

**ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE
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

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Audit Highlights
Annual Financial Report
Wayne County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Wayne 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 five findings and recommendations, which we have reviewed with Wayne County's management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ Purchase orders were not issued for some required purchases. Also, in some instances where purchase orders were issued, the purchase orders were issued after the purchases had been made. In several instances, invoices were paid without documentation that goods had been received or services rendered.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$100,800 at June 30, 2007. Additionally, accounting personnel did not calculate reserve balances for the various grants administered through the School Federal Projects Fund.
-

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The circuit, general sessions, and juvenile courts clerk did not deposit funds within three days of collection as required by state statute.
-

OTHER FINDINGS

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Wayne County Officials
June 30, 2007

Officials

Jason Rich, County Executive
Jeff Minatra, Superintendent of Highways
Jerry Pigg, Director of Schools
Janice Smith, Trustee
Billy Vencion, Assessor of Property
Stan Horton, County Clerk
Billy Crews, Circuit, General Sessions, and Juvenile Courts Clerk
Carolyn Mathis, Clerk and Master
Ruth Butler, Register
Ric Wilson, Sheriff

Board of County Commissioners

Jason Rich, Chairman	James Haggard, Jr.
O. C. Berry, Jr.	Jim Kelley
Joe Hanback	Tom Mathis, Jr.
Randy Whitten	Warren Miller, III
David Martin	John McDonald
Rickey Kelley	Brian Harris
Joe Hall	Phillip Casteel
Joshua Stults	

Board of Education

Joe Treece, Chairman	Patrick Blackburn
Andy Yarbrough	Pat Brewer
Robert Bevis	Barry Hanback
Randy McClain	

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

September 13, 2007

Wayne County Executive and
Board of County Commissioners
Wayne County, Tennessee

To the County Executive 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 Wayne County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Wayne County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wayne County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 Wayne County Emergency Communications District and the Wayne County Retirement Facilities (which include the Wayne County Nursing Home, and the Wayne County Assisted Living Facility), 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 Wayne County Emergency Communications

District and the Wayne County Retirement Facilities, 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 Wayne County Emergency Communications and the Wayne County Retirement Facilities (which include the Wayne County Nursing Home and the Wayne County Assisted Living Facility), 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 Wayne 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 Wayne County, Tennessee, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, 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 September 13, 2007, on our consideration of Wayne 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.

As described in Note V.B., Wayne County has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. For the first time, the financial statements include the government-wide financial statements.

The management of Wayne 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 55 through 63 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 Wayne County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne 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 General Debt Service Fund, combining and individual fund financial statements of the Wayne 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 black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rc

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Wayne County School Department
<u>ASSETS</u>		
Cash	\$ 24,821	\$ 0
Equity in Pooled Cash and Investments	10,909,854	1,804,038
Accounts Receivable	186,967	16,871
Due from Component Unit	145,116	0
Due from Other Governments	491,072	580,347
Property Taxes Receivable	2,657,110	1,872,055
Allowance for Uncollectible Property Taxes	(63,596)	(44,806)
Note Receivable	200,000	0
Capital Assets:		
Assets Not Depreciated:		
Land	695,254	475,517
Construction in Progress	0	1,528,400
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,593,204	15,846,466
Other Capital Assets	1,123,398	1,324,772
Infrastructure	1,913,347	0
Total Assets	<u>\$ 20,876,547</u>	<u>\$ 23,403,660</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 29,850	\$ 0
Accrued Payroll	2,673	0
Payroll Deductions Payable	1,491	217,902
Due to State of Tennessee	0	5,137
Contracts Payable	0	54,526
Retainage Payable	0	2,250
Accrued Interest Payable	96,758	0
Due to Primary Government	0	145,116
Cash Overdraft	0	100,800
Deferred Revenue - Current Property Taxes	2,428,029	1,710,657
Noncurrent Liabilities:		
Due Within One Year	1,175,806	0
Due in More Than One Year	25,842,155	0
Total Liabilities	<u>\$ 29,576,762</u>	<u>\$ 2,236,388</u>

(continued)

Exhibit A

Wayne County, Tennessee
Statement of Net Assets (cont.)

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Wayne County School Department
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 3,356,772	\$ 0
Invested in Capital Assets	0	19,175,155
Restricted for:		
Highway/Public Works	1,650,947	0
Solid Waste/Sanitation	532,652	0
Debt Service	1,966,352	0
Capital Projects	1,172,806	663,313
Other Purposes	399,896	101,540
Unrestricted	<u>(17,779,640)</u>	<u>1,227,264</u>
Total Net Assets	<u>\$ (8,700,215)</u>	<u>\$ 21,167,272</u>

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

Exhibit B

Wayne 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	Component
					Governmental Activities	Unit Wayne County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 727,719	\$ 109,249	\$ 16,380	\$ 0	\$ (602,090)	\$ 0
Finance	402,330	336,823	7,630	0	(57,877)	0
Administration of Justice	627,382	399,677	9,000	0	(218,705)	0
Public Safety	2,016,065	221,338	3,631	52,643	(1,738,453)	0
Public Health and Welfare	1,665,354	582,992	191,502	0	(890,860)	0
Social, Cultural, and Recreational Services	195,355	4,398	170,865	0	(20,092)	0
Agriculture and Natural Resources	100,095	0	0	0	(100,095)	0
Other Operations	138,108	82	0	0	(138,026)	0
Highways/Public Works	2,360,305	0	1,994,356	172,976	(192,973)	0
Interest on Long-term Debt	1,127,258	0	0	0	(1,127,258)	0
Other Debt Service	35,980	0	252,007	0	216,027	0
Total Governmental Activities	<u>\$ 9,395,951</u>	<u>\$ 1,654,559</u>	<u>\$ 2,645,371</u>	<u>\$ 225,619</u>	<u>\$ (4,870,402)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 9,395,951</u>	<u>\$ 1,654,559</u>	<u>\$ 2,645,371</u>	<u>\$ 225,619</u>	<u>\$ (4,870,402)</u>	<u>\$ 0</u>
Component Unit:						
Wayne County School Department	\$ 20,262,453	\$ 214,735	\$ 5,311,739	\$ 0	\$ 0	\$ (14,735,979)
Total Component Unit	<u>\$ 20,262,453</u>	<u>\$ 214,735</u>	<u>\$ 5,311,739</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,735,979)</u>

(Continued)

Exhibit B

Wayne 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	Component
					Governmental	Unit
					Governmental	Wayne County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,207,254	\$ 1,735,771
Property Taxes Levied for Debt Service					243,287	0
Local Option Sales Tax					850,573	602,136
Other Local Taxes					1,018,966	45,278
Grants and Contributions Not Restricted to Specific Programs					769,908	12,720,231
Unrestricted Investment Earnings					633,342	119,441
Miscellaneous					130,428	18,291
Insurance Recoveries					44,278	0
Gain on Sale of Capital Assets					47,350	0
Total General Revenues					<u>\$ 5,945,386</u>	<u>\$ 15,241,148</u>
Change in Net Assets					\$ 1,074,984	\$ 505,169
Net Assets, July 1, 2006					<u>(9,775,199)</u>	<u>20,662,103</u>
Net Assets, June 30, 2007					<u>\$ (8,700,215)</u>	<u>\$ 21,167,272</u>

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

Exhibit C-1

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

	Major Funds					Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,821	\$ 24,821
Equity in Pooled Cash and Investments	1,506,146	287,590	1,317,412	1,838,018	4,052,626	1,908,062	10,909,854
Accounts Receivable	106,383	18,308	6,694	55,403	0	179	186,967
Due from Other Governments	29,329	0	325,825	135,918	0	0	491,072
Due from Component Units	87,070	29,023	0	0	0	29,023	145,116
Property Taxes Receivable	1,912,314	442,852	40,259	261,685	0	0	2,657,110
Allowance for Uncollectible Property Taxes	(45,770)	(10,599)	(964)	(6,263)	0	0	(63,596)
Notes Receivable - Long-Term	0	0	0	0	0	200,000	200,000
Total Assets	\$ 3,595,472	\$ 767,174	\$ 1,689,226	\$ 2,284,761	\$ 4,052,626	\$ 2,162,085	\$ 14,551,344
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 29,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,850
Accrued Payroll	2,673	0	0	0	0	0	2,673
Payroll Deductions Payable	0	0	1,491	0	0	0	1,491
Deferred Revenue - Current Property Taxes	1,747,445	404,672	36,788	239,124	0	0	2,428,029
Deferred Revenue - Delinquent Property Taxes	114,012	25,959	2,360	15,339	0	0	157,670
Other Deferred Revenues	14,154	9,154	162,912	67,959	0	0	254,179
Total Liabilities	\$ 1,878,284	\$ 469,635	\$ 203,551	\$ 322,422	\$ 0	\$ 0	\$ 2,873,892
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 35,209	\$ 26,964	\$ 0	\$ 0	\$ 3,594	\$ 0	\$ 65,767
Reserved for Alcohol and Drug Treatment	5,997	0	0	0	0	0	5,997
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	50,316	0	0	50,316
Reserved for Sexual Offender Registration	660	0	0	0	0	0	660
Reserved for Computer System - Register	14,953	0	0	0	0	0	14,953
Reserved for Automation Purposes - General Sessions Court	5,051	0	0	0	0	0	5,051
Reserved for Automation Purposes - Juvenile Court	178	0	0	0	0	0	178
Reserved for Automation Purposes - Chancery Court	582	0	0	0	0	0	582

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
LIABILITIES AND FUND BALANCES (Cont.)							
Fund Balances (Cont.)							
Reserved for Automation Purposes - Sheriff	\$ 173	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	173
Reserved for Long-Term Notes Receivable	0	0	0	0	0	200,000	200,000
Reserved for Capital Outlay	0	0	0	0	3,450,618	976,512	4,427,130
Unreserved, Reported In:							
General Fund	1,654,385	0	0	0	0	0	1,654,385
Special Revenue Funds	0	270,575	1,485,675	0	0	414,775	2,171,025
Debt Service Funds	0	0	0	1,912,023	0	0	1,912,023
Capital Projects Funds	0	0	0	0	598,414	570,798	1,169,212
Total Fund Balances	<u>\$ 1,717,188</u>	<u>\$ 297,539</u>	<u>\$ 1,485,675</u>	<u>\$ 1,962,339</u>	<u>\$ 4,052,626</u>	<u>\$ 2,162,085</u>	<u>\$ 11,677,452</u>
Total Liabilities and Fund Balances	<u>\$ 3,595,472</u>	<u>\$ 767,174</u>	<u>\$ 1,689,226</u>	<u>\$ 2,284,761</u>	<u>\$ 4,052,626</u>	<u>\$ 2,162,085</u>	<u>\$ 14,551,344</u>

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

Exhibit C-2

Wayne 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)		\$ 11,677,452
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 695,254	
Add: infrastructure net of accumulated depreciation	1,913,347	
Add: buildings and improvements net of accumulated depreciation	2,593,204	
Add: other capital assets net of accumulated depreciation	<u>1,123,398</u>	6,325,203
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (1,417,961)	
Less: bonds payable	(25,600,000)	
Less: accrued interest on bonds and notes	<u>(96,758)</u>	(27,114,719)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>411,849</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (8,700,215)</u>

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

Exhibit C-2

Wayne 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)		\$	11,677,452
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	695,254	
Add: infrastructure net of accumulated depreciation		1,913,347	
Add: buildings and improvements net of accumulated depreciation		2,593,204	
Add: other capital assets net of accumulated depreciation		<u>1,123,398</u>	6,325,203
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,417,961)	
Less: bonds payable		(25,600,000)	
Less: accrued interest on bonds and notes		<u>(96,758)</u>	(27,114,719)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>411,849</u>
Net assets of governmental activities (Exhibit A)			<u>\$ (8,700,215)</u>

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

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds					Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>							
Local Taxes	\$ 2,244,822	\$ 487,149	\$ 37,676	\$ 1,615,126	\$ 0	\$ 15,126	\$ 4,399,899
Licenses and Permits	2,605	0	0	0	0	0	2,605
Fines, Forfeitures, and Penalties	117,778	0	0	0	0	89,359	207,137
Charges for Current Services	25,962	0	0	0	0	107,546	133,508
Other Local Revenues	257,886	67,197	104,944	0	10,594	549,123	989,744
Fees Received from County Officials	611,997	0	0	0	0	0	611,997
State of Tennessee	635,456	116,093	2,130,294	0	0	474,069	3,355,912
Federal Government	339,075	0	43,744	0	0	0	382,819
Other Governments and Citizens Groups	0	0	14,781	200,000	0	52,007	266,788
Total Revenues	\$ 4,235,581	\$ 670,439	\$ 2,331,439	\$ 1,815,126	\$ 10,594	\$ 1,287,230	\$ 10,350,409
<u>Expenditures</u>							
Current:							
General Government	\$ 846,707	\$ 0	\$ 0	\$ 0	\$ 11,750	\$ 0	\$ 858,457
Finance	243,091	0	0	0	0	105,785	348,876
Administration of Justice	541,995	0	0	0	0	1,761	543,756
Public Safety	1,479,419	0	0	0	0	58,634	1,538,053
Public Health and Welfare	149,710	632,512	0	0	41,375	187,076	1,010,673
Social, Cultural, and Recreational Services	171,964	0	0	0	0	0	171,964
Agricultural and Natural Resources	95,159	0	0	0	0	0	95,159
Other Operations	469,842	30,942	0	0	0	0	500,784
Highways	42,041	0	1,756,850	0	0	0	1,798,891
Support Services	13,202	0	0	0	0	0	13,202
Debt Service:							
Principal on Debt	0	0	0	1,075,694	0	216,492	1,292,186
Interest on Debt	0	0	0	1,084,653	0	57,170	1,141,823
Other Debt Service	0	0	0	35,980	0	0	35,980
Capital Projects	1,411	12,877	0	0	315,702	1,312,261	1,642,251
Total Expenditures	\$ 4,054,541	\$ 676,331	\$ 1,756,850	\$ 2,196,327	\$ 368,827	\$ 1,939,179	\$ 10,992,055
Excess (Deficiency) of Revenues Over Expenditures	\$ 181,040	\$ (5,892)	\$ 574,589	\$ (381,201)	\$ (358,233)	\$ (651,949)	\$ (641,646)
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,649	\$ 0	\$ 13,649

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 63,900	\$ 0	\$ 0	\$ 0	\$ 63,900
Insurance Recovery	7,545	0	36,733	0	0	0	44,278
Transfers In	262,061	0	0	227,330	0	0	489,391
Transfers Out	(227,330)	0	0	0	0	0	(227,330)
Total Other Financing Sources (Uses)	\$ 42,276	\$ 0	\$ 100,633	\$ 227,330	\$ 13,649	\$ 0	\$ 383,888
Net Change in Fund Balances	\$ 223,316	\$ (5,892)	\$ 675,222	\$ (153,871)	\$ (344,584)	\$ (651,949)	\$ (257,758)
Fund Balance, July 1, 2006	1,493,872	303,431	810,453	2,116,210	4,397,210	2,814,034	11,935,210
Fund Balance, June 30, 2007	\$ 1,717,188	\$ 297,539	\$ 1,485,675	\$ 1,962,339	\$ 4,052,626	\$ 2,162,085	\$ 11,677,452

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

Wayne 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)		\$	(257,758)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital outlays in the current period	\$	779,882	
Less: current year depreciation expense		<u>(490,529)</u>	289,353
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(16,550)
(3) 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	\$	411,849	
Less: deferred delinquent property taxes and other deferred June 30, 2006		<u>(384,371)</u>	27,478
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
Less: note proceeds	\$	(13,649)	
Add: principal payment on notes		502,186	
Add: principal payment on bonds		<u>790,000</u>	1,278,537
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable			14,565
(6) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net expense of certain activities of the internal service fund is reported with governmental activities in the statement of activities.			<u>(260,641)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>1,074,984</u>

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

Exhibit D-1

Wayne County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Internal Service Fund
	Workers' Compensation Fund
	<hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 1,420
Total Nonoperating Revenues (Expenses)	<hr/> \$ 1,420 <hr/>
Income (Loss) Before Transfers	\$ 1,420
Transfers In (Out)	(262,061)
Change in Net Assets	<hr/> \$ (260,641)
Net Assets, July 1, 2006	<hr/> 260,641 <hr/>
Nets Assets, June 30, 2007	<hr/> \$ 0 <hr/>

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

Exhibit D-2

Wayne County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2007

	Internal Service Fund
	Workers' Compensation Fund
	<hr/>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (262,061)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (262,061)</u>
 <u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 1,420
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,420</u>
 Increase (Decrease) in Cash	\$ (260,641)
Cash, July 1, 2006	<u>260,641</u>
 Cash, June 30, 2007	<u><u>\$ 0</u></u>

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

Exhibit E

Wayne County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 862,791
Accounts Receivable	96
Due from Other Governments	<u>72,463</u>
Total Assets	<u><u>\$ 935,350</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 72,463
Due to Litigants, Heirs, and Others	<u>862,887</u>
Total Liabilities	<u><u>\$ 935,350</u></u>

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

WAYNE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wayne 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 Wayne County:

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne 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 Wayne 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 Wayne County School Department operates the public school system in the county, and the voters of Wayne 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 Wayne County General Hospital Board of Trustees operates the Wayne County Retirement Facilities composed of the Wayne County Nursing Home and the Wayne County Assisted Living Facility. The Board of Trustees is a component unit of Wayne County. The Board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints its governing body. Patient charges provide the majority of the revenues for the Board. Before the issuance of debt instruments, the Board must obtain the County Commission's approval. The financial statements of the Wayne County Retirement Facilities (Wayne County Nursing Home and the Wayne County Assisted Living Facility) were not available from other auditors in time for inclusion in this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Wayne County, and the Wayne 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 Wayne County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Wayne County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Wayne County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Wayne County Retirement Facilities (the Wayne County Nursing Home and the Wayne County Assisted Living Facility) and the Wayne County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Wayne County Nursing Home, Wayne County Assisted Living Facility, and Wayne County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Wayne County Nursing Home
Highway 64 East
Waynesboro, TN 38485

Wayne County Assisted Living Facility
210 Fairlane Drive
Waynesboro, TN 38485

Wayne County Emergency Communications District
113 Hollis Street East
P. O. Box 911
Waynesboro, TN 38485

Related Organization – The Wayne County Industrial Development Board is a related organization of Wayne County. The County Commission appoints its board members, but the county's accountability for the organization does not extend beyond making the appointments.

