



**ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2008



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ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2008

DEPARTMENT OF AUDIT
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Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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State Auditors

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Audit Highlights
Annual Financial Report
Wayne County, Tennessee
For the Year Ended June 30, 2008

Scope

We have audited the basic financial statements of Wayne County as of and for the year ended June 30, 2008.

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 13 findings and recommendations, which we have reviewed with Wayne County's management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

WAYNE COUNTY AND WAYNE COUNTY SCHOOL DEPARTMENT

- ◆ Wayne County and the Wayne County School Department do not have the resources to produce their financial statements and notes to the financial statements.

OFFICE OF COUNTY EXECUTIVE

- ◆ Material audit adjustments were required for proper financial statement presentation.
 - ◆ Purchase orders were not issued for some required purchases. Also, in some instances, 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.
 - ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF COMMISSIONER OF HIGHWAYS

- ◆ The failure to safeguard assets resulted in the theft of gasoline.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations in two major categories of the General Purpose School Fund.
 - ◆ The School Federal Projects Fund had a cash overdraft of \$8,705 at June 30, 2008.
-

OFFICE OF TRUSTEE

- ◆ The office did not review its software audit logs.
-

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.
 - ◆ The office did not review its software audit logs.
 - ◆ The office had deficiencies in computer system backup procedures.
-

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

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Wayne County Officials
June 30, 2008

Officials

Jason Rich, County Executive
Jeff Minatra, Commissioner of Highways
Jerry Pigg, Director of Schools
Janice Smith, Trustee
Billy Vencion, Assessor of Property
Stan Horton, County Clerk
Bill 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 | |

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FINANCIAL SECTION

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

September 23, 2008

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, 2008, 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 District and the Wayne County Retirement Facilities, 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, 2008, 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, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2008, 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 Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

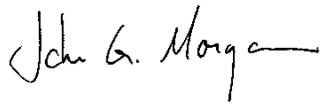
The management of Wayne County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefit information on pages 67 through 75 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 and General Capital Projects funds, 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 and General Capital Projects funds, 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/sb

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Wayne County, Tennessee
Statement of Net Assets
June 30, 2008

| | Primary Government Governmental Activities | Component Unit Wayne County School Department |
|--|---|--|
| <u>ASSETS</u> | | |
| Cash | \$ 600 | \$ 0 |
| Equity in Pooled Cash and Investments | 10,240,666 | 527,781 |
| Accounts Receivable | 199,879 | 320 |
| Due from Other Governments | 570,661 | 947,699 |
| Property Taxes Receivable | 2,769,934 | 1,886,183 |
| Allowance for Uncollectible Property Taxes | (59,068) | (40,859) |
| Note Receivable | 200,000 | 0 |
| Deferred Charges - Debt Issuance Cost | 6,531 | 0 |
| Capital Assets: | | |
| Assets Not Depreciated: | | |
| Land | 722,354 | 495,517 |
| Construction in Progress | 199,947 | 0 |
| Assets Net of Accumulated Depreciation: | | |
| Buildings and Improvements | 2,455,452 | 16,779,257 |
| Other Capital Assets | 1,471,433 | 1,551,684 |
| Infrastructure | 3,886,470 | 0 |
| Total Assets | <u>\$ 22,664,859</u> | <u>\$ 22,147,582</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 61,703 | \$ 0 |
| Accrued Payroll | 0 | 60,718 |
| Payroll Deductions Payable | 1,383 | 229,284 |
| Due to State of Tennessee | 0 | 3 |
| Contracts Payable | 51,276 | 0 |
| Accrued Interest Payable | 90,645 | 0 |
| Cash Overdraft | 0 | 8,705 |
| Deferred Revenue - Current Property Taxes | 2,539,381 | 1,724,506 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 1,221,822 | 0 |
| Due in More Than One Year | 24,952,333 | 553,435 |
| Total Liabilities | <u>\$ 28,918,543</u> | <u>\$ 2,576,651</u> |

(Continued)

Exhibit A

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

| | Primary Government Governmental Activities | Component Unit Wayne County School Department |
|---|---|--|
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 4,832,398 | \$ 0 |
| Invested in Capital Assets | 0 | 18,826,458 |
| Restricted for: | | |
| Highway/Public Works | 1,892,144 | 0 |
| Solid Waste/Sanitation | 331,651 | 0 |
| Special Purpose | 453,980 | 0 |
| Debt Service | 1,891,623 | 0 |
| Capital Projects | 963,517 | 70,523 |
| Other Purposes | 127,068 | 41,944 |
| Unrestricted | <u>(16,746,065)</u> | <u>632,006</u> |
| Total Net Assets | <u>\$ (6,253,684)</u> | <u>\$ 19,570,931</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, 2008

| Functions/Programs | Program Revenues | | | | | Net (Expense) Revenue and Changes in Net Assets | | Component Unit |
|---|----------------------|----------------------------|----------------------------|---|---|--|---|-------------------|
| | Expenses | Charges for Services | | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Wayne County School Department | |
| | | Expenses | Charges for Services | | | | | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 724,265 | \$ 96,523 | \$ 28,105 | \$ 1,773 | \$ (597,864) | \$ 0 | 0 | |
| Finance | 410,836 | 348,126 | 7,703 | 0 | (55,007) | 0 | 0 | |
| Administration of Justice | 594,785 | 441,883 | 9,000 | 22,433 | (121,469) | 0 | 0 | |
| Public Safety | 2,004,278 | 234,684 | 56,946 | 64,534 | (1,648,114) | 0 | 0 | |
| Public Health and Welfare | 2,086,159 | 242,279 | 98,787 | 398,874 | (1,346,219) | 0 | 0 | |
| Social, Cultural, and Recreational Services | 285,975 | 5,349 | 0 | 20,819 | (259,807) | 0 | 0 | |
| Agriculture and Natural Resources | 102,503 | 0 | 0 | 0 | (102,503) | 0 | 0 | |
| Other Operations | 100,220 | 0 | 0 | 0 | (100,220) | 0 | 0 | |
| Highways/Public Works | 1,813,664 | 0 | 2,016,014 | 1,154,622 | 1,356,972 | 0 | 0 | |
| Interest on Long-term Debt | 994,505 | 0 | 0 | 0 | (994,505) | 0 | 0 | |
| Other Debt Service | 21,920 | 0 | 268,064 | 0 | 246,144 | 0 | 0 | |
| Total Governmental Activities | \$ 9,139,110 | \$ 1,368,844 | \$ 2,484,619 | \$ 1,663,055 | \$ (3,622,592) | \$ 0 | 0 | |
| Total Primary Government | \$ 9,139,110 | \$ 1,368,844 | \$ 2,484,619 | \$ 1,663,055 | \$ (3,622,592) | \$ 0 | 0 | |
| Component Unit: | | | | | | | | |
| Wayne County School Department | \$ 22,553,739 | \$ 123,927 | \$ 4,933,140 | \$ 0 | \$ 0 | \$ (17,496,672) | 0 | |
| Total Component Unit | \$ 22,553,739 | \$ 123,927 | \$ 4,933,140 | \$ 0 | \$ 0 | \$ (17,496,672) | 0 | |

(Continued)

Exhibit B

Wayne County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | |
|--|----------------------------|---|---|--|---|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Component | |
| | | | | Primary Governmental Activities | Wayne County School Department |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 2,275,727 | \$ 1,774,033 |
| Property Taxes Levied for Debt Service | | | | 248,772 | 0 |
| Local Option Sales Tax | | | | 870,088 | 614,034 |
| Wheel Tax | | | | 586,750 | 44,676 |
| Litigation Tax - General | | | | 82,532 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | | | | 81,925 | 0 |
| Business Tax | | | | 75,718 | 0 |
| Wholesale Beer Tax | | | | 146,229 | 0 |
| Other Local Taxes | | | | 103,297 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 902,550 | 13,424,803 |
| Unrestricted Investment Earnings | | | | 448,519 | 21,329 |
| Miscellaneous | | | | 141,483 | 21,456 |
| Gain on Sale of Capital Assets | | | | 105,533 | 0 |
| Total General Revenues | | | | \$ 6,069,123 | \$ 15,900,331 |
| Change in Net Assets | | | | \$ 2,446,531 | \$ (1,596,341) |
| Net Assets, July 1, 2007 | | | | (8,700,215) | 21,167,272 |
| Net Assets, June 30, 2008 | | | | \$ (6,253,684) | \$ 19,570,931 |

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, 2008

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|--------------|--------------------------|------------------------|----------------------|--------------------------|--------------------------|--------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | General Capital Projects | Other Governmental Funds | |
| \$ | 0 | 0 | 0 | 0 | 0 | 600 | 600 |
| Cash | 1,775,906 | 324,538 | 1,542,543 | 1,766,539 | 3,740,538 | 1,090,602 | 10,240,666 |
| Equity in Pooled Cash and Investments | 122,286 | 8,387 | 8,023 | 43,353 | 15,000 | 2,830 | 199,879 |
| Accounts Receivable | 89,299 | 0 | 340,362 | 141,000 | 0 | 0 | 570,661 |
| Due from Other Governments | 45,000 | 0 | 0 | 0 | 0 | 0 | 45,000 |
| Property Taxes Receivable | 2,004,260 | 455,265 | 41,388 | 269,021 | 0 | 0 | 2,769,934 |
| Allowance for Uncollectible Property Taxes | (42,635) | (9,771) | (888) | (5,774) | 0 | 0 | (59,068) |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | 0 | 200,000 | 200,000 |
| Total Assets | \$ 3,994,116 | \$ 778,419 | \$ 1,931,428 | \$ 2,214,139 | \$ 3,755,538 | \$ 1,294,032 | \$ 13,967,672 |

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Due from Other Funds
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Notes Receivable - Long-term

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
Payroll Deductions Payable
Contracts Payable
Due to Other Funds
Deferred Revenue - Current Property Taxes
Deferred Revenue - Delinquent Property Taxes
Other Deferred Revenues
Total Liabilities

Fund Balances

Reserved for Encumbrances
Reserved for Alcohol and Drug Treatment
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse
Reserved for Sexual Offender Registration
Reserved for Computer System - Register
Reserved for Automation Purposes - General Sessions Court
Reserved for Automation Purposes - Juvenile Court

| | | | | | | | |
|--------------|------------|------------|------------|-----------|-----------|--------------|-----------|
| \$ | 25,398 | 29,855 | 0 | 0 | 0 | 6,450 | 61,703 |
| 0 | 0 | 0 | 1,383 | 0 | 0 | 0 | 1,383 |
| 0 | 0 | 0 | 0 | 0 | 40,826 | 10,450 | 51,276 |
| 0 | 0 | 0 | 0 | 0 | 0 | 45,000 | 45,000 |
| 1,838,209 | 416,913 | 37,901 | 246,358 | 0 | 0 | 0 | 2,539,381 |
| 114,885 | 26,606 | 2,418 | 15,722 | 0 | 0 | 0 | 159,631 |
| 66,177 | 0 | 170,181 | 70,500 | 0 | 0 | 0 | 306,858 |
| \$ 2,044,669 | \$ 473,374 | \$ 211,883 | \$ 332,580 | \$ 40,826 | \$ 61,900 | \$ 3,165,232 | |
| \$ | 43,003 | 1,612 | 0 | 0 | 446,247 | 700 | 491,562 |
| 12,360 | 0 | 0 | 0 | 0 | 0 | 0 | 12,360 |
| 0 | 0 | 0 | 132,241 | 0 | 0 | 0 | 132,241 |
| 1,160 | 0 | 0 | 0 | 0 | 0 | 0 | 1,160 |
| 18,391 | 0 | 0 | 0 | 0 | 0 | 0 | 18,391 |
| 10,149 | 0 | 0 | 0 | 0 | 0 | 0 | 10,149 |
| 478 | 0 | 0 | 0 | 0 | 0 | 0 | 478 |

(Continued)

Exhibit C-1

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|---|---------------------|--------------------------|------------------------|----------------------|--------------------------|--------------------------|---------------------|--------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | General Capital Projects | Other Governmental Funds | Governmental Funds | |
| Fund Balances (Cont.) | | | | | | | | |
| Reserved for Automation Purposes - Chancery Court | \$ 946 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 946 |
| Reserved for Automation Purposes - Sheriff | 4,890 | 0 | 0 | 0 | 0 | 0 | 0 | 4,890 |
| Reserved for Long-term Notes Receivable | 0 | 0 | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| Reserved for Capital Outlay | 0 | 0 | 0 | 0 | 3,253,177 | 181,989 | 0 | 3,435,166 |
| Unreserved, Reported In: | | | | | | | | |
| General Fund | 1,858,070 | 0 | 0 | 0 | 0 | 0 | 0 | 1,858,070 |
| Special Revenue Funds | 0 | 303,433 | 1,719,545 | 0 | 0 | 347,461 | 0 | 2,370,439 |
| Debt Service Funds | 0 | 0 | 0 | 1,749,318 | 0 | 0 | 0 | 1,749,318 |
| Capital Projects Funds | 0 | 0 | 0 | 0 | 15,288 | 501,982 | 0 | 517,270 |
| Total Fund Balances | \$ 1,949,447 | \$ 305,045 | \$ 1,719,545 | \$ 1,881,559 | \$ 3,714,712 | \$ 1,232,132 | \$ 1,232,132 | \$ 10,802,440 |
| Total Liabilities and Fund Balances | \$ 3,994,116 | \$ 778,419 | \$ 1,931,428 | \$ 2,214,139 | \$ 3,755,538 | \$ 1,294,032 | \$ 1,294,032 | \$ 13,967,672 |

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, 2008

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) | | \$ | 10,802,440 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 722,354 | |
| Add: construction in progress | | 199,947 | |
| Add: infrastructure net of accumulated depreciation | | 3,886,470 | |
| Add: buildings and improvements net of accumulated depreciation | | 2,455,452 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,471,433</u> | 8,735,656 |
| (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 | \$ | (1,192,155) | |
| Less: bonds payable | | (24,982,000) | |
| Add: deferred charges - debt issuance costs | | 6,531 | |
| Less: accrued interest on bonds and notes | | <u>(90,645)</u> | (26,258,269) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>466,489</u> |
| Net assets of governmental activities (Exhibit A) | | \$ | <u><u>(6,253,684)</u></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, 2008

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------------|--------------------------|------------------------|----------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | General Capital Projects | Other | | |
| | | | | | | Governmental Funds | Governmental Funds | |
| Revenues | | | | | | | | |
| Local Taxes | \$ 2,351,897 | \$ 497,938 | \$ 38,384 | \$ 1,626,361 | \$ 0 | \$ 52,548 | \$ 4,567,128 | |
| Licenses and Permits | 4,367 | 0 | 0 | 0 | 9,248 | 0 | 13,615 | |
| Fines, Forfeitures, and Penalties | 141,115 | 0 | 0 | 0 | 0 | 70,304 | 211,419 | |
| Charges for Current Services | 35,296 | 0 | 0 | 0 | 0 | 84,551 | 119,847 | |
| Other Local Revenues | 310,900 | 79,788 | 99,278 | 0 | 24,140 | 331,154 | 845,260 | |
| Fees Received from County Officials | 644,264 | 0 | 0 | 0 | 0 | 0 | 644,264 | |
| State of Tennessee | 754,091 | 188,382 | 2,905,454 | 0 | 15,000 | 158,599 | 4,021,526 | |
| Federal Government | 103,416 | 0 | 257,913 | 0 | 0 | 362,908 | 724,237 | |
| Other Governments and Citizens Groups | 1,890 | 0 | 8,218 | 223,681 | 0 | 44,383 | 278,172 | |
| Total Revenues | \$ 4,347,236 | \$ 766,108 | \$ 3,309,247 | \$ 1,850,042 | \$ 48,388 | \$ 1,104,447 | \$ 11,425,468 | |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General Government | \$ 743,954 | \$ 0 | \$ 0 | \$ 0 | \$ 13,650 | \$ 0 | \$ 757,604 | |
| Finance | 275,579 | 0 | 0 | 0 | 0 | 101,093 | 376,672 | |
| Administration of Justice | 560,730 | 0 | 0 | 0 | 0 | 7,458 | 568,188 | |
| Public Safety | 1,839,175 | 0 | 0 | 0 | 20,410 | 82,621 | 1,942,206 | |
| Public Health and Welfare | 179,721 | 757,303 | 0 | 0 | 1,600 | 272,177 | 1,210,801 | |
| Social, Cultural, and Recreational Services | 208,417 | 0 | 0 | 0 | 0 | 0 | 208,417 | |
| Agriculture and Natural Resources | 97,857 | 0 | 0 | 0 | 0 | 0 | 97,857 | |
| Other Operations | 164,539 | 1,299 | 0 | 0 | 0 | 0 | 165,838 | |
| Highways | 44,975 | 0 | 3,185,782 | 0 | 0 | 0 | 3,230,757 | |
| Support Services | 30 | 0 | 0 | 0 | 0 | 0 | 30 | |
| Debt Service: | | | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 951,950 | 0 | 223,856 | 1,175,806 | |
| Interest on Debt | 0 | 0 | 0 | 951,421 | 0 | 49,197 | 1,000,618 | |
| Other Debt Service | 0 | 0 | 0 | 27,451 | 0 | 1,000 | 28,451 | |
| Capital Projects | 0 | 0 | 0 | 0 | 350,642 | 1,628,998 | 1,979,640 | |
| Total Expenditures | \$ 4,114,977 | \$ 758,602 | \$ 3,185,782 | \$ 1,930,822 | \$ 386,302 | \$ 2,366,400 | \$ 12,742,885 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 232,259 | \$ 7,506 | \$ 123,465 | \$ (80,780) | \$ (337,914) | \$ (1,261,953) | \$ (1,317,417) | |

(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 | | |
| | | | | | | Governmental Funds | Governmental Funds | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Bonds Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 332,000 | \$ 332,000 | \$ 332,000 |
| Proceeds from Sale of Capital Assets | 0 | 0 | 110,405 | 0 | 0 | 0 | 110,405 | 110,405 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 100,000 | 100,000 | 100,000 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 | (100,000) | (100,000) | (100,000) |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 110,405 | \$ 0 | \$ 0 | \$ 332,000 | \$ 442,405 | \$ 442,405 |
| Net Change in Fund Balances | \$ 232,259 | \$ 7,506 | \$ 233,870 | \$ (80,780) | \$ (337,914) | \$ (929,953) | \$ (875,012) | \$ (875,012) |
| Fund Balance, July 1, 2007 | 1,717,188 | 297,539 | 1,485,675 | 1,962,339 | 4,052,626 | 2,162,085 | 11,677,452 | 11,677,452 |
| Fund Balance, June 30, 2008 | \$ 1,949,447 | \$ 305,045 | \$ 1,719,545 | \$ 1,881,559 | \$ 3,714,712 | \$ 1,232,132 | \$ 10,802,440 | \$ 10,802,440 |

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

Exhibit C-4

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, 2008

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) | | \$ | (875,012) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | | |
| Add: capital assets purchased in the current period | \$ | 2,960,476 | |
| Less: current year depreciation expense | | <u>(545,151)</u> | 2,415,325 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | | (4,872) |
| (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, 2008 | \$ | 466,489 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2007 | | <u>(411,849)</u> | 54,640 |
| (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: bond proceeds | \$ | (332,000) | |
| Add: change in deferred debt issuance costs | | 6,531 | |
| Add: principal payments on notes | | 950,000 | |
| Add: principal payments on bonds | | <u>225,806</u> | 850,337 |
| (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 | | | <u>6,113</u> |
| Change in net assets of governmental activities (Exhibit B) | | \$ | <u><u>2,446,531</u></u> |

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

Exhibit D

Wayne County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

| | <u>Agency Funds</u> |
|-------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 430,249 |
| Accounts Receivable | 24 |
| Due from Other Governments | <u>74,769</u> |
| Total Assets | <u>\$ 505,042</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 74,769 |
| Due to Litigants, Heirs, and Others | <u>430,273</u> |
| Total Liabilities | <u>\$ 505,042</u> |

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

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WAYNE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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 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 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 and the Wayne County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Wayne County Retirement Facilities (Wayne County Nursing Home and Wayne County Assisted Living Facility) and the 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, 2008.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Wayne County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. 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.

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

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 type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in 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 fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Wayne County School Department reports the following fund types:

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

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 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.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 and Special Purpose funds. Wayne County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All 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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

As of June 30, 2008, Wayne County had \$18,829,200 outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2008:

| <u>Fund/Purpose</u> | <u>Amount</u> |
|------------------------------|---------------|
| General: | |
| Library | \$ 19,089 |
| Emergency Management | 896 |
| General Capital Projects: | |
| Solid Waste Capital Projects | 11,771 |

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 I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Wayne County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) which is not budgeted, and the Community Development/Industrial Park and Education Capital Projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the 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, County Mayor/Executive, Election Commission, Register of Deeds, 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 \$8,705 at June 30, 2008. 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, 2008.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Regular Instruction Program (\$45,229) and the Director of Schools (\$76,997) major appropriation categories (the legal level of control) of the General Purpose School Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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 on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with

collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2008, 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.

| <u>Investment</u> | <u>Maturities</u> | <u>Cost</u> |
|-----------------------------------|-------------------|--------------|
| State Treasurer's Investment Pool | Daily | \$ 6,954,895 |

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, 2008, 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, 2008, from financing operations for the Wayne County Nursing Home (a component unit).

C. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary Government

Governmental Activities:

| | Balance | | Balance | |
|---|---------------|--------------|--------------|---------------|
| | 7-1-07 | Increases | Decreases | 6-30-08 |
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 695,254 | \$ 27,100 | \$ 0 | \$ 722,354 |
| Construction in Progress | 0 | 199,947 | 0 | 199,947 |
| Total Capital Assets Not Depreciated | \$ 695,254 | \$ 227,047 | \$ 0 | \$ 922,301 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 5,449,707 | \$ 38,900 | \$ 0 | \$ 5,488,607 |
| Roads and Bridges | 2,008,314 | 2,051,573 | 0 | 4,059,887 |
| Other Capital Assets | 3,116,114 | 642,956 | (268,581) | 3,490,489 |
| Total Capital Assets Depreciated | \$ 10,574,135 | \$ 2,733,429 | \$ (268,581) | \$ 13,038,983 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | \$ 2,856,503 | \$ 176,652 | \$ 0 | \$ 3,033,155 |
| Roads and Bridges | 94,967 | 78,450 | 0 | 173,417 |
| Other Capital Assets | 1,992,716 | 290,049 | (263,709) | 2,019,056 |
| Total Accumulated Depreciation | \$ 4,944,186 | \$ 545,151 | \$ (263,709) | \$ 5,225,628 |
| Total Capital Assets Depreciated, Net | \$ 5,629,949 | \$ 2,188,278 | \$ (4,872) | \$ 7,813,355 |
| Governmental Activities Capital Assets, Net | \$ 6,325,203 | \$ 2,415,325 | \$ (4,872) | \$ 8,735,656 |

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 | | 85,644 |
| Public Health and Welfare | | 132,295 |
| Social, Cultural, and Recreation | | 3,349 |
| Agriculture and Natural Resources | | 298 |
| Highway/Public Works | | <u>290,650</u> |
| Total Depreciation Expense - Governmental Activities | \$ | <u><u>545,151</u></u> |

Discretely Presented Wayne County School Department

Governmental Activities:

| | Balance 7-1-07 | Increases | Decreases | Balance 6-30-08 |
|--|----------------------|---------------------|-----------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 475,517 | \$ 20,000 | \$ 0 | \$ 495,517 |
| Construction in Progress | 1,528,400 | 0 | (1,528,400) | 0 |
| Total Capital Assets Not Depreciated | <u>\$ 2,003,917</u> | <u>\$ 20,000</u> | <u>\$ (1,528,400)</u> | <u>\$ 495,517</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 25,171,904 | \$ 1,685,209 | \$ 0 | \$ 26,857,113 |
| Other Capital Assets | 2,786,096 | 437,097 | 0 | 3,223,193 |
| Total Capital Assets Depreciated | <u>\$ 27,958,000</u> | <u>\$ 2,122,306</u> | <u>\$ 0</u> | <u>\$ 30,080,306</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | \$ 9,325,438 | \$ 752,418 | \$ 0 | \$ 10,077,856 |
| Other Capital Assets | 1,461,324 | 210,185 | 0 | 1,671,509 |
| Total Accumulated Depreciation | <u>\$ 10,786,762</u> | <u>\$ 962,603</u> | <u>\$ 0</u> | <u>\$ 11,749,365</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 17,171,238</u> | <u>\$ 1,159,703</u> | <u>\$ 0</u> | <u>\$ 18,330,941</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 19,175,155</u> | <u>\$ 1,179,703</u> | <u>\$ (1,528,400)</u> | <u>\$ 18,826,458</u> |

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

Governmental Activities:

| | |
|---|-------------------|
| Instruction | \$ 13,023 |
| Support Services | 905,029 |
| Operation of Non-Instructional Services | <u>44,551</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 962,603</u> |

D. Construction Commitments

At June 30, 2008, Wayne County had uncompleted contracts of approximately \$446,247 for construction of the judicial center. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| General | Nonmajor governmental | \$ 45,000 |

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, consisted of the following amount:

Primary Government

| <u>Transfers Out</u> | <u>Transfers In</u> Nonmajor Governmental Funds |
|-----------------------------|--|
| Nonmajor governmental funds | \$ 100,000 |

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

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 38 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, 2008, will be retired from the General Debt Service and Special Purpose funds.

General obligation bonds and capital outlay notes outstanding as of June 30, 2008, are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-08 |
|---|------------------|--------------------------------|--------------------|
| General Obligation Bonds | 4.05 to 5.23 % | \$ 12,632,000 | \$ 9,522,000 |
| General Obligation Bonds - Refunding | 3.2 to 4 | 16,935,000 | 15,460,000 |
| Capital Outlay Notes | 0 to 4.08 | 2,318,649 | 1,192,155 |

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2008, including interest payments, are presented in the following table:

| Year Ending June 30 | Bonds | | Notes | |
|------------------------|---------------|---------------|--------------|------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 983,585 | \$ 930,342 | \$ 238,237 | \$ 40,846 |
| 2010 | 1,018,740 | 894,335 | 245,740 | 32,125 |
| 2011 | 1,058,902 | 857,457 | 258,315 | 23,022 |
| 2012 | 1,094,071 | 819,235 | 265,964 | 13,539 |
| 2013 | 1,139,248 | 779,586 | 181,950 | 3,675 |
| 2014-2018 | 6,334,166 | 3,230,056 | 1,949 | 0 |
| 2019-2023 | 7,719,876 | 1,890,692 | 0 | 0 |
| 2024-2028 | 3,716,936 | 670,374 | 0 | 0 |
| 2029-2033 | 1,740,664 | 147,187 | 0 | 0 |
| 2034-2038 | 56,455 | 31,805 | 0 | 0 |
| 2039-2043 | 69,795 | 18,465 | 0 | 0 |
| 2044-2046 | 49,562 | 3,394 | 0 | 0 |
| Total | \$ 24,982,000 | \$ 10,272,928 | \$ 1,192,155 | \$ 113,207 |

There is \$1,881,559 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,483, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,554, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

Governmental Activities:

| | Bonds | Notes |
|-----------------------------|---------------|--------------|
| Balance, July 1, 2007 | \$ 25,600,000 | \$ 1,417,961 |
| Additions | 332,000 | 0 |
| Deductions | (950,000) | (225,806) |
| Balance, June 30, 2008 | \$ 24,982,000 | \$ 1,192,155 |
| Balance Due Within One Year | \$ 983,585 | \$ 238,237 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2008 | \$ 26,174,155 |
| Less: Due Within One Year | <u>(1,221,822)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 24,952,333</u> |

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, 2008, the following outstanding bonds are considered defeased:

| | |
|-------------------|---------------|
| | <u>Amount</u> |
| 2000 School Bonds | \$ 2,210,000 |

Discretely Presented Wayne County School Department

Long-term liability activity for the discretely presented School Department for the year ended June 30, 2008, was as follows:

| | |
|---------------------------------|-------------------------------------|
| Governmental Activities: | Other Postemployment Benefits |
| | <u> </u> |
| Balance, July 1, 2007 | \$ 0 |
| Additions | 663,000 |
| Deductions | <u>(109,565)</u> |
| Balance, June 30, 2008 | <u>\$ 553,435</u> |
| Balance Due Within One Year | <u>\$ 0</u> |

G. On-Behalf Payments – Discretely Presented Wayne County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the

Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$64,909 and \$17,013, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

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

Wayne County does not provide health insurance for its general government employees.

Discretely Presented Wayne County School Department

The discretely presented Wayne County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Wayne County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, the Wayne County School Department had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition. The primary government of Wayne County does not currently offer other postemployment benefits.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Wayne County. GASB Statement No. 48 had no effect on the financial statements of Wayne County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Wayne County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Wayne County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Event

Director of Schools, Jerry Pigg, retired June 30, 2008, and was succeeded by Wanda Johnston effective July 1, 2008.

D. 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 in 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.

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 Executive; 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 contributed \$51,760 to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2008.

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, 2008.

Wayne County does not have an 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 Executive
P.O. Box 848
Waynesboro, TN 38485

District Attorney General
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 executive 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://treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Wayne County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 8.74 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, Wayne County's annual pension cost of \$644,676 to TCRS was equal to the 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 postretirement 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. The 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, 2007, which established contribution rates effective July 1, 2008.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-08 | \$644,676 | 100% | \$0 |
| 6-30-07 | 634,996 | 100 | 0 |
| 6-30-06 | 444,952 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 92.53 percent funded. The actuarial accrued liability for benefits was \$15.74 million, and the actuarial value of assets was \$14.57 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.17 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6.67 million, and the ratio of the UAAL to the covered payroll was 17.64 percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Wayne County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2008, was 6.24 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, 2008, 2007, and 2006, were \$681,720, \$654,400, and \$571,936, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA) for teachers. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance

organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare supplement plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$170 to \$571 per month. During the year ended June 30, 2008, the discretely presented Wayne County School Department contributed \$109,565 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|-----------------------------------|
| | <u>Teacher Group Plan</u> |
| ARC | \$ 663,000 |
| Interest on the NPO | 0 |
| Adjustment to the ARC | <u>0</u> |
| Annual OPEB cost | \$ 663,000 |
| Amount of contribution | <u>(109,565)</u> |
| Increase/decrease in NPO | \$ 553,435 |
| Net OPEB obligation, 7-1-07 | <u>0</u> |
| Net OPEB obligation, 6-30-08 | <u><u>\$ 553,435</u></u> |

| Year Ended | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|------------|-----------------------|------------------|--|---------------------------------|
| 6-30-08 | Local Education Group | \$ 663,000 | 17% | \$ 553,435 |

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

| | <u>Local Education Group Plan</u> |
|---|---|
| Actuarial valuation date | 6-30-07 |
| Actuarial accrued liability (AAL) | \$ 6,722,000 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 6,722,000 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 13,870,314 |
| UAAL as a % of covered payroll | 48% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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 \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law, Section 54-7-113, TCA, which provide 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.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-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, 2008

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2007 | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 2,351,897 | \$ 0 | \$ 0 | \$ 2,351,897 | \$ 2,261,967 | \$ 2,261,967 | \$ 89,930 |
| Licenses and Permits | 4,367 | 0 | 0 | 4,367 | 2,550 | 2,550 | 1,817 |
| Fines, Forfeitures, and Penalties | 141,115 | 0 | 0 | 141,115 | 85,108 | 85,108 | 56,007 |
| Charges for Current Services | 35,296 | 0 | 0 | 35,296 | 10,855 | 33,071 | 2,225 |
| Other Local Revenues | 310,900 | 0 | 0 | 310,900 | 396,735 | 421,629 | (110,729) |
| Fees Received from County Officials | 644,264 | 0 | 0 | 644,264 | 503,155 | 526,976 | 117,288 |
| State of Tennessee | 754,091 | 0 | 0 | 754,091 | 564,006 | 654,565 | 99,526 |
| Federal Government | 103,416 | 0 | 0 | 103,416 | 10,000 | 67,607 | 35,809 |
| Other Governments and Citizens Groups | 1,890 | 0 | 0 | 1,890 | 0 | 0 | 1,890 |
| Total Revenues | \$ 4,347,236 | \$ 0 | \$ 0 | \$ 4,347,236 | \$ 3,834,376 | \$ 4,053,473 | \$ 293,763 |
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 232,889 | (2,202) | 2,212 | \$ 232,899 | \$ 232,990 | \$ 233,832 | \$ 933 |
| County Mayor/Executive | 135,430 | 0 | 170 | 135,600 | 122,067 | 135,819 | 219 |
| Election Commission | 107,405 | (1,339) | 10,515 | 116,581 | 104,837 | 117,150 | 569 |
| Register of Deeds | 111,201 | (148) | 20,151 | 131,204 | 114,930 | 131,579 | 375 |
| County Buildings | 127,832 | (324) | 0 | 127,508 | 118,063 | 128,196 | 688 |
| Other General Administration | 29,197 | (2,053) | 1,231 | 28,375 | 34,800 | 29,950 | 1,575 |
| <u>Finance</u> | | | | | | | |
| Property Assessor's Office | 114,122 | (478) | 0 | 113,644 | 109,642 | 114,268 | 624 |
| Reappraisal Program | 17,117 | 0 | 0 | 17,117 | 19,845 | 18,313 | 1,196 |
| County Trustee's Office | 16,537 | 0 | 445 | 16,982 | 12,750 | 17,231 | 249 |
| County Clerk's Office | 127,803 | (313) | 0 | 127,490 | 115,397 | 128,220 | 730 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 164,023 | (24) | 0 | 163,999 | 149,764 | 165,618 | 1,619 |
| General Sessions Court | 143,348 | 0 | 0 | 143,348 | 123,038 | 142,547 | (801) |

(Continued)

Exhibit E-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 7/1/2007 | Add: Encumbrances 6/30/2008 | 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> | | | | | | | |
| Chancery Court | \$ 129,156 | \$ (458) | 17 | \$ 128,715 | \$ 107,985 | \$ 128,801 | \$ 86 |
| Juvenile Court | 55,759 | 0 | 0 | 55,759 | 47,962 | 55,831 | 72 |
| Judicial Commissioners | 41,989 | 0 | 0 | 41,989 | 19,614 | 43,484 | 1,495 |
| Courtroom Security | 26,455 | 0 | 0 | 26,455 | 0 | 26,455 | 0 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 814,055 | (7,226) | 760 | 807,589 | 636,285 | 802,476 | (5,113) |
| Jail | 829,468 | (13,040) | 2,099 | 818,527 | 667,977 | 840,628 | 22,101 |
| Rural Fire Protection | 73,583 | (2,757) | 0 | 70,826 | 70,650 | 72,511 | 1,685 |
| Civil Defense | 25,402 | 0 | 0 | 25,402 | 37,000 | 41,173 | 15,771 |
| Other Emergency Management | 45,661 | 0 | 0 | 45,661 | 41,945 | 46,306 | 645 |
| County Coroner/Medical Examiner | 11,062 | 0 | 0 | 11,062 | 16,500 | 16,579 | 5,517 |
| Public Safety Grant Programs | 37,475 | 0 | 0 | 37,475 | 0 | 37,476 | 1 |
| Other Public Safety | 2,469 | 0 | 0 | 2,469 | 2,000 | 2,500 | 31 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 39,508 | (55) | 0 | 39,453 | 44,000 | 41,177 | 1,724 |
| Alcohol and Drug Programs | 2,500 | 0 | 0 | 2,500 | 2,500 | 2,500 | 0 |
| Other Local Health Services | 61,088 | 0 | 1,300 | 62,388 | 46,300 | 86,790 | 24,402 |
| 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 | 55,625 | 0 | 0 | 55,625 | 46,969 | 55,714 | 89 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 36,000 | 0 | 0 | 36,000 | 36,000 | 36,000 | 0 |
| Libraries | 155,391 | (2,817) | 2,603 | 155,177 | 114,019 | 155,370 | 193 |
| Other Social, Cultural, and Recreational | 17,026 | 0 | 0 | 17,026 | 18,975 | 17,080 | 54 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agriculture Extension Service | 52,846 | (1,751) | 0 | 51,095 | 54,482 | 51,886 | 791 |

(Continued)

Exhibit E-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: | | Add: | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|--------------------------|---------------------------|--------------|---|------------------|------------|--|
| | | Encumbrances 7/1/2007 | Encumbrances 6/30/2008 | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | | |
| <u>Agriculture and Natural Resources (Cont.)</u> | | | | | | | | |
| Forest Service | \$ 2,000 | \$ 0 | \$ 0 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 0 | 0 |
| Soil Conservation | 27,200 | 0 | 0 | 27,200 | 27,200 | 27,201 | 1 | 1 |
| Other Agriculture and Natural Resources | 15,811 | 0 | 0 | 15,811 | 15,811 | 15,811 | 0 | 0 |
| <u>Other Operations</u> | | | | | | | | |
| Tourism | 1,550 | 0 | 0 | 1,550 | 1,550 | 1,550 | 0 | 0 |
| Other Economic and Community Development | 19,500 | 0 | 0 | 19,500 | 19,500 | 19,500 | 0 | 0 |
| Veterans' Services | 8,748 | 0 | 0 | 8,748 | 4,613 | 9,027 | 279 | 279 |
| Other Charges | 61,474 | 0 | 0 | 61,474 | 61,474 | 61,474 | 0 | 0 |
| Contributions to Other Agencies | 4,200 | 0 | 0 | 4,200 | 4,200 | 4,200 | 0 | 0 |
| Employee Benefits | 13,772 | 0 | 0 | 13,772 | 322,000 | 13,772 | 0 | 0 |
| Miscellaneous | 55,295 | 0 | 0 | 55,295 | 43,800 | 58,400 | 3,105 | 3,105 |
| <u>Highways</u> | | | | | | | | |
| Litter and Trash Collection | 44,975 | (194) | 0 | 44,781 | 30,860 | 45,243 | 462 | 462 |
| <u>Support Services</u> | | | | | | | | |
| Other Programs | 30 | (30) | 1,500 | 1,500 | 0 | 1,500 | 0 | 0 |
| <u>Capital Projects</u> | | | | | | | | |
| Public Utility Projects | 0 | 0 | 0 | 0 | 1,790 | 152 | 152 | 152 |
| Total Expenditures | \$ 4,114,977 | \$ (35,209) | \$ 43,003 | \$ 4,122,771 | \$ 3,825,084 | \$ 4,204,290 | \$ 81,519 | \$ 81,519 |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | | | | | | | | |
| | \$ 232,259 | \$ 35,209 | \$ (43,003) | \$ 224,465 | \$ 9,292 | \$ (150,817) | \$ 375,282 | \$ 375,282 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 4,500 | (4,500) | (4,500) |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 4,500 | (4,500) | (4,500) |
| <u>Net Change in Fund Balance</u> | | | | | | | | |
| Fund Balance, July 1, 2007 | \$ 1,717,188 | \$ 35,209 | \$ (43,003) | \$ 224,465 | \$ 1,681,979 | \$ 1,728,851 | \$ 370,782 | \$ 370,782 |
| | | (35,209) | 0 | 1,681,979 | 1,728,851 | 1,728,851 | (46,872) | (46,872) |
| Fund Balance, June 30, 2008 | \$ 1,949,447 | \$ 0 | \$ (43,003) | \$ 1,906,444 | \$ 1,738,143 | \$ 1,582,534 | \$ 323,910 | \$ 323,910 |

Exhibit E-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, 2008

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2007 | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-------------|--|
| | | | | | Original | Final | |
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 497,938 | \$ 0 | \$ 0 | \$ 497,938 | \$ 488,465 | \$ 490,639 | \$ 7,299 |
| Charges for Current Services | 0 | 0 | 0 | 0 | 6,500 | 6,500 | (6,500) |
| Other Local Revenues | 79,788 | 0 | 0 | 79,788 | 79,250 | 93,250 | (13,462) |
| State of Tennessee | 188,382 | 0 | 0 | 188,382 | 116,750 | 152,716 | 35,666 |
| Total Revenues | \$ 766,108 | \$ 0 | \$ 0 | \$ 766,108 | \$ 690,965 | \$ 743,105 | \$ 23,003 |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Landfill Operation and Maintenance | \$ 1,600 | \$ 0 | \$ 0 | \$ 1,600 | \$ 15,500 | \$ 1,600 | \$ 0 |
| Other Waste Disposal | 755,703 | (26,964) | 1,612 | 730,351 | 642,017 | 752,509 | 22,158 |
| Other Operations | 1,299 | 0 | 0 | 1,299 | 33,301 | 1,299 | 0 |
| Employee Benefits | | | | | | | |
| Total Expenditures | \$ 758,602 | \$ (26,964) | \$ 1,612 | \$ 733,250 | \$ 690,818 | \$ 755,408 | \$ 22,158 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | |
| | \$ 7,506 | \$ 26,964 | \$ (1,612) | \$ 32,858 | \$ 147 | \$ (12,303) | \$ 45,161 |
| Net Change in Fund Balance | | | | | | | |
| Fund Balance, July 1, 2007 | \$ 297,539 | (26,964) | 0 | 270,575 | 285,734 | 285,734 | (15,159) |
| Fund Balance, June 30, 2008 | \$ 305,045 | \$ 0 | \$ (1,612) | \$ 303,433 | \$ 285,881 | \$ 273,431 | \$ 30,002 |

Exhibit E-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, 2008

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 38,384 | \$ 37,589 | \$ 37,589 | \$ 795 |
| Other Local Revenues | 99,278 | 47,700 | 57,700 | 41,578 |
| State of Tennessee | 2,905,454 | 2,917,151 | 2,917,151 | (11,697) |
| Federal Government | 257,913 | 220,000 | 220,000 | 37,913 |
| Other Governments and Citizens Groups | 8,218 | 15,000 | 15,000 | (6,782) |
| Total Revenues | <u>\$ 3,309,247</u> | <u>\$ 3,237,440</u> | <u>\$ 3,247,440</u> | <u>\$ 61,807</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 163,948 | \$ 154,710 | \$ 178,994 | \$ 15,046 |
| Highway and Bridge Maintenance | 838,597 | 976,425 | 1,084,325 | 245,728 |
| Operation and Maintenance of Equipment | 644,497 | 642,900 | 732,900 | 88,403 |
| Other Charges | 63,061 | 102,100 | 83,100 | 20,039 |
| Employee Benefits | 166,895 | 195,000 | 181,052 | 14,157 |
| Capital Outlay | 1,308,784 | 1,196,163 | 1,503,927 | 195,143 |
| Total Expenditures | <u>\$ 3,185,782</u> | <u>\$ 3,267,298</u> | <u>\$ 3,764,298</u> | <u>\$ 578,516</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 123,465</u> | <u>\$ (29,858)</u> | <u>\$ (516,858)</u> | <u>\$ 640,323</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from Sale of Capital Assets | \$ 110,405 | \$ 0 | \$ 0 | \$ 110,405 |
| Total Other Financing Sources (Uses) | <u>\$ 110,405</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 110,405</u> |
| Net Change in Fund Balance | \$ 233,870 | \$ (29,858) | \$ (516,858) | \$ 750,728 |
| Fund Balance, July 1, 2007 | <u>1,485,675</u> | <u>2,008,979</u> | <u>2,008,979</u> | <u>(523,304)</u> |
| Fund Balance, June 30, 2008 | <u>\$ 1,719,545</u> | <u>\$ 1,979,121</u> | <u>\$ 1,492,121</u> | <u>\$ 227,424</u> |

Exhibit E-4

Wayne County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2008

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| 6-30-07 | \$ 14,571 | \$ 15,748 | \$ 1,177 | 92.53 % | \$ 6,673 | 17.64 % |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit E-5

Wayne County, Tennessee
Schedule of Funding Progress - Other Postemployment Benefit Plan
Discretely Presented Wayne County School Department
June 30, 2008

Local Education Group Plan

(Dollar amounts in thousands)

| Actuarial Valuation Date * | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|----------------------------------|--|---|--------------------------------------|--------------------------|---------------------------|---|
| 6-30-07 | \$ 0 | \$ 6,722 | \$ 6,722 | 0 % | \$ 13,870 | 48 % |

*Data not available for two preceding years.

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WAYNE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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, County Mayor/Executive, Election Commission, Register of Deeds, 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.

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

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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.

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Exhibit F-1

Wayne County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

| | Special Revenue Funds | | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|----|-----------------------|-----------------|---|------------------------|---|--------------------------------|--|
| | Special Purpose | Drug Control | Constituti- onal Officers - Fees | Total | Community Development/ Industrial Park | Highway Capital Projects | |
| \$ | 0 \$ | 0 \$ | 600 \$ | 600 \$ | 0 \$ | 0 \$ | 0 \$ |
| | 253,980 | 91,877 | 0 | 345,857 | 497,016 | 247,729 | 744,745 |
| | 0 | 1,304 | 400 | 1,704 | 1,126 | 0 | 1,126 |
| | 200,000 | 0 | 0 | 200,000 | 0 | 0 | 0 |
| | 453,980 \$ | 93,181 \$ | 1,000 \$ | 548,161 \$ | 498,142 \$ | 247,729 \$ | 745,871 \$ |
| | | | | | | | 1,294,032 |

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Notes Receivable - Long-term
 Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

| | | | | | | | |
|----|------|------|------|------|-----------|------|-----------|
| \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 6,450 \$ | 0 \$ | 6,450 \$ |
| | 0 | 0 | 0 | 0 | 10,450 | 0 | 10,450 |
| | 0 | 0 | 0 | 0 | 45,000 | 0 | 45,000 |
| | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 61,900 \$ | 0 \$ | 61,900 \$ |

Fund Balances

| | | | | | | | |
|----|------------|-----------|----------|------------|------------|------------|------------|
| \$ | 0 \$ | 700 \$ | 0 \$ | 700 \$ | 0 \$ | 0 \$ | 0 \$ |
| | 200,000 | 0 | 0 | 200,000 | 0 | 0 | 200,000 |
| | 0 | 0 | 0 | 0 | 0 | 181,989 | 181,989 |
| | 253,980 | 92,481 | 1,000 | 347,461 | 436,242 | 65,740 | 849,443 |
| | 453,980 \$ | 93,181 \$ | 1,000 \$ | 548,161 \$ | 436,242 \$ | 247,729 \$ | 683,971 \$ |
| | | | | | | | 1,232,132 |

Total Liabilities and Fund Balances

| | | | | | | | |
|----|------------|-----------|----------|------------|------------|------------|------------|
| \$ | 453,980 \$ | 93,181 \$ | 1,000 \$ | 548,161 \$ | 498,142 \$ | 247,729 \$ | 745,871 \$ |
| | | | | | | | 1,294,032 |

Exhibit F-2

Wayne County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

| | 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 | |
| Revenues | | | | | | | |
| Local Taxes | \$ 25,334 | \$ 0 | \$ 0 | \$ 25,334 | \$ 17,240 | \$ 9,974 | \$ 52,548 |
| Fines, Forfeitures, and Penalties | 0 | 70,304 | 0 | 70,304 | 0 | 0 | 70,304 |
| Charges for Current Services | 0 | 0 | 84,551 | 84,551 | 0 | 0 | 84,551 |
| Other Local Revenues | 280,000 | 0 | 0 | 280,000 | 51,154 | 0 | 331,154 |
| State of Tennessee | 1,47,599 | 11,000 | 0 | 158,599 | 0 | 0 | 158,599 |
| Federal Government | 0 | 0 | 0 | 0 | 362,908 | 0 | 362,908 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 44,383 | 0 | 44,383 |
| Total Revenues | \$ 452,933 | \$ 81,304 | \$ 84,551 | \$ 618,788 | \$ 475,685 | \$ 9,974 | \$ 1,104,447 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Finance | \$ 0 | \$ 0 | \$ 101,093 | \$ 101,093 | \$ 0 | \$ 0 | \$ 101,093 |
| Administration of Justice | 0 | 0 | 7,458 | 7,458 | 0 | 0 | 7,458 |
| Public Safety | 0 | 82,621 | 0 | 82,621 | 0 | 0 | 82,621 |
| Public Health and Welfare | 272,177 | 0 | 0 | 272,177 | 0 | 0 | 272,177 |
| Debt Service: | | | | | | | |
| Principal on Debt | 223,856 | 0 | 0 | 223,856 | 0 | 0 | 223,856 |
| Interest on Debt | 49,197 | 0 | 0 | 49,197 | 0 | 0 | 49,197 |
| Other Debt Service | 1,000 | 0 | 0 | 1,000 | 0 | 0 | 1,000 |
| Capital Projects | 48,000 | 0 | 0 | 48,000 | 771,568 | 809,430 | 1,628,998 |
| Total Expenditures | \$ 594,230 | \$ 82,621 | \$ 108,551 | \$ 785,402 | \$ 771,568 | \$ 809,430 | \$ 2,366,400 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (141,297) | \$ (1,317) | \$ (24,000) | \$ (166,614) | \$ (295,883) | \$ (799,456) | \$ (1,261,953) |
| Other Financing Sources (Uses) | | | | | | | |
| Bonds Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 332,000 | \$ 0 | \$ 332,000 |
| Transfers In | 100,000 | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| Transfers Out | 0 | 0 | 0 | 0 | (100,000) | 0 | (100,000) |
| Total Other Financing Sources (Uses) | \$ 100,000 | \$ 0 | \$ 0 | \$ 100,000 | \$ 232,000 | \$ 0 | \$ 332,000 |
| Net Change in Fund Balances Fund Balance, July 1, 2007 | \$ (41,297) | \$ (1,317) | \$ (24,000) | \$ (66,614) | \$ (63,883) | \$ (799,456) | \$ (929,953) |
| Fund Balance, July 1, 2008 | 495,277 | 94,498 | 25,000 | 614,775 | 500,125 | 1,047,185 | 2,162,085 |
| Fund Balance, June 30, 2008 | \$ 453,980 | \$ 93,181 | \$ 1,000 | \$ 548,161 | \$ 436,242 | \$ 247,729 | \$ 1,232,132 |

Exhibit F-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, 2008

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|-------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 25,334 | \$ 12,667 | \$ 12,667 | \$ 12,667 |
| Other Local Revenues | 280,000 | 343,750 | 343,750 | (63,750) |
| State of Tennessee | 147,599 | 114,750 | 114,750 | 32,849 |
| Other Governments and Citizens Groups | 0 | 96,741 | 96,741 | (96,741) |
| Total Revenues | <u>\$ 452,933</u> | <u>\$ 567,908</u> | <u>\$ 567,908</u> | <u>\$ (114,975)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Other Local Health Services | \$ 272,177 | \$ 547,800 | \$ 274,612 | \$ 2,435 |
| <u>Principal on Debt</u> | | | | |
| General Government | 223,856 | 0 | 223,856 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 49,197 | 0 | 49,197 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 1,000 | 0 | 1,100 | 100 |
| <u>Capital Projects</u> | | | | |
| Public Health and Welfare Projects | 48,000 | 0 | 48,000 | 0 |
| Total Expenditures | <u>\$ 594,230</u> | <u>\$ 547,800</u> | <u>\$ 596,765</u> | <u>\$ 2,535</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (141,297)</u> | <u>\$ 20,108</u> | <u>\$ (28,857)</u> | <u>\$ (112,440)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 100,000 | \$ 0 | \$ 48,825 | \$ 51,175 |
| Total Other Financing Sources (Uses) | <u>\$ 100,000</u> | <u>\$ 0</u> | <u>\$ 48,825</u> | <u>\$ 51,175</u> |
| Net Change in Fund Balance | \$ (41,297) | \$ 20,108 | \$ 19,968 | \$ (61,265) |
| Fund Balance, July 1, 2007 | <u>495,277</u> | <u>274,795</u> | <u>274,795</u> | <u>220,482</u> |
| Fund Balance, June 30, 2008 | <u>\$ 453,980</u> | <u>\$ 294,903</u> | <u>\$ 294,763</u> | <u>\$ 159,217</u> |

Exhibit F-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, 2008

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|-------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Fines, Forfeitures, and Penalties | \$ 70,304 \$ | 0 \$ | 70,304 \$ | 27,850 \$ | 27,850 \$ | 42,454 |
| Other Local Revenues | 0 | 0 | 0 | 500 | 500 | (500) |
| State of Tennessee | 11,000 | 0 | 11,000 | 0 | 11,000 | 0 |
| Total Revenues | \$ 81,304 \$ | 0 \$ | 81,304 \$ | 28,350 \$ | 39,350 \$ | 41,954 |
| <u>Expenditures</u> | | | | | | |
| <u>Public Safety</u> | | | | | | |
| Drug Enforcement | \$ 82,621 \$ | 700 \$ | 83,321 \$ | 70,350 \$ | 91,436 \$ | 8,115 |
| Total Expenditures | \$ 82,621 \$ | 700 \$ | 83,321 \$ | 70,350 \$ | 91,436 \$ | 8,115 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,317) \$ | (700) \$ | (2,017) \$ | (42,000) \$ | (52,086) \$ | 50,069 |
| Net Change in Fund Balance Fund Balance, July 1, 2007 | \$ (1,317) \$ | (700) \$ | (2,017) \$ | (42,000) \$ | (52,086) \$ | 50,069 |
| | 94,498 | 0 | 94,498 | 100,810 | 100,810 | (6,312) |
| Fund Balance, June 30, 2008 | \$ 93,181 \$ | (700) \$ | 92,481 \$ | 58,810 \$ | 48,724 \$ | 43,757 |

Exhibit F-5

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2008

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 9,974 | \$ 7,775 | \$ 7,775 | \$ 2,199 |
| Total Revenues | \$ 9,974 | \$ 7,775 | \$ 7,775 | \$ 2,199 |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| General Administration Projects | \$ 621,330 | \$ 753,319 | \$ 753,319 | \$ 131,989 |
| Highway and Street Capital Projects | 188,100 | 189,290 | 189,290 | 1,190 |
| Total Expenditures | \$ 809,430 | \$ 942,609 | \$ 942,609 | \$ 133,179 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (799,456) | \$ (934,834) | \$ (934,834) | \$ 135,378 |
| Net Change in Fund Balance | \$ (799,456) | \$ (934,834) | \$ (934,834) | \$ 135,378 |
| Fund Balance, July 1, 2007 | 1,047,185 | 1,396,375 | 1,396,375 | (349,190) |
| Fund Balance, June 30, 2008 | \$ 247,729 | \$ 461,541 | \$ 461,541 | \$ (213,812) |

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Major Governmental Funds

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.

General Capital Projects Fund

The General Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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Exhibit G-1

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, 2008

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,626,361 | \$ 1,684,901 | \$ 1,684,901 | \$ (58,540) |
| Other Governments and Citizens Groups | 223,681 | 234,503 | 234,503 | (10,822) |
| Total Revenues | <u>\$ 1,850,042</u> | <u>\$ 1,919,404</u> | <u>\$ 1,919,404</u> | <u>\$ (69,362)</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 123,225 | \$ 245,000 | \$ 123,225 | \$ 0 |
| Highways and Streets | 35,525 | 0 | 35,525 | 0 |
| Education | 793,200 | 710,000 | 793,200 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 184,788 | 373,309 | 184,788 | 0 |
| Highways and Streets | 54,130 | 0 | 54,130 | 0 |
| Education | 712,503 | 573,487 | 712,503 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 26,451 | 25,536 | 28,536 | 2,085 |
| Education | 1,000 | 2,500 | 1,000 | 0 |
| Total Expenditures | <u>\$ 1,930,822</u> | <u>\$ 1,929,832</u> | <u>\$ 1,932,907</u> | <u>\$ 2,085</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (80,780)</u> | <u>\$ (10,428)</u> | <u>\$ (13,503)</u> | <u>\$ (67,277)</u> |
| Net Change in Fund Balance | \$ (80,780) | \$ (10,428) | \$ (13,503) | \$ (67,277) |
| Fund Balance, July 1, 2007 | <u>1,962,339</u> | <u>1,955,291</u> | <u>1,955,291</u> | <u>7,048</u> |
| Fund Balance, June 30, 2008 | <u>\$ 1,881,559</u> | <u>\$ 1,944,863</u> | <u>\$ 1,941,788</u> | <u>\$ (60,229)</u> |

Exhibit G-2

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, 2008

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2007 | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|-----------------------|-----------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Licenses and Permits | \$ 9,248 | \$ 0 | \$ 0 | \$ 9,248 | \$ 0 | \$ 5,752 | \$ 3,496 |
| Other Local Revenues | 24,140 | 0 | 0 | 24,140 | 33,750 | 33,750 | (9,610) |
| State of Tennessee | 15,000 | 0 | 0 | 15,000 | 100 | 15,100 | (100) |
| Total Revenues | \$ 48,388 | \$ 0 | \$ 0 | \$ 48,388 | \$ 33,850 | \$ 54,602 | \$ (6,214) |
| Expenditures | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Buildings | \$ 13,650 | (1,899) | 620 | 12,371 | 0 | 14,711 | 2,340 |
| Public Safety | 20,410 | 0 | 0 | 20,410 | 0 | 20,410 | 0 |
| Public Health and Welfare | 1,600 | 0 | 0 | 1,600 | 0 | 1,600 | 0 |
| Other Waste Disposal | | | | | | | |
| Capital Projects | | | | | | | |
| General Administration Projects | 111,928 | (1,695) | 39,434 | 149,667 | 142,347 | 153,425 | 3,758 |
| Public Safety Projects | 238,267 | 0 | 406,193 | 644,460 | 3,450,618 | 3,450,618 | 2,806,158 |
| Social, Cultural, and Recreation Projects | 447 | 0 | 0 | 447 | 0 | 500 | 53 |
| Total Expenditures | \$ 386,302 | \$ (3,594) | \$ 446,247 | \$ 828,955 | \$ 3,592,965 | \$ 3,641,264 | \$ 2,812,309 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (337,914) | \$ 3,594 | \$ (446,247) | \$ (780,567) | \$ (3,559,115) | \$ (3,586,662) | \$ 2,806,095 |
| Net Change in Fund Balance Fund Balance, July 1, 2007 | \$ (337,914) | \$ 3,594 | \$ (446,247) | \$ (780,567) | \$ (3,559,115) | \$ (3,586,662) | \$ 2,806,095 |
| | <u>4,052,626</u> | <u>(3,594)</u> | <u>0</u> | <u>4,049,032</u> | <u>4,052,780</u> | <u>4,052,780</u> | <u>(3,748)</u> |
| Fund Balance, June 30, 2008 | \$ 3,714,712 | \$ 0 | \$ (446,247) | \$ 3,268,465 | \$ 493,665 | \$ 466,118 | \$ 2,802,347 |

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.

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Exhibit H-1

Wayne County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

| | <u>Agency Funds</u> | | |
|-------------------------------------|--------------------------|---|-------------------|
| | Cities - Sales Tax | Constitu- tional Officers - Agency | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 430,249 | \$ 430,249 |
| Accounts Receivable | 0 | 24 | 24 |
| Due from Other Governments | 74,769 | 0 | 74,769 |
| Total Assets | <u>\$ 74,769</u> | <u>\$ 430,273</u> | <u>\$ 505,042</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 74,769 | \$ 0 | \$ 74,769 |
| Due to Litigants, Heirs, and Others | 0 | 430,273 | 430,273 |
| Total Liabilities | <u>\$ 74,769</u> | <u>\$ 430,273</u> | <u>\$ 505,042</u> |

Exhibit H-2

Wayne County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2008

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|--------------|--------------|-------------------|
| <u>Cities- Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 443,132 | \$ 443,132 | \$ 0 |
| Due from Other Governments | 72,463 | 74,769 | 72,463 | 74,769 |
| Total Assets | \$ 72,463 | \$ 517,901 | \$ 515,595 | \$ 74,769 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 72,463 | \$ 517,901 | \$ 515,595 | \$ 74,769 |
| Total Liabilities | \$ 72,463 | \$ 517,901 | \$ 515,595 | \$ 74,769 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 862,791 | \$ 4,217,628 | \$ 4,650,170 | \$ 430,249 |
| Accounts Receivable | 96 | 24 | 96 | 24 |
| Total Assets | \$ 862,887 | \$ 4,217,652 | \$ 4,650,266 | \$ 430,273 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 862,887 | \$ 4,217,652 | \$ 4,650,266 | \$ 430,273 |
| Total Liabilities | \$ 862,887 | \$ 4,217,652 | \$ 4,650,266 | \$ 430,273 |
| <u>Total - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 443,132 | \$ 443,132 | \$ 0 |
| Cash | 862,791 | 4,217,628 | 4,650,170 | 430,249 |
| Accounts Receivable | 96 | 24 | 96 | 24 |
| Due from Other Governments | 72,463 | 74,769 | 72,463 | 74,769 |
| Total Assets | \$ 935,350 | \$ 4,735,553 | \$ 5,165,861 | \$ 505,042 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 72,463 | \$ 517,901 | \$ 515,595 | \$ 74,769 |
| Due to Litigants, Heirs, and Others | 862,887 | 4,217,652 | 4,650,266 | 430,273 |
| Total Liabilities | \$ 935,350 | \$ 4,735,553 | \$ 5,165,861 | \$ 505,042 |

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.

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Exhibit I-1

Wayne County, Tennessee
Statement of Activities
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2008

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------------|---|---|--|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Component Unit: | | | | |
| Governmental Activities: | | | | |
| Instruction | \$ 13,081,081 | \$ 50 | \$ 4,065,698 | \$ 0 |
| Support Services | 7,128,312 | 60,857 | 0 | 0 |
| Operation of Non-Instructional Services | 2,344,346 | 63,020 | 867,442 | 0 |
| Total Governmental Activities | \$ 22,553,739 | \$ 123,927 | \$ 4,933,140 | \$ 0 |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 1,774,033 |
| Local Option Sales Tax | | | | 614,034 |
| Wheel Tax | | | | 44,676 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 13,424,803 |
| Unrestricted Investment Earnings | | | | 21,329 |
| Miscellaneous | | | | 21,456 |
| Total General Revenues | | | | \$ 15,900,331 |
| Change in Net Assets | | | | \$ (1,596,341) |
| Net Assets, July 1, 2007 | | | | 21,167,272 |
| Net Assets, June 30, 2008 | | | | \$ 19,570,931 |

Exhibit I-2

Wayne County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Wayne County School Department
June 30, 2008

| | <u>Major Fund</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|--|------------------------------|-------------------------------------|----------------------------|
| | General Purpose School | Other Govern- mental Funds | Govern- mental Funds |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 457,258 | \$ 70,523 | \$ 527,781 |
| Accounts Receivable | 320 | 0 | 320 |
| Due from Other Governments | 878,088 | 69,611 | 947,699 |
| Property Taxes Receivable | 1,886,183 | 0 | 1,886,183 |
| Allowance for Uncollectible Property Taxes | (40,859) | 0 | (40,859) |
| Total Assets | <u>\$ 3,180,990</u> | <u>\$ 140,134</u> | <u>\$ 3,321,124</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accrued Payroll | \$ 60,718 | \$ 0 | \$ 60,718 |
| Payroll Deductions Payable | 210,322 | 18,962 | 229,284 |
| Cash Overdraft | 0 | 8,705 | 8,705 |
| Due to State of Tennessee | 3 | 0 | 3 |
| Deferred Revenue - Current Property Taxes | 1,724,506 | 0 | 1,724,506 |
| Deferred Revenue - Delinquent Property Taxes | 112,467 | 0 | 112,467 |
| Other Deferred Revenues | 53,037 | 0 | 53,037 |
| Total Liabilities | <u>\$ 2,161,053</u> | <u>\$ 27,667</u> | <u>\$ 2,188,720</u> |
| <u>Fund Balances</u> | | | |
| Reserved for Encumbrances | \$ 211,883 | \$ 104,887 | \$ 316,770 |
| Reserved for Career Ladder - Extended Contract | 8,104 | 0 | 8,104 |
| Reserved for Career Ladder Program | 5,294 | 0 | 5,294 |
| Other Federal Reserves | 0 | 7,580 | 7,580 |
| Unreserved, Reported In: | | | |
| General Fund | 794,656 | 0 | 794,656 |
| Total Fund Balances | <u>\$ 1,019,937</u> | <u>\$ 112,467</u> | <u>\$ 1,132,404</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,180,990</u> | <u>\$ 140,134</u> | <u>\$ 3,321,124</u> |

Exhibit I-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, 2008

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

| | | |
|---|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2) | | \$ 1,132,404 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 495,517 | |
| Add: buildings and improvements net of accumulated depreciation | 16,779,257 | |
| Add: other capital assets net of accumulated depreciation | <u>1,551,684</u> | 18,826,458 |
| (2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | 165,504 |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: other postemployment benefits | | <u>(553,435)</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 19,570,931</u> |

Exhibit I-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, 2008

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | |
|--|------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Other Govern- mental Funds | Total Governmental Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 2,439,481 | \$ 0 | \$ 2,439,481 |
| Licenses and Permits | 565 | 0 | 565 |
| Charges for Current Services | 123,927 | 0 | 123,927 |
| Other Local Revenues | 50,996 | 23,610 | 74,606 |
| State of Tennessee | 14,786,253 | 0 | 14,786,253 |
| Federal Government | 1,754,568 | 1,706,339 | 3,460,907 |
| Total Revenues | <u>\$ 19,155,790</u> | <u>\$ 1,729,949</u> | <u>\$ 20,885,739</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 11,199,913 | \$ 1,281,870 | \$ 12,481,783 |
| Support Services | 5,682,516 | 219,712 | 5,902,228 |
| Operation of Non-Instructional Services | 2,099,701 | 266,847 | 2,366,548 |
| Capital Outlay | 20,000 | 0 | 20,000 |
| Debt Service: | | | |
| Other Debt Service | 200,000 | 0 | 200,000 |
| Capital Projects | 0 | 613,906 | 613,906 |
| Total Expenditures | <u>\$ 19,202,130</u> | <u>\$ 2,382,335</u> | <u>\$ 21,584,465</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (46,340)</u> | <u>\$ (652,386)</u> | <u>\$ (698,726)</u> |
| Net Change in Fund Balances | \$ (46,340) | \$ (652,386) | \$ (698,726) |
| Fund Balance, July 1, 2007 | <u>1,066,277</u> | <u>764,853</u> | <u>1,831,130</u> |
| Fund Balance, June 30, 2008 | <u>\$ 1,019,937</u> | <u>\$ 112,467</u> | <u>\$ 1,132,404</u> |

Exhibit I-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, 2008

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

| | | | |
|---|----|------------------|-----------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ | (698,726) |
| (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 | \$ | 613,906 | |
| Less: current year depreciation expense | | <u>(962,603)</u> | (348,697) |
| (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, 2007 | \$ | (160,987) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2008 | | <u>165,504</u> | 4,517 |
| (3) 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. | | | |
| Changes in net other postemployment benefits | \$ | <u>(553,435)</u> | <u>(553,435)</u> |
| Change in net assets of governmental activities (Exhibit B) | | | <u>\$ (1,596,341)</u> |

Exhibit I-6

Wayne County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Wayne County School Department
June 30, 2008

| | Special Revenue Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|---------------------------------------|-------------------------------|----------------------------------|--|
| | School Federal Projects | Education Capital Projects | |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 70,523 | \$ 70,523 |
| Due from Other Governments | 69,611 | 0 | 69,611 |
| Total Assets | <u>\$ 69,611</u> | <u>\$ 70,523</u> | <u>\$ 140,134</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Payroll Deductions Payable | \$ 18,962 | \$ 0 | \$ 18,962 |
| Cash Overdraft | 8,705 | 0 | 8,705 |
| Total Liabilities | <u>\$ 27,667</u> | <u>\$ 0</u> | <u>\$ 27,667</u> |
| <u>Fund Balances</u> | | | |
| Reserved for Encumbrances | \$ 34,364 | \$ 70,523 | \$ 104,887 |
| Other Federal Reserves | 7,580 | 0 | 7,580 |
| Total Fund Balances | <u>\$ 41,944</u> | <u>\$ 70,523</u> | <u>\$ 112,467</u> |
| Total Liabilities and Fund Balances | <u>\$ 69,611</u> | <u>\$ 70,523</u> | <u>\$ 140,134</u> |

Exhibit I-7

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2008

| | Special Revenue Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------------------|--|
| | School Federal Projects | Education Capital Projects | |
| <u>Revenues</u> | | | |
| Other Local Revenues | \$ 2,281 | \$ 21,329 | \$ 23,610 |
| Federal Government | 1,706,339 | 0 | 1,706,339 |
| Total Revenues | <u>\$ 1,708,620</u> | <u>\$ 21,329</u> | <u>\$ 1,729,949</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 1,281,870 | \$ 0 | \$ 1,281,870 |
| Support Services | 219,499 | 213 | 219,712 |
| Operation of Non-Instructional Services | 266,847 | 0 | 266,847 |
| Capital Projects | 0 | 613,906 | 613,906 |
| Total Expenditures | <u>\$ 1,768,216</u> | <u>\$ 614,119</u> | <u>\$ 2,382,335</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (59,596)</u> | <u>\$ (592,790)</u> | <u>\$ (652,386)</u> |
| Net Change in Fund Balances | \$ (59,596) | \$ (592,790) | \$ (652,386) |
| Fund Balance, July 1, 2007 | 101,540 | 663,313 | 764,853 |
| Fund Balance, June 30, 2008 | <u>\$ 41,944</u> | <u>\$ 70,523</u> | <u>\$ 112,467</u> |

Exhibit I-8

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, 2008

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2007 | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 2,439,481 | \$ 0 | \$ 0 | \$ 2,439,481 | \$ 2,433,800 | \$ 2,433,800 | \$ 5,681 |
| Licenses and Permits | 565 | 0 | 0 | 565 | 550 | 550 | 15 |
| Charges for Current Services | 123,927 | 0 | 0 | 123,927 | 131,489 | 133,614 | (9,687) |
| Other Local Revenues | 50,996 | 0 | 0 | 50,996 | 43,500 | 43,500 | 7,496 |
| State of Tennessee | 14,786,253 | 0 | 0 | 14,786,253 | 13,896,404 | 14,675,749 | 110,504 |
| Federal Government | 1,754,568 | 0 | 0 | 1,754,568 | 1,551,160 | 1,947,089 | (192,521) |
| Total Revenues | \$ 19,155,790 | \$ 0 | \$ 0 | \$ 19,155,790 | \$ 18,056,903 | \$ 19,234,302 | \$ (78,512) |
| Expenditures | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 9,234,093 | \$ (114,373) | \$ 134,214 | \$ 9,253,934 | \$ 8,858,797 | \$ 9,381,362 | \$ 127,428 |
| Alternative Instruction Program | 58,984 | 0 | 0 | 58,984 | 86,233 | 73,233 | 14,249 |
| Special Education Program | 1,232,106 | (35,357) | 0 | 1,196,749 | 1,191,732 | 1,196,750 | 1 |
| Vocational Education Program | 600,746 | (2,977) | 5,394 | 603,163 | 648,896 | 622,896 | 19,733 |
| Adult Education Program | 73,984 | (14,882) | 11,744 | 70,846 | 73,662 | 115,724 | 44,878 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 77,821 | 0 | 179 | 78,000 | 78,798 | 78,959 | 959 |
| Health Services | 65,696 | (2,736) | 0 | 62,960 | 71,085 | 71,424 | 8,464 |
| Other Student Support | 463,584 | (2,682) | 9,217 | 470,119 | 470,080 | 470,642 | 523 |
| Regular Instruction Program | 907,185 | (12,829) | 14,501 | 908,857 | 745,212 | 863,628 | (45,229) |
| Special Education Program | 214,134 | (2,140) | 2,525 | 214,519 | 214,520 | 214,520 | 1 |
| Vocational Education Program | 109,893 | 0 | 0 | 109,893 | 110,354 | 111,252 | 1,359 |
| Adult Programs | 115,102 | (17,082) | 990 | 99,010 | 98,124 | 108,304 | 9,294 |
| Other Programs | 81,922 | 0 | 0 | 81,922 | 0 | 81,922 | 0 |
| Board of Education | 206,131 | 0 | 0 | 206,131 | 223,983 | 224,598 | 18,467 |
| Director of Schools | 213,283 | (71) | 200 | 213,412 | 135,947 | 136,415 | (76,997) |

(Continued)

Exhibit I-8

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 7/1/2007 | Add: Encumbrances 6/30/2008 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Office of the Principal | \$ 656,203 | \$ 0 | \$ 0 | \$ 656,203 | \$ 651,939 | \$ 663,847 | \$ 7,644 |
| Fiscal Services | 48,182 | (355) | 0 | 47,827 | 45,709 | 49,603 | 1,776 |
| Operation of Plant | 1,331,960 | (3,132) | 85 | 1,328,913 | 1,317,050 | 1,345,270 | 16,357 |
| Maintenance of Plant | 297,490 | (8,155) | 16,105 | 305,440 | 258,559 | 310,978 | 5,538 |
| Transportation | 893,930 | (22,650) | 1,191 | 872,471 | 946,443 | 881,333 | 8,862 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Food Service | 861,595 | (5,300) | 14,162 | 870,457 | 882,457 | 893,457 | 23,000 |
| Community Services | 123,896 | (73) | 0 | 123,823 | 126,033 | 126,033 | 2,210 |
| Early Childhood Education | 1,114,210 | (3,700) | 1,376 | 1,111,886 | 688,472 | 1,115,774 | 3,888 |
| Capital Outlay | | | | | | | |
| Regular Capital Outlay | 20,000 | 0 | 0 | 20,000 | 0 | 20,000 | 0 |
| Principal on Debt | | | | | | | |
| Education | 0 | 0 | 0 | 0 | 200,000 | 0 | 0 |
| Other Debt Service | | | | | | | |
| Education | 200,000 | 0 | 0 | 200,000 | 0 | 200,000 | 0 |
| Total Expenditures | \$ 19,202,130 | \$ (248,494) | \$ 211,883 | \$ 19,165,519 | \$ 18,124,085 | \$ 19,357,924 | \$ 192,405 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | | |
| Over Expenditures | \$ (46,340) | \$ 248,494 | \$ (211,883) | \$ (9,729) | \$ (67,182) | \$ (123,622) | \$ 113,893 |
| <u>Net Change in Fund Balance</u> | \$ (46,340) | \$ 248,494 | \$ (211,883) | \$ (9,729) | \$ (67,182) | \$ (123,622) | \$ 113,893 |
| Fund Balance, July 1, 2007 | 1,066,277 | (248,494) | 0 | 817,783 | 564,623 | 564,623 | 253,160 |
| Fund Balance, June 30, 2008 | \$ 1,019,937 | \$ 0 | \$ (211,883) | \$ 808,054 | \$ 497,441 | \$ 441,001 | \$ 367,053 |

Exhibit I-9

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, 2008

| | Actual (GAAP Basis) | Less: | | Add: | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|--------------------------|---------------------------|--------------|---|------------------|------------|--|
| | | Encumbrances 7/1/2007 | Encumbrances 6/30/2008 | | | Original | Final | |
| <u>Revenues</u> | | | | | | | | |
| Other Local Revenues | \$ 2,281 | \$ 0 | \$ 0 | \$ 0 | \$ 2,281 | \$ 0 | \$ 0 | \$ 2,281 |
| Federal Government | 1,706,339 | 0 | 0 | 1,706,339 | 1,455,037 | 1,623,166 | 83,173 | |
| Total Revenues | \$ 1,708,620 | \$ 0 | \$ 0 | \$ 1,708,620 | \$ 1,455,037 | \$ 1,623,166 | \$ 85,454 | |
| <u>Expenditures</u> | | | | | | | | |
| <u>Instruction</u> | | | | | | | | |
| Regular Instruction Program | \$ 648,406 | \$ (430) | \$ 0 | \$ 647,976 | \$ 647,980 | \$ 686,260 | \$ 38,284 | |
| Special Education Program | 492,582 | (794) | 1,394 | 493,182 | 473,682 | 577,693 | 84,511 | |
| Vocational Education Program | 63,626 | (12,307) | 3,680 | 54,999 | 52,300 | 55,968 | 969 | |
| Adult Education Program | 77,256 | 0 | 3,220 | 80,476 | 75,000 | 80,476 | 0 | |
| <u>Support Services</u> | | | | | | | | |
| Other Student Support | 11,619 | 0 | 2,637 | 14,256 | 14,786 | 14,399 | 143 | |
| Regular Instruction Program | 69,030 | (435) | 52 | 68,647 | 64,325 | 80,970 | 12,323 | |
| Special Education Program | 110,995 | 0 | 7,562 | 118,557 | 99,571 | 137,844 | 19,287 | |
| Vocational Education Program | 2,963 | 0 | 0 | 2,963 | 3,268 | 2,963 | 0 | |
| Transportation | 24,892 | 0 | 0 | 24,892 | 24,126 | 39,413 | 14,521 | |
| <u>Operation of Non-Instructional Services</u> | | | | | | | | |
| Early Childhood Education | 266,847 | (662) | 15,819 | 282,004 | 282,004 | 282,004 | 0 | |
| Total Expenditures | \$ 1,768,216 | \$ (14,628) | \$ 34,364 | \$ 1,787,952 | \$ 1,737,042 | \$ 1,957,990 | \$ 170,038 | |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | | | |
| Over Expenditures | \$ (59,596) | \$ 14,628 | \$ (34,364) | \$ (79,332) | \$ (282,005) | \$ (334,824) | \$ 255,492 | |
| Net Change in Fund Balance | \$ (59,596) | \$ 14,628 | \$ (34,364) | \$ (79,332) | \$ (282,005) | \$ (334,824) | \$ 255,492 | |
| Fund Balance, July 1, 2007 | 101,540 | (14,628) | 0 | 86,912 | 282,005 | 334,824 | (247,912) | |
| Fund Balance, June 30, 2008 | \$ 41,944 | \$ 0 | \$ (34,364) | \$ 7,580 | \$ 0 | \$ 0 | \$ 7,580 | |

MISCELLANEOUS SCHEDULES

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Exhibit J-1

Wayne County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2008

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-07 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-08 |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------------|
| | | | | | | | | |
| NOTES PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Energy Efficiency Capital Outlay Notes | \$ 13,649 | 0 % | 4-9-07 | 5-15-14 | \$ 13,649 | \$ 0 | \$ 1,950 | \$ 11,699 |
| Total Payable through General Debt Service Fund | | | | | \$ 13,649 | \$ 0 | \$ 1,950 | \$ 11,699 |
| <u>Payable through Special Purpose Fund</u> | | | | | | | | |
| Hospital Improvements and Additions | 1,700,000 | 4.08 | 4-1-01 | 9-1-12 | \$ 960,000 | \$ 0 | \$ 140,000 | \$ 820,000 |
| Nursing Home Renovations | 605,000 | 2.9 | 2-1-05 | 2-1-12 | 444,312 | 0 | 83,856 | 360,456 |
| Total Payable through Special Purpose Fund | | | | | \$ 1,404,312 | \$ 0 | \$ 223,856 | \$ 1,180,456 |
| Total Notes Payable | | | | | \$ 1,417,961 | \$ 0 | \$ 225,806 | \$ 1,192,155 |
| BONDS PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| School Bonds | 2,850,000 | 5.23 | 12-1-00 | 12-1-08 | \$ 185,000 | \$ 0 | \$ 90,000 | \$ 95,000 |
| School Refunding Bonds | 9,495,000 | 3.72 | 6-3-03 | 12-1-23 | 9,245,000 | 0 | 70,000 | 9,175,000 |
| School Refunding Bonds | 5,085,000 | 3.2 | 3-10-05 | 12-1-14 | 4,490,000 | 0 | 530,000 | 3,960,000 |
| School Refunding Bonds | 2,355,000 | 4 | 3-31-05 | 12-1-23 | 2,340,000 | 0 | 15,000 | 2,325,000 |
| General Obligation Bond Series 2006 | 9,450,000 | 4.05 | 3-1-06 | 12-1-30 | 9,340,000 | 0 | 245,000 | 9,095,000 |
| Water Revenue and Tax Bond Series 2008 | 332,000 | 4.25 | 6-25-08 | 6-28-46 | 0 | 332,000 | 0 | 332,000 |
| Total Bonds Payable | | | | | \$ 25,600,000 | \$ 332,000 | \$ 950,000 | \$ 24,982,000 |

Exhibit J-2

Wayne County, Tennessee
 Schedule of Long-term Debt Requirements by Year

| Year Ending June 30 | Bond Principal | Bond Interest | Total Bond Requirements | Note Principal | Note Interest | Total Note Requirements |
|---------------------------|----------------------|----------------------|-------------------------------|---------------------|-------------------|-------------------------------|
| 2009 | \$ 983,585 | \$ 930,342 | \$ 1,913,927 | \$ 238,237 | \$ 40,846 | \$ 279,083 |
| 2010 | 1,018,740 | 894,335 | 1,913,075 | 245,740 | 32,125 | 277,865 |
| 2011 | 1,058,902 | 857,457 | 1,916,359 | 258,315 | 23,022 | 281,337 |
| 2012 | 1,094,071 | 819,235 | 1,913,306 | 265,964 | 13,539 | 279,503 |
| 2013 | 1,139,248 | 779,586 | 1,918,834 | 181,950 | 3,675 | 185,625 |
| 2014 | 1,179,432 | 738,419 | 1,917,851 | 1,949 | 0 | 1,949 |
| 2015 | 1,199,624 | 695,432 | 1,895,056 | 0 | 0 | 0 |
| 2016 | 1,269,824 | 649,009 | 1,918,833 | 0 | 0 | 0 |
| 2017 | 1,315,034 | 599,378 | 1,914,412 | 0 | 0 | 0 |
| 2018 | 1,370,252 | 547,818 | 1,918,070 | 0 | 0 | 0 |
| 2019 | 1,420,479 | 494,232 | 1,914,711 | 0 | 0 | 0 |
| 2020 | 1,475,717 | 438,618 | 1,914,335 | 0 | 0 | 0 |
| 2021 | 1,545,964 | 380,599 | 1,926,563 | 0 | 0 | 0 |
| 2022 | 1,606,223 | 320,081 | 1,926,304 | 0 | 0 | 0 |
| 2023 | 1,671,493 | 257,162 | 1,928,655 | 0 | 0 | 0 |
| 2024 | 1,716,774 | 192,124 | 1,908,898 | 0 | 0 | 0 |
| 2025 | 472,068 | 149,600 | 621,668 | 0 | 0 | 0 |
| 2026 | 492,374 | 130,057 | 622,431 | 0 | 0 | 0 |
| 2027 | 507,693 | 109,791 | 617,484 | 0 | 0 | 0 |
| 2028 | 528,027 | 88,802 | 616,829 | 0 | 0 | 0 |
| 2029 | 553,375 | 66,888 | 620,263 | 0 | 0 | 0 |
| 2030 | 573,738 | 44,048 | 617,786 | 0 | 0 | 0 |
| 2031 | 594,116 | 20,382 | 614,498 | 0 | 0 | 0 |
| 2032 | 9,511 | 8,141 | 17,652 | 0 | 0 | 0 |
| 2033 | 9,924 | 7,728 | 17,652 | 0 | 0 | 0 |
| 2034 | 10,354 | 7,298 | 17,652 | 0 | 0 | 0 |
| 2035 | 10,802 | 6,850 | 17,652 | 0 | 0 | 0 |
| 2036 | 11,271 | 6,381 | 17,652 | 0 | 0 | 0 |
| 2037 | 11,759 | 5,893 | 17,652 | 0 | 0 | 0 |
| 2038 | 12,269 | 5,383 | 17,652 | 0 | 0 | 0 |
| 2039 | 12,800 | 4,852 | 17,652 | 0 | 0 | 0 |
| 2040 | 13,355 | 4,297 | 17,652 | 0 | 0 | 0 |
| 2041 | 13,934 | 3,718 | 17,652 | 0 | 0 | 0 |
| 2042 | 14,538 | 3,114 | 17,652 | 0 | 0 | 0 |
| 2043 | 15,168 | 2,484 | 17,652 | 0 | 0 | 0 |
| 2044 | 15,825 | 1,827 | 17,652 | 0 | 0 | 0 |
| 2045 | 16,511 | 1,141 | 17,652 | 0 | 0 | 0 |
| 2046 | 17,226 | 426 | 17,652 | 0 | 0 | 0 |
| Total | \$ 24,982,000 | \$ 10,272,928 | \$ 35,254,928 | \$ 1,192,155 | \$ 113,207 | \$ 1,305,362 |

Exhibit J-3

Wayne County, Tennessee
Schedule of Notes Receivable
June 30, 2008

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

Exhibit J-4

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2008

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---------------------------------------|-----------------|----------------|---------------|
| Community Development/Industrial Park | Special Purpose | Operations | \$ 100,000 |
| Total Transfers | | | \$ 100,000 |

Exhibit J-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, 2008

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|--|--|---------------------------|-----------|---|
| County Executive | Section 8-24-102, <u>TCA</u> | \$ 63,377 | \$ 50,000 | State Automobile Mutual Insurance Company |
| Commissioner of Highways | Section 8-24-102, <u>TCA</u> | 60,360 | 100,000 | " |
| Director of Schools | State Board of Education and County Board of Education | 155,430 (1) | 50,000 | " |
| Trustee | Section 8-24-102, <u>TCA</u> | 54,872 | 640,000 | " |
| Assessor of Property | Section 8-24-102, <u>TCA</u> | 54,872 | 10,000 | " |
| County Clerk | Section 8-24-102, <u>TCA</u> | 54,872 | 60,000 | " |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, <u>TCA</u> | 54,872 | 75,000 | Auto Owners Mutual Insurance Company |
| Clerk and Master | Section 8-24-102, <u>TCA</u> | 54,872 (2) | 25,000 | " |
| Register | Section 8-24-102, <u>TCA</u> | 54,872 | 25,000 | State Automobile Mutual Insurance Company |
| Sheriff | Section 8-24-102, <u>TCA</u> | 60,360 (3) | 50,000 | Auto Owners Mutual Insurance Company |
| <u>Other Bonds</u> | | | | |
| Employee Blanket Bond | | | 150,000 | Tennessee Risk Management Trust |

(1) Includes \$1,000 chief executive officer training supplement and accrued sick pay of \$72,748.

(2) Does not include special commissioner fees of \$7,458.

(3) Does not include law enforcement training supplement of \$600.

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2008

| | 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 | \$ 1,657,339 | \$ 383,806 | \$ 0 | \$ 0 | \$ 0 | \$ 34,743 |
| Trustee's Collections - Prior Year | 112,974 | 25,719 | 0 | 0 | 0 | 2,485 |
| Trustee's Collections - Bankruptcy | 130 | 30 | 0 | 0 | 0 | 4 |
| Circuit/Clerk & Master Collections - Prior Years | 25,046 | 5,720 | 0 | 0 | 0 | 486 |
| Interest and Penalty | 19,675 | 4,556 | 0 | 0 | 0 | 414 |
| Pick-up Taxes | 816 | 189 | 0 | 0 | 0 | 17 |
| Payments in-Lieu-of Taxes - T.V.A. | 7,046 | 2,247 | 0 | 0 | 0 | 204 |
| Payments in-Lieu-of Taxes - Other | 1,100 | 443 | 25,334 | 0 | 0 | 31 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 160,174 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 82,532 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 16,887 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Victim/Offender Mediation Center | 3,108 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 75,718 | 0 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 105,132 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 82,872 | 75,228 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 1,348 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 2,351,897 | \$ 497,938 | \$ 25,334 | \$ 0 | \$ 0 | \$ 38,384 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 663 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Permits</u> | | | | | | |
| Beer Permits | 3,704 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 4,367 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

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</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 23,775 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 2,742 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 1,571 | 0 | 0 |
| Drug Court Fees | 668 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 2,689 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 475 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 197 | 0 | 0 | 0 | 0 | 0 |
| <u>Criminal Court</u> | | | | | | |
| Officers Costs | 1,534 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 2,109 | 0 | 0 |
| Jail Fees | 38 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 38,686 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 26,372 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 10,012 | 0 | 0 |
| Drug Court Fees | 4,773 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 14,946 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 7,387 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 4,902 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 14 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 2,433 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 300 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 3,537 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 364 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | |
| Fines | 2,718 | 0 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 2,565 | 0 | 0 | 6,963 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 49,649 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 141,115 | \$ 0 | \$ 0 | \$ 70,304 | \$ 0 | \$ 0 |

(Continued)

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</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Water Sales | \$ 1,525 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Water Tap Sales | 2,123 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Library Fees | 5,349 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 13,552 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 84,551 | 0 |
| Data Processing Fee - Register | 7,530 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 4,717 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 500 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 35,296 | \$ 0 | \$ 0 | \$ 0 | \$ 84,551 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 263,300 | \$ 31,940 | \$ 105,000 | \$ 0 | \$ 0 | \$ 0 |
| Lease/Rentals | 0 | 0 | 175,000 | 0 | 0 | 0 |
| Commissary Sales | 3,038 | 0 | 0 | 0 | 0 | 0 |
| Sale of Gasoline | 0 | 0 | 0 | 0 | 0 | 78,128 |
| Sale of Recycled Materials | 0 | 47,835 | 0 | 0 | 0 | 7,444 |
| Miscellaneous Refunds | 13,177 | 13 | 0 | 0 | 0 | 168 |
| Expenditure Credits | 17,927 | 0 | 0 | 0 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 1,070 | 0 | 0 | 0 | 0 | 8,161 |
| Damages Recovered from Individuals | 2,447 | 0 | 0 | 0 | 0 | 5,377 |
| Contributions and Gifts | 9,910 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 31 | 0 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 310,900 | \$ 79,788 | \$ 280,000 | \$ 0 | \$ 0 | \$ 99,278 |
| <u>Fees Received from County Officials</u> | | | | | | |
| Excess Fees | \$ 111,617 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Trustee | | | | | | |

(Continued)

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</u> | | | | | | |
| County Clerk | \$ 158,753 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 45,395 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 152,569 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 65,299 | 0 | 0 | 0 | 0 | 0 |
| Juvenile Court Clerk | 9,392 | 0 | 0 | 0 | 0 | 0 |
| Register | 72,393 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 28,846 | 0 | 0 | 0 | 0 | 0 |
| | \$ 644,264 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Total Fees Received from County Officials

| | | | | | | |
|-----------------------------------|----------|---------|---------|--------|------|-----------|
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| State Reappraisal Grant | 7,703 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Grants | 0 | 4,817 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 10,800 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Grants | 0 | 0 | 0 | 11,000 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Other Health and Welfare Grants | 44,729 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 358,961 |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 537,748 |
| Litter Program | 31,503 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 26,455 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 19,312 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 47,381 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 4 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 360,798 | 147,599 | 147,599 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 124,274 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 1,995,219 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 13,526 |

(Continued)

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>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | |
| Registrar's Salary Supplement | \$ 16,380 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other State Grants | 33,319 | 35,966 | 0 | 0 | 0 | 0 |
| Other State Revenues | 22,433 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 754,091 | \$ 188,382 | \$ 147,599 | \$ 11,000 | \$ 0 | \$ 2,905,454 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Homeland Security Grants | 22,000 | 0 | 0 | 0 | 0 | 0 |
| Law Enforcement Grants | 35,146 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 31,236 | 0 | 0 | 0 | 0 | 0 |
| Direct Federal Revenue | 15,034 | 0 | 0 | 0 | 0 | 257,913 |
| Other Direct Federal Revenue | 103,416 | 0 | 0 | 0 | 0 | 257,913 |
| Total Federal Government | \$ 103,416 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 257,913 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Prisoner Board | \$ 1,890 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Paving and Maintenance | 0 | 0 | 0 | 0 | 0 | 8,218 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 1,890 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 8,218 |
| Total | \$ 4,347,236 | \$ 766,108 | \$ 452,933 | \$ 81,304 | \$ 84,551 | \$ 3,309,247 |

(Continued)

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>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 226,794 | \$ 0 | \$ 0 | \$ 0 | \$ 2,302,682 | |
| Trustee's Collections - Prior Year | 15,197 | 0 | 0 | 0 | 156,375 | |
| Trustee's Collections - Bankruptcy | 18 | 0 | 0 | 0 | 182 | |
| Circuit/Clerk & Master Collections - Prior Years | 3,578 | 0 | 0 | 0 | 34,830 | |
| Interest and Penalty | 2,690 | 0 | 0 | 0 | 27,335 | |
| Pick-up Taxes | 112 | 0 | 0 | 0 | 1,134 | |
| Payments in-Lieu-of Taxes - T.V.A. | 1,328 | 0 | 0 | 0 | 10,825 | |
| Payments in-Lieu-of Taxes - Other | 596 | 0 | 0 | 0 | 27,504 | |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 867,547 | 0 | 0 | 0 | 867,547 | |
| Hotel/Motel Tax | 0 | 0 | 17,240 | 0 | 17,240 | |
| Wheel Tax | 426,576 | 0 | 0 | 0 | 586,750 | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 82,532 | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 16,887 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 81,925 | 0 | 0 | 0 | 81,925 | |
| Litigation Tax - Victim/Offender Mediation Center | 0 | 0 | 0 | 0 | 3,108 | |
| Business Tax | 0 | 0 | 0 | 0 | 75,718 | |
| Mineral Severance Tax | 0 | 0 | 0 | 9,974 | 9,974 | |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 0 | 0 | 0 | 0 | 105,132 | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 158,100 | |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 1,348 | |
| Total Local Taxes | \$ 1,626,361 | \$ 0 | \$ 17,240 | \$ 9,974 | \$ 4,567,128 | |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 663 | |
| Cable TV Franchise | 0 | 9,248 | 0 | 0 | 9,248 | |
| <u>Permits</u> | | | | | | |
| Beer Permits | 0 | 0 | 0 | 0 | 3,704 | |
| Total Licenses and Permits | \$ 0 | \$ 9,248 | \$ 0 | \$ 0 | \$ 13,615 | |

(Continued)

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>Circuit Court</u> | | | | | | | |
| Fines | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 23,775 | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 2,742 | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 1,571 | |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 668 | |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 2,689 | |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 475 | |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 197 | |
| <u>Criminal Court</u> | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 1,534 | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 2,109 | |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 38 | |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 38,686 | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 26,372 | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 10,012 | |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 4,773 | |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 14,946 | |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 7,387 | |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 4,902 | |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 14 | |
| <u>Juvenile Court</u> | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 2,433 | |
| Data Entry Fee - Juvenile Court | 0 | 0 | 0 | 0 | 0 | 300 | |
| <u>Chancery Court</u> | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 3,537 | |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 364 | |
| <u>Other Courts - In-county</u> | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 2,718 | |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 9,528 | |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 49,649 | |
| Total Fines, Forfeitures, and Penalties | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 211,419 | |

(Continued)

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

| | Debt Service Fund | | Capital Projects Funds | | | | Total |
|---|----------------------|--------------|--------------------------|---------------------------------------|--------------------------|------|---------|
| | General Debt Service | Debt Service | General Capital Projects | Community Development/Industrial Park | Highway Capital Projects | | |
| <u>Charges for Current Services</u> | | | | | | | |
| <u>General Service Charges</u> | | | | | | | |
| Water Sales | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 1,525 |
| Water Tap Sales | 0 | 0 | 0 | 0 | 0 | 0 | 2,123 |
| <u>Fees</u> | | | | | | | |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 0 | 5,349 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 13,552 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 84,551 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | 7,530 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 4,717 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 500 |
| Total Charges for Current Services | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 119,847 |
| <u>Other Local Revenues</u> | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | 0 \$ | 24,140 \$ | 24,139 \$ | 0 \$ | 0 \$ | 0 \$ | 448,519 |
| Lease/Rentals | 0 | 0 | 12,000 | 0 | 0 | 0 | 187,000 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | 3,038 |
| Sale of Gasoline | 0 | 0 | 0 | 0 | 0 | 0 | 78,128 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | 55,279 |
| Miscellaneous Refunds | 0 | 0 | 15,015 | 0 | 0 | 0 | 28,373 |
| Expenditure Credits | 0 | 0 | 0 | 0 | 0 | 0 | 17,927 |
| <u>Nonrecurring Items</u> | | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 9,231 |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 7,824 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 0 | 9,910 |
| <u>Other Local Revenues</u> | | | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 31 |
| Total Other Local Revenues | 0 \$ | 24,140 \$ | 51,154 \$ | 0 \$ | 0 \$ | 0 \$ | 845,260 |
| <u>Fees Received from County Officials</u> | | | | | | | |
| Excess Fees Trustee | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 111,617 |

(Continued)

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>Fees Received from County Officials (Cont.)</u> | | | | | | |
| <u>Fees-In-Lieu of Salary</u> | | | | | | |
| County Clerk | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 158,753 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 45,395 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 152,569 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 65,299 |
| Juvenile Court Clerk | 0 | 0 | 0 | 0 | 0 | 9,392 |
| Register | 0 | 0 | 0 | 0 | 0 | 72,393 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 28,846 |
| Total Fees Received from County Officials | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 644,264 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 9,000 |
| State Reappraisal Grant | 0 | 0 | 0 | 0 | 0 | 7,703 |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 4,817 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 10,800 |
| Drug Control Grants | 0 | 0 | 0 | 0 | 0 | 11,000 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Other Health and Welfare Grants | 0 | 0 | 0 | 0 | 0 | 44,729 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 358,961 |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 537,748 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 31,503 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 0 | 0 | 0 | 0 | 0 | 26,455 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 19,312 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 47,381 |
| Mixed Drink Tax | 0 | 0 | 0 | 0 | 0 | 4 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 655,996 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 124,274 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 1,995,219 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 13,526 |

(Continued)

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 | General Capital Projects | Highway Capital Projects | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | |
| Other State Revenues (Cont.) | | | | | | | |
| Registrar's Salary Supplement | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 16,380 |
| Other State Grants | 0 | 15,000 | 0 | 0 | 0 | 0 | 84,285 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 22,433 |
| Total State of Tennessee | 0 \$ | 15,000 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 4,021,526 |
| <u>Federal Government</u> | | | | | | | |
| Federal Through State | | | | | | | |
| Community Development | 0 \$ | 0 \$ | 332,608 \$ | 0 \$ | 0 \$ | 0 \$ | 332,608 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 0 | 22,000 |
| Law Enforcement Grants | 0 | 0 | 0 | 0 | 0 | 0 | 35,146 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 0 | 31,236 |
| <u>Direct Federal Revenue</u> | | | | | | | |
| Other Direct Federal Revenue | 0 | 0 | 30,300 | 0 | 0 | 0 | 303,247 |
| Total Federal Government | 0 \$ | 0 \$ | 362,908 \$ | 0 \$ | 0 \$ | 0 \$ | 724,237 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | |
| Other Governments | | | | | | | |
| Prisoner Board | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 1,890 |
| Paving and Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 8,218 |
| Contributions | 223,681 | 0 | 44,383 | 0 | 0 | 0 | 268,064 |
| Total Other Governments and Citizens Groups | 223,681 \$ | 0 \$ | 44,383 \$ | 0 \$ | 0 \$ | 0 \$ | 278,172 |
| Total | 1,850,042 \$ | 48,388 \$ | 475,685 \$ | 9,974 \$ | 9,974 \$ | 11,425,468 | |

Exhibit J-7

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Wayne County School Department
 For the Year Ended June 30, 2008

| | General Purpose School | School Federal Projects | Education Capital Projects | Total |
|--|------------------------------|-------------------------------|----------------------------------|--------------|
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 1,607,243 | \$ 0 | \$ 0 | \$ 1,607,243 |
| Trustee's Collections - Prior Year | 123,927 | 0 | 0 | 123,927 |
| Trustee's Collections - Bankruptcy | 128 | 0 | 0 | 128 |
| Circuit/Clerk & Master Collections - Prior Years | 19,943 | 0 | 0 | 19,943 |
| Interest and Penalty | 19,261 | 0 | 0 | 19,261 |
| Pick-up Taxes | 799 | 0 | 0 | 799 |
| Payments in-Lieu-of Taxes - T.V.A. | 9,497 | 0 | 0 | 9,497 |
| Payments in-Lieu-of Taxes - Other | 1,758 | 0 | 0 | 1,758 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 612,249 | 0 | 0 | 612,249 |
| Other County Local Option Taxes | 42,523 | 0 | 0 | 42,523 |
| <u>Statutory Local Taxes</u> | | | | |
| Interstate Telecommunications Tax | 2,153 | 0 | 0 | 2,153 |
| Total Local Taxes | \$ 2,439,481 | \$ 0 | \$ 0 | \$ 2,439,481 |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 565 | \$ 0 | \$ 0 | \$ 565 |
| Total Licenses and Permits | \$ 565 | \$ 0 | \$ 0 | \$ 565 |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Summer School | \$ 50 | \$ 0 | \$ 0 | \$ 50 |
| Receipts from Individual Schools | 53,135 | 0 | 0 | 53,135 |
| Community Service Fees - Children | 55,796 | 0 | 0 | 55,796 |
| Community Service Fees - Adults | 7,224 | 0 | 0 | 7,224 |
| <u>Other Charges for Services</u> | | | | |
| Other Charges for Services | 7,722 | 0 | 0 | 7,722 |
| Total Charges for Current Services | \$ 123,927 | \$ 0 | \$ 0 | \$ 123,927 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 21,329 | \$ 21,329 |
| Lease/Rentals | 3,740 | 0 | 0 | 3,740 |
| Retirees' Insurance Payments | 11,830 | 0 | 0 | 11,830 |
| Miscellaneous Refunds | 3,205 | 2,281 | 0 | 5,486 |
| <u>Nonrecurring Items</u> | | | | |
| Damages Recovered from Individuals | 245 | 0 | 0 | 245 |
| Contributions and Gifts | 31,821 | 0 | 0 | 31,821 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 155 | 0 | 0 | 155 |
| Total Other Local Revenues | \$ 50,996 | \$ 2,281 | \$ 21,329 | \$ 74,606 |
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-Behalf Contributions for OPEB | \$ 81,922 | \$ 0 | \$ 0 | \$ 81,922 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 12,784,133 | 0 | 0 | 12,784,133 |

(Continued)

Exhibit J-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> | | | | |
| Early Childhood Education | \$ 1,155,648 | \$ 0 | \$ 0 | \$ 1,155,648 |
| School Food Service | 14,216 | 0 | 0 | 14,216 |
| Driver Education | 10,010 | 0 | 0 | 10,010 |
| Literacy Coordination | 6,000 | 0 | 0 | 6,000 |
| Other State Education Funds | 342,722 | 0 | 0 | 342,722 |
| Career Ladder Program | 204,166 | 0 | 0 | 204,166 |
| Career Ladder - Extended Contract | 121,652 | 0 | 0 | 121,652 |
| <u>Other State Revenues</u> | | | | |
| Mixed Drink Tax | 4 | 0 | 0 | 4 |
| Other State Grants | 44,815 | 0 | 0 | 44,815 |
| Other State Revenues | 20,965 | 0 | 0 | 20,965 |
| Total State of Tennessee | \$ 14,786,253 | \$ 0 | \$ 0 | \$ 14,786,253 |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 515,912 | \$ 0 | \$ 0 | \$ 515,912 |
| Breakfast | 216,134 | 0 | 0 | 216,134 |
| USDA - Other | 54,038 | 0 | 0 | 54,038 |
| Adult Education State Grant Program | 84,981 | 0 | 0 | 84,981 |
| Vocational Education - Basic Grants to States | 0 | 72,340 | 0 | 72,340 |
| Title I Grants to Local Education Agencies | 0 | 510,906 | 0 | 510,906 |
| Innovative Education Program Strategies | 0 | 4,197 | 0 | 4,197 |
| Special Education - Grants to States | 2,242 | 609,334 | 0 | 611,576 |
| Eisenhower Professional Development State Grants | 0 | 158,348 | 0 | 158,348 |
| Other Federal through State | 881,261 | 351,214 | 0 | 1,232,475 |
| Total Federal Government | \$ 1,754,568 | \$ 1,706,339 | \$ 0 | \$ 3,460,907 |
| Total | \$ 19,155,790 | \$ 1,708,620 | \$ 21,329 | \$ 20,885,739 |

Exhibit J-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

| | | | |
|----------------------------------|----|---------|------------|
| Other Salaries and Wages | \$ | 1,500 | |
| Board and Committee Members Fees | | 11,230 | |
| In-Service Training | | 581 | |
| Social Security | | 653 | |
| State Retirement | | 124 | |
| Unemployment Compensation | | 30 | |
| Employer Medicare | | 153 | |
| Advertising | | 1,448 | |
| Audit Services | | 3,837 | |
| Communication | | 4,504 | |
| Dues and Memberships | | 722 | |
| Legal Services | | 12,334 | |
| Postal Charges | | 21,653 | |
| Printing, Stationery, and Forms | | 877 | |
| Other Supplies and Materials | | 28 | |
| Liability Insurance | | 173,055 | |
| Other Charges | | 160 | |
| Total County Commission | | | \$ 232,889 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 63,377 | |
| Accountants/Bookkeepers | | 19,046 | |
| Purchasing Personnel | | 18,737 | |
| Other Salaries and Wages | | 2,039 | |
| In-Service Training | | 85 | |
| Social Security | | 6,626 | |
| State Retirement | | 8,959 | |
| Employee and Dependent Insurance | | 540 | |
| Unemployment Compensation | | 163 | |
| Employer Medicare | | 1,550 | |
| Termination Benefits | | 813 | |
| Communication | | 3,392 | |
| Data Processing Services | | 8,162 | |
| Maintenance and Repair Services - Vehicles | | 19 | |
| Printing, Stationery, and Forms | | 244 | |
| Gasoline | | 710 | |
| Other Supplies and Materials | | 6 | |
| Other Charges | | 962 | |
| Total County Mayor/Executive | | | 135,430 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 49,385 | |
| Clerical Personnel | | 18,052 | |
| Part-time Personnel | | 4,496 | |
| Board and Committee Members Fees | | 918 | |
| Election Commission | | 2,040 | |
| Election Workers | | 7,350 | |
| In-Service Training | | 3,290 | |
| Social Security | | 4,586 | |
| State Retirement | | 4,316 | |
| Employee and Dependent Insurance | | 360 | |
| Unemployment Compensation | | 205 | |
| Employer Medicare | | 1,073 | |
| Advertising | | 724 | |
| Communication | | 1,149 | |
| Data Processing Services | | 2,625 | |
| Dues and Memberships | | 200 | |
| Printing, Stationery, and Forms | | 771 | |
| Rentals | | 542 | |
| Travel | | 669 | |
| Premiums on Corporate Surety Bonds | | 65 | |
| Other Charges | | 98 | |
| Office Equipment | | 4,491 | |
| Total Election Commission | | | \$ 107,405 |

Register of Deeds

| | | |
|--|----|--------|
| County Official/Administrative Officer | \$ | 54,872 |
| Clerical Personnel | | 19,120 |
| Social Security | | 4,587 |
| State Retirement | | 6,467 |
| Employee and Dependent Insurance | | 360 |
| Unemployment Compensation | | 70 |
| Employer Medicare | | 1,073 |
| Communication | | 1,880 |
| Data Processing Services | | 8,348 |
| Dues and Memberships | | 512 |
| Maintenance Agreements | | 2,873 |
| Printing, Stationery, and Forms | | 1,637 |
| Rentals | | 73 |
| Other Contracted Services | | 6,880 |
| Office Supplies | | 304 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

| | | | |
|-------------------------|----|-------|------------|
| Office Equipment | \$ | 2,145 | |
| Total Register of Deeds | | | \$ 111,201 |

County Buildings

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 23,463 | |
| Custodial Personnel | | 18,813 | |
| Temporary Personnel | | 1,474 | |
| Social Security | | 2,733 | |
| State Retirement | | 2,638 | |
| Employee and Dependent Insurance | | 525 | |
| Unemployment Compensation | | 238 | |
| Employer Medicare | | 639 | |
| Contracts with Private Agencies | | 8,706 | |
| Maintenance and Repair Services - Buildings | | 6,383 | |
| Maintenance and Repair Services - Equipment | | 1,169 | |
| Maintenance and Repair Services - Vehicles | | 821 | |
| Travel | | 404 | |
| Custodial Supplies | | 4,129 | |
| Electricity | | 44,305 | |
| Gasoline | | 1,908 | |
| Water and Sewer | | 7,538 | |
| Other Supplies and Materials | | 1,394 | |
| Other Charges | | 378 | |
| Other Equipment | | 174 | |
| Total County Buildings | | | 127,832 |

Other General Administration

| | | | |
|--|----|--------|--------|
| Contracts with Private Agencies | \$ | 521 | |
| Dues and Memberships | | 5,055 | |
| Maintenance and Repair Services - Office Equipment | | 3,769 | |
| Office Supplies | | 17,593 | |
| Other Charges | | 206 | |
| Office Equipment | | 2,053 | |
| Total Other General Administration | | | 29,197 |

Finance

Property Assessor's Office

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 54,872 | |
| Clerical Personnel | | 38,051 | |
| Part-time Personnel | | 1,268 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

| | | | |
|----------------------------------|----|-------|------------|
| Board and Committee Members Fees | \$ | 1,050 | |
| In-Service Training | | 15 | |
| Social Security | | 5,692 | |
| State Retirement | | 6,482 | |
| Employee and Dependent Insurance | | 525 | |
| Unemployment Compensation | | 189 | |
| Employer Medicare | | 1,383 | |
| Communication | | 738 | |
| Dues and Memberships | | 1,280 | |
| Printing, Stationery, and Forms | | 614 | |
| Rentals | | 30 | |
| Travel | | 1,370 | |
| Other Supplies and Materials | | 508 | |
| Other Charges | | 55 | |
| Total Property Assessor's Office | | | \$ 114,122 |

Reappraisal Program

| | | | |
|---------------------------------|----|-------|--------|
| Contracts with Private Agencies | \$ | 8,409 | |
| Data Processing Services | | 8,622 | |
| Other Supplies and Materials | | 26 | |
| Other Charges | | 60 | |
| Total Reappraisal Program | | | 17,117 |

County Trustee's Office

| | | | |
|------------------------------------|----|-------|--------|
| Social Security | \$ | 959 | |
| State Retirement | | 1,252 | |
| Employee and Dependent Insurance | | 480 | |
| Employer Medicare | | 224 | |
| Advertising | | 497 | |
| Communication | | 1,600 | |
| Data Processing Services | | 5,111 | |
| Printing, Stationery, and Forms | | 1,074 | |
| Rentals | | 100 | |
| Other Contracted Services | | 1,500 | |
| Other Supplies and Materials | | 15 | |
| Premiums on Corporate Surety Bonds | | 3,357 | |
| Office Equipment | | 368 | |
| Total County Trustee's Office | | | 16,537 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 54,872 | |
| Deputy(ies) | | 38,166 | |
| Part-time Personnel | | 2,016 | |
| Social Security | | 5,882 | |
| State Retirement | | 8,135 | |
| Employee and Dependent Insurance | | 366 | |
| Unemployment Compensation | | 159 | |
| Employer Medicare | | 1,376 | |
| Communication | | 1,438 | |
| Maintenance Agreements | | 11,087 | |
| Printing, Stationery, and Forms | | 2,219 | |
| Rentals | | 87 | |
| Other Contracted Services | | 2,000 | |
| Total County Clerk's Office | | | \$ 127,803 |

Administration of JusticeCircuit Court

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 54,872 | |
| Deputy(ies) | | 53,287 | |
| Board and Committee Members Fees | | 125 | |
| Jury and Witness Fees | | 14,892 | |
| Social Security | | 6,764 | |
| State Retirement | | 7,952 | |
| Employee and Dependent Insurance | | 810 | |
| Unemployment Compensation | | 386 | |
| Employer Medicare | | 1,582 | |
| Communication | | 3,172 | |
| Contracts with Other Public Agencies | | 3,082 | |
| Data Processing Services | | 10,596 | |
| Dues and Memberships | | 60 | |
| Printing, Stationery, and Forms | | 3,140 | |
| Rentals | | 28 | |
| Other Contracted Services | | 1,500 | |
| Office Supplies | | 1,625 | |
| Other Supplies and Materials | | 75 | |
| Premiums on Corporate Surety Bonds | | 75 | |
| Total Circuit Court | | | 164,023 |

General Sessions Court

| | | | |
|----------|----|--------|--|
| Judge(s) | \$ | 77,150 | |
|----------|----|--------|--|

(Continued)

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) | \$ | 20,920 | |
| Attendants | | 17,978 | |
| Social Security | | 7,228 | |
| State Retirement | | 9,630 | |
| Employee and Dependent Insurance | | 1,106 | |
| Unemployment Compensation | | 137 | |
| Employer Medicare | | 1,690 | |
| Communication | | 1,359 | |
| Contracts with Private Agencies | | 3,918 | |
| Dues and Memberships | | 50 | |
| Printing, Stationery, and Forms | | 150 | |
| Travel | | 948 | |
| Uniforms | | 101 | |
| Premiums on Corporate Surety Bonds | | 267 | |
| In Service/Staff Development | | 674 | |
| Other Charges | | 42 | |
| Total General Sessions Court | | | \$ 143,348 |

Chancery Court

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 54,872 | |
| Deputy(ies) | | 38,239 | |
| Social Security | | 5,784 | |
| State Retirement | | 8,153 | |
| Employee and Dependent Insurance | | 540 | |
| Unemployment Compensation | | 210 | |
| Employer Medicare | | 1,353 | |
| Communication | | 1,269 | |
| Data Processing Services | | 6,768 | |
| Dues and Memberships | | 325 | |
| Printing, Stationery, and Forms | | 2,784 | |
| Rentals | | 36 | |
| Other Contracted Services | | 8,200 | |
| Other Supplies and Materials | | 69 | |
| Premiums on Corporate Surety Bonds | | 476 | |
| Other Charges | | 78 | |
| Total Chancery Court | | | 129,156 |

Juvenile Court

| | | | |
|--------------------------|----|--------|--|
| Youth Service Officer(s) | \$ | 18,692 | |
| Clerical Personnel | | 19,120 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

| | | | |
|----------------------------------|----|-------|-----------|
| Attendants | \$ | 60 | |
| In-Service Training | | 1,578 | |
| Social Security | | 2,367 | |
| State Retirement | | 3,376 | |
| Employee and Dependent Insurance | | 360 | |
| Unemployment Compensation | | 123 | |
| Employer Medicare | | 553 | |
| Contracts with Private Agencies | | 9,260 | |
| Printing, Stationery, and Forms | | 270 | |
| Total Juvenile Court | | | \$ 55,759 |

Judicial Commissioners

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 36,256 | |
| Social Security | | 2,263 | |
| State Retirement | | 2,507 | |
| Employee and Dependent Insurance | | 240 | |
| Unemployment Compensation | | 170 | |
| Employer Medicare | | 529 | |
| Other Charges | | 24 | |
| Total Judicial Commissioners | | | 41,989 |

Courtroom Security

| | | | |
|--------------------------|----|--------|--------|
| Other Equipment | \$ | 26,455 | |
| Total Courtroom Security | | | 26,455 |

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 60,360 | |
| Supervisor/Director | | 37,844 | |
| Deputy(ies) | | 278,734 | |
| Investigator(s) | | 89,335 | |
| Sergeant(s) | | 30,051 | |
| Salary Supplements | | 4,800 | |
| In-Service Training | | 10,797 | |
| Social Security | | 31,363 | |
| State Retirement | | 39,719 | |
| Employee and Dependent Insurance | | 2,475 | |
| Unemployment Compensation | | 1,202 | |
| Employer Medicare | | 7,334 | |
| Communication | | 5,683 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | | |
|---|----|--------|------------|
| Dues and Memberships | \$ | 2,190 | |
| Evaluation and Testing | | 2,170 | |
| Maintenance Agreements | | 6,540 | |
| Maintenance and Repair Services - Buildings | | 65 | |
| Maintenance and Repair Services - Equipment | | 345 | |
| Maintenance and Repair Services - Vehicles | | 43,965 | |
| Printing, Stationery, and Forms | | 306 | |
| Rentals | | 40 | |
| Travel | | 5,865 | |
| Animal Food and Supplies | | 3,312 | |
| Data Processing Supplies | | 658 | |
| Gasoline | | 79,530 | |
| Office Supplies | | 1,689 | |
| Uniforms | | 13,406 | |
| Other Supplies and Materials | | 2,218 | |
| Premiums on Corporate Surety Bonds | | 1,555 | |
| Other Charges | | 2,188 | |
| Data Processing Equipment | | 2,845 | |
| Law Enforcement Equipment | | 5,896 | |
| Motor Vehicles | | 38,941 | |
| Office Equipment | | 115 | |
| Other Equipment | | 519 | |
| Total Sheriff's Department | | | \$ 814,055 |

Jail

| | | |
|---|----|---------|
| Supervisor/Director | \$ | 26,206 |
| Medical Personnel | | 8,900 |
| Dispatchers/Radio Operators | | 131,302 |
| Guards | | 184,394 |
| Other Salaries and Wages | | 28,309 |
| Social Security | | 23,632 |
| State Retirement | | 27,293 |
| Employee and Dependent Insurance | | 2,445 |
| Unemployment Compensation | | 1,850 |
| Employer Medicare | | 5,528 |
| Advertising | | 577 |
| Communication | | 9,789 |
| Contracts with Government Agencies | | 184,971 |
| Evaluation and Testing | | 1,240 |
| Maintenance and Repair Services - Buildings | | 6,177 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | | |
|---|----|--------|------------|
| Maintenance and Repair Services - Equipment | \$ | 1,426 | |
| Maintenance and Repair Services - Vehicles | | 220 | |
| Printing, Stationery, and Forms | | 1,594 | |
| Transportation - Other than Students | | 7,050 | |
| Travel | | 1,028 | |
| Other Contracted Services | | 50 | |
| Custodial Supplies | | 10,484 | |
| Drugs and Medical Supplies | | 81,199 | |
| Electricity | | 18,634 | |
| Food Supplies | | 26,951 | |
| Fuel Oil | | 157 | |
| Office Supplies | | 5,534 | |
| Prisoners Clothing | | 1,810 | |
| Uniforms | | 3,622 | |
| Water and Sewer | | 16,035 | |
| Other Supplies and Materials | | 990 | |
| Other Charges | | 5,771 | |
| Motor Vehicles | | 4,300 | |
| Total Jail | | | \$ 829,468 |

Rural Fire Protection

| | | | |
|---|----|--------|--------|
| Maintenance and Repair Services - Equipment | \$ | 7,193 | |
| Maintenance and Repair Services - Vehicles | | 18,633 | |
| Fuel Oil | | 700 | |
| Gasoline | | 13,216 | |
| Liability Insurance | | 33,145 | |
| Other Charges | | 696 | |
| Total Rural Fire Protection | | | 73,583 |

Civil Defense

| | | | |
|--|----|--------|--------|
| Maintenance and Repair Services - Vehicles | \$ | 1,100 | |
| Matching Share | | 2,028 | |
| Other Charges | | 3,190 | |
| Building Construction | | 1,084 | |
| Other Equipment | | 18,000 | |
| Total Civil Defense | | | 25,402 |

Other Emergency Management

| | | | |
|--------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 11,984 | |
| Social Security | | 665 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

| | | | |
|--|----|--------|-----------|
| Unemployment Compensation | \$ | 62 | |
| Employer Medicare | | 156 | |
| Other Fringe Benefits | | 276 | |
| Communication | | 25,388 | |
| Maintenance and Repair Services - Vehicles | | 587 | |
| Electricity | | 1,747 | |
| Water and Sewer | | 371 | |
| Other Supplies and Materials | | 42 | |
| Other Charges | | 4,383 | |
| Total Other Emergency Management | | | \$ 45,661 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|--------|
| Social Security | \$ | 67 | |
| Unemployment Compensation | | 5 | |
| Employer Medicare | | 16 | |
| Medical and Dental Services | | 10,974 | |
| Total County Coroner/Medical Examiner | | | 11,062 |

Public Safety Grant Programs

| | | | |
|------------------------------------|----|--------|--------|
| Deputy(ies) | \$ | 13,937 | |
| Social Security | | 877 | |
| State Retirement | | 1,191 | |
| Unemployment Compensation | | 57 | |
| Employer Medicare | | 205 | |
| Other Supplies and Materials | | 298 | |
| Other Equipment | | 20,910 | |
| Total Public Safety Grant Programs | | | 37,475 |

Other Public Safety

| | | | |
|---------------------------|----|-------|-------|
| Communication | \$ | 2,469 | |
| Total Other Public Safety | | | 2,469 |

Public Health and Welfare

Local Health Center

| | | | |
|---------------------------|----|-------|--|
| Custodial Personnel | \$ | 4,500 | |
| Social Security | | 279 | |
| Unemployment Compensation | | 42 | |
| Employer Medicare | | 65 | |
| Advertising | | 286 | |
| Communication | | 3,844 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | | |
|---|----|--------|-----------|
| Contracts with Government Agencies | \$ | 20,000 | |
| Dues and Memberships | | 100 | |
| Maintenance and Repair Services - Buildings | | 465 | |
| Custodial Supplies | | 154 | |
| Electricity | | 8,823 | |
| Water and Sewer | | 500 | |
| Other Supplies and Materials | | 320 | |
| Other Charges | | 130 | |
| Total Local Health Center | | | \$ 39,508 |

Alcohol and Drug Programs

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

Other Local Health Services

| | | | |
|-----------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 35,166 | |
| Social Security | | 1,884 | |
| State Retirement | | 2,088 | |
| Employee and Dependent Insurance | | 15 | |
| Unemployment Compensation | | 145 | |
| Employer Medicare | | 441 | |
| Other Fringe Benefits | | 908 | |
| Travel | | 5,039 | |
| Other Supplies and Materials | | 15,402 | |
| Total Other Local Health Services | | | 61,088 |

Regional Mental Health Center

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

Other Local Welfare Services

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

Other Waste Collection

| | | | |
|---------------------|----|--------|--|
| Truck Drivers | \$ | 33,522 | |
| Laborers | | 13,230 | |
| Temporary Personnel | | 528 | |
| Social Security | | 2,835 | |
| State Retirement | | 3,946 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection (Cont.)

| | | | |
|----------------------------------|----|-----|-----------|
| Employee and Dependent Insurance | \$ | 681 | |
| Unemployment Compensation | | 220 | |
| Employer Medicare | | 663 | |
| Total Other Waste Collection | | | \$ 55,625 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 30,824 | |
| Deputy(ies) | | 12,788 | |
| Part-time Personnel | | 44,250 | |
| In-Service Training | | 965 | |
| Social Security | | 5,612 | |
| State Retirement | | 2,694 | |
| Employee and Dependent Insurance | | 1,230 | |
| Unemployment Compensation | | 484 | |
| Employer Medicare | | 1,312 | |
| Communication | | 4,039 | |
| Data Processing Services | | 1,936 | |
| Maintenance and Repair Services - Buildings | | 1,695 | |
| Maintenance and Repair Services - Office Equipment | | 512 | |
| Postal Charges | | 773 | |
| Travel | | 1,540 | |
| Electricity | | 4,136 | |
| Library Books/Media | | 12,036 | |
| Periodicals | | 254 | |
| Water and Sewer | | 1,115 | |
| Other Supplies and Materials | | 1,236 | |
| Office Equipment | | 25,960 | |
| Total Libraries | | | 155,391 |

Other Social, Cultural, and Recreational

| | | | |
|--|----|--------|--------|
| Communication | \$ | 576 | |
| Contributions | | 16,000 | |
| Rentals | | 450 | |
| Total Other Social, Cultural, and Recreational | | | 17,026 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|-------------------------------------|----|--------|-----------|
| Custodial Personnel | \$ | 2,700 | |
| Other Salaries and Wages | | 37,534 | |
| Social Security | | 218 | |
| Unemployment Compensation | | 35 | |
| Employer Medicare | | 51 | |
| Other Fringe Benefits | | 4,494 | |
| Communication | | 1,961 | |
| Dues and Memberships | | 265 | |
| Travel | | 70 | |
| Custodial Supplies | | 159 | |
| Electricity | | 1,228 | |
| Office Supplies | | 761 | |
| Water and Sewer | | 1,349 | |
| Other Supplies and Materials | | 1,123 | |
| Other Charges | | 38 | |
| Office Equipment | | 860 | |
| Total Agriculture Extension Service | | | \$ 52,846 |

Forest Service

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

Soil Conservation

| | | | |
|---------------------------|----|--------|--------|
| Clerical Personnel | \$ | 20,800 | |
| Social Security | | 1,102 | |
| State Retirement | | 1,554 | |
| Unemployment Compensation | | 70 | |
| Employer Medicare | | 258 | |
| Other Fringe Benefits | | 704 | |
| Contributions | | 2,712 | |
| Total Soil Conservation | | | 27,200 |

Other Agriculture and Natural Resources

| | | | |
|---|----|--------|--------|
| Contracts with Private Agencies | \$ | 15,811 | |
| Total Other Agriculture and Natural Resources | | | 15,811 |

Other Operations

Tourism

| | | | |
|---------------|----|-------|-------|
| Contributions | \$ | 1,550 | |
| Total Tourism | | | 1,550 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

| | | |
|--|-----------|-----------|
| Contributions | \$ 19,500 | |
| Total Other Economic and Community Development | | \$ 19,500 |

Veterans' Services

| | | |
|--|--------------|-------|
| Supervisor/Director | \$ 3,513 | |
| Social Security | 218 | |
| Unemployment Compensation | 35 | |
| Employer Medicare | 51 | |
| Communication | 569 | |
| Data Processing Services | 78 | |
| Maintenance and Repair Services - Vehicles | 135 | |
| Travel | 106 | |
| Gasoline | 102 | |
| Other Supplies and Materials | 120 | |
| Other Charges | 53 | |
| Motor Vehicles | <u>3,768</u> | |
| Total Veterans' Services | | 8,748 |

Other Charges

| | | |
|---------------------------------|-----------|--------|
| Workers' Compensation Insurance | \$ 61,474 | |
| Total Other Charges | | 61,474 |

Contributions to Other Agencies

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

Employee Benefits

| | | |
|----------------------------------|--------------|--------|
| Social Security | \$ 6,212 | |
| State Retirement | 5,967 | |
| Employee and Dependent Insurance | 180 | |
| Unemployment Compensation | 180 | |
| Employer Medicare | <u>1,233</u> | |
| Total Employee Benefits | | 13,772 |

Miscellaneous

| | | |
|------------------------------|--------------|--------|
| Other Supplies and Materials | \$ 506 | |
| Trustee's Commission | 51,010 | |
| Other Charges | <u>3,779</u> | |
| Total Miscellaneous | | 55,295 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Highways

Litter and Trash Collection

| | | | |
|--|----|--------|-----------|
| Foremen | \$ | 18,475 | |
| Social Security | | 1,239 | |
| Handling Charges and Administrative Costs | | 1,500 | |
| State Retirement | | 1,720 | |
| Employee and Dependent Insurance | | 157 | |
| Unemployment Compensation | | 77 | |
| Employer Medicare | | 290 | |
| Maintenance and Repair Services - Vehicles | | 4,020 | |
| Gasoline | | 8,836 | |
| Instructional Supplies and Materials | | 6,254 | |
| Other Supplies and Materials | | 2,407 | |
| Total Litter and Trash Collection | | | \$ 44,975 |

Support Services

Other Programs

| | | | |
|------------------------------|----|----|----|
| Other Supplies and Materials | \$ | 30 | |
| Total Other Programs | | | 30 |

Total General Fund \$ 4,114,977

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

| | | | |
|--|----|-------|----------|
| Contracts with Private Agencies | \$ | 1,600 | |
| Total Landfill Operation and Maintenance | | | \$ 1,600 |

Other Waste Disposal

| | | | |
|----------------------------------|----|---------|--|
| Supervisor/Director | \$ | 29,739 | |
| Overtime Pay | | 3,987 | |
| Other Salaries and Wages | | 150,754 | |
| In-Service Training | | 275 | |
| Other Per Diem and Fees | | 1,146 | |
| Social Security | | 11,689 | |
| State Retirement | | 11,633 | |
| Employee and Dependent Insurance | | 1,091 | |
| Unemployment Compensation | | 781 | |
| Employer Medicare | | 2,318 | |
| Termination Benefits | | 2,299 | |
| Advertising | | 626 | |
| Communication | | 1,770 | |

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal (Cont.)

| | | | |
|---|----|---------|------------|
| Contracts with Government Agencies | \$ | 1,247 | |
| Contracts with Private Agencies | | 378,239 | |
| Evaluation and Testing | | 826 | |
| Maintenance and Repair Services - Buildings | | 12,957 | |
| Maintenance and Repair Services - Equipment | | 23,283 | |
| Maintenance and Repair Services - Vehicles | | 14,707 | |
| Matching Share | | 6,742 | |
| Travel | | 422 | |
| Permits | | 1,000 | |
| Crushed Stone | | 2,323 | |
| Custodial Supplies | | 2,046 | |
| Electricity | | 9,978 | |
| Fuel Oil | | 3,520 | |
| Gasoline | | 22,352 | |
| Uniforms | | 5,293 | |
| Water and Sewer | | 805 | |
| Other Supplies and Materials | | 2,144 | |
| Trustee's Commission | | 10,880 | |
| Other Charges | | 1,070 | |
| Other Equipment | | 37,761 | |
| Total Other Waste Disposal | | | \$ 755,703 |

Other Operations

Employee Benefits

| | | | |
|----------------------------------|----|-------|-------|
| Social Security | \$ | 36 | |
| State Retirement | | 35 | |
| Employee and Dependent Insurance | | 1,215 | |
| Unemployment Compensation | | 3 | |
| Employer Medicare | | 10 | |
| Total Employee Benefits | | | 1,299 |

Total Solid Waste/Sanitation Fund \$ 758,602

Special Purpose Fund

Public Health and Welfare

Other Local Health Services

| | | | |
|--------------------------|----|---------|--|
| Contributions | \$ | 95,000 | |
| Fiscal Agent Charges | | 5,000 | |
| Operating Lease Payments | | 167,400 | |
| Electricity | | 25 | |

(Continued)

Exhibit J-8

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

Special Purpose Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

| | | | |
|-----------------------------------|----|-------|------------|
| Trustee's Commission | \$ | 3,998 | |
| Other Charges | | 754 | |
| Total Other Local Health Services | | | \$ 272,177 |

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Principal on Notes | \$ | 223,856 | |
| Total General Government | | | 223,856 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|--------|--------|
| Interest on Notes | \$ | 49,197 | |
| Total General Government | | | 49,197 |

Other Debt Service

General Government

| | | | |
|--------------------------|----|-------|-------|
| Other Debt Service | \$ | 1,000 | |
| Total General Government | | | 1,000 |

Capital Projects

Public Health and Welfare Projects

| | | | |
|--|----|--------|--------|
| Land | \$ | 27,100 | |
| Building Purchases | | 20,900 | |
| Total Public Health and Welfare Projects | | | 48,000 |

Total Special Purpose Fund \$ 594,230

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|--|----|--------|
| In-Service Training | \$ | 942 |
| Other Per Diem and Fees | | 12 |
| Communication | | 843 |
| Confidential Drug Enforcement Payments | | 25,500 |
| Maintenance and Repair Services - Vehicles | | 523 |
| Veterinary Services | | 194 |
| Animal Food and Supplies | | 11,564 |
| Other Supplies and Materials | | 11,591 |
| Trustee's Commission | | 669 |
| In Service/Staff Development | | 1,445 |

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

| | | | |
|---------------------------|----|--------|-----------|
| Other Charges | \$ | 2,756 | |
| Law Enforcement Equipment | | 9,337 | |
| Motor Vehicles | | 17,245 | |
| Total Drug Enforcement | | | \$ 82,621 |

Total Drug Control Fund \$ 82,621

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

| | | | |
|---|----|---------|------------|
| Constitutional Officers' Operating Expenses | \$ | 101,093 | |
| Total County Trustee's Office | | | \$ 101,093 |

Administration of Justice

Chancery Court

| | | | |
|---|----|-------|-------|
| Constitutional Officers' Operating Expenses | \$ | 7,458 | |
| Total Chancery Court | | | 7,458 |

Total Constitutional Officers - Fees Fund 108,551

Highway/Public Works Fund

Highways

Administration

| | | | |
|---|----|--------|------------|
| County Official/Administrative Officer | \$ | 60,360 | |
| Secretary(ies) | | 65,792 | |
| Board and Committee Members Fees | | 850 | |
| Dues and Memberships | | 2,963 | |
| Maintenance and Repair Services - Buildings | | 1,502 | |
| Postal Charges | | 236 | |
| Printing, Stationery, and Forms | | 926 | |
| Travel | | 486 | |
| Other Contracted Services | | 18,816 | |
| Custodial Supplies | | 177 | |
| Office Supplies | | 1,788 | |
| Other Supplies and Materials | | 160 | |
| Other Charges | | 4,264 | |
| Data Processing Equipment | | 3,850 | |
| Other Equipment | | 1,778 | |
| Total Administration | | | \$ 163,948 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|------------|
| Foremen | \$ | 92,863 | |
| Equipment Operators | | 193,948 | |
| Truck Drivers | | 127,991 | |
| Laborers | | 118,799 | |
| Freight Expenses | | 117 | |
| Other Contracted Services | | 23,245 | |
| Asphalt | | 32,862 | |
| Asphalt - Cold Mix | | 40,774 | |
| Asphalt - Liquid | | 26,856 | |
| Concrete | | 11,877 | |
| Crushed Stone | | 116,043 | |
| Pipe | | 14,853 | |
| Pipe - Metal | | 3,610 | |
| Road Signs | | 7,384 | |
| Small Tools | | 2,510 | |
| Structural Steel | | 5,903 | |
| Wood Products | | 13,224 | |
| Other Supplies and Materials | | 5,617 | |
| Other Charges | | 121 | |
| Total Highway and Bridge Maintenance | | | \$ 838,597 |

Operation and Maintenance of Equipment

| | | | |
|--|----|---------|---------|
| Mechanic(s) | \$ | 111,326 | |
| Freight Expenses | | 2,376 | |
| Maintenance and Repair Services - Equipment | | 30,267 | |
| Maintenance and Repair Services - Vehicles | | 4,161 | |
| Diesel Fuel | | 195,416 | |
| Equipment Parts - Light | | 11,992 | |
| Equipment and Machinery Parts | | 102,306 | |
| Garage Supplies | | 9,091 | |
| Gasoline | | 105,112 | |
| Lubricants | | 16,662 | |
| Small Tools | | 1,573 | |
| Tires and Tubes | | 50,559 | |
| Other Supplies and Materials | | 3,656 | |
| Total Operation and Maintenance of Equipment | | | 644,497 |

Other Charges

| | | |
|---------------|----|-------|
| Communication | \$ | 9,540 |
| Electricity | | 5,149 |

(Continued)

Exhibit J-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 | \$ | 6,457 | |
| Water and Sewer | | 2,036 | |
| Trustee's Commission | | 20,776 | |
| Vehicle and Equipment Insurance | | 16,266 | |
| Other Charges | | 2,837 | |
| Total Other Charges | | | \$ 63,061 |

Employee Benefits

| | | | |
|---------------------------------|----|--------|---------|
| Social Security | \$ | 59,122 | |
| State Retirement | | 62,757 | |
| Unemployment Compensation | | 8,964 | |
| Workers' Compensation Insurance | | 36,052 | |
| Total Employee Benefits | | | 166,895 |

Capital Outlay

| | | | |
|-------------------------|----|---------|------------------|
| Engineering Services | \$ | 14,382 | |
| Other Road Supplies | | 506,161 | |
| Bridge Construction | | 358,961 | |
| Building Construction | | 7,764 | |
| Communication Equipment | | 216 | |
| Highway Equipment | | 421,300 | |
| Total Capital Outlay | | | <u>1,308,784</u> |

Total Highway/Public Works Fund \$ 3,185,782

General Debt Service Fund

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|------------|
| Principal on Bonds | \$ | 121,275 | |
| Principal on Notes | | 1,950 | |
| Total General Government | | | \$ 123,225 |

Highways and Streets

| | | | |
|----------------------------|----|--------|--------|
| Principal on Bonds | \$ | 35,525 | |
| Total Highways and Streets | | | 35,525 |

Education

| | | | |
|--------------------|----|---------|---------|
| Principal on Bonds | \$ | 793,200 | |
| Total Education | | | 793,200 |

(Continued)

Exhibit J-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 | \$ 184,788 | |
| Total General Government | | \$ 184,788 |

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Interest on Bonds | \$ 54,130 | |
| Total Highways and Streets | | 54,130 |

Education

| | | |
|-------------------|------------|---------|
| Interest on Bonds | \$ 712,503 | |
| Total Education | | 712,503 |

Other Debt Service

General Government

| | | |
|--------------------------|----------|--------|
| Fiscal Agent Charges | \$ 5,000 | |
| Trustee's Commission | 21,201 | |
| Other Debt Service | 250 | |
| Total General Government | | 26,451 |

Education

| | | |
|--------------------|----------|-------|
| Other Debt Service | \$ 1,000 | |
| Total Education | | 1,000 |

| | | |
|---------------------------------|--|--------------|
| Total General Debt Service Fund | | \$ 1,930,822 |
|---------------------------------|--|--------------|

General Capital Projects Fund

General Government

County Buildings

| | | |
|---|----------|-----------|
| Maintenance and Repair Services - Buildings | \$ 5,970 | |
| Heating and Air Conditioning Equipment | 7,400 | |
| Other Equipment | 280 | |
| Total County Buildings | | \$ 13,650 |

Public Safety

Jail

| | | |
|---------------------------|----------|--------|
| Matching Share | \$ 5,410 | |
| Law Enforcement Equipment | 15,000 | |
| Total Jail | | 20,410 |

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Public Health and Welfare

Other Waste Disposal

| | | |
|----------------------------|----------|----------|
| Motor Vehicles | \$ 1,600 | |
| Total Other Waste Disposal | | \$ 1,600 |

Capital Projects

General Administration Projects

| | | |
|---|----------|---------|
| Maintenance and Repair Services - Buildings | \$ 2,404 | |
| Trustee's Commission | 690 | |
| Other Charges | 650 | |
| Building Improvements | 4,524 | |
| Motor Vehicles | 70,000 | |
| Office Equipment | 32,216 | |
| Other Equipment | 1,444 | |
| Total General Administration Projects | | 111,928 |

Public Safety Projects

| | | |
|------------------------------|------------|---------|
| Building Construction | \$ 238,267 | |
| Total Public Safety Projects | | 238,267 |

Social, Cultural, and Recreation Projects

| | | |
|---|--------|-----|
| Road Signs | \$ 447 | |
| Total Social, Cultural, and Recreation Projects | | 447 |

Total General Capital Projects Fund \$ 386,302

Community Development/Industrial Park Fund

Capital Projects

Social, Cultural, and Recreation Projects

| | | |
|---|-----------|-----------|
| Contributions | \$ 61,760 | |
| Trustee's Commission | 462 | |
| Other Charges | 61 | |
| Total Social, Cultural, and Recreation Projects | | \$ 62,283 |

Public Utility Projects

| | | |
|------------------------------------|-----------|---------|
| Contracts with Government Agencies | \$ 17,500 | |
| Engineering Services | 80,705 | |
| Other Charges | 1,613 | |
| Other Debt Issuance Charges | 6,531 | |
| Other Construction | 602,936 | |
| Total Public Utility Projects | | 709,285 |

Total Community Development/Industrial Park Fund 771,568

(Continued)

Exhibit J-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 | \$ 586,130 | |
| Highway Equipment | <u>35,200</u> | |
| Total General Administration Projects | | \$ 621,330 |
| <u>Highway and Street Capital Projects</u> | | |
| Trustee's Commission | \$ 100 | |
| Bridge Construction | <u>188,000</u> | |
| Total Highway and Street Capital Projects | | <u>188,100</u> |
| Total Highway Capital Projects Fund | | <u>\$ 809,430</u> |
| Total Governmental Funds - Primary Government | | <u><u>\$ 12,742,885</u></u> |

Exhibit J-9

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|---|--------------|--------------|
| Teachers | \$ 6,375,990 | |
| Career Ladder Program | 127,950 | |
| Career Ladder Extended Contracts | 71,700 | |
| Homebound Teachers | 1,064 | |
| Educational Assistants | 258,508 | |
| Other Salaries and Wages | 56,502 | |
| Certified Substitute Teachers | 34,166 | |
| Non-certified Substitute Teachers | 108,917 | |
| Social Security | 406,075 | |
| State Retirement | 425,893 | |
| Medical Insurance | 545,045 | |
| Unemployment Compensation | 16,995 | |
| Employer Medicare | 100,105 | |
| Maintenance and Repair Services - Equipment | 3,137 | |
| Postal Charges | 164 | |
| Travel | 1,223 | |
| Other Contracted Services | 7,195 | |
| Instructional Supplies and Materials | 357,515 | |
| Textbooks | 61,663 | |
| Other Supplies and Materials | 52,982 | |
| Other Charges | 80,398 | |
| Regular Instruction Equipment | 140,906 | |
| Total Regular Instruction Program | | \$ 9,234,093 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 46,970 | |
| Social Security | 2,663 | |
| State Retirement | 2,931 | |
| Medical Insurance | 4,996 | |
| Unemployment Compensation | 99 | |
| Employer Medicare | 623 | |
| Instructional Supplies and Materials | 302 | |
| Other Supplies and Materials | 400 | |
| Total Alternative Instruction Program | | 58,984 |

Special Education Program

| | |
|-----------------------|------------|
| Teachers | \$ 925,988 |
| Career Ladder Program | 8,930 |
| Homebound Teachers | 6,137 |

(Continued)

Exhibit J-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.)

| | | | |
|--------------------------------------|----|--------|--------------|
| Educational Assistants | \$ | 51,380 | |
| Certified Substitute Teachers | | 3,703 | |
| Non-certified Substitute Teachers | | 17,110 | |
| Social Security | | 59,768 | |
| State Retirement | | 61,631 | |
| Medical Insurance | | 33,983 | |
| Unemployment Compensation | | 2,164 | |
| Employer Medicare | | 13,978 | |
| Instructional Supplies and Materials | | 14,493 | |
| Other Supplies and Materials | | 19,874 | |
| Special Education Equipment | | 12,967 | |
| Total Special Education Program | | | \$ 1,232,106 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 450,932 | |
| Career Ladder Program | | 9,000 | |
| Certified Substitute Teachers | | 772 | |
| Non-certified Substitute Teachers | | 5,794 | |
| Social Security | | 26,796 | |
| State Retirement | | 28,597 | |
| Medical Insurance | | 37,989 | |
| Unemployment Compensation | | 902 | |
| Employer Medicare | | 6,267 | |
| Instructional Supplies and Materials | | 17,607 | |
| Textbooks | | 336 | |
| Other Supplies and Materials | | 2,400 | |
| Vocational Instruction Equipment | | 13,354 | |
| Total Vocational Education Program | | | 600,746 |

Adult Education Program

| | | | |
|--------------------------------------|----|--------|--|
| Teachers | \$ | 44,982 | |
| Certified Substitute Teachers | | 270 | |
| Non-certified Substitute Teachers | | 77 | |
| Social Security | | 2,711 | |
| State Retirement | | 2,609 | |
| Medical Insurance | | 1,476 | |
| Unemployment Compensation | | 146 | |
| Employer Medicare | | 634 | |
| Instructional Supplies and Materials | | 15,063 | |

(Continued)

Exhibit J-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.)

Adult Education Program (Cont.)

| | | |
|-------------------------------|----------|-----------|
| Other Supplies and Materials | \$ 6,016 | |
| Total Adult Education Program | | \$ 73,984 |

Support Services

Attendance

| | | |
|------------------------------|-----------|--------|
| Supervisor/Director | \$ 57,470 | |
| Other Salaries and Wages | 2,500 | |
| Social Security | 3,321 | |
| State Retirement | 3,742 | |
| Medical Insurance | 6,128 | |
| Unemployment Compensation | 70 | |
| Employer Medicare | 777 | |
| Travel | 1,436 | |
| Other Supplies and Materials | 66 | |
| Other Charges | 2,311 | |
| Total Attendance | | 77,821 |

Health Services

| | | |
|------------------------------|-----------|--------|
| Medical Personnel | \$ 15,619 | |
| Other Salaries and Wages | 30,871 | |
| Social Security | 2,425 | |
| State Retirement | 3,673 | |
| Medical Insurance | 3,951 | |
| Unemployment Compensation | 252 | |
| Employer Medicare | 567 | |
| Travel | 556 | |
| Drugs and Medical Supplies | 5,229 | |
| Other Supplies and Materials | 2,553 | |
| Total Health Services | | 65,696 |

Other Student Support

| | | |
|----------------------------------|----------|--|
| Career Ladder Program | \$ 5,000 | |
| Guidance Personnel | 249,127 | |
| Career Ladder Extended Contracts | 4,000 | |
| Social Workers | 18,305 | |
| Other Salaries and Wages | 59,733 | |
| Social Security | 19,214 | |
| State Retirement | 20,941 | |
| Medical Insurance | 24,910 | |

(Continued)

Exhibit J-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.)

| | | | |
|------------------------------|----|--------|------------|
| Unemployment Compensation | \$ | 536 | |
| Employer Medicare | | 4,494 | |
| Evaluation and Testing | | 6,310 | |
| Travel | | 17,304 | |
| Other Supplies and Materials | | 19,795 | |
| In Service/Staff Development | | 4,690 | |
| Other Charges | | 9,077 | |
| Other Equipment | | 148 | |
| Total Other Student Support | | | \$ 463,584 |

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 137,157 | |
| Career Ladder Program | | 16,000 | |
| Career Ladder Extended Contracts | