail			1,256,531

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

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	\$ 224,851	
Total Rural Fire Protection		224,851

Other Emergency Management

Assistant(s)	\$ 31,239	
Supervisor/Director	40,931	
In-Service Training	90	
Social Security	5,442	
State Retirement	3,720	
Communication	2,629	
Maintenance & Repair Services - Equipment	19	
Maintenance & Repair Services - Vehicles	1,060	
Travel	42	
Gasoline	3,000	
Instructional Supplies and Materials	200	
Office Supplies	588	
Other Supplies and Materials	1,946	
Refunds	1,496	
Other Charges	2,592	
Communication Equipment	1,736	
Office Equipment	3,694	
Other Equipment	1,424	
Total Other Emergency Management		101,848

County Coroner/Medical Examiner

County Official/Administrative Officer	\$ 41,595	
Social Security	52	
State Retirement	29	
Total County Coroner/Medical Examiner		41,676

Other Public Safety

Supervisor/Director	\$ 42,562	
Assessment Personnel	31,626	
Dispatchers/Radio Operators	344,340	
Part-time Personnel	3,948	
Social Security	32,192	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

State Retirement	\$ 17,424	
Total Other Public Safety		\$ 472,092

Public Health and Welfare

Local Health Center

Clerical Personnel	\$ 8,253	
Social Security	631	
Communication	1,618	
Janitorial Services	9,000	
Postal Charges	721	
Custodial Supplies	558	
Drugs and Medical Supplies	1,366	
Office Supplies	644	
Other Supplies and Materials	751	
Other Charges	3,154	
Total Local Health Center		26,696

Rabies and Animal Control

Supervisor/Director	\$ 36,372	
Deputy(ies)	45,064	
Attendants	12,619	
In-Service Training	266	
Social Security	7,000	
State Retirement	3,135	
Communication	1,908	
Maintenance & Repair Services - Equipment	1,305	
Maintenance & Repair Services - Vehicles	9,042	
Printing, Stationery, and Forms	596	
Veterinary Services	8,897	
Other Contracted Services	626	
Animal Food and Supplies	3,682	
Custodial Supplies	3,193	
Drugs and Medical Supplies	17,940	
Gasoline	5,283	
Office Supplies	1,017	
Uniforms	727	
Other Equipment	3,297	
Total Rabies and Animal Control		161,969

(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

Supervisor/Director	\$	52,443	
Clerical Personnel		13,982	
Attendants		853,941	
Part-time Personnel		110,173	
In-Service Training		2,403	
Social Security		77,470	
State Retirement		42,263	
Communication		10,000	
Consultants		2,400	
Contracts with Private Agencies		4,407	
Dues and Memberships		160	
Licenses		900	
Maintenance & Repair Services - Equipment		433	
Maintenance & Repair Services - Office Equipment		398	
Maintenance & Repair Services - Vehicles		46,587	
Rentals		10,710	
Remittance of Revenue Collected		40,575	
Disposal Fees		4,977	
Custodial Supplies		3,228	
Drugs and Medical Supplies		53,948	
Gasoline		35,113	
Office Supplies		1,946	
Tires and Tubes		3,280	
Uniforms		3,979	
Other Supplies and Materials		795	
Vehicle and Equipment Insurance		5,937	
Workers' Compensation Insurance		22,445	
Communication Equipment		285	
Total Ambulance/Emergency Medical Services			\$ 1,405,178

Nursing Home

Other Charges	\$	22,375	
Total Nursing Home			22,375

Other Local Health Services

Secretary(ies)	\$	29,586	
Social Security		2,166	
State Retirement		1,525	
Communication		1,193	
Office Supplies		90	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Communication Equipment	\$ 113	
Total Other Local Health Services		\$ 34,673

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	\$ 33,198	
Total General Welfare Assistance		33,198

Sanitation Education/Information

Foremen	\$ 23,667	
Social Security	1,810	
State Retirement	1,220	
Maintenance & Repair Services - Vehicles	1,018	
Gasoline	3,851	
Instructional Supplies and Materials	6,425	
Other Supplies and Materials	1,560	
Total Sanitation Education/Information		39,551

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Matching Share	\$ 27,645	
Total Senior Citizens Assistance		27,645

Libraries

Supervisor/Director	\$ 57,993	
Part-time Personnel	63,075	
In-Service Training	181	
Social Security	9,085	
State Retirement	2,990	
Communication	3,165	
Dues and Memberships	813	
Travel	632	
Library Books/Media	25,292	
Office Supplies	8,765	
Office Equipment	25,899	
Total Libraries		197,890

(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.)

Parks and Fair Boards

Contributions	\$ 67,038	
Total Parks and Fair Boards		\$ 67,038

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 37,844	
Educational Assistants	22,480	
Board and Committee Members Fees	425	
In-Service Training	688	
Social Security	4,647	
State Retirement	6,668	
Communication	2,855	
Travel	1,121	
Office Equipment	1,391	
Total Agriculture Extension Service		78,119

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 23,058	
Social Security	1,475	
State Retirement	1,189	
Contracts with Other Public Agencies	3,300	
Other Contracted Services	1,000	
Total Soil Conservation		30,022

Other Operations

Other Economic and Community Development

Supervisor/Director	\$ 39,719	
Social Security	2,960	
State Retirement	1,067	
Advertising	6,624	
Communication	1,197	
Dues and Memberships	1,045	
Travel	4,610	
Other Contracted Services	3,615	
Office Supplies	1,271	
Office Equipment	619	
Total Other Economic and Community Development		62,727

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Trustee's Commission	\$ 137,617	
Total Other Charges		\$ 137,617

Contributions to Other Agencies

Contributions	\$ 24,362	
Total Contributions to Other Agencies		24,362

Employee Benefits

Life Insurance	\$ 11,051	
Medical Insurance	618,437	
Total Employee Benefits		629,488

Miscellaneous

Longevity Pay	\$ 94,755	
Disability Insurance	20,810	
Unemployment Compensation	5,000	
Boiler Insurance	1,368	
Building and Contents Insurance	30,018	
Liability Insurance	65,812	
Premiums on Corporate Surety Bonds	7,305	
Vehicle and Equipment Insurance	5,548	
Workers' Compensation Insurance	23,850	
Total Miscellaneous		254,466

Capital Projects

Public Health and Welfare Projects

Other Construction	\$ 524,194	
Total Public Health and Welfare Projects		524,194

Other General Government Projects

Contracts with Government Agencies	\$ 315,000	
Total Other General Government Projects		315,000

Total General Fund		\$ 11,503,038
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Courthouse & Jail Maintenance Fund

General Government

County Buildings

Building Improvements	\$ 24,738	
Total County Buildings		\$ 24,738

(Continued)

Exhibit J-8

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

Courthouse & Jail Maintenance Fund (Cont.)

General Government (Cont.)

Other General Administration

Trustee's Commission	\$ 242	
Total Other General Administration		\$ 242

Total Courthouse & Jail Maintenance Fund \$ 24,980

Solid Waste/Sanitation Fund

General Government

Other General Administration

Trustee's Commission	\$ 17,738	
Total Other General Administration		\$ 17,738

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 46,693	
Equipment Operators	24,597	
Truck Drivers	11,597	
Clerical Personnel	20,677	
Other Salaries & Wages	1,548	
Social Security	7,944	
State Retirement	4,169	
Communication	1,187	
Electricity	2,630	
Office Supplies	540	
Water and Sewer	459	
Premiums on Corporate Surety Bonds	100	
Vehicle and Equipment Insurance	2,500	
Workers' Compensation Insurance	5,000	
Total Sanitation Management		129,641

Convenience Centers

Laborers	\$ 51,570
Social Security	3,945
Communication	3,785
Contracts with Government Agencies	543,387
Contracts with Private Agencies	44,300
Maintenance & Repair Services - Equipment	5,649
Rentals	3,128
Diesel Fuel	28,574
Electricity	3,518
Equipment and Machinery Parts	9,042

(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.)

Lubricants	\$	867	
Tires and Tubes		7,374	
Other Equipment		16,719	
Total Convenience Centers			\$ 721,858

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	7,655	
Evaluation and Testing		13,000	
Maintenance & Repair Services - Equipment		47,855	
Crushed Stone		4,411	
Equipment and Machinery Parts		2,459	
Fertilizer, Lime, and Seed		329	
Small Tools		1,002	
Other Equipment		6,630	
Total Landfill Operation and Maintenance			83,341

Other Operations

Employee Benefits

Medical Insurance	\$	2,265	
Total Employee Benefits			2,265

Miscellaneous

Longevity Pay	\$	1,467	
Unemployment Compensation		3,500	
Total Miscellaneous			4,967

Total Solid Waste/Sanitation Fund \$ 959,810

Drug Control Fund

General Government

Other General Administration

Trustee's Commission	\$	374	
Total Other General Administration			\$ 374

Public Safety

Drug Enforcement

Maintenance & Repair Services - Equipment	\$	2,093	
Law Enforcement Supplies		386	
Other Supplies and Materials		2,922	
Refunds		2,240	

(Continued)

Exhibit J-8

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

<u>Drug Control Fund (Cont.)</u>			
<u>Public Safety (Cont.)</u>			
<u>Drug Enforcement (Cont.)</u>			
Law Enforcement Equipment	\$	11,900	
Total Drug Enforcement			\$ 19,541
Total Drug Control Fund			\$ 19,915
 <u>Constitutional Officers - Fees Fund</u>			
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Constitutional Officers' Operating Expenses	\$	677	
Total Sheriff's Department			\$ 677
Total Constitutional Officers - Fees Fund			677
 <u>Unemployment Compensation Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Unemployment Compensation	\$	32,461	
Total Other General Administration			\$ 32,461
Total Unemployment Compensation Fund			32,461
 <u>Highway/Public Works Fund</u>			
<u>Highways</u>			
<u>Administration</u>			
County Official/Administrative Officer	\$	63,876	
Secretary(ies)		36,253	
Clerical Personnel		42,511	
Advertising		1,013	
Contracts with Private Agencies		6,699	
Data Processing Services		108	
Dues and Memberships		3,840	
Legal Services		256	
Licenses		517	
Printing, Stationery, and Forms		814	
Rentals		733	
Travel		904	
Custodial Supplies		239	
Data Processing Supplies		66	
Drugs and Medical Supplies		13	
Office Supplies		531	

(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.)

Other Supplies and Materials	\$	1,337	
Furniture and Fixtures		28	
Total Administration			\$ 159,738

Highway and Bridge Maintenance

Foremen	\$	134,709	
Equipment Operators - Heavy		417,354	
Truck Drivers		265,524	
Laborers		27,976	
Overtime Pay		6,532	
Other Contracted Services		363,909	
Asphalt - Cold Mix		2,200	
Asphalt - Hot Mix		668,573	
Asphalt - Liquid		101,036	
Crushed Stone		53,576	
Other Road Supplies		1,533	
Pipe - Metal		5,871	
Road Signs		3,965	
Salt		3,877	
Wood Products		252	
Fencing		50,312	
Other Supplies and Materials		3,415	
Bridge Construction		139,041	
Total Highway and Bridge Maintenance			2,249,655

Operation and Maintenance of Equipment

Foremen	\$	45,698	
Mechanic(s)		69,195	
Overtime Pay		1,041	
Maintenance & Repair Services - Equipment		26	
Rentals		1,352	
Diesel Fuel		76,244	
Equipment Parts - Light		30,736	
Equipment and Machinery Parts		28,237	
Garage Supplies		8,152	
Gasoline		34,632	
Lubricants		5,961	
Propane Gas		2,347	
Small Tools		10,788	
Tires and Tubes		11,438	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Uniforms	\$ 2,357	
Total Operation and Maintenance of Equipment		\$ 328,204

Other Charges

Communication	\$ 4,893	
Maintenance & Repair Services - Buildings	1,203	
Maintenance & Repair Services - Equipment	1,345	
Electricity	11,480	
Natural Gas	2,467	
Water and Sewer	312	
Premiums on Corporate Surety Bonds	350	
Trustee's Commission	30,158	
Vehicle and Equipment Insurance	30,027	
Workers' Compensation Insurance	31,000	
Total Other Charges		113,235

Employee Benefits

Longevity Pay	\$ 21,456	
Social Security	97,202	
State Retirement	56,418	
Life Insurance	1,907	
Medical Insurance	212,793	
Unemployment Compensation	2,000	
Total Employee Benefits		391,776

Capital Outlay

Communication Equipment	\$ 100	
Highway Equipment	8,900	
Other Equipment	8,450	
Total Capital Outlay		17,450

Principal on DebtHighways and Streets

Principal on Capital Leases	\$ 53,192	
Total Highways and Streets		53,192

Interest on DebtHighways and Streets

Interest on Capital Leases	\$ 5,771	
Total Highways and Streets		5,771

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Other Debt Service

Highways and Streets

Other Debt Service	\$ 126	
Total Highways and Streets	<u>126</u>	\$ 126

Total Highway/Public Works Fund \$ 3,319,147

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 7,220	
Total Other General Administration	<u>7,220</u>	\$ 7,220

Principal on Debt

General Government

Principal on Bonds	\$ 55,000	
Principal on Notes	94,000	
Principal on Other Loans	<u>19,105</u>	
Total General Government		168,105

Interest on Debt

General Government

Interest on Bonds	\$ 12,895	
Interest on Notes	63,772	
Interest on Other Loans	<u>11,369</u>	
Total General Government		88,036

Other Debt Service

General Government

Bank Charges	\$ 2,982	
Total General Government	<u>2,982</u>	<u>2,982</u>

Total General Debt Service Fund 266,343

Education Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 102,231	
Total Other General Administration	<u>102,231</u>	\$ 102,231

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)

Principal on Debt

Education

Principal on Bonds	\$ 935,000	
Principal on Notes	4,065,445	
Principal on Other Loans	404,645	
Total Education		\$ 5,405,090

Interest on Debt

Education

Interest on Bonds	\$ 787,316	
Interest on Notes	28,871	
Interest on Other Loans	262,917	
Total Education		1,079,104

Other Debt Service

Education

Bank Charges	\$ 23,472	
Fiscal Agent Charges	250	
Legal Services	1,588	
Total Education		25,310

Total Education Debt Service Fund \$ 6,611,735

General Capital Projects Fund

General Government

Other General Administration

Trustee's Commission	\$ 3,289	
Total Other General Administration		\$ 3,289

Total General Capital Projects Fund 3,289

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 4,240,143	
Other Debt Issuance Charges	68,739	
Total Education Capital Projects		\$ 4,308,882

Total Education Capital Projects Fund 4,308,882

(Continued)

Exhibit J-8

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

<u>Other Capital Projects Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Trustee's Commission	\$ 6,582		
Total Other General Administration		\$ 6,582	
 <u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Motor Vehicles	\$ 266,108		
Total Other General Government Projects			<u>266,108</u>
Total Other Capital Projects Fund			<u>\$ 272,690</u>
Total Governmental Funds - Primary Government			<u>\$ 27,322,967</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, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,877,711	
Career Ladder Program	166,838	
Career Ladder Extended Contracts	56,500	
Homebound Teachers	36,143	
Educational Assistants	845,014	
Certified Substitute Teachers	20,760	
Non-certified Substitute Teachers	200,345	
Social Security	902,740	
State Retirement	889,160	
Life Insurance	22,777	
Medical Insurance	2,469,569	
Dental Insurance	18,380	
Disability Insurance	58,917	
Employer Medicare	211,146	
Maintenance & Repair Services - Equipment	95,762	
Tuition	5,186	
Other Contracted Services	56,396	
Instructional Supplies and Materials	97,274	
Textbooks	480,593	
Other Supplies and Materials	145,701	
Fee Waivers	86,113	
Other Charges	2,029	
Regular Instruction Equipment	317,303	
Total Regular Instruction Program		\$ 21,062,357

Alternative Instruction Program

Teachers	\$ 70,143	
Career Ladder Program	1,000	
Social Security	4,390	
State Retirement	4,361	
Medical Insurance	8,971	
Employer Medicare	1,027	
Instructional Supplies and Materials	473	
Total Alternative Instruction Program		90,365

Special Education Program

Teachers	\$ 1,483,029
Career Ladder Program	17,980
Homebound Teachers	11,414

(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	\$	58,853	
Speech Pathologist		265,938	
Certified Substitute Teachers		312	
Non-certified Substitute Teachers		6,264	
Social Security		108,792	
State Retirement		110,517	
Medical Insurance		340,993	
Dental Insurance		1,311	
Employer Medicare		25,444	
Contracts with Private Agencies		156,527	
Maintenance & Repair Services - Equipment		4,286	
Other Contracted Services		18,135	
Other Supplies and Materials		5,078	
Special Education Equipment		<u>35,392</u>	
Total Special Education Program	\$		2,650,265

Vocational Education Program

Teachers	\$	863,830	
Career Ladder Program		10,500	
Non-certified Substitute Teachers		1,128	
Social Security		52,442	
State Retirement		51,947	
Medical Insurance		126,184	
Dental Insurance		3,175	
Employer Medicare		12,265	
Maintenance & Repair Services - Equipment		7,859	
Instructional Supplies and Materials		10,984	
Other Supplies and Materials		1,051	
Vocational Instruction Equipment		<u>4,367</u>	
Total Vocational Education Program			1,145,732

Adult Education Program

Teachers	\$	72,234
Social Security		4,425
State Retirement		3,917
Dental Insurance		817
Employer Medicare		1,035
Other Contracted Services		4,422
Instructional Supplies and Materials		9,046

(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.)

Adult Education Program (Cont.)

Other Supplies and Materials	\$	636	
Other Equipment		16,532	
Total Adult Education Program			\$ 113,064

Support Services

Attendance

Supervisor/Director	\$	72,408	
Career Ladder Program		1,000	
Social Security		4,530	
State Retirement		4,500	
Medical Insurance		5,091	
Employer Medicare		1,059	
Dues and Memberships		100	
Travel		532	
Other Supplies and Materials		1,586	
In Service/Staff Development		1,069	
Total Attendance			91,875

Health Services

Supervisor/Director	\$	26,526	
Medical Personnel		106,279	
Secretary(ies)		14,182	
Other Salaries & Wages		525	
Social Security		8,385	
State Retirement		6,659	
Medical Insurance		33,413	
Employer Medicare		1,961	
Maintenance & Repair Services - Equipment		165	
Travel		8,266	
Drugs and Medical Supplies		4,116	
Other Supplies and Materials		10,410	
In Service/Staff Development		1,422	
Other Equipment		2,099	
Total Health Services			224,408

Other Student Support

Career Ladder Program	\$	13,000	
Guidance Personnel		837,171	
Other Salaries & Wages		257	

(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.)

Social Security	\$	50,730	
State Retirement		52,107	
Medical Insurance		121,096	
Dental Insurance		2,326	
Employer Medicare		11,864	
Other Contracted Services		26,923	
Other Supplies and Materials		33,202	
Total Other Student Support			\$ 1,148,676

Regular Instruction Program

Supervisor/Director	\$	266,624	
Career Ladder Program		22,000	
Career Ladder Extended Contracts		9,000	
Librarians		517,481	
Materials Supervisor		13,312	
Secretary(ies)		64,617	
Other Salaries & Wages		106,405	
Social Security		59,812	
State Retirement		59,598	
Medical Insurance		109,560	
Dental Insurance		1,163	
Employer Medicare		13,988	
Dues and Memberships		1,007	
Travel		18,351	
Other Contracted Services		104,329	
Library Books/Media		76,788	
Other Supplies and Materials		13,743	
In Service/Staff Development		71,639	
Total Regular Instruction Program			1,529,417

Alternative Instruction Program

Supervisor/Director	\$	12,671	
Career Ladder Program		200	
Social Security		792	
State Retirement		788	
Employer Medicare		185	
Maintenance & Repair Services - Equipment		733	
Library Books/Media		497	
Total Alternative Instruction Program			15,866

(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.)

Special Education Program

Supervisor/Director	\$	61,516	
Career Ladder Program		2,000	
Psychological Personnel		41,919	
Secretary(ies)		57,870	
Other Salaries & Wages		104,657	
Social Security		16,225	
State Retirement		12,171	
Medical Insurance		20,332	
Employer Medicare		3,795	
Travel		13,019	
Other Contracted Services		5,694	
Other Supplies and Materials		5,131	
In Service/Staff Development		13,601	
Total Special Education Program			\$ 357,930

Vocational Education Program

Supervisor/Director	\$	62,203	
Career Ladder Program		1,000	
Secretary(ies)		21,097	
Social Security		4,768	
State Retirement		4,962	
Medical Insurance		9,293	
Employer Medicare		1,115	
Communication		2,418	
Travel		790	
Other Contracted Services		15,000	
In Service/Staff Development		452	
Total Vocational Education Program			123,098

Adult Programs

Supervisor/Director	\$	50,609
Career Ladder Program		800
Clerical Personnel		13,821
Other Salaries & Wages		4,385
Social Security		3,796
State Retirement		3,877
Medical Insurance		7,137
Dental Insurance		475
Employer Medicare		888

(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.)

Adult Programs (Cont.)

Travel	\$	642	
In Service/Staff Development		1,918	
Total Adult Programs			\$ 88,348

Board of Education

Other Salaries & Wages	\$	450	
Board and Committee Members Fees		6,330	
Social Security		420	
State Retirement		25	
Unemployment Compensation		26,000	
Employer Medicare		98	
Audit Services		15,600	
Dues and Memberships		9,757	
Legal Services		6,623	
Other Contracted Services		500	
Other Supplies and Materials		661	
Liability Insurance		67,421	
Trustee's Commission		230,830	
Workers' Compensation Insurance		269,707	
In Service/Staff Development		11,818	
Criminal Investigation of Applicants - TBI		629	
Other Charges		6,038	
Total Board of Education			652,907

Director of Schools

County Official/Administrative Officer	\$	91,262	
Secretary(ies)		31,225	
Social Security		7,634	
State Retirement		7,351	
Life Insurance		169	
Medical Insurance		4,552	
Dental Insurance		1,029	
Employer Medicare		1,785	
Communication		16,827	
Dues and Memberships		3,036	
Maintenance & Repair Services - Equipment		851	
Postal Charges		9,835	
Travel		2,963	
Other Contracted Services		4,458	

(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.)

Director of Schools (Cont.)

Office Supplies	\$	8,018	
In Service/Staff Development		2,340	
Other Charges		1,791	
Total Director of Schools			\$ 195,126

Office of the Principal

Principals	\$	749,471	
Career Ladder Program		21,000	
Career Ladder Extended Contracts		12,000	
Assistant Principals		374,171	
Secretary(ies)		426,480	
Social Security		93,818	
State Retirement		91,748	
Medical Insurance		150,938	
Dental Insurance		2,320	
Employer Medicare		21,942	
Communication		59,962	
Dues and Memberships		5,850	
Office Supplies		4,776	
Other Supplies and Materials		6,222	
Other Charges		5,607	
Total Office of the Principal			2,026,305

Fiscal Services

Supervisor/Director	\$	55,653	
Accountants/Bookkeepers		136,337	
Social Security		11,341	
State Retirement		9,897	
Medical Insurance		19,183	
Dental Insurance		1,241	
Employer Medicare		2,652	
Data Processing Services		5,912	
Dues and Memberships		15	
Maintenance & Repair Services - Equipment		10,917	
Travel		1,128	
Other Contracted Services		7,571	
Data Processing Supplies		2,309	
Office Supplies		681	
In Service/Staff Development		783	

(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.)

Fiscal Services (Cont.)

Administration Equipment	\$ 2,868	
Total Fiscal Services		\$ 268,488

Operation of Plant

Accountants/Bookkeepers	\$ 2,738	
Other Salaries & Wages	15,750	
Social Security	1,146	
State Retirement	1,107	
Employer Medicare	268	
Janitorial Services	1,237,069	
Disposal Fees	32,592	
Other Contracted Services	133,193	
Custodial Supplies	92,114	
Electricity	1,133,637	
Natural Gas	130,449	
Water and Sewer	170,343	
Building and Contents Insurance	200,463	
In Service/Staff Development	657	
Total Operation of Plant		3,151,526

Maintenance of Plant

Supervisor/Director	\$ 48,256
Secretary(ies)	24,236
Maintenance Personnel	285,733
Social Security	20,966
State Retirement	16,841
Medical Insurance	33,504
Employer Medicare	4,903
Communication	8,294
Laundry Service	6,710
Maintenance & Repair Services - Buildings	125,002
Maintenance & Repair Services - Equipment	40,281
Maintenance & Repair Services - Vehicles	8,415
Pest Control	9,383
Disposal Fees	4,068
Other Contracted Services	4,920
Equipment and Machinery Parts	115,223
Gasoline	16,463
General Construction Materials	16,166

(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.)

Maintenance of Plant (Cont.)

Other Supplies and Materials	\$	24,386	
Vehicle and Equipment Insurance		5,867	
Other Charges		1,997	
Other Equipment		45,791	
Total Maintenance of Plant			\$ 867,405

Transportation

Supervisor/Director	\$	42,850	
Mechanic(s)		116,111	
Bus Drivers		755,108	
In-Service Training		5,912	
Social Security		55,626	
State Retirement		41,260	
Medical Insurance		28,255	
Dental Insurance		9	
Employer Medicare		13,010	
Communication		6,953	
Contracts with Parents		9,357	
Laundry Service		6,667	
Maintenance & Repair Services - Equipment		4,995	
Medical and Dental Services		8,105	
Travel		46	
Disposal Fees		401	
Other Contracted Services		2,357	
Crushed Stone		1,253	
Diesel Fuel		235,798	
Garage Supplies		1,241	
Gasoline		5,528	
Lubricants		6,244	
Tires and Tubes		34,741	
Vehicle Parts		81,789	
Other Supplies and Materials		3,631	
Vehicle and Equipment Insurance		52,806	
In Service/Staff Development		1,704	
Other Charges		3,523	
Transportation Equipment		1,090	
Total Transportation			1,526,370

(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

Community Services

Supervisor/Director	\$	37,218	
Teachers		73,120	
Other Salaries & Wages		534,442	
Social Security		38,046	
State Retirement		18,219	
Medical Insurance		26,971	
Employer Medicare		8,898	
Communication		5,038	
Travel		4,392	
Other Contracted Services		3,750	
Instructional Supplies and Materials		848	
Other Supplies and Materials		119,856	
In Service/Staff Development		1,219	
Other Equipment		1,523	
Total Community Services	\$		873,540

Early Childhood Education

Supervisor/Director	\$	11,085	
Teachers		108,882	
Career Ladder Program		1,000	
Educational Assistants		33,396	
Other Salaries & Wages		6,930	
Non-certified Substitute Teachers		2,256	
Social Security		9,749	
State Retirement		8,401	
Medical Insurance		22,892	
Employer Medicare		2,280	
Travel		518	
Food Supplies		2,392	
Instructional Supplies and Materials		20,742	
Other Supplies and Materials		25,045	
In Service/Staff Development		2,315	
Other Equipment		7,319	
Total Early Childhood Education			265,202

Capital Outlay

Regular Capital Outlay

Architects	\$	926	
Other Contracted Services		6,400	

(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.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Debt Service Contribution to Primary Government	\$	17,066	
Building Improvements		328,780	
Furniture and Fixtures		19,545	
Heating and Air Conditioning Equipment		91,600	
Motor Vehicles		4,900	
Other Capital Outlay		237,935	
Total Regular Capital Outlay			\$ 707,152

Total General Purpose School Fund \$ 39,175,422

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	99,934	
Educational Assistants		242,666	
Other Salaries & Wages		40,288	
Non-certified Substitute Teachers		3,096	
Social Security		22,256	
State Retirement		14,593	
Medical Insurance		23,359	
Employer Medicare		5,205	
Other Contracted Services		7,526	
Instructional Supplies and Materials		28,711	
Other Supplies and Materials		5,566	
Regular Instruction Equipment		1,033	
Total Regular Instruction Program			\$ 494,233

Special Education Program

Teachers	\$	5,588	
Educational Assistants		432,749	
Other Salaries & Wages		74,647	
Social Security		28,753	
State Retirement		22,373	
Medical Insurance		54,238	
Employer Medicare		6,725	
Other Contracted Services		49,116	
Total Special Education Program			674,189

(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.)

Instruction (Cont.)

Vocational Education Program

Clerical Personnel	\$	13,130	
Social Security		814	
State Retirement		677	
Employer Medicare		190	
Travel		6,640	
Instructional Supplies and Materials		22,742	
Other Supplies and Materials		2,317	
Vocational Instruction Equipment		54,023	
Total Vocational Education Program			\$ 100,533

Support Services

Other Student Support

Other Salaries & Wages	\$	45,035	
Social Security		2,790	
State Retirement		2,761	
Medical Insurance		5,116	
Employer Medicare		653	
Other Contracted Services		5,000	
Other Supplies and Materials		778	
Other Charges		14,115	
Total Other Student Support			76,248

Regular Instruction Program

Supervisor/Director	\$	50,993	
Secretary(ies)		28,533	
Other Salaries & Wages		101,252	
Social Security		10,649	
State Retirement		10,803	
Medical Insurance		22,944	
Employer Medicare		2,490	
Maintenance & Repair Services - Equipment		357	
Travel		5,713	
Other Supplies and Materials		3,188	
In Service/Staff Development		106,599	
Other Equipment		8,114	
Total Regular Instruction Program			351,635

Special Education Program

Psychological Personnel	\$	103,463	
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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.)

Special Education Program (Cont.)

Other Salaries & Wages	\$	212,410	
Social Security		18,511	
State Retirement		18,402	
Medical Insurance		50,354	
Dental Insurance		1,163	
Employer Medicare		4,329	
Other Supplies and Materials		11,549	
In Service/Staff Development		11,947	
Total Special Education Program			\$ 432,128

Vocational Education Program

Consultants	\$	2,276	
Travel		941	
In Service/Staff Development		280	
Total Vocational Education Program			3,497

Transportation

Bus Drivers	\$	9,720	
In-Service Training		102	
Social Security		609	
State Retirement		506	
Employer Medicare		142	
Total Transportation			11,079

Total School Federal Projects Fund \$ 2,143,542

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	49,465	
Clerical Personnel		59,591	
Cafeteria Personnel		845,058	
Social Security		58,021	
State Retirement		33,835	
Life Insurance		2,408	
Medical Insurance		32,923	
Unemployment Compensation		200	
Employer Medicare		13,569	
Communication		8,693	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Maintenance & Repair Services - Equipment	\$	69,131	
Transportation - Other than Students		31,971	
Travel		1,803	
Other Contracted Services		68,411	
Food Preparation Supplies		77,439	
Food Supplies		1,072,401	
Office Supplies		18,112	
Uniforms		10,771	
Utilities		115,489	
In Service/Staff Development		10,898	
Other Charges		4,505	
Food Service Equipment		66,849	
Total Food Service			\$ 2,651,543

Total Central Cafeteria Fund \$ 2,651,543

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	394,854	
Engineering Services		20,730	
Legal Services		11,045	
Other Contracted Services		31,437	
Building Construction		1,836,356	
Total Education Capital Projects			\$ 2,294,422

Total Education Capital Projects Fund 2,294,422

Total Governmental Funds - Cheatham County School Department \$ 46,264,929

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, 2007

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,228,366
Total Cash Receipts	<u>\$ 2,228,366</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,206,083
Trustee's Commission	<u>22,283</u>
Total Cash Disbursements	<u>\$ 2,228,366</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2006	<u>0</u>
 Cash Balance, June 30, 2007	 <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

November 16, 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, 2007, which collectively comprise Cheatham County's basic financial statements and have issued our report thereon dated November 16, 2007. Our report is qualified due to not including the financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority, discretely presented component units, which were not available from other auditors as of the date of this report. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cheatham County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.02, 07.04, 07.05, and 07.06.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Cheatham County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be significant weaknesses. However, of the significant deficiencies described above, we consider item 07.05(C) to be 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 07.01 and 07.03.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, director of accounts and budgets, County Commission, Board of Education, others within Cheatham County, 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,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu



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

November 16, 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, 2007. 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 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 of 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, 2007.

Internal Control Over Compliance

The management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures 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 as of and for the year ended June 30, 2007, and have issued our report thereon dated November 16, 2007. Our report on the aggregate discretely presented component unit's financial statements is qualified due to not including the financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority, discretely presented component units,

which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Cheatham County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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 management, the county mayor, director of schools, road superintendent, director of accounts and budgets, County Commission, Board of Education, others within Cheatham County, 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.

Yours very truly,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu

Cheatham County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

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)	\$ 133,126
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	249,512
National School Lunch Program	10.555	(2)	810,284
Total U.S. Department of Agriculture			<u>\$ 1,192,922</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)	\$ 346,714
Total U.S. Department of Housing and Urban Development			<u>\$ 346,714</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 6,363
Total U.S. Department of Interior			<u>\$ 6,363</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	(2)	\$ 11,414
Total U.S. Department of Transportation			<u>\$ 11,414</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 166,276
Passed-through State Department of Labor and Workforce Development:			
Adult Education-State Grant Program	84.002	(2)	99,208 (3)
Passed-through the University of Tennessee:			
Adult Education-State Grant Program	84.002	(2)	5,000 (3)
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	677,439
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,166,945
Special Education - Preschool Grants	84.173	N/A	34,309
Vocational Education - Basic Grants to States	84.048	N/A	90,857
Emergency Immigrant Education Program	84.162	N/A	9,057
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	58,791
Even Start - State Educational Agencies	84.213	(2)	75,000
State Grants for Innovative Programs	84.298	N/A	8,802
Improving Teacher Quality State Grants	84.367	N/A	210,619
Hurricane Education Recovery	84.938	N/A	15,236
Total U.S. Department of Education			<u>\$ 2,617,539</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z-07-037383-00	\$ 2,355
Total U.S. Election Assistance Commission			<u>\$ 2,355</u>

(Continued)

Cheatham County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	(2)	\$ 26,038
Total U.S. Department of Health and Human Services			\$ 26,038
U.S. Office of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 7,407
Emergency Management Performance Grants	97.042	(2)	18,359
Total U.S. Office of Homeland Security			\$ 25,766
Total Expenditure of Federal Awards			\$ 4,229,111

<u>State Grants</u>		Contract Number	
Litter Program - State Department of Transportation	N/A	(2)	\$ 30,555
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	9,142
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,355
Adult Basic Education - State Department of Labor and Workforce	N/A	(2)	30,852
Families First - State Department of Labor and Workforce	N/A	(2)	16,238
Health Department Programs- State Department of Health	N/A	Z-06-026016-00	2,333
Library Grant - Tennessee Secretary of State	N/A	Z-07-20435-00	3,207
Library Grant - Tennessee Secretary of State	N/A	Z-07-20535-00	6,414
Rural Local Health Services Grant - State Department of Health	N/A	(2)	55,000
Safe Schools Act - State Department of Education	N/A	(2)	37,438
Total State Grants			\$ 200,534

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 Department of Education \$104,208.

Cheatham County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

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, 2006, which have not been corrected.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.01	180	The director of accounts and budgets did not maintain accounting records for the Road Department
06.02	180-181	The office had accounting deficiencies
06.03	181	Expenditures exceeded appropriations
06.04	182	The office did not develop a disaster recovery plan

OFFICE OF ROAD SUPERINTENDENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.05	182-183	The office had accounting deficiencies

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.07	183-184	Duties were not segregated adequately in the Offices of Trustee and Sheriff

CHEATHAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Cheatham County disclosed significant deficiencies in internal control. One of these deficiencies was also 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 significant deficiencies 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 Home Investment Partnership Program (CFDA No. 14.239), 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 \$300,000 threshold 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 07.01 **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 07.02 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies:

- A. At June 30, 2007, general ledger accounts did not balance in the General Fund by \$17,038. The director of accounts and budgets was unable to provide any explanation for this discrepancy. We performed additional audit procedures and determined why the general ledger accounts did not balance. Management accepted the audit adjustments we provided to balance the accounts. Therefore, the accounts are properly presented 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 \$58,285 were reflected on the general ledger of the General Fund at June 30, 2007. However, the itemized listing of outstanding purchase orders generated on June 30, 2007, to support this balance totaled \$60,712. Our audit indicated that \$58,285 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. The detailed listing of outstanding purchase orders at June 30 should agree with encumbrances reflected on the general ledger.

**FINDING 07.03 THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(Noncompliance Under Government Auditing Standards)**

Our examination revealed the following deficiencies in budget operations:

- A. Expenditures and other uses exceeded total appropriations approved by the County Commission in the General (\$80,784) and Unemployment Compensation (\$17,461) Funds.
- B. Expenditures and encumbrances exceeded appropriations in the major appropriation categories of the following funds:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
Highway/Public Works:	
Employee Benefits	\$ 1,683
Capital Outlay	2,450
Solid Waste/Sanitation:	
Other General Administration	2,238
Education Debt Service:	
Other General Administration	4,231

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 government 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 07.04 **THE OFFICE DID NOT DEVELOP A DISASTER RECOVERY PLAN**
(Internal Control – Significant Deficiency 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 07.05 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(A. and B. – Internal Control – Significant Deficiency Under Government Auditing Standards; C. – Internal Control – Material Weakness Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies:

- A. 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.

- B. Highway Department personnel did not properly reconcile the trustee's cash balance with fund accounting records. As a result, the general ledger cash with trustee account failed to reconcile with the county trustee's report by \$7,450 at June 30, 2007.
- C. Encumbrances totaling \$407,042 were reflected on the general ledger of the Highway/Public Works Fund at June 30, 2007. However, the detailed listing of outstanding purchase orders generated at year-end totaled \$8,000, resulting in a difference of \$399,042. Our audit indicated that there were no encumbrances at June 30, 2007. Management accepted audit adjustments for the proper presentation of 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 general ledger should accurately reflect encumbrances, and the detailed listing of outstanding purchase orders at June 30 should reconcile with encumbrances reflected on the general ledger.

OTHER FINDING AND RECOMMENDATION

FINDING 07.06 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among employees 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, 2007

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