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. However, when applicable, interfund services provided and used between

functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Wayne 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 Wayne 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.

Wayne County issues all debt for the discretely presented Wayne County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2007.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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 Wayne 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 /expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Wayne County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

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

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. Wayne County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary funds and fiduciary funds 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Wayne 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.

Solid Waste/Sanitation Fund – This fund accounts for transactions relating to the solid waste transfer station.

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

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – This fund accounts for general capital expenditures of the county.

Additionally, Wayne County reports the following fund types:

Internal Service Fund – The Workers’ Compensation Fund is used to pay residual employee medical claims which arose in prior periods. This fund closed during the year ended June 30, 2007.

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 Wayne 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 Wayne County School Department reports the following major governmental funds:

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.

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund used to pay residual employee medical claims which arose in prior periods.

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

For purposes of the Statement of Cash Flows, cash includes demand deposits and cash on deposit with the county trustee.

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 Wayne 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, Special Purpose, and Education Capital Projects Funds. Wayne County and the Wayne 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

All property taxes receivable are shown with an allowance for uncollectibles. This 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. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than two 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	20-40
Other Capital Assets	5-20
Infrastructure:	
Roads	20
Bridges	40

4. Compensated Absences

Primary Government

It is the county's policy (except for the Highway Department, which closes the week of Christmas and the week of July 4th for vacation and has no sick leave policy) to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated vacation or sick leave since Wayne County does not have a policy to pay any amounts when employees separate from service with the government.

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) 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.

5. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. 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.

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:	
Library	\$ 12,887
Emergency Management	895
General Capital Projects:	
Solid Waste Capital Projects	2,777

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 Wayne County School Department

Exhibit J-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 Wayne County School Department

Exhibit J-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, and the Education Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$100,800 at June 30, 2007. This cash overdraft resulted from issuing warrants that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2007.

C. **Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the County Mayor/Executive (\$2,077), Other General Administration (\$404), and Miscellaneous (\$23,997) major appropriation categories (the legal level of control) of the General Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues.

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

Wayne County and the Wayne County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements 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, Wayne 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 Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 9,197,258

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. Wayne 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. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2007, Wayne County’s investment in the State Treasurer’s Investment Pool was unrated.

B. Notes Receivable

The Special Purpose Fund had a long-term note receivable of \$200,000 on June 30, 2007, from financing operations for the Wayne County Nursing Home (Component Unit).

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	\$ 554,204	\$ 141,050	\$ 0	\$ 695,254
Total Capital Assets Not Depreciated	<u>\$ 554,204</u>	<u>\$ 141,050</u>	<u>\$ 0</u>	<u>\$ 695,254</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,449,707	\$ 0	\$ 0	\$ 5,449,707
Roads and Bridges	1,839,154	169,160	0	2,008,314
Other Capital Assets	2,938,120	469,672	(291,678)	3,116,114
Total Capital Assets Depreciated	<u>\$ 10,226,981</u>	<u>\$ 638,832</u>	<u>\$ (291,678)</u>	<u>\$ 10,574,135</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 2,680,626	\$ 175,877	\$ 0	\$ 2,856,503
Roads and Bridges	45,111	49,856	0	94,967
Other Capital Assets	2,003,048	264,796	(275,128)	1,992,716
Total Accumulated Depreciation	<u>\$ 4,728,785</u>	<u>\$ 490,529</u>	<u>\$ (275,128)</u>	<u>\$ 4,944,186</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,498,196</u>	<u>\$ 148,303</u>	<u>\$ (16,550)</u>	<u>\$ 5,629,949</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,052,400</u>	<u>\$ 289,353</u>	<u>\$ (16,550)</u>	<u>\$ 6,325,203</u>

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

Governmental Activities:

General Government	\$ 22,915
Finance	3,400
Administration of Justice	6,600
Public Safety	81,158
Public Health and Welfare	131,336

Governmental Activities (Cont.):

Social, Cultural, and Recreation	\$	3,349
Agriculture and Natural Resources		298
Highway/Public Works		<u>241,473</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>490,529</u>

Discretely Presented Wayne County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	\$ 475,517	\$ 0	\$ 475,517
Construction in Progress	0	1,528,400	<u>1,528,400</u>
Total Capital Assets Not Depreciated	<u>\$ 475,517</u>	<u>\$ 1,528,400</u>	<u>\$ 2,003,917</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 23,502,956	\$ 1,668,948	\$ 25,171,904
Other Capital Assets	2,191,570	594,526	<u>2,786,096</u>
Total Capital Assets Depreciated	<u>\$ 25,694,526</u>	<u>\$ 2,263,474</u>	<u>\$ 27,958,000</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 8,661,846	\$ 663,592	\$ 9,325,438
Other Capital Assets	1,268,741	192,583	<u>1,461,324</u>
Total Accumulated Depreciation	<u>\$ 9,930,587</u>	<u>\$ 856,175</u>	<u>\$ 10,786,762</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,763,939</u>	<u>\$ 1,407,299</u>	<u>\$ 17,171,238</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,239,456</u>	<u>\$ 2,935,699</u>	<u>\$ 19,175,155</u>

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

Governmental Activities:

Instruction	\$	11,720
Support Services		812,674
Operation of Non-Instructional Services		<u>31,781</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>856,175</u>

D. Construction Commitments

At June 30, 2007, the discretely presented Wayne County School Department had uncompleted construction contracts of approximately \$71,890 for school renovations. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from primary government and component units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary government:	Component unit:	
General	General Purpose School	\$ 87,070
Solid Waste/Sanitation	General Purpose School	29,023
Nonmajor governmental	General Purpose School	29,023

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>General Debt Service Fund</u>
Internal Service Fund	\$ 262,061	\$ 0
General Fund	0	227,330
Total	<u>\$ 262,061</u>	<u>\$ 227,330</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.

The county made a one-time transfer of \$262,061 from the Workers' Compensation Fund to the General Fund to close out the internal service fund.

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds 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 and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 24 years for bonds and up to 11 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 and notes included in long-term debt as of June 30, 2007, will be retired from the General Debt Service and Special Purpose Funds.

General obligation bonds and capital outlay notes outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	4.05 to 5.23 %	\$ 12,300,000	\$ 9,525,000
General Obligation Bonds - Refunding	3.2 to 4	16,935,000	16,075,000
Capital Outlay Notes	0 to 4.08	2,318,649	1,417,961

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

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 950,000	\$ 951,421	\$ 225,806	\$ 49,197
2009	980,000	916,275	238,237	40,846
2010	1,015,000	880,423	245,740	32,125
2011	1,055,000	843,707	258,315	23,022
2012	1,090,000	805,654	265,964	13,539
2013-2017	6,080,000	3,396,726	183,899	3,675

Year Ending June 30 (Cont.)	Bonds		Notes	
	Principal	Interest	Principal	Interest
2018-2022	\$ 7,390,000	\$ 2,121,723	\$ 0	\$ 0
2023-2027	4,825,000	785,876	0	0
2028-2031	2,215,000	183,768	0	0
Total	\$ 25,600,000	\$ 10,885,573	\$ 1,417,961	\$ 162,404

There is \$1,962,339 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,520, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,604, 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:

	Bonds	Notes
Balance, July 1, 2006	\$ 26,390,000	\$ 1,906,498
Additions	0	13,649
Deductions	(790,000)	(502,186)
Balance, June 30, 2007	\$ 25,600,000	\$ 1,417,961
Balance Due Within One Year	\$ 950,000	\$ 225,806

Defeasance of Prior Debt

In prior years, Wayne County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2007, the following outstanding bonds are considered defeased:

	Amount
2000 School Bonds	\$ 2,210,000

V. OTHER INFORMATION

A. Risk Management

Wayne County and the discretely presented 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 and the School Department pay annual premiums to the TSB-RMT for their 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 property claims exceeding \$100,000, liability claims exceeding \$200,000, and workers' compensation claims exceeding \$500,000.

In prior years, Wayne County and the discretely presented Wayne County School Department had chosen to establish the Workers' Compensation Fund for risks associated with workers' compensation claims; however, the Workers' Compensation Fund was closed prior to June 30, 2007.

B. Accounting Change

At the beginning of the year, Wayne County implemented the provisions of Governmental Accounting Standards Board Statement No 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. In prior years, Wayne County had elected to implement only the provisions of Statement 34 that related to the fund financial statements.

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

To facilitate the construction of an assisted living facility, the Industrial Development Board of Wayne County, Tennessee, issued \$2,250,000 lease revenue and tax bonds dated October 1, 2001. Wayne County leased the facility site to the board pursuant to a ground lease, and the board constructed the facility thereon and leased the facility to Wayne County pursuant to a facilities sublease agreement. The facility is operated by the Wayne County General Hospital Board of Trustees. Wayne County is required to make payments under the sublease from the net revenues of the facility. If such revenues are insufficient, Wayne County is obligated to appropriate from legally available funds an amount sufficient to pay such rentals and, if necessary, levy additional ad valorem taxes on all taxable property located in the county.

D. Changes in Administration

On August 31, 2006, Willard Pope left the office of County Executive and was succeeded by Jason Rich, and Carl Skelton left the Office of Sheriff and was succeeded by Ric Wilson.

E. Joint Ventures

The Joint Economic and Community Development Board is a joint venture between Wayne County and the Cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: The Wayne County Mayor; the mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector.

The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County did not appropriate any funds to the Joint Economic and Community Development Board for the year ended June 30, 2007.

The Twenty-Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-Second Judicial District, Wayne County, and various cities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors that includes the district attorney general and the sheriffs and police chiefs of participating law enforcement agencies within the judicial district. Wayne County made no contributions to the DTF for the year ended June 30, 2007.

Wayne County does not have any equity interest in any of the above-noted joint ventures. Complete financial statements for the Joint Economic and Community Development Board and the Twenty-Second Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board
Wayne County Mayor
P. O. Box 848
Waynesboro, TN 38485

District Attorney General's Office
Twenty-Second Judicial District Drug Task Force
P. O. Box 459
Lawrenceburg, TN 38464

F. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Wayne County in conjunction with Hickman, Lewis, and Perry Counties and the Cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board comprises 16 members, who are the elected county mayor or city mayor and an appointed member of the County Commission or City Council from each of the respective counties or cities. Wayne County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for the SCTRA are lease payments, switching fees, interest earned, and grants. Complete financial statements for the Railroad Authority can be obtained from Keeton Turner, Attorneys, P.O. Box 789, Hohenwald, TN 38462.

G. Retirement Commitments

Employees

Plan Description

Employees of Wayne 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 five 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 five 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 Wayne 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

Wayne 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 8.74 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Wayne County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Wayne County's annual pension cost of \$634,996 to TCRS was equal to Wayne County's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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. Wayne 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 11 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	\$634,996	100%	\$0
6-30-06	444,952	100	0
6-30-05	405,871	100	0

School Teachers

Plan Description

The Wayne 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

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 Wayne County 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 Wayne 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 \$654,400, \$571,936, and \$555,051, respectively, equal to the required contributions for each year.

H. Other Post-employment Benefits

In addition to the retirement benefits described above, the School Department provides employees the option of receiving post-retirement health care benefits or the payment of a retirement incentive based on accumulated sick leave at the rate of 50 percent of the regular daily salary for each day of sick leave. The post-retirement health care benefits are in accordance with contract provisions for employees who retire with 30 years of service in the Wayne County School System, or who are age 60, and continue until the employee is eligible for Medicare. Employees must be eligible for full retirement under Tennessee Consolidated Retirement System rules, not retired from another school system, and enrolled in the Wayne County Board of Education sponsored medical insurance plan prior to retirement.

Currently, seven school retirees meet those eligibility requirements. The state pays 45 percent of medical insurance coverage for retirees with 30 years of service. The School Department's post-retirement health care benefit plan will pay the remaining cost. Expenditures for post-retirement health care benefits are recognized as retirees report claims. Current-year expenditures of \$35,016 were recognized for post-employment health care.

I. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA), which provide for all purchases exceeding \$5,000 (\$10,000 effective May 10, 2007) to be made after public advertisement and solicitation of competitive bids.

Office of Superintendent of Highways

Purchasing procedures for the Highway Department are governed by provisions of the Uniform Road Law, Section 54-7-113, TCA, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, 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 that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Wayne 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	\$ 2,244,822	\$ 0	\$ 0	\$ 2,244,822	\$ 2,231,057	\$ 2,231,057	\$ 13,765
Licenses and Permits	2,605	0	0	2,605	2,540	2,540	65
Fines, Forfeitures, and Penalties	117,778	0	0	117,778	84,572	84,572	33,206
Charges for Current Services	25,962	0	0	25,962	11,025	22,908	3,054
Other Local Revenues	257,886	0	0	257,886	304,665	310,320	(52,434)
Fees Received from County Officials	611,997	0	0	611,997	444,850	451,184	160,813
State of Tennessee	635,456	0	0	635,456	497,625	558,369	77,087
Federal Government	339,075	0	0	339,075	248,850	369,682	(30,607)
Other Governments and Citizens Groups	0	0	0	0	0	225	(225)
Total Revenues	\$ 4,235,581	\$ 0	\$ 0	\$ 4,235,581	\$ 3,825,184	\$ 4,030,857	\$ 204,724
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 194,824	\$ (96)	\$ 2,202	\$ 196,930	\$ 221,011	\$ 215,023	\$ 18,093
County Mayor/Executive	121,028	(117)	0	120,911	123,524	118,834	(2,077)
Election Commission	272,691	(167,240)	1,339	106,790	101,914	107,179	389
Register of Deeds	110,476	(2,393)	148	108,231	113,929	108,913	682
County Buildings	119,684	(300)	324	119,708	116,328	119,854	146
Other General Administration	28,004	(1,853)	2,053	28,204	22,093	27,800	(404)
<u>Finance</u>							
Property Assessor's Office	101,813	0	478	102,291	108,839	104,581	2,290
Reappraisal Program	11,825	0	0	11,825	19,845	13,483	1,658
County Trustee's Office	13,465	(80)	0	13,385	12,135	13,713	328
County Clerk's Office	115,988	0	313	116,301	103,294	116,369	68
<u>Administration of Justice</u>							
Circuit Court	137,152	(1,572)	24	135,604	150,639	135,921	317
General Sessions Court	121,023	0	0	121,023	119,446	121,365	342

(Continued)

Exhibit F-1

Wayne 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>Administration of Justice (Cont.)</u>							
Drug Court	\$ 115,567	\$ 0	\$ 0	\$ 115,567	\$ 0	\$ 115,567	0
Chancery Court	100,816	(777)	458	100,497	101,252	101,252	755
Juvenile Court	47,830	0	0	47,830	47,962	47,962	132
Judicial Commissioners	19,607	0	0	19,607	19,614	19,614	7
<u>Public Safety</u>							
Sheriff's Department	609,294	(7,891)	7,226	608,629	573,381	611,584	2,955
Jail	670,327	(7,548)	13,040	675,819	605,895	683,473	7,654
Rural Fire Protection	86,923	(2,877)	2,757	86,803	65,650	87,732	929
Civil Defense	47,711	(855)	0	46,856	83,250	83,250	36,394
Other Emergency Management	47,006	0	0	47,006	41,225	47,059	53
County Coroner/Medical Examiner	15,521	0	0	15,521	13,000	15,522	1
Other Public Safety	2,637	0	0	2,637	2,000	2,637	0
<u>Public Health and Welfare</u>							
Local Health Center	40,137	(1,227)	55	38,965	40,620	40,620	1,655
Alcohol and Drug Programs	2,500	0	0	2,500	2,500	2,500	0
Other Local Health Services	39,569	0	0	39,569	46,300	47,800	8,231
Regional Mental Health Center	18,000	0	0	18,000	18,000	18,000	0
Other Local Welfare Services	3,000	0	0	3,000	3,000	3,000	0
Other Waste Collection	46,504	0	0	46,504	46,969	46,504	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	36,000	0	0	36,000	36,000	36,000	0
Libraries	117,004	(1,983)	2,817	117,838	111,894	117,889	51
Other Social, Cultural, and Recreational	18,960	0	0	18,960	18,975	18,975	15
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	51,481	(70)	1,751	53,162	52,531	53,477	315
Forest Service	2,000	0	0	2,000	2,000	2,000	0

(Continued)

Exhibit F-1

Wayne 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>Agriculture & Natural Resources (Cont.)</u>							
Soil Conservation	\$ 27,200	\$ 0	\$ 0	\$ 27,200	\$ 27,200	\$ 27,200	\$ 0
Other Agriculture & Natural Resources	14,478	0	0	14,478	14,479	14,479	1
<u>Other Operations</u>							
Tourism	350	0	0	350	1,550	350	0
Other Economic and Community Development	18,550	0	0	18,550	18,550	18,550	0
Veterans' Services	4,541	0	0	4,541	4,563	4,563	22
Other Charges	73,740	0	0	73,740	73,740	73,740	0
Contributions to Other Agencies	4,200	0	0	4,200	4,200	4,200	0
Employee Benefits	315,513	0	0	315,513	284,000	318,168	2,655
Miscellaneous	52,948	0	0	52,948	43,800	28,951	(23,997)
<u>Highways</u>							
Litter and Trash Collection	42,041	(306)	194	41,929	31,300	41,968	39
<u>Support Services</u>							
Other Programs	13,202	0	30	13,232	0	13,232	0
<u>Capital Projects</u>							
Public Utility Projects	1,411	0	0	1,411	1,790	1,790	379
Total Expenditures	\$ 4,054,541	\$ (197,185)	\$ 35,209	\$ 3,892,565	\$ 3,650,187	\$ 3,952,643	\$ 60,078
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 181,040	\$ 197,185	\$ (35,209)	\$ 343,016	\$ 174,997	\$ 78,214	\$ 264,802
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,545	\$ 0	\$ 0	\$ 7,545	\$ 2,000	\$ 2,000	\$ 5,545
Transfers In	262,061	0	0	262,061	0	0	262,061
Transfers Out	(227,330)	0	0	(227,330)	(221,649)	(227,330)	0
Total Other Financing Sources (Uses)	\$ 42,276	\$ 0	\$ 0	\$ 42,276	\$ (219,649)	\$ (225,330)	\$ 267,606

(Continued)

Exhibit F-1

Wayne 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	
Net Change in Fund Balance	\$ 223,316	\$ 197,185	\$ (35,209)	\$ 385,292	\$ (44,652)	\$ (147,116)	\$ 532,408
Fund Balance, July 1, 2006	1,493,872	(197,185)	0	1,296,687	1,162,450	1,162,450	134,237
Fund Balance, June 30, 2007	\$ 1,717,188	\$ 0	\$ (35,209)	\$ 1,681,979	\$ 1,117,798	\$ 1,015,334	\$ 666,645

Exhibit F-2

Wayne 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	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	\$ 487,149	\$ 0	\$ 0	\$ 487,149	\$ 469,314	\$ 469,314	\$ 17,835
Charges for Current Services	0	0	0	0	6,500	6,500	(6,500)
Other Local Revenues	67,197	0	0	67,197	47,563	54,776	12,421
State of Tennessee	116,093	0	0	116,093	102,000	102,000	14,093
Total Revenues	\$ 670,439	\$ 0	\$ 0	\$ 670,439	\$ 625,377	\$ 632,590	\$ 37,849
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 12,602	\$ 0	\$ 0	\$ 12,602	\$ 11,936	\$ 12,603	\$ 1
Other Waste Disposal	619,910	(161)	26,964	646,713	618,532	654,623	7,910
<u>Other Operations</u>							
Employee Benefits	30,942	0	0	30,942	33,301	33,301	2,359
<u>Capital Projects</u>							
Other General Government Projects	12,877	(12,877)	0	0	0	0	0
Total Expenditures	\$ 676,331	\$ (13,038)	\$ 26,964	\$ 690,257	\$ 663,769	\$ 700,527	\$ 10,270
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (5,892)	\$ 13,038	\$ (26,964)	\$ (19,818)	\$ (38,392)	\$ (67,937)	\$ 48,119
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 303,431	(13,038)	0	290,393	261,446	261,446	28,947
Fund Balance, June 30, 2007	\$ 297,539	\$ 0	\$ (26,964)	\$ 270,575	\$ 223,054	\$ 193,509	\$ 77,066

Exhibit F-3

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 37,676	\$ 36,974	\$ 36,974	\$ 702
Other Local Revenues	104,944	41,000	67,244	37,700
State of Tennessee	2,130,294	2,613,358	2,613,358	(483,064)
Federal Government	43,744	260,000	260,000	(216,256)
Other Governments and Citizens Groups	14,781	0	0	14,781
Total Revenues	<u>\$ 2,331,439</u>	<u>\$ 2,951,332</u>	<u>\$ 2,977,576</u>	<u>\$ (646,137)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 141,950	\$ 154,026	\$ 154,026	\$ 12,076
Highway and Bridge Maintenance	704,786	1,039,275	1,077,525	372,739
Operation and Maintenance of Equipment	566,344	641,450	695,883	129,539
Other Charges	74,951	120,300	122,300	47,349
Employee Benefits	143,244	186,300	205,300	62,056
Capital Outlay	125,575	910,156	1,012,800	887,225
Total Expenditures	<u>\$ 1,756,850</u>	<u>\$ 3,051,507</u>	<u>\$ 3,267,834</u>	<u>\$ 1,510,984</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 574,589</u>	<u>\$ (100,175)</u>	<u>\$ (290,258)</u>	<u>\$ 864,847</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 63,900	\$ 0	\$ 63,900	\$ 0
Insurance Recovery	36,733	0	36,733	0
Total Other Financing Sources (Uses)	<u>\$ 100,633</u>	<u>\$ 0</u>	<u>\$ 100,633</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 675,222	\$ (100,175)	\$ (189,625)	\$ 864,847
Fund Balance, July 1, 2006	810,453	808,021	808,021	2,432
Fund Balance, June 30, 2007	<u>\$ 1,485,675</u>	<u>\$ 707,846</u>	<u>\$ 618,396</u>	<u>\$ 867,279</u>

Exhibit F-4

Wayne County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Capital 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>							
Other Local Revenues	\$ 10,594	\$ 0	\$ 0	\$ 10,594	\$ 0	\$ 10,594	\$ 0
State of Tennessee	0	0	0	0	267,566	267,566	(267,566)
Total Revenues	\$ 10,594	\$ 0	\$ 0	\$ 10,594	\$ 267,566	\$ 278,160	\$ (267,566)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 11,750	\$ 0	\$ 1,899	\$ 13,649	\$ 0	\$ 13,649	\$ 0
<u>Public Health and Welfare</u>							
Other Waste Disposal	41,375	(16,875)	0	24,500	0	24,500	0
<u>Capital Projects</u>							
General Administration Projects	84,858	(14,745)	1,695	71,808	3,517,625	75,249	3,441
Public Safety Projects	230,324	0	0	230,324	0	3,680,942	3,450,618
Other General Government Projects	520	(520)	0	0	0	0	0
Total Expenditures	\$ 368,827	\$ (32,140)	\$ 3,594	\$ 340,281	\$ 3,517,625	\$ 3,794,340	\$ 3,454,059
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (358,233)	\$ 32,140	\$ (3,594)	\$ (329,687)	\$ (3,250,059)	\$ (3,516,180)	\$ 3,186,493
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 13,649	\$ 0	\$ 0	\$ 13,649	\$ 0	\$ 13,649	\$ 0
Total Other Financing Sources (Uses)	\$ 13,649	\$ 0	\$ 0	\$ 13,649	\$ 0	\$ 13,649	\$ 0
Net Change in Fund Balance	\$ (344,584)	\$ 32,140	\$ (3,594)	\$ (316,038)	\$ (3,250,059)	\$ (3,502,531)	\$ 3,186,493
Fund Balance, July 1, 2006	4,397,210	(32,140)	0	4,365,070	4,125,744	4,125,744	239,326
Fund Balance, June 30, 2007	\$ 4,052,626	\$ 0	\$ (3,594)	\$ 4,049,032	\$ 875,685	\$ 623,213	\$ 3,425,819

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

Required Supplementary Information
 Schedule of Funding Progress for Wayne 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	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 12,258	\$ 12,258	\$ 0	100 %	\$ 6,294	0 %
6-30-03	11,284	11,284	0	100	5,959	0
6-30-01	10,181	10,181	0	100	5,027	0

WAYNE 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 Wayne County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Wayne County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the County Mayor/Executive (\$2,077), Other General Administration (\$404), and Miscellaneous (\$23,997) major appropriation categories (the legal level of control) of the General Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues.

**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.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions related to the leasing of the Wayne County Hospital, Ambulance Service, Nursing Home, Medical Office Buildings, and Home Health Care.

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.

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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues provided for community development and industrial park projects.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures of the Highway Department.

Nursing Home Capital Projects Fund – The Nursing Home Capital Projects Fund is used to account for capital expenditures of the nursing home. This fund was closed during the year.

Exhibit G-1

Wayne County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Special Purpose	Drug Control	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 24,821	\$ 24,821	\$ 0	\$ 0	\$ 0	\$ 24,821
Equity in Pooled Cash and Investments	266,254	94,498	0	360,752	500,125	1,047,185	1,547,310	1,908,062
Accounts Receivable	0	0	179	179	0	0	0	179
Due from Component Units	29,023	0	0	29,023	0	0	0	29,023
Notes Receivable - Long-Term	200,000	0	0	200,000	0	0	0	200,000
Total Assets	<u>\$ 495,277</u>	<u>\$ 94,498</u>	<u>\$ 25,000</u>	<u>\$ 614,775</u>	<u>\$ 500,125</u>	<u>\$ 1,047,185</u>	<u>\$ 1,547,310</u>	<u>\$ 2,162,085</u>
<u>FUND BALANCES</u>								
Reserved for Long-Term Notes Receivable	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 200,000
Reserved for Capital Outlay	0	0	0	0	0	976,512	976,512	976,512
Unreserved	295,277	94,498	25,000	414,775	500,125	70,673	570,798	985,573
Total Fund Balances	<u>\$ 495,277</u>	<u>\$ 94,498</u>	<u>\$ 25,000</u>	<u>\$ 614,775</u>	<u>\$ 500,125</u>	<u>\$ 1,047,185</u>	<u>\$ 1,547,310</u>	<u>\$ 2,162,085</u>

Exhibit G-2

Wayne 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				Capital Projects Funds				Total Nonmajor Governmental Funds
	Special Purpose	Drug Control	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	Nursing Home Projects	Highway Capital Projects	Total	
<u>Revenues</u>									
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,553	\$ 0	\$ 573	\$ 15,126	\$ 15,126
Fines, Forfeitures, and Penalties	0	89,359	0	89,359	0	0	0	0	89,359
Charges for Current Services	0	0	107,546	107,546	0	0	0	0	107,546
Other Local Revenues	513,832	511	0	514,343	34,780	0	0	34,780	549,123
State of Tennessee	116,093	0	0	116,093	357,976	0	0	357,976	474,069
Other Governments and Citizens Groups	7,624	0	0	7,624	44,383	0	0	44,383	52,007
Total Revenues	\$ 637,549	\$ 89,870	\$ 107,546	\$ 834,965	\$ 451,692	\$ 0	\$ 573	\$ 452,265	\$ 1,287,230
<u>Expenditures</u>									
Current:									
Finance	\$ 0	\$ 0	\$ 105,785	\$ 105,785	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,785
Administration of Justice	0	0	1,761	1,761	0	0	0	0	1,761
Public Safety	0	58,634	0	58,634	0	0	0	0	58,634
Public Health and Welfare	170,163	0	0	170,163	0	16,913	0	16,913	187,076
Debt Service:									
Principal on Debt	216,492	0	0	216,492	0	0	0	0	216,492
Interest on Debt	57,170	0	0	57,170	0	0	0	0	57,170
Capital Projects	0	0	0	0	438,920	0	873,341	1,312,261	1,312,261
Total Expenditures	\$ 443,825	\$ 58,634	\$ 107,546	\$ 610,005	\$ 438,920	\$ 16,913	\$ 873,341	\$ 1,329,174	\$ 1,939,179
Excess (Deficiency) of Revenues Over Expenditures	\$ 193,724	\$ 31,236	\$ 0	\$ 224,960	\$ 12,772	\$ (16,913)	\$ (872,768)	\$ (876,909)	\$ (651,949)
Net Change in Fund Balances	\$ 193,724	\$ 31,236	\$ 0	\$ 224,960	\$ 12,772	\$ (16,913)	\$ (872,768)	\$ (876,909)	\$ (651,949)
Fund Balance, July 1, 2006	301,553	63,262	25,000	389,815	487,353	16,913	1,919,953	2,424,219	2,814,034
Fund Balance, June 30, 2007	\$ 495,277	\$ 94,498	\$ 25,000	\$ 614,775	\$ 500,125	\$ 0	\$ 1,047,185	\$ 1,547,310	\$ 2,162,085

Exhibit G-3

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
 For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 12,667	\$ 12,667	\$ (12,667)
Other Local Revenues	513,832	208,000	506,627	7,205
State of Tennessee	116,093	100,000	100,000	16,093
Other Governments and Citizens Groups	7,624	126,741	126,741	(119,117)
Total Revenues	<u>\$ 637,549</u>	<u>\$ 447,408</u>	<u>\$ 746,035</u>	<u>\$ (108,486)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Local Health Services	\$ 170,163	\$ 445,390	\$ 366,728	\$ 196,565
<u>Principal on Debt</u>				
General Government	216,492	0	216,492	0
<u>Interest on Debt</u>				
General Government	57,170	0	57,170	0
Total Expenditures	<u>\$ 443,825</u>	<u>\$ 445,390</u>	<u>\$ 640,390</u>	<u>\$ 196,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 193,724</u>	<u>\$ 2,018</u>	<u>\$ 105,645</u>	<u>\$ 88,079</u>
Net Change in Fund Balance	\$ 193,724	\$ 2,018	\$ 105,645	\$ 88,079
Fund Balance, July 1, 2006	<u>301,553</u>	<u>299,222</u>	<u>299,222</u>	<u>2,331</u>
Fund Balance, June 30, 2007	<u>\$ 495,277</u>	<u>\$ 301,240</u>	<u>\$ 404,867</u>	<u>\$ 90,410</u>

Exhibit G-4

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 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>						
Fines, Forfeitures, and Penalties	\$ 89,359	\$ 0	\$ 89,359	\$ 11,225	\$ 11,225	\$ 78,134
Other Local Revenues	511	0	511	500	500	11
Total Revenues	<u>\$ 89,870</u>	<u>\$ 0</u>	<u>\$ 89,870</u>	<u>\$ 11,725</u>	<u>\$ 11,725</u>	<u>\$ 78,145</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 58,634	\$ (6,312)	\$ 52,322	\$ 43,865	\$ 52,326	\$ 4
Total Expenditures	<u>\$ 58,634</u>	<u>\$ (6,312)</u>	<u>\$ 52,322</u>	<u>\$ 43,865</u>	<u>\$ 52,326</u>	<u>\$ 4</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,236</u>	<u>\$ 6,312</u>	<u>\$ 37,548</u>	<u>\$ (32,140)</u>	<u>\$ (40,601)</u>	<u>\$ 78,149</u>
Net Change in Fund Balance	\$ 31,236	\$ 6,312	\$ 37,548	\$ (32,140)	\$ (40,601)	\$ 78,149
Fund Balance, July 1, 2006	<u>63,262</u>	<u>(6,312)</u>	<u>56,950</u>	<u>56,960</u>	<u>56,960</u>	<u>(10)</u>
Fund Balance, June 30, 2007	<u>\$ 94,498</u>	<u>\$ 0</u>	<u>\$ 94,498</u>	<u>\$ 24,820</u>	<u>\$ 16,359</u>	<u>\$ 78,139</u>

Exhibit G-5

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Community Development/Industrial Park Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,553	\$ 7,200	\$ 7,200	\$ 7,353
Other Local Revenues	34,780	45,000	45,000	(10,220)
State of Tennessee	357,976	332,608	690,584	(332,608)
Other Governments and Citizens Groups	44,383	44,383	44,383	0
Total Revenues	<u>\$ 451,692</u>	<u>\$ 429,191</u>	<u>\$ 787,167</u>	<u>\$ (335,475)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
Social, Cultural, and Recreation Projects	\$ 438,920	\$ 433,784	\$ 791,760	\$ 352,840
Total Expenditures	<u>\$ 438,920</u>	<u>\$ 433,784</u>	<u>\$ 791,760</u>	<u>\$ 352,840</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,772</u>	<u>\$ (4,593)</u>	<u>\$ (4,593)</u>	<u>\$ 17,365</u>
Net Change in Fund Balance	\$ 12,772	\$ (4,593)	\$ (4,593)	\$ 17,365
Fund Balance, July 1, 2006	<u>487,353</u>	<u>408,646</u>	<u>408,646</u>	<u>78,707</u>
Fund Balance, June 30, 2007	<u>\$ 500,125</u>	<u>\$ 404,053</u>	<u>\$ 404,053</u>	<u>\$ 96,072</u>

Exhibit G-6

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects 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	\$ 573	\$ 0	\$ 573	\$ 12,000	\$ 12,000	\$ (11,427)
Total Revenues	\$ 573	\$ 0	\$ 573	\$ 12,000	\$ 12,000	\$ (11,427)
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 475,429	\$ (341,440)	\$ 133,989	\$ 887,308	\$ 887,308	\$ 753,319
Highway & Street Capital Projects	397,912	0	397,912	587,040	587,040	189,128
Total Expenditures	\$ 873,341	\$ (341,440)	\$ 531,901	\$ 1,474,348	\$ 1,474,348	\$ 942,447
Excess (Deficiency) of Revenues Over Expenditures	\$ (872,768)	\$ 341,440	\$ (531,328)	\$ (1,462,348)	\$ (1,462,348)	\$ 931,020
Net Change in Fund Balance	\$ (872,768)	\$ 341,440	\$ (531,328)	\$ (1,462,348)	\$ (1,462,348)	\$ 931,020
Fund Balance, July 1, 2006	1,919,953	(341,440)	1,578,513	1,570,762	1,570,762	7,751
Fund Balance, June 30, 2007	\$ 1,047,185	\$ 0	\$ 1,047,185	\$ 108,414	\$ 108,414	\$ 938,771

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Wayne 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	\$ 1,615,126	\$ 1,560,852	\$ 1,560,852	\$ 54,274
Other Local Revenues	0	225,000	225,000	(225,000)
Other Governments and Citizens Groups	200,000	234,649	234,649	(34,649)
Total Revenues	\$ 1,815,126	\$ 2,020,501	\$ 2,020,501	\$ (205,375)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 142,744	\$ 0	\$ 142,744	\$ 0
Highways and Streets	213,350	0	213,350	0
Education	719,600	680,000	719,600	0
<u>Interest on Debt</u>				
General Government	237,601	876,381	237,628	27
Highways and Streets	71,662	0	71,662	0
Education	775,390	603,967	775,390	0
<u>Other Debt Service</u>				
General Government	25,980	24,650	26,124	144
Highways and Streets	5,000	5,000	5,000	0
Education	5,000	8,000	6,500	1,500
Total Expenditures	\$ 2,196,327	\$ 2,197,998	\$ 2,197,998	\$ 1,671
Excess (Deficiency) of Revenues Over Expenditures	\$ (381,201)	\$ (177,497)	\$ (177,497)	\$ (203,704)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 227,330	\$ 221,649	\$ 227,330	\$ 0
Total Other Financing Sources (Uses)	\$ 227,330	\$ 221,649	\$ 227,330	\$ 0
Net Change in Fund Balance	\$ (153,871)	\$ 44,152	\$ 49,833	\$ (203,704)
Fund Balance, July 1, 2006	2,116,210	1,997,973	1,997,973	118,237
Fund Balance, June 30, 2007	\$ 1,962,339	\$ 2,042,125	\$ 2,047,806	\$ (85,467)

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 the 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, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Wayne County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 862,791	\$ 862,791
Accounts Receivable	0	96	96
Due from Other Governments	72,463	0	72,463
Total Assets	<u>\$ 72,463</u>	<u>\$ 862,887</u>	<u>\$ 935,350</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 72,463	\$ 0	\$ 72,463
Due to Litigants, Heirs, and Others	0	862,887	862,887
Total Liabilities	<u>\$ 72,463</u>	<u>\$ 862,887</u>	<u>\$ 935,350</u>

Exhibit I-2

Wayne 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	\$ 428,677	\$ 428,677	\$ 0
Due from Other Governments	68,181	72,463	68,181	72,463
Total Assets	\$ 68,181	\$ 501,140	\$ 496,858	\$ 72,463
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 68,181	\$ 501,140	\$ 496,858	\$ 72,463
Total Liabilities	\$ 68,181	\$ 501,140	\$ 496,858	\$ 72,463
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 578,023	\$ 4,980,919	\$ 4,696,151	\$ 862,791
Accounts Receivable	48	96	48	96
Total Assets	\$ 578,071	\$ 4,981,015	\$ 4,696,199	\$ 862,887
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 578,071	\$ 4,981,015	\$ 4,696,199	\$ 862,887
Total Liabilities	\$ 578,071	\$ 4,981,015	\$ 4,696,199	\$ 862,887
Total - All Agency Funds				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 428,677	\$ 428,677	\$ 0
Cash	578,023	4,980,919	4,696,151	862,791
Accounts Receivable	48	96	48	96
Due from Other Governments	68,181	72,463	68,181	72,463
Total Assets	\$ 646,252	\$ 5,482,155	\$ 5,193,057	\$ 935,350
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 68,181	\$ 501,140	\$ 496,858	\$ 72,463
Due to Litigants, Heirs, and Others	578,071	4,981,015	4,696,199	862,887
Total Liabilities	\$ 646,252	\$ 5,482,155	\$ 5,193,057	\$ 935,350

Wayne County School Department

This section presents fund financial statements for the Wayne County School Department, a discretely presented component unit. The School Department uses a General Fund, one Special Revenue Fund, 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.

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 11,825,662	\$ 89,371	\$ 4,523,669	\$ 0	\$ (7,212,622)
Support Services	5,329,451	55,690	0	0	(5,273,761)
Operation of Noninstructional Services	3,107,340	69,674	788,070	0	(2,249,596)
Total Governmental Activities	\$ 20,262,453	\$ 214,735	\$ 5,311,739	\$ 0	\$ (14,735,979)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,735,771
Local Option Sales Tax					602,136
Other Local Taxes					45,278
Grants and Contributions Not Restricted to Specific Programs					12,720,231
Unrestricted Investment Earnings					119,441
Miscellaneous					18,291
Total General Revenues					\$ 15,241,148
Change in Net Assets					\$ 505,169
Net Assets, July 1, 2006					20,662,103
Net Assets, June 30, 2007					\$ 21,167,272

Exhibit J-2

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

	Major Funds			Total Govern- mental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,083,949	\$ 0	\$ 720,089	\$ 1,804,038
Accounts Receivable	0	16,871	0	16,871
Due from Other Governments	394,878	185,469	0	580,347
Property Taxes Receivable	1,872,055	0	0	1,872,055
Allowance for Uncollectible Property Taxes	(44,806)	0	0	(44,806)
Total Assets	\$ 3,306,076	\$ 202,340	\$ 720,089	\$ 4,228,505
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 217,902	\$ 0	\$ 0	\$ 217,902
Cash Overdraft	0	100,800	0	100,800
Contracts Payable	0	0	54,526	54,526
Retainage Payable	0	0	2,250	2,250
Due to Primary Government	145,116	0	0	145,116
Due to State of Tennessee	5,137	0	0	5,137
Deferred Revenue - Current Property Taxes	1,710,657	0	0	1,710,657
Deferred Revenue - Delinquent Property Taxes	109,735	0	0	109,735
Other Deferred Revenues	51,252	0	0	51,252
Total Liabilities	\$ 2,239,799	\$ 100,800	\$ 56,776	\$ 2,397,375
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 248,494	\$ 14,628	\$ 71,890	\$ 335,012
Reserved for Title I Grants to Local Education Agencies	0	27,954	0	27,954
Reserved for Innovative Education Program Strategies	0	8,015	0	8,015
Reserved for Special Education - Grants to States	0	9,847	0	9,847
Other Federal Reserves	0	41,096	0	41,096
Unreserved, Reported In:				
General Fund	817,783	0	0	817,783
Capital Projects Funds	0	0	591,423	591,423
Total Fund Balances	\$ 1,066,277	\$ 101,540	\$ 663,313	\$ 1,831,130
Total Liabilities and Fund Balances	\$ 3,306,076	\$ 202,340	\$ 720,089	\$ 4,228,505

Exhibit J-3

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Wayne 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 J-2)		\$ 1,831,130
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 475,517	
Add: construction in progress	1,528,400	
Add: buildings and improvements net of accumulated depreciation	15,846,466	
Add: other capital assets net of accumulated depreciation	<u>1,324,772</u>	19,175,155
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>160,987</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,167,272</u>

Exhibit J-4

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2007

	<u>Major Funds</u>			
	General Purpose School	School Federal Projects	Education Capital Projects	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 2,385,938	\$ 0	\$ 0	\$ 2,385,938
Licenses and Permits	707	0	0	707
Charges for Current Services	214,735	0	0	214,735
Other Local Revenues	51,777	0	119,441	171,218
State of Tennessee	13,230,378	0	0	13,230,378
Federal Government	1,632,834	3,124,670	0	4,757,504
Total Revenues	<u>\$ 17,516,369</u>	<u>\$ 3,124,670</u>	<u>\$ 119,441</u>	<u>\$ 20,760,480</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 10,476,436	\$ 1,273,795	\$ 0	\$ 11,750,231
Support Services	5,226,751	157,538	1,030	5,385,319
Operation of Non-Instructional Services	1,578,868	1,587,423	0	3,166,291
Capital Outlay	5,075	0	0	5,075
Debt Service:				
Other Debt Service	200,000	0	0	200,000
Capital Projects	0	0	2,691,236	2,691,236
Total Expenditures	<u>\$ 17,487,130</u>	<u>\$ 3,018,756</u>	<u>\$ 2,692,266</u>	<u>\$ 23,198,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 29,239</u>	<u>\$ 105,914</u>	<u>\$ (2,572,825)</u>	<u>\$ (2,437,672)</u>
Net Change in Fund Balances	<u>\$ 29,239</u>	<u>\$ 105,914</u>	<u>\$ (2,572,825)</u>	<u>\$ (2,437,672)</u>
Fund Balance, July 1, 2006	1,037,038	(4,374)	3,236,138	4,268,802
Fund Balance, June 30, 2007	<u>\$ 1,066,277</u>	<u>\$ 101,540</u>	<u>\$ 663,313</u>	<u>\$ 1,831,130</u>

Exhibit J-5

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Wayne 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 J-4)		\$ (2,437,672)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,791,874	
Less: current year depreciation expense	<u>(856,175)</u>	2,935,699
(2) 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	\$ (153,845)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>160,987</u>	<u>7,142</u>
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ 505,169</u></u>

Exhibit J-6

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne 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	\$ 2,385,938	\$ 0	\$ 0	\$ 2,385,938	\$ 2,410,900	\$ 2,410,900	\$ (24,962)
Licenses and Permits	707	0	0	707	550	550	157
Charges for Current Services	214,735	0	0	214,735	242,105	242,105	(27,370)
Other Local Revenues	51,777	0	0	51,777	41,677	41,677	10,100
State of Tennessee	13,230,378	0	0	13,230,378	13,240,709	13,245,763	(15,385)
Federal Government	1,632,834	0	0	1,632,834	1,680,667	1,735,667	(102,833)
Total Revenues	\$ 17,516,369	\$ 0	\$ 0	\$ 17,516,369	\$ 17,616,608	\$ 17,676,662	\$ (160,293)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 8,525,849	\$ (76,880)	\$ 114,373	\$ 8,563,342	\$ 8,530,264	\$ 8,604,398	\$ 41,056
Alternative Instruction Program	80,908	0	0	80,908	83,572	83,572	2,664
Special Education Program	1,169,031	(29,284)	35,357	1,175,104	1,178,402	1,175,402	298
Vocational Education Program	621,289	(3,999)	2,977	620,267	624,275	634,337	14,070
Adult Education Program	79,359	(21,975)	14,882	72,266	91,211	76,777	4,511
<u>Support Services</u>							
Attendance	75,074	(90)	0	74,984	75,497	75,497	513
Health Services	89,333	(8,294)	2,736	83,775	88,922	88,922	5,147
Other Student Support	490,812	(971)	2,682	492,523	500,836	500,836	8,313
Regular Instruction Program	732,513	(16,447)	12,829	728,895	775,028	737,743	8,848
Special Education Program	215,000	(4,691)	2,140	212,449	210,355	212,449	0
Vocational Education Program	107,115	(292)	0	106,823	108,089	107,995	1,172
Adult Programs	108,547	(7,387)	17,082	118,242	110,503	124,937	6,695
Board of Education	214,600	0	0	214,600	237,293	221,293	6,693
Director of Schools	134,798	(279)	71	134,590	133,422	134,922	332
Office of the Principal	636,740	0	0	636,740	641,504	638,504	1,764

(Continued)

Exhibit J-6

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne 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>							
Fiscal Services	\$ 48,087	\$ 0	\$ 355	\$ 48,442	\$ 52,779	\$ 50,779	\$ 2,337
Operation of Plant	1,310,434	(3,262)	3,132	1,310,304	1,303,614	1,320,614	10,310
Maintenance of Plant	267,912	(22,447)	8,155	253,620	258,380	270,380	16,760
Transportation	795,786	(9,390)	22,650	809,046	830,162	815,798	6,752
<u>Operation of Non-Instructional Services</u>							
Food Service	842,205	(6,074)	5,300	841,431	855,528	900,466	59,035
Community Services	126,170	(75)	73	126,168	118,878	126,378	210
Early Childhood Education	610,493	(3,735)	3,700	610,458	608,094	610,458	0
<u>Capital Outlay</u>							
Regular Capital Outlay	5,075	(5,075)	0	0	0	0	0
<u>Principal on Debt</u>							
Education	0	0	0	0	200,000	0	0
<u>Other Debt Service</u>							
Education	200,000	0	0	200,000	0	200,000	0
Total Expenditures	\$ 17,487,130	\$ (220,647)	\$ 248,494	\$ 17,514,977	\$ 17,616,608	\$ 17,712,457	\$ 197,480
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 29,239	\$ 220,647	\$ (248,494)	\$ 1,392	\$ 0	\$ (35,795)	\$ 37,187
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 1,037,038	(220,647)	0	816,391	700,000	700,000	116,391
Fund Balance, June 30, 2007							
	\$ 1,066,277	\$ 0	\$ (248,494)	\$ 817,783	\$ 700,000	\$ 664,205	\$ 153,578

Exhibit J-7

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne 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	\$ 3,124,670	\$ 0	\$ 0	\$ 3,124,670	\$ 3,471,034	\$ 3,479,689	\$ (355,019)
Total Revenues	\$ 3,124,670	\$ 0	\$ 0	\$ 3,124,670	\$ 3,471,034	\$ 3,479,689	\$ (355,019)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 784,167	\$ (2,553)	\$ 430	\$ 782,044	\$ 840,754	\$ 843,851	\$ 61,807
Special Education Program	448,587	(4,146)	794	445,235	572,189	572,916	127,681
Vocational Education Program	41,041	(4,373)	12,307	48,975	50,717	50,717	1,742
<u>Support Services</u>							
Other Student Support	14,190	0	0	14,190	13,990	13,990	(200)
Regular Instruction Program	48,236	(54)	435	48,617	46,030	51,587	2,970
Special Education Program	57,496	(1,361)	0	56,135	85,849	78,999	22,864
Vocational Education Program	11,807	(356)	0	11,451	11,700	11,700	249
Transportation	25,809	0	0	25,809	30,174	36,297	10,488
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,587,423	(62,827)	662	1,525,258	1,819,631	1,819,632	294,374
Total Expenditures	\$ 3,018,756	\$ (75,670)	\$ 14,628	\$ 2,957,714	\$ 3,471,034	\$ 3,479,689	\$ 521,975
Excess (Deficiency) of Revenues Over Expenditures	\$ 105,914	\$ 75,670	\$ (14,628)	\$ 166,956	\$ 0	\$ 0	\$ 166,956
Net Change in Fund Balance	\$ 105,914	\$ 75,670	\$ (14,628)	\$ 166,956	\$ 0	\$ 0	\$ 166,956
Fund Balance, July 1, 2006	(4,374)	(75,670)	0	(80,044)	0	0	(80,044)
Fund Balance, June 30, 2007	\$ 101,540	\$ 0	\$ (14,628)	\$ 86,912	\$ 0	\$ 0	\$ 86,912

MISCELLANEOUS SCHEDULES

Exhibit K-1

Wayne County, Tennessee
 Schedule of Changes in Long-term Notes 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
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Roads, Bridges, and Vehicles	\$ 900,000	2.5 to 3.1 %	12-1-02	11-1-06	\$ 235,000	\$ 0	\$ 235,000	\$ 0
Courthouse, Vehicles, and Equipment	150,000	2.75	8-26-04	3-1-07	50,694	0	50,694	0
Energy Efficiency Capital Outlay Notes	13,649	0	4-9-07	5-15-14	0	13,649	0	13,649
Total Payable through General Debt Service Fund					<u>\$ 285,694</u>	<u>\$ 13,649</u>	<u>\$ 285,694</u>	<u>\$ 13,649</u>
<u>Payable through Special Purpose Fund</u>								
Hospital Improvements and Additions	1,700,000	4.08	4-1-01	9-1-12	\$ 1,095,000	\$ 0	\$ 135,000	\$ 960,000
Nursing Home Renovations	605,000	2.9	2-1-05	2-1-12	525,804	0	81,492	444,312
Total Payable through Special Purpose Fund					<u>\$ 1,620,804</u>	<u>\$ 0</u>	<u>\$ 216,492</u>	<u>\$ 1,404,312</u>
Total Notes Payable					<u>\$ 1,906,498</u>	<u>\$ 13,649</u>	<u>\$ 502,186</u>	<u>\$ 1,417,961</u>
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Bonds	6,700,000	5 to 5.55	1-1-00	11-16-06	\$ 195,000	\$ 0	\$ 195,000	\$ 0
School Bonds	2,850,000	5.23	12-1-00	12-1-08	270,000	0	85,000	185,000
School Refunding Bonds	9,495,000	3.72	6-3-03	12-1-23	9,310,000	0	65,000	9,245,000
School Refunding Bonds	5,085,000	3.2	3-10-05	12-1-14	4,810,000	0	320,000	4,490,000
School Refunding Bonds	2,355,000	4	3-31-05	12-1-23	2,355,000	0	15,000	2,340,000
General Obligation Bond Series 2006	9,450,000	4.05	3-1-06	12-1-30	9,450,000	0	110,000	9,340,000
Total Bonds Payable					<u>\$ 26,390,000</u>	<u>\$ 0</u>	<u>\$ 790,000</u>	<u>\$ 25,600,000</u>

Exhibit K-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 950,000	\$ 951,421	\$ 1,901,421
2009	980,000	916,275	1,896,275
2010	1,015,000	880,423	1,895,423
2011	1,055,000	843,707	1,898,707
2012	1,090,000	805,654	1,895,654
2013	1,135,000	766,182	1,901,182
2014	1,175,000	725,199	1,900,199
2015	1,195,000	682,404	1,877,404
2016	1,265,000	636,181	1,901,181
2017	1,310,000	586,760	1,896,760
2018	1,365,000	535,418	1,900,418
2019	1,415,000	482,059	1,897,059
2020	1,470,000	426,683	1,896,683
2021	1,540,000	368,911	1,908,911
2022	1,600,000	308,652	1,908,652
2023	1,665,000	246,003	1,911,003
2024	1,710,000	181,246	1,891,246
2025	465,000	139,016	604,016
2026	485,000	119,779	604,779
2027	500,000	99,832	599,832
2028	520,000	79,177	599,177
2029	545,000	57,611	602,611
2030	565,000	35,134	600,134
2031	585,000	11,846	596,846
Total	<u>\$ 25,600,000</u>	<u>\$ 10,885,573</u>	<u>\$ 36,485,573</u>

Exhibit K-3

Wayne County, Tennessee
Schedule of Notes Receivable
June 30, 2007

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
<u>Special Purpose Fund</u>						
Provide Funds for Operations	Wayne County Nursing Home - Component Unit	\$ 200,000	6-19-07	12-1-09	5.5 %	<u>\$ 200,000</u>

Exhibit K-4

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	General Debt Service	Provide funds for operations	\$ 227,330
Workers' Compensation	General	Provide funds for operations	<u>262,061</u>
Total Transfers			<u>\$ 489,391</u>

Exhibit K-5

Wayne County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Wayne County and the Discretely Presented Wayne County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive				
Willard Pope (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	\$ 12,696	\$ 50,000	State Automobile Mutual Insurance Company
Jason Rich (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	50,116	50,000	"
Superintendent of Highways	Section 8-24-102, <u>TCA</u>	57,276	100,000	"
Director of Schools	State Board of Education and County Board of Education	80,437 (1)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	52,069	640,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	52,069	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	52,069	60,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <u>TCA</u>	52,069	75,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u>	53,830 (2)	25,000	"
Register	Section 8-24-102, <u>TCA</u>	52,069	25,000	State Automobile Mutual Insurance Company
Sheriff				
Carl Skelton (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	10,146 (3)	50,000	Auto Owners Mutual Insurance Company
Ric Wilson (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	48,330 (3)	50,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			150,000	Tennessee School Boards Risk Management Trust

(1) Includes \$700 chief executive officer training supplement.

(2) Includes special commissioner fees of \$1,761.

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

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,606,648	\$ 376,926	\$ 0	\$ 0	\$ 0	34,262
Trustee's Collections - Prior Year	89,964	21,517	0	0	0	2,206
Circuit/Clerk & Master Collections - Prior Years	8,539	6,096	0	0	0	593
Interest and Penalty	16,696	3,972	0	0	0	402
Payments in-Lieu-of Taxes - T.V.A.	7,341	2,341	0	0	0	213
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Wheel Tax	146,534	0	0	0	0	0
Litigation Tax - General	77,784	0	0	0	0	0
Litigation Tax - Special Purpose	21,215	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	2,973	0	0	0	0	0
Business Tax	78,471	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	102,149	0	0	0	0	0
Wholesale Beer Tax	84,619	76,297	0	0	0	0
Interstate Telecommunications Tax	1,889	0	0	0	0	0
<u>City Local Option Taxes</u>						
Hotel/Motel Tax	0	0	0	0	0	0
Total Local Taxes	\$ 2,244,822	\$ 487,149	\$ 0	\$ 0	\$ 0	37,676
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 657	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	1,948	0	0	0	0	0
Total Licenses and Permits	\$ 2,605	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 19,779	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Jail Fees	\$ 3,136	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>General Sessions Court</u>						
Fines	27,031	0	0	0	0	0
Officers Costs	21,831	0	0	0	0	0
Drug Control Fines	0	0	0	17,262	0	0
Jail Fees	4,292	0	0	0	0	0
DUI Treatment Fines	7,190	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,469	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,672	0	0	0	0	0
Data Entry Fee - Juvenile Court	194	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,246	0	0	0	0	0
Data Entry Fee - Chancery Court	330	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	12,737	0	0	0	0	0
Drug Court Fees	11,871	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	72,097	0	0
Total Fines, Forfeitures, and Penalties	\$ 117,778	\$ 0	\$ 0	\$ 89,359	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Water Sales	\$ 3,029	\$ 0	\$ 0	\$ 0	\$ 0	0
Water Tap Sales	560	0	0	0	0	0
<u>Fees</u>						
Copy Fees	82	0	0	0	0	0
Library Fees	4,398	0	0	0	0	0
Telephone Commissions	9,333	0	0	0	0	0
Vending Machine Collections	31	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	107,546	0
Data Processing Fee - Register	7,964	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 160	\$ 0	\$ 0	\$ 0	\$ 0	0
Sexual Offender Registration Fees - Sheriff	300	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	105	0	0	0	0	0
Total Charges for Current Services	\$ 25,962	\$ 0	\$ 0	\$ 0	\$ 107,546	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 245,923	\$ 27,249	\$ 337,390	\$ 0	\$ 0	0
Lease/Rentals	0	0	175,000	0	0	0
Commissary Sales	407	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	62,437
Sale of Recycled Materials	0	35,064	0	0	0	2,952
Miscellaneous Refunds	2,935	4,884	1,442	511	0	4,203
Expenditure Credits	6,400	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	30,000
Damages Recovered from Individuals	250	0	0	0	0	5,352
Contributions & Gifts	1,911	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	60	0	0	0	0	0
Total Other Local Revenues	\$ 257,886	\$ 67,197	\$ 513,832	\$ 511	\$ 0	\$ 104,944
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 80,859	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fees-In-Lieu of Salary</u>						
County Clerk	149,524	0	0	0	0	0
Circuit Court Clerk	50,648	0	0	0	0	0
General Sessions Court Clerk	140,957	0	0	0	0	0
Clerk and Master	63,367	0	0	0	0	0
Juvenile Court Clerk	7,902	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees-In-Lieu of Salary (Cont.)</u>						
Register	\$ 95,748	\$ 0	\$ 0	\$ 0	\$ 0	0
Sheriff	22,992	0	0	0	0	0
Total Fees Received from County Officials	\$ 611,997	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	7,630	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	3,631	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	46,098	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	172,976
Litter Program	29,837	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	10,000	0	0	0	0	0
Beer Tax	18,753	0	0	0	0	0
Alcoholic Beverage Tax	44,716	0	0	0	0	0
State Revenue Sharing - T.V.A.	348,279	116,093	116,093	0	0	0
Contracted Prisoner Boarding	101,132	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,943,770
Petroleum Special Tax	0	0	0	0	0	13,548
Registrar's Salary Supplement	16,380	0	0	0	0	0
Total State of Tennessee	\$ 635,456	\$ 116,093	\$ 116,093	\$ 0	\$ 0	2,130,294
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,744
Homeland Security Grants	52,643	0	0	0	0	0
Other Federal through State	170,865	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 115,567	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Federal Government	\$ 339,075	\$ 0	\$ 0	\$ 0	\$ 0	43,744
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,781
Contributions	0	0	7,624	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	7,624	\$ 0	\$ 0	14,781
Total	\$ 4,235,581	\$ 670,439	\$ 637,549	\$ 89,870	\$ 107,546	\$ 2,331,439

(Continued)

Exhibit K-6

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

	Debt Service		Capital Projects Funds			Total
	Fund		General	Community	Highway	
	General	Debt	Capital	Development/ Industrial Park	Capital Projects	
	Service	Projects	Projects			
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 222,729	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,240,565
Trustee's Collections - Prior Year	13,427	0	0	0	0	127,114
Circuit/Clerk & Master Collections - Prior Years	3,712	0	0	0	0	18,940
Interest and Penalty	2,464	0	0	0	0	23,534
Payments in-Lieu-of Taxes - T.V.A.	1,383	0	0	0	0	11,278
<u>County Local Option Taxes</u>						
Local Option Sales Tax	857,353	0	0	0	0	857,353
Wheel Tax	439,602	0	0	0	0	586,136
Litigation Tax - General	0	0	0	0	0	77,784
Litigation Tax - Special Purpose	0	0	0	0	0	21,215
Litigation Tax - Jail, Workhouse, or Courthouse	74,456	0	0	0	0	74,456
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	2,973
Business Tax	0	0	0	0	0	78,471
Mineral Severance Tax	0	0	0	0	573	573
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	102,149
Wholesale Beer Tax	0	0	0	0	0	160,916
Interstate Telecommunications Tax	0	0	0	0	0	1,889
<u>City Local Option Taxes</u>						
Hotel/Motel Tax	0	0	14,553	0	0	14,553
Total Local Taxes	\$ 1,615,126	\$ 0	\$ 14,553	\$ 573	\$ 0	\$ 4,399,899
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 657
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,948
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,605
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,779

(Continued)

Exhibit K-6

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

	Debt Service		Capital Projects Funds			Total				
	Fund		General	Community	Highway					
	General	Debt	Capital	Development/ Industrial Park	Capital					
	Service	Projects	Projects	Projects	Projects					
<u>Fines, Forfeitures, and Penalties (Cont.)</u>										
<u>Circuit Court (Cont.)</u>										
Jail Fees	\$	0	\$	0	\$	0	\$	0	\$	3,136
<u>General Sessions Court</u>										
Fines		0		0		0		0		27,031
Officers Costs		0		0		0		0		21,831
Drug Control Fines		0		0		0		0		17,262
Jail Fees		0		0		0		0		4,292
DUI Treatment Fines		0		0		0		0		7,190
Data Entry Fee - General Sessions Court		0		0		0		0		4,469
<u>Juvenile Court</u>										
Fines		0		0		0		0		2,672
Data Entry Fee - Juvenile Court		0		0		0		0		194
<u>Chancery Court</u>										
Officers Costs		0		0		0		0		2,246
Data Entry Fee - Chancery Court		0		0		0		0		330
<u>Other Courts - In-county</u>										
Fines		0		0		0		0		12,737
Drug Court Fees		0		0		0		0		11,871
<u>Other Fines, Forfeitures, and Penalties</u>										
Proceeds from Confiscated Property		0		0		0		0		72,097
Total Fines, Forfeitures, and Penalties	\$	0	\$	0	\$	0	\$	0	\$	207,137
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Water Sales	\$	0	\$	0	\$	0	\$	0	\$	3,029
Water Tap Sales		0		0		0		0		560
<u>Fees</u>										
Copy Fees		0		0		0		0		82
Library Fees		0		0		0		0		4,398
Telephone Commissions		0		0		0		0		9,333
Vending Machine Collections		0		0		0		0		31
Constitutional Officers' Fees and Commissions		0		0		0		0		107,546
Data Processing Fee - Register		0		0		0		0		7,964

(Continued)

Exhibit K-6

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

	Debt Service		Capital Projects Funds			Total				
	Fund		General	Community	Highway					
	General	Debt	Capital	Development/ Industrial Park	Capital					
	Service	Projects	Projects	Projects	Projects					
<u>Charges for Current Services (Cont.)</u>										
<u>Fees (Cont.)</u>										
Data Processing Fee - Sheriff	\$	0	\$	0	\$	0	\$	160		
Sexual Offender Registration Fees - Sheriff		0		0		0		300		
<u>Other Charges for Services</u>										
Other Charges for Services		0		0		0		105		
Total Charges for Current Services	\$	0	\$	0	\$	0	\$	133,508		
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$	0	\$	0	\$	22,780	\$	0	\$	633,342
Lease/Rentals		0		0		12,000		0		187,000
Commissary Sales		0		0		0		0		407
Sale of Gasoline		0		0		0		0		62,437
Sale of Recycled Materials		0		0		0		0		38,016
Miscellaneous Refunds		0		10,594		0		0		24,569
Expenditure Credits		0		0		0		0		6,400
<u>Nonrecurring Items</u>										
Sale of Equipment		0		0		0		0		30,000
Damages Recovered from Individuals		0		0		0		0		5,602
Contributions & Gifts		0		0		0		0		1,911
<u>Other Local Revenues</u>										
Other Local Revenues		0		0		0		0		60
Total Other Local Revenues	\$	0	\$	10,594	\$	34,780	\$	0	\$	989,744
<u>Fees Received from County Officials</u>										
<u>Excess Fees</u>										
Trustee	\$	0	\$	0	\$	0	\$	0	\$	80,859
<u>Fees-In-Lieu of Salary</u>										
County Clerk		0		0		0		0		149,524
Circuit Court Clerk		0		0		0		0		50,648
General Sessions Court Clerk		0		0		0		0		140,957
Clerk and Master		0		0		0		0		63,367
Juvenile Court Clerk		0		0		0		0		7,902

(Continued)

Exhibit K-6

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

	Debt Service		Capital Projects Funds			Total		
	Fund		General	Community	Highway			
	General	Debt	Capital	Development/ Industrial Park	Capital			
	Service	Projects	Projects	Projects	Projects			
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees-In-Lieu of Salary (Cont.)</u>								
Register	\$	0	\$	0	\$	0	\$	95,748
Sheriff		0		0		0		22,992
Total Fees Received from County Officials	\$	0	\$	0	\$	0	\$	611,997
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$	0	\$	0	\$	0	\$	9,000
State Reappraisal Grant		0		0		0		7,630
<u>Public Safety Grants</u>								
Law Enforcement Training Programs		0		0		0		3,631
<u>Health and Welfare Grants</u>								
Health Department Programs		0		0		0		46,098
<u>Public Works Grants</u>								
State Aid Program		0		0		0		172,976
Litter Program		0		0		0		29,837
Tennessee Industrial Infrastructure Program		0		357,976		0		357,976
<u>Other State Revenues</u>								
Income Tax		0		0		0		10,000
Beer Tax		0		0		0		18,753
Alcoholic Beverage Tax		0		0		0		44,716
State Revenue Sharing - T.V.A.		0		0		0		580,465
Contracted Prisoner Boarding		0		0		0		101,132
Gasoline and Motor Fuel Tax		0		0		0		1,943,770
Petroleum Special Tax		0		0		0		13,548
Registrar's Salary Supplement		0		0		0		16,380
Total State of Tennessee	\$	0	\$	357,976	\$	0	\$	3,355,912
<u>Federal Government</u>								
<u>Federal Through State</u>								
Disaster Relief	\$	0	\$	0	\$	0	\$	43,744
Homeland Security Grants		0		0		0		52,643
Other Federal through State		0		0		0		170,865

(Continued)

Exhibit K-6

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

	Debt Service Fund	Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	115,567
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	382,819
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	14,781
Contributions	200,000	0	44,383	0	252,007
Total Other Governments and Citizens Groups	\$ 200,000	\$ 0	\$ 44,383	\$ 0	266,788
Total	\$ 1,815,126	\$ 10,594	\$ 451,692	\$ 573	10,350,409

Exhibit K-7

Wayne County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Education Capital Projects	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,593,367	\$ 0	\$ 0	\$ 1,593,367
Trustee's Collections - Prior Year	92,510	0	0	92,510
Circuit/Clerk & Master Collections - Prior Years	26,011	0	0	26,011
Interest and Penalty	17,045	0	0	17,045
Payments in-Lieu-of Taxes - T.V.A.	9,895	0	0	9,895
<u>County Local Option Taxes</u>				
Local Option Sales Tax	601,832	0	0	601,832
Other County Local Option Taxes	42,555	0	0	42,555
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,723	0	0	2,723
Total Local Taxes	\$ 2,385,938	\$ 0	\$ 0	\$ 2,385,938
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 707	\$ 0	\$ 0	\$ 707
Total Licenses and Permits	\$ 707	\$ 0	\$ 0	\$ 707
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Contract for Instructional Services with Other LEAs	\$ 89,371	\$ 0	\$ 0	\$ 89,371
Receipts from Individual Schools	49,124	0	0	49,124
Community Service Fees - Children	60,525	0	0	60,525
Community Service Fees - Adults	9,149	0	0	9,149
<u>Other Charges for Services</u>				
Other Charges for Services	6,566	0	0	6,566
Total Charges for Current Services	\$ 214,735	\$ 0	\$ 0	\$ 214,735
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 119,441	\$ 119,441
Lease/Rentals	4,227	0	0	4,227
Miscellaneous Refunds	5,764	0	0	5,764
<u>Nonrecurring Items</u>				
Sale of Equipment	6,177	0	0	6,177
Damages Recovered from Individuals	500	0	0	500
Contributions & Gifts	33,486	0	0	33,486
<u>Other Local Revenues</u>				
Other Local Revenues	1,623	0	0	1,623
Total Other Local Revenues	\$ 51,777	\$ 0	\$ 119,441	\$ 171,218
<u>State of Tennessee</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 12,027,764	\$ 0	\$ 0	\$ 12,027,764
Early Childhood Education	579,396	0	0	579,396
School Food Service	14,694	0	0	14,694
Driver Education	8,806	0	0	8,806
Other State Education Funds	217,729	0	0	217,729
Career Ladder Program	219,133	0	0	219,133

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Career Ladder - Extended Contract	\$ 121,652	\$ 0	\$ 0	\$ 121,652
<u>Other State Revenues</u>				
Other State Revenues	41,204	0	0	41,204
Total State of Tennessee	<u>\$ 13,230,378</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,230,378</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 499,814	\$ 0	\$ 0	\$ 499,814
Breakfast	204,360	0	0	204,360
USDA - Other	69,202	0	0	69,202
Adult Education State Grant Program	166,411	0	0	166,411
Vocational Education - Basic Grants to States	0	69,646	0	69,646
Title I Grants to Local Education Agencies	0	563,898	0	563,898
Innovative Education Program Strategies	0	84,481	0	84,481
Special Education - Grants to States	16,497	521,058	0	537,555
Special Education Preschool Grants	0	19,830	0	19,830
Eisenhower Professional Development State Grants	0	168,161	0	168,161
Other Federal through State	676,550	1,697,596	0	2,374,146
Total Federal Government	<u>\$ 1,632,834</u>	<u>\$ 3,124,670</u>	<u>\$ 0</u>	<u>\$ 4,757,504</u>
Total	<u>\$ 17,516,369</u>	<u>\$ 3,124,670</u>	<u>\$ 119,441</u>	<u>\$ 20,760,480</u>

Exhibit K-8

Wayne 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	\$	1,500	
Board and Committee Members Fees		11,087	
In-Service Training		75	
Advertising		1,134	
Audit Services		3,869	
Communication		4,202	
Legal Services		11,551	
Postal Charges		16,196	
Printing, Stationery, and Forms		1,536	
Rentals		46	
Travel		579	
Other Supplies and Materials		25	
Judgments		518	
Liability Insurance		137,482	
Premiums on Corporate Surety Bonds		956	
Other Charges		1,568	
Motor Vehicles		2,500	
Total County Commission			\$ 194,824

County Mayor/Executive

County Official/Administrative Officer	\$	62,812	
Accountants/Bookkeepers		19,120	
Purchasing Personnel		19,120	
Temporary Personnel		1,172	
Other Salaries & Wages		6,685	
In-Service Training		485	
Communication		2,468	
Data Processing Services		7,937	
Maintenance & Repair Services - Vehicles		67	
Printing, Stationery, and Forms		239	
Travel		400	
Gasoline		430	
Office Supplies		28	
Other Supplies and Materials		42	
Other Charges		23	
Total County Mayor/Executive			121,028

Election Commission

County Official/Administrative Officer	\$	46,862	
Clerical Personnel		18,052	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	6,971	
Board and Committee Members Fees		720	
Election Commission		2,530	
Election Workers		15,540	
In-Service Training		1,600	
Advertising		1,772	
Communication		1,165	
Data Processing Services		2,709	
Dues and Memberships		200	
Printing, Stationery, and Forms		2,444	
Travel		3,278	
Office Supplies		510	
Other Charges		113	
Office Equipment		2,625	
Voting Machines		165,600	
Total Election Commission			\$ 272,691

Register of Deeds

County Official/Administrative Officer	\$	52,069	
Clerical Personnel		27,012	
Communication		1,888	
Data Processing Services		17,434	
Dues and Memberships		115	
Maintenance & Repair Services - Office Equipment		570	
Printing, Stationery, and Forms		1,025	
Rentals		93	
Other Contracted Services		7,250	
Office Supplies		2,490	
Other Supplies and Materials		175	
Premiums on Corporate Surety Bonds		355	
Total Register of Deeds			110,476

County Buildings

Supervisor/Director	\$	23,463	
Custodial Personnel		20,282	
Temporary Personnel		1,531	
Contracts with Private Agencies		5,604	
Maintenance & Repair Services - Buildings		7,417	
Maintenance & Repair Services - Equipment		578	
Maintenance & Repair Services - Vehicles		512	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	4,256	
Electricity		45,211	
Gasoline		1,608	
Water and Sewer		7,411	
Other Supplies and Materials		1,369	
Other Charges		65	
Building Improvements		51	
Other Equipment		326	
Total County Buildings			\$ 119,684

Other General Administration

Dues and Memberships	\$	6,798	
Maintenance & Repair Services - Office Equipment		4,994	
Office Supplies		16,212	
Total Other General Administration			28,004

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	52,069	
Clerical Personnel		37,758	
Part-time Personnel		1,028	
Board and Committee Members Fees		1,050	
Communication		752	
Contracts with Government Agencies		3,016	
Contracts with Private Agencies		4,862	
Dues and Memberships		120	
Printing, Stationery, and Forms		194	
Travel		923	
Other Supplies and Materials		41	
Total Property Assessor's Office			101,813

Reappraisal Program

Contracts with Private Agencies	\$	5,349	
Data Processing Services		6,476	
Total Reappraisal Program			11,825

County Trustee's Office

Advertising	\$	502	
Communication		1,721	
Data Processing Services		5,320	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Printing, Stationery, and Forms	\$	2,083	
Rentals		30	
Office Supplies		80	
Other Supplies and Materials		86	
Premiums on Corporate Surety Bonds		3,255	
Office Equipment		388	
Total County Trustee's Office			\$ 13,465

County Clerk's Office

County Official/Administrative Officer	\$	52,069	
Deputy(ies)		38,240	
Temporary Personnel		5,511	
Part-time Personnel		3,304	
Communication		1,734	
Maintenance Agreements		11,143	
Printing, Stationery, and Forms		1,827	
Rentals		15	
Other Contracted Services		45	
Other Supplies and Materials		667	
Premiums on Corporate Surety Bonds		1,393	
Other Charges		40	
Total County Clerk's Office			115,988

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	52,069	
Deputy(ies)		53,722	
Board and Committee Members Fees		150	
Jury and Witness Fees		10,483	
Communication		3,026	
Contracts with Other Public Agencies		2,946	
Data Processing Services		11,389	
Printing, Stationery, and Forms		2,522	
Rentals		28	
Office Supplies		271	
Premiums on Corporate Surety Bonds		546	
Total Circuit Court			137,152

General Sessions Court

Judge(s)	\$	74,758	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Secretary(ies)	\$	20,989	
Attendants		17,978	
Communication		1,572	
Contracts with Private Agencies		3,572	
Dues and Memberships		90	
Travel		1,517	
Uniforms		71	
Premiums on Corporate Surety Bonds		379	
Other Charges		97	
Total General Sessions Court			\$ 121,023

Drug Court

Drug Treatment	\$	115,567	
Total Drug Court			115,567

Chancery Court

County Official/Administrative Officer	\$	52,069	
Deputy(ies)		38,240	
Communication		1,256	
Data Processing Services		6,543	
Dues and Memberships		60	
Printing, Stationery, and Forms		2,447	
Rentals		54	
Office Supplies		11	
Other Supplies and Materials		136	
Total Chancery Court			100,816

Juvenile Court

Youth Service Officer(s)	\$	18,692	
Clerical Personnel		19,117	
In-Service Training		925	
Communication		353	
Contracts with Private Agencies		8,420	
Dues and Memberships		191	
Printing, Stationery, and Forms		132	
Total Juvenile Court			47,830

Judicial Commissioners

County Official/Administrative Officer	\$	19,607	
Total Judicial Commissioners			19,607

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	57,276	
Supervisor/Director		28,945	
Deputy(ies)		276,512	
Investigator(s)		53,477	
Sergeant(s)		50,638	
Salary Supplements		6,600	
In-Service Training		9,180	
Communication		4,846	
Dues and Memberships		1,470	
Evaluation and Testing		1,460	
Maintenance Agreements		5,740	
Maintenance & Repair Services - Office Equipment		165	
Maintenance & Repair Services - Vehicles		25,443	
Printing, Stationery, and Forms		768	
Rentals		300	
Travel		5,911	
Data Processing Supplies		455	
Gasoline		61,542	
Office Supplies		915	
Uniforms		13,945	
Other Supplies and Materials		973	
Premiums on Corporate Surety Bonds		2,329	
Other Charges		404	
Total Sheriff's Department			\$ 609,294

Jail

Supervisor/Director	\$	26,406
Medical Personnel		8,556
Dispatchers/Radio Operators		137,264
Guards		194,637
Clerical Personnel		6,127
Cafeteria Personnel		9,091
Other Salaries & Wages		41,102
Advertising		388
Communication		8,351
Contracts with Government Agencies		112,524
Maintenance & Repair Services - Buildings		955
Maintenance & Repair Services - Equipment		2,025
Printing, Stationery, and Forms		1,016
Transportation - Other than Students		1,295

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Travel	\$	1,566	
Custodial Supplies		2,557	
Drugs and Medical Supplies		39,936	
Electricity		17,772	
Food Supplies		24,017	
Office Supplies		2,907	
Prisoners Clothing		2,416	
Uniforms		189	
Water and Sewer		15,538	
Other Supplies and Materials		3,484	
Premiums on Corporate Surety Bonds		838	
Other Charges		9,370	
Total Jail			\$ 670,327

Rural Fire Protection

Maintenance & Repair Services - Equipment	\$	2,900	
Maintenance & Repair Services - Vehicles		15,853	
Equipment and Machinery Parts		42	
Fuel Oil		687	
Gasoline		13,413	
Liability Insurance		54,028	
Total Rural Fire Protection			86,923

Civil Defense

Other Charges	\$	1,100	
Other Equipment		46,611	
Total Civil Defense			47,711

Other Emergency Management

Other Salaries & Wages	\$	14,726	
Other Fringe Benefits		1,382	
Communication		23,285	
Electricity		2,038	
Gasoline		120	
Water and Sewer		318	
Other Charges		5,137	
Total Other Emergency Management			47,006

County Coroner/Medical Examiner

Medical and Dental Services	\$	15,322	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Other Supplies and Materials	\$ 199	
Total County Coroner/Medical Examiner		\$ 15,521

Other Public Safety

Communication	\$ 2,637	
Total Other Public Safety		2,637

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 4,200	
Advertising	307	
Communication	3,533	
Contracts with Government Agencies	18,570	
Dues and Memberships	100	
Maintenance & Repair Services - Buildings	1,600	
Travel	81	
Custodial Supplies	128	
Drugs and Medical Supplies	250	
Electricity	9,736	
Office Supplies	11	
Water and Sewer	445	
Other Supplies and Materials	922	
Other Charges	254	
Total Local Health Center		40,137

Alcohol and Drug Programs

Contributions	\$ 2,500	
Total Alcohol and Drug Programs		2,500

Other Local Health Services

Other Salaries & Wages	\$ 29,198	
Other Fringe Benefits	4,575	
Travel	3,451	
Other Supplies and Materials	2,345	
Total Other Local Health Services		39,569

Regional Mental Health Center

Contributions	\$ 18,000	
Total Regional Mental Health Center		18,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Contributions	\$ 3,000	
Total Other Local Welfare Services		\$ 3,000

Other Waste Collection

Truck Drivers	\$ 33,522	
Laborers	12,982	
Total Other Waste Collection		46,504

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 36,000	
Total Senior Citizens Assistance		36,000

Libraries

Supervisor/Director	\$ 30,823	
Deputy(ies)	12,782	
Part-time Personnel	43,210	
In-Service Training	1,075	
Communication	3,944	
Data Processing Services	1,275	
Dues and Memberships	85	
Maintenance & Repair Services - Buildings	1,150	
Maintenance & Repair Services - Office Equipment	435	
Matching Share	561	
Postal Charges	539	
Travel	1,514	
Electricity	4,357	
Library Books/Media	10,022	
Periodicals	433	
Water and Sewer	1,026	
Other Supplies and Materials	1,251	
Office Equipment	2,522	
Total Libraries		117,004

Other Social, Cultural, and Recreational

Communication	\$ 560	
Contributions	16,000	
Rentals	2,400	
Total Other Social, Cultural, and Recreational		18,960

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture & Natural Resources

Agriculture Extension Service

Custodial Personnel	\$	2,596	
Other Salaries & Wages		38,258	
Other Fringe Benefits		5,222	
Communication		1,955	
Dues and Memberships		405	
Custodial Supplies		246	
Electricity		1,172	
Water and Sewer		1,288	
Other Supplies and Materials		339	
Total Agriculture Extension Service			\$ 51,481

Forest Service

Forest Resource Services	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Clerical Personnel	\$	21,288	
Other Fringe Benefits		3,729	
Contributions		2,183	
Total Soil Conservation			27,200

Other Agriculture & Natural Resources

Contracts with Private Agencies	\$	14,478	
Total Other Agriculture & Natural Resources			14,478

Other Operations

Tourism

Contributions	\$	350	
Total Tourism			350

Other Economic and Community Development

Contributions	\$	18,550	
Total Other Economic and Community Development			18,550

Veterans' Services

Supervisor/Director	\$	3,513	
Communication		578	
Data Processing Services		265	
Travel		185	
Total Veterans' Services			4,541

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Workers' Compensation Insurance	\$ 73,740	
Total Other Charges		\$ 73,740

Contributions to Other Agencies

Contributions	\$ 4,200	
Total Contributions to Other Agencies		4,200

Employee Benefits

Other Salaries & Wages	\$ 168	
Social Security	126,347	
State Retirement	142,226	
Employee and Dependent Insurance	12,819	
Unemployment Compensation	4,404	
Employer Medicare	29,549	
Total Employee Benefits		315,513

Miscellaneous

Other Supplies and Materials	\$ 591	
Trustee's Commission	50,007	
Other Charges	2,350	
Total Miscellaneous		52,948

Highways

Litter and Trash Collection

Foremen	\$ 18,474	
Handling Charges & Administrative Costs	1,500	
Maintenance & Repair Services - Vehicles	3,335	
Gasoline	7,294	
Instructional Supplies and Materials	10,140	
Other Supplies and Materials	1,298	
Total Litter and Trash Collection		42,041

Support Services

Other Programs

Other Supplies and Materials	\$ 2,872	
Other Equipment	10,330	
Total Other Programs		13,202

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Capital Projects

Public Utility Projects

Other Charges	\$ 1,411	
Total Public Utility Projects		\$ 1,411

Total General Fund \$ 4,054,541

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Contracts with Government Agencies	\$ 7,477	
Contracts with Private Agencies	3,610	
Fertilizer, Lime, and Seed	1,515	
Total Landfill Operation and Maintenance		\$ 12,602

Other Waste Disposal

Supervisor/Director	\$ 27,172	
Overtime Pay	4,111	
Other Salaries & Wages	149,297	
In-Service Training	459	
Other Per Diem & Fees	1,368	
Advertising	1,281	
Communication	1,777	
Contracts with Government Agencies	20	
Contracts with Private Agencies	353,945	
Evaluation and Testing	787	
Maintenance & Repair Services - Buildings	1,196	
Maintenance & Repair Services - Equipment	18,191	
Maintenance & Repair Services - Vehicles	7,702	
Travel	180	
Permits	1,000	
Custodial Supplies	1,645	
Electricity	11,118	
Fuel Oil	3,058	
Gasoline	15,300	
Lubricants	20	
Uniforms	5,656	
Water and Sewer	654	
Other Supplies and Materials	2,005	
Trustee's Commission	10,294	
Other Charges	1,674	
Total Other Waste Disposal		619,910

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Employee Benefits

Other Salaries & Wages	\$	3,671	
Social Security		14,179	
State Retirement		10,686	
Employee and Dependent Insurance		1,860	
Unemployment Compensation		546	
Total Employee Benefits			\$ 30,942

Capital Projects

Other General Government Projects

Other Equipment	\$	12,877	
Total Other General Government Projects			12,877

Total Solid Waste/Sanitation Fund \$ 676,331

Special Purpose Fund

Public Health and Welfare

Other Local Health Services

Operating Lease Payments	\$	166,162	
Trustee's Commission		3,001	
Other Debt Service		1,000	
Total Other Local Health Services			\$ 170,163

Principal on Debt

General Government

Principal on Notes	\$	216,492	
Total General Government			216,492

Interest on Debt

General Government

Interest on Notes	\$	57,170	
Total General Government			57,170

Total Special Purpose Fund 443,825

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	20,500	
Other Supplies and Materials		9,548	
Trustee's Commission		894	

(Continued)

Exhibit K-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Other Charges	\$	5,232	
Law Enforcement Equipment		1,528	
Motor Vehicles		20,932	
Total Drug Enforcement			\$ 58,634

Total Drug Control Fund \$ 58,634

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	105,785	
Total County Trustee's Office			\$ 105,785

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	1,761	
Total Chancery Court			1,761

Total Constitutional Officers - Fees Fund 107,546

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	57,276	
Secretary(ies)		55,486	
Dues and Memberships		2,963	
Maintenance & Repair Services - Buildings		1,759	
Postal Charges		290	
Printing, Stationery, and Forms		823	
Travel		502	
Other Contracted Services		15,126	
Custodial Supplies		24	
Office Supplies		2,686	
Other Supplies and Materials		14	
Other Charges		4,662	
Other Equipment		339	
Total Administration			\$ 141,950

Highway and Bridge Maintenance

Foremen	\$	87,143	
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(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Equipment Operators	\$	164,243	
Truck Drivers		136,677	
Laborers		90,258	
Freight Expenses		155	
Other Contracted Services		5,892	
Asphalt		1,593	
Asphalt - Cold Mix		39,186	
Asphalt - Liquid		33,178	
Concrete		2,750	
Crushed Stone		93,314	
General Construction Materials		2,996	
Pipe		1,729	
Pipe - Metal		26,405	
Road Signs		7,216	
Small Tools		2,169	
Structural Steel		1,346	
Wood Products		3,697	
Other Supplies and Materials		2,990	
Other Charges		1,849	
Total Highway and Bridge Maintenance			\$ 704,786

Operation and Maintenance of Equipment

Mechanic(s)	\$	111,430	
Freight Expenses		2,458	
Maintenance & Repair Services - Equipment		13,212	
Maintenance & Repair Services - Vehicles		39,301	
Diesel Fuel		142,088	
Equipment Parts - Light		9,314	
Equipment and Machinery Parts		100,181	
Garage Supplies		9,744	
Gasoline		85,558	
Lubricants		18,978	
Small Tools		4,948	
Tires and Tubes		25,528	
Other Supplies and Materials		3,604	
Total Operation and Maintenance of Equipment			566,344

Other Charges

Communication	\$	10,894	
Electricity		5,191	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Food Supplies	\$	6,120	
Water and Sewer		2,178	
Trustee's Commission		20,389	
Vehicle and Equipment Insurance		28,364	
Other Charges		1,815	
Total Other Charges			\$ 74,951

Employee Benefits

Social Security	\$	53,737	
State Retirement		57,577	
Unemployment Compensation		8,476	
Workers' Compensation Insurance		23,454	
Total Employee Benefits			143,244

Capital Outlay

Engineering Services	\$	35,158	
Other Road Supplies		46,788	
Communication Equipment		179	
Highway Equipment		43,450	
Total Capital Outlay			125,575

Total Highway/Public Works Fund \$ 1,756,850

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	54,450	
Principal on Notes		88,294	
Total General Government			\$ 142,744

Highways and Streets

Principal on Bonds	\$	15,950	
Principal on Notes		197,400	
Total Highways and Streets			213,350

Education

Principal on Bonds	\$	719,600	
Total Education			719,600

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$	235,709	
Interest on Notes		<u>1,892</u>	
Total General Government			\$ 237,601

Highways and Streets

Interest on Bonds	\$	69,046	
Interest on Notes		<u>2,616</u>	
Total Highways and Streets			71,662

Education

Interest on Bonds	\$	<u>775,390</u>	
Total Education			775,390

Other Debt Service

General Government

Trustee's Commission	\$	20,788	
Other Debt Service		<u>5,192</u>	
Total General Government			25,980

Highways and Streets

Other Debt Service	\$	<u>5,000</u>	
Total Highways and Streets			5,000

Education

Other Debt Service	\$	<u>5,000</u>	
Total Education			<u>5,000</u>

Total General Debt Service Fund \$ 2,196,327

General Capital Projects Fund

General Government

County Buildings

Maintenance & Repair Services - Buildings	\$	<u>11,750</u>	
Total County Buildings			\$ 11,750

Public Health and Welfare

Other Waste Disposal

Motor Vehicles	\$	24,500	
Other Equipment		<u>16,875</u>	
Total Other Waste Disposal			41,375

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)

Capital Projects

General Administration Projects

Other Charges	\$	230	
Building Improvements		2,874	
Motor Vehicles		77,039	
Office Equipment		1,450	
Other Equipment		3,265	
Total General Administration Projects			\$ 84,858

Public Safety Projects

Engineering Services	\$	42,728	
Building Construction		870	
Building Improvements		45,676	
Land		141,050	
Total Public Safety Projects			230,324

Other General Government Projects

Motor Vehicles	\$	520	
Total Other General Government Projects			520

Total General Capital Projects Fund \$ 368,827

Community Development/Industrial Park Fund

Capital Projects

Social, Cultural, and Recreation Projects

Advertising	\$	808	
Contributions		419,825	
Engineering Services		13,552	
Road Signs		1,271	
Trustee's Commission		641	
Other Charges		749	
Other Construction		2,074	
Total Social, Cultural, and Recreation Projects			\$ 438,920

Total Community Development/Industrial Park Fund 438,920

Nursing Home Projects Fund

Public Health and Welfare

Nursing Home

Trustee's Commission	\$	2	
Building Improvements		16,911	
Total Nursing Home			\$ 16,913

Total Nursing Home Projects Fund 16,913

(Continued)

Exhibit K-8

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

<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Highway Construction	\$	84,428	
Highway Equipment		<u>391,001</u>	
Total General Administration Projects			\$ 475,429
 <u>Highway & Street Capital Projects</u>			
Trustee's Commission	\$	312	
Bridge Construction		<u>397,600</u>	
Total Highway & Street Capital Projects			<u>397,912</u>
 Total Highway Capital Projects Fund			 <u>\$ 873,341</u>
 Total Governmental Funds - Primary Government			 <u>\$ 10,992,055</u>

Exhibit K-9

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	5,977,704	
Career Ladder Program		129,148	
Career Ladder Extended Contracts		119,200	
Homebound Teachers		2,183	
Educational Assistants		173,378	
Other Salaries & Wages		43,336	
Certified Substitute Teachers		42,703	
Non-certified Substitute Teachers		84,723	
Social Security		376,723	
State Retirement		387,567	
Medical Insurance		490,571	
Unemployment Compensation		13,689	
Employer Medicare		87,720	
Maintenance & Repair Services - Equipment		1,145	
Instructional Supplies and Materials		258,455	
Textbooks		130,587	
Other Supplies and Materials		26,220	
In Service/Staff Development		453	
Other Charges		2,067	
Regular Instruction Equipment		178,277	
Total Regular Instruction Program			\$ 8,525,849

Alternative Instruction Program

Teachers	\$	64,715	
Social Security		3,566	
State Retirement		3,967	
Medical Insurance		6,780	
Unemployment Compensation		133	
Employer Medicare		834	
Instructional Supplies and Materials		513	
Other Supplies and Materials		400	
Total Alternative Instruction Program			80,908

Special Education Program

Teachers	\$	884,769	
Career Ladder Program		9,500	
Homebound Teachers		10,554	
Educational Assistants		46,634	
Certified Substitute Teachers		900	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	11,025	
Social Security		57,639	
State Retirement		59,352	
Medical Insurance		37,882	
Unemployment Compensation		2,130	
Employer Medicare		13,480	
Instructional Supplies and Materials		1,567	
Other Supplies and Materials		6,013	
Special Education Equipment		27,586	
Total Special Education Program			\$ 1,169,031

Vocational Education Program

Teachers	\$	460,319	
Career Ladder Program		10,000	
Certified Substitute Teachers		150	
Non-certified Substitute Teachers		7,656	
Social Security		27,401	
State Retirement		28,788	
Medical Insurance		38,344	
Unemployment Compensation		974	
Employer Medicare		6,408	
Maintenance & Repair Services - Equipment		959	
Instructional Supplies and Materials		16,832	
Textbooks		7,040	
Other Supplies and Materials		2,400	
Vocational Instruction Equipment		14,018	
Total Vocational Education Program			621,289

Adult Education Program

Teachers	\$	49,129	
Certified Substitute Teachers		150	
Social Security		2,971	
State Retirement		2,461	
Medical Insurance		1,440	
Unemployment Compensation		225	
Employer Medicare		695	
Instructional Supplies and Materials		13,806	
Other Supplies and Materials		313	
Other Equipment		8,169	
Total Adult Education Program			79,359

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	55,798	
Other Salaries & Wages		2,000	
Social Security		3,211	
State Retirement		3,543	
Medical Insurance		5,773	
Unemployment Compensation		70	
Employer Medicare		751	
Travel		2,608	
Other Supplies and Materials		1,320	
Total Attendance			\$ 75,074

Health Services

Medical Personnel	\$	15,041	
Other Salaries & Wages		48,253	
Social Security		3,497	
State Retirement		3,982	
Medical Insurance		3,937	
Unemployment Compensation		340	
Employer Medicare		818	
Travel		1,953	
Drugs and Medical Supplies		9,616	
Other Supplies and Materials		1,896	
Total Health Services			89,333

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		241,884	
Career Ladder Extended Contracts		7,000	
Social Workers		17,690	
Other Salaries & Wages		73,722	
Social Security		20,145	
State Retirement		20,935	
Medical Insurance		20,760	
Unemployment Compensation		605	
Employer Medicare		4,711	
Evaluation and Testing		3,380	
Travel		5,113	
Other Contracted Services		10,350	
Other Supplies and Materials		14,330	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	1,213	
Other Charges		5,050	
Other Equipment		39,924	
Total Other Student Support			\$ 490,812

Regular Instruction Program

Supervisor/Director	\$	78,901	
Career Ladder Program		18,000	
Career Ladder Extended Contracts		24,000	
Librarians		285,877	
Instructional Computer Personnel		55,884	
Clerical Personnel		4,824	
Social Security		27,363	
State Retirement		29,213	
Medical Insurance		35,003	
Unemployment Compensation		658	
Employer Medicare		6,399	
Consultants		5,500	
Travel		26,510	
Instructional Supplies and Materials		241	
Library Books/Media		39,865	
Other Supplies and Materials		2,681	
In Service/Staff Development		26,601	
Other Charges		31	
Other Equipment		64,962	
Total Regular Instruction Program			732,513

Special Education Program

Supervisor/Director	\$	55,148	
Career Ladder Program		4,000	
Psychological Personnel		48,055	
Career Ladder Extended Contracts		6,000	
Assessment Personnel		60,955	
Social Security		10,094	
State Retirement		11,019	
Medical Insurance		9,531	
Unemployment Compensation		309	
Employer Medicare		2,361	
Travel		2,813	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Equipment	\$ 4,715	
Total Special Education Program		\$ 215,000

Vocational Education Program

Supervisor/Director	\$ 57,180	
Secretary(ies)	12,900	
Other Salaries & Wages	13,919	
Social Security	5,072	
State Retirement	5,849	
Medical Insurance	3,033	
Unemployment Compensation	159	
Employer Medicare	1,186	
Maintenance & Repair Services - Equipment	292	
Travel	3,781	
Other Charges	3,744	
Total Vocational Education Program		107,115

Adult Programs

Supervisor/Director	\$ 54,600	
Career Ladder Program	1,000	
Other Salaries & Wages	14,765	
Social Security	4,356	
State Retirement	4,699	
Medical Insurance	5,193	
Unemployment Compensation	135	
Employer Medicare	1,019	
Travel	2,727	
Other Contracted Services	8,665	
Other Supplies and Materials	620	
In Service/Staff Development	3,531	
Other Charges	7,237	
Total Adult Programs		108,547

Board of Education

Board and Committee Members Fees	\$ 3,357
Social Security	208
Unemployment Compensation	33
Employer Medicare	49
Audit Services	15,000

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Dues and Memberships	\$	7,083	
Legal Services		603	
Travel		1,807	
Trustee's Commission		75,000	
Workers' Compensation Insurance		106,185	
Criminal Investigation of Applicants - TBI		4,368	
Other Charges		907	
Total Board of Education			\$ 214,600

Director of Schools

County Official/Administrative Officer	\$	80,437	
Secretary(ies)		15,600	
Social Security		5,514	
State Retirement		6,294	
Medical Insurance		6,158	
Unemployment Compensation		127	
Employer Medicare		1,290	
Other Fringe Benefits		1,355	
Communication		7,718	
Dues and Memberships		1,321	
Maintenance & Repair Services - Equipment		1,822	
Postal Charges		2,571	
Travel		943	
Office Supplies		3,648	
Total Director of Schools			134,798

Office of the Principal

Principals	\$	411,796	
Career Ladder Program		9,000	
Career Ladder Extended Contracts		12,000	
Secretary(ies)		89,225	
Social Security		30,572	
State Retirement		34,329	
Medical Insurance		27,837	
Unemployment Compensation		977	
Employer Medicare		7,150	
Communication		8,200	
Dues and Memberships		3,850	
Travel		500	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Office Supplies	\$	973	
Other Supplies and Materials		331	
Total Office of the Principal			\$ 636,740

Fiscal Services

Accountants/Bookkeepers	\$	24,607	
Social Security		1,508	
State Retirement		2,151	
Medical Insurance		10,045	
Unemployment Compensation		62	
Employer Medicare		353	
Data Processing Services		6,369	
Data Processing Supplies		2,953	
Office Supplies		39	
Total Fiscal Services			48,087

Operation of Plant

Custodial Personnel	\$	273,790	
Other Salaries & Wages		1,768	
Social Security		16,720	
State Retirement		20,252	
Medical Insurance		6,333	
Unemployment Compensation		1,664	
Employer Medicare		3,910	
Other Contracted Services		70,767	
Custodial Supplies		55,637	
Electricity		548,716	
Natural Gas		159,123	
Water and Sewer		49,367	
Other Supplies and Materials		558	
Building and Contents Insurance		100,679	
Plant Operation Equipment		1,150	
Total Operation of Plant			1,310,434

Maintenance of Plant

Maintenance Personnel	\$	131,481	
Other Salaries & Wages		265	
Social Security		7,668	
State Retirement		11,508	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Medical Insurance	\$	1,619	
Unemployment Compensation		330	
Employer Medicare		1,793	
Communication		360	
Maintenance & Repair Services - Buildings		55,128	
Maintenance & Repair Services - Equipment		39,684	
Maintenance & Repair Services - Vehicles		8	
Other Contracted Services		9,720	
Gasoline		2,518	
Other Supplies and Materials		1,582	
Other Charges		48	
Maintenance Equipment		4,200	
Total Maintenance of Plant			\$ 267,912

Transportation

Mechanic(s)	\$	84,324	
Bus Drivers		382,675	
Other Salaries & Wages		21,110	
Social Security		28,614	
State Retirement		38,854	
Medical Insurance		13,589	
Unemployment Compensation		2,721	
Employer Medicare		6,692	
Communication		1,732	
Contracts with Parents		960	
Medical and Dental Services		2,801	
Other Contracted Services		15,679	
Diesel Fuel		116,702	
Garage Supplies		2,522	
Gasoline		30,054	
Lubricants		3,232	
Tires and Tubes		15,893	
Vehicle Parts		25,834	
In Service/Staff Development		750	
Other Charges		1,048	
Total Transportation			795,786

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	37,549	
Accountants/Bookkeepers		1,404	
Cafeteria Personnel		14,031	
Other Salaries & Wages		7,944	
Social Security		3,760	
State Retirement		4,169	
Medical Insurance		550	
Unemployment Compensation		238	
Employer Medicare		1,276	
Maintenance & Repair Services - Equipment		5,667	
Payments to Schools - Breakfast		204,360	
Payments to Schools - Lunch		499,814	
Payments to Schools - Other		18,290	
Transportation - Other than Students		4,081	
Travel		769	
Food Supplies		30,068	
Office Supplies		1,307	
Utilities		6,783	
Other Charges		72	
Food Service Equipment		73	
Total Food Service			\$ 842,205

Community Services

Teachers	\$	49,685	
Other Salaries & Wages		55,983	
Social Security		6,381	
State Retirement		7,488	
Medical Insurance		3,477	
Unemployment Compensation		518	
Employer Medicare		1,492	
Travel		627	
Other Supplies and Materials		377	
Other Charges		142	
Total Community Services			126,170

Early Childhood Education

Teachers	\$	296,259	
Educational Assistants		130,466	
Other Salaries & Wages		34,106	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Non-certified Substitute Teachers	\$	7,425	
Social Security		25,935	
State Retirement		29,898	
Medical Insurance		18,932	
Unemployment Compensation		1,347	
Employer Medicare		6,132	
Travel		4,101	
Instructional Supplies and Materials		34,506	
Other Supplies and Materials		10,196	
In Service/Staff Development		7,862	
Other Equipment		3,328	
Total Early Childhood Education			\$ 610,493

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	5,075	
Total Regular Capital Outlay			5,075

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	200,000	
Total Education			200,000

Total General Purpose School Fund \$ 17,487,130

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	509,868	
Educational Assistants		45,823	
Other Salaries & Wages		56,747	
Non-certified Substitute Teachers		12,484	
Social Security		38,624	
State Retirement		41,321	
Medical Insurance		46,997	
Unemployment Compensation		1,685	
Employer Medicare		9,033	
Other Contracted Services		3,750	
Instructional Supplies and Materials		11,569	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	5,407	
Other Charges		859	
Total Regular Instruction Program			\$ 784,167

Special Education Program

Teachers	\$	39,875	
Educational Assistants		194,268	
Other Salaries & Wages		40,329	
Non-certified Substitute Teachers		12,940	
Social Security		17,941	
State Retirement		22,423	
Medical Insurance		15,603	
Unemployment Compensation		1,555	
Employer Medicare		4,205	
Contracts with Private Agencies		2,232	
Maintenance & Repair Services - Equipment		2,917	
Other Contracted Services		20,410	
Instructional Supplies and Materials		30,547	
Textbooks		384	
Other Supplies and Materials		32,805	
Other Charges		10,153	
Total Special Education Program			448,587

Vocational Education Program

Other Salaries & Wages	\$	6,184	
Social Security		383	
State Retirement		349	
Unemployment Compensation		5	
Employer Medicare		90	
Travel		92	
Instructional Supplies and Materials		6,993	
Other Charges		2,504	
Vocational Instruction Equipment		24,441	
Total Vocational Education Program			41,041

Support Services

Other Student Support

Other Salaries & Wages	\$	304	
Social Security		710	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

State Retirement	\$	409	
Unemployment Compensation		11	
Employer Medicare		86	
Travel		5,650	
Other Contracted Services		6,013	
In Service/Staff Development		1,007	
Total Other Student Support			\$ 14,190

Regular Instruction Program

Social Security	\$	248	
State Retirement		245	
Employer Medicare		58	
Instructional Supplies and Materials		1,520	
In Service/Staff Development		46,165	
Total Regular Instruction Program			48,236

Special Education Program

Supervisor/Director	\$	5,014	
Secretary(ies)		19,802	
Social Security		1,824	
State Retirement		2,303	
Unemployment Compensation		64	
Employer Medicare		427	
Consultants		2,062	
Travel		11,888	
In Service/Staff Development		9,104	
Other Charges		5,008	
Total Special Education Program			57,496

Vocational Education Program

Travel	\$	3,459	
Other Supplies and Materials		1,792	
In Service/Staff Development		5,310	
Other Charges		1,246	
Total Vocational Education Program			11,807

Transportation

Bus Drivers	\$	10,008	
Social Security		615	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

State Retirement	\$	842	
Unemployment Compensation		46	
Employer Medicare		144	
Transportation Equipment		14,154	
Total Transportation			\$ 25,809

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	392,155	
Clerical Personnel		18,405	
Educational Assistants		182,960	
Other Salaries & Wages		134,003	
Non-certified Substitute Teachers		23,879	
Social Security		41,883	
State Retirement		52,519	
Medical Insurance		24,504	
Unemployment Compensation		2,933	
Employer Medicare		10,560	
Contracts with Other School Systems		32,850	
Contracts with Private Agencies		227,970	
Maintenance & Repair Services - Equipment		13,020	
Travel		31,346	
Other Contracted Services		17,591	
Instructional Supplies and Materials		35,149	
In Service/Staff Development		20,352	
Other Charges		5,702	
Other Equipment		319,642	
Total Early Childhood Education			1,587,423

Total School Federal Projects Fund \$ 3,018,756

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	1,030	
Total Board of Education			\$ 1,030

(Continued)

Exhibit K-9

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	4,282
Other Contracted Services		9,766
Building Improvements		2,322,928
Other Equipment		354,260
Total Education Capital Projects		<u>\$ 2,691,236</u>
Total Education Capital Projects Fund		<u>\$ 2,692,266</u>
Total Governmental Funds - Wayne County School Department		<u><u>\$ 23,198,152</u></u>

Exhibit K-10

Wayne County, Tennessee
Schedule of Detailed Revenues
Proprietary Fund Type
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u> <u>Workers' Compensation Fund</u>
<u>Nonoperating Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 1,420
Total Revenues	<u>\$ 1,420</u>

Exhibit K-11

Wayne 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	\$ 428,677
Total Cash Receipts	<u>\$ 428,677</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 424,390
Trustee's Commission	4,287
Total Cash Disbursements	<u>\$ 428,677</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

September 13, 2007

Wayne County Executive, Board of County Commissioners,
Director of Schools, and Board of Education
Wayne County, Tennessee

To the County Executive, Board of County Commissioners,
Director of Schools, and Board of Education:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Wayne County's basic financial statements and have issued our report thereon dated September 13, 2007. Our report was qualified due to not including the financial statements of the Wayne County Retirement Facilities (composed of the Wayne County Assisted Living Facility and the Wayne County Nursing Home) and the Wayne County Emergency Communications District, 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 Wayne 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 Wayne County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wayne 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: 07.01, 07.02, and 07.04.

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 Wayne 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 material weaknesses. However, of the significant deficiencies described above, we consider item 07.02 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 07.03.

We consider item 07.05 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Wayne County in separate communications.

Wayne County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Wayne County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county executive, director of schools, superintendent of highways, County Commission, Board of Education, others within Wayne 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". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rc



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

September 13, 2007

Wayne County Executive, Board of County Commissioners,
Director of Schools, and Board of Education
Wayne County, Tennessee

To the County Executive, Board of County Commissioners,
Director of Schools, and Board of Education:

Compliance

We have audited the compliance of Wayne 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. Wayne 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 Wayne County's management. Our responsibility is to express an opinion on Wayne 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 Wayne County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Wayne County's compliance with those requirements.

In our opinion, Wayne 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 Wayne 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 Wayne 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 Wayne 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. We consider the deficiencies over internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 07.02 and 07.06 to be significant deficiencies.

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. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items 07.02 and 07.06 to be material weaknesses.

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 Wayne County as of and for the year ended June 30, 2007, and have issued our report thereon dated September 13, 2007. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Wayne County Retirement Facilities (composed of the Wayne County Nursing Home the Wayne County Assisted Living Facility) and the Wayne County Emergency

Communications District, 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 Wayne 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.

Wayne County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Wayne County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county executive, director of schools, superintendent of highways, County Commission, Board of Education, others within Wayne 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/rc

Wayne 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	N/A	\$ 51,722
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	204,360
National School Lunch Program	10.555	N/A	499,814
Summer Food Service Program for Children	10.559	N/A	69,202
Total U.S. Department of Agriculture			<u>\$ 825,098</u>
U.S. General Services Administration:			
Passed-through State Department of State: Election Reform Payments	39.011	Z-06-033006-00	\$ 165,600
Total U.S. General Services Administration			<u>\$ 165,600</u>
U.S. Department of Education:			
Direct Program:			
Early Reading First	84.359	N/A	\$ 1,586,681
Passed-through The University of Tennessee:			
Adult Education - State Grant Program	84.002	(2)	1,632 (3)
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	Z-07-033751-00	166,116 (3)
Title 1 Grants to Local Educational Agencies	84.010	N/A	502,517
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	531,167
Special Education - Preschool Grants	84.173	N/A	17,965
Vocational Education - Basic Grants to States	84.048	N/A	67,040
Safe and Drug Free Schools and Communities - State Grant	84.186	(2)	13,691
Even Start State Educational Agencies	84.213	(2)	74,406
Twenty-First Century Community Learning Centers	84.287	(2)	209,849
State Grants for Innovative Programs	84.298	N/A	4,149
Educational Technology State Grants	84.318	(2)	6,951
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GG-07-12477-00	151,326
Reading First State Grants	84.357	GG-04-11042-00	284,554
Rural Education	84.358	N/A	75,959
Improving Teacher Quality State Grants	84.367	N/A	154,730
Total U.S. Department of Education			<u>\$ 3,848,733</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State: Help America Vote Act Requirements Payments	90.401	Z-07-037422-00	\$ 5,265
Total U.S. Department of Transportation			<u>\$ 5,265</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	(4)	\$ 26,895
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	Z-07-034271-00	8,128
Total U.S. Department of Health and Human Services			<u>\$ 35,023</u>

(Continued)

Wayne 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 Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z-03-017995-00	\$ 43,744
Emergency Management Performance Grants	97.042	Z-06-032864-00	7,211
Homeland Security Grant Program	97.067	Z-05-025220-00	45,432
Total U.S. Department of Homeland Security			\$ 96,387
Total Expenditures of Federal Awards			\$ 4,976,106
		Contract Number	
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 7,630
Rural Local Health Services - State Department of Health	N/A	(5)	46,098
Litter Program - State Department of Transportation	N/A	Z-07-033859-00	29,837
Early Childhood Education - State Department of Education	N/A	(2)	579,396
Adult Basic Education - State Department of Education	N/A	Z-07-033751-00	55,423
SSMS Regional User Group Grant - State Department of Education	N/A	GG-06-11929-00	3,368
Family Resource Center - State Department of Education	N/A	(2)	33,300
Families First - State Department of Education	N/A	Z-07-034271-00	15,096
Fastrack Industry Development Program - State Department of Economic and Community Development	N/A	GG-07-20281-00	357,976
Safe Schools Act of 2001 - State Department of Education	N/A	(2)	16,292
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	94,250
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-07-036593-00	9,000
Total State Grants			\$ 1,247,666

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 State Grant Program (CFDA No. 84.002) from the U.S. Department of Education \$167,748.
(4) - GG-06-11773-00: \$14,313; GG-07-12477-00: \$12,582.
(5) - Z-06-025993-00: \$6,529; Z-07-031543-00: \$39,569.

Wayne 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 Wayne County, Tennessee, and the Wayne County School Department for the year ended June 30, 2006, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02(A,B)	13	The office had deficiencies in its purchasing procedures

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.07(A,C)	15	The office had deficiencies in the administration of federal grants

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.09	18	The office did not deposit funds within three days of collection

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.11	20	Duties were not segregated adequately in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register
06.12	20	A central system of accounting, budgeting, and purchasing had not been adopted

WAYNE 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 Wayne County disclosed significant deficiencies in internal control. One of these deficiencies was also considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Wayne County.
4. The audit disclosed one significant deficiency in internal control over major programs. This deficiency was also considered to be a material weakness.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Early Reading First (CFDA No. 84.359B); 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. Wayne 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. The written response of the director of schools is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 07.01

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit disclosed the following deficiencies in purchasing procedures:

- A. Purchase orders were not issued for some required purchases. Purchase orders are necessary to control who has purchasing authority for the office and to document purchasing commitments.
- B. In a few instances, purchase orders were issued after purchases were made. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment, rather than an approval of the purchase.
- C. In several instances, invoices were paid without documentation that goods had been received or services rendered. However, our audit indicated that these goods had been received and services had been rendered.

RECOMMENDATION

To strengthen internal controls over the purchasing process and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made. Documentation should be obtained ensuring that goods have been received or services rendered before invoices are paid.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 07.02

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF FEDERAL GRANTS

(Internal Control – Material Weakness Under Government Auditing Standards and Under OMB Circular A-133)

Our audit disclosed the following deficiencies related to the administration of federal grants:

- A. The School Federal Projects Fund had a cash overdraft of \$100,800 at June 30, 2007. This cash overdraft resulted from warrants being issued in excess of cash on deposit with the county trustee.

- B. Accounting personnel did not calculate year-end reserve balances for the various grants administered through the School Federal Projects Fund. It is imperative to establish reserve balances at year-end since this determines for what purposes funds carried forward to the next year can be expended.

RECOMMENDATION

The office should liquidate the cash overdraft and should not issue warrants in excess of cash on deposit with the county trustee. Accounting personnel should compare revenues and expenditures for legally restricted federal revenues to determine the correct amount of reserves at year-end.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur that there would have been a cash overdraft on June 30 if all warrants written were cashed. However, the payroll warrants of approximately \$300,000 for the months of July and August had not been released from this office, and the funds for the July and August warrants had been requested prior to June 30 and were received before the warrants were issued. Accounting personnel will calculate reserve balances for the various grants administered through the School Federal Projects Fund.

REBUTTAL

Writing payroll checks for the months of July and August in June created a cash overdraft in the accounting records of the School Federal Projects Fund that could have been avoided if the July and August payrolls had been posted as liabilities and the payroll checks written subsequent to June 30 when the funds were received.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 07.03

THE OFFICE DID NOT DEPOSIT FUNDS WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under Government Auditing Standards)

In some instances, the circuit, general sessions, and juvenile courts clerk did not deposit funds within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds to the office bank account within three days of collection of the funds.

RECOMMENDATION

The circuit, general sessions, and juvenile courts clerk should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.04

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register. Employees responsible for maintaining the accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds.

RECOMMENDATION

To strengthen internal controls, officials of these offices should segregate duties adequately among employees.

FINDING 07.05

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED

(Internal Control – Control Deficiency Under Government Auditing Standards)

Officials had not adopted a central system of accounting, budgeting, and purchasing. Establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes.

RECOMMENDATION

Officials should consider adopting either the County Financial Management System of 1981 or a private act that would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

Federal/Pass-through Agency	Finding Number	Federal CFDA Numbers	Criteria	Explanation	Amount Questioned
U.S. Department of Education: Direct Program:					
Early Reading First	07.06	84.359B	Circular A-133, Section 300 (b), (c)	Material weakness in internal control, See Finding No. 07.02: Fund cash overdraft and failure to calculate reserves	\$ 0
U.S. Department of Education: Passed-through the State Department of Education: Special Education Cluster:					
Special Education - Grants to States	07.06	84.027	Circular A-133,	Material weakness in internal control,	0
Special Education - Preschool Grants	07.06	84.173	Section 300 (b), (c)	See Finding No. 07.02: Fund cash overdraft and failure to calculate reserves	0

WAYNE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007

There were audit findings relative to federal awards presented in the current and prior years' Schedules of Findings and Questioned Costs.

Office of Director of Schools – Corrective Action Plan for Current Year Findings

FINDINGS 07.02 and 07.06

Contact Person: Jerry Pigg, Director of Schools

Corrective action planned: We concur that there would have been a cash overdraft on June 30 if all warrants written were cashed. However, the payroll warrants of approximately \$300,000 for the months of July and August had not been released from this office, and the funds for the July and August warrants had been requested prior to June 30 and were received before the warrants were issued.

Accounting personnel will calculate reserve balances for the various grants administered through the School Federal Projects Fund.

Anticipated completion date: 2007-08

Director of Schools – Summary Schedule of Prior Year Findings

FINDINGS 06.07 and 06.13

The department required personnel to request reimbursements of federal projects in a timely manner, purchase orders to be issued in all applicable instances, and grant administrators to monitor the requests of federal funds for proper accounting; however, checks were still written in advance and accounting personnel did not calculate reserve balances for the various federal projects. The department will again try to refrain from writing checks in advance and will require accounting personnel to calculate reserve balances for the various federal projects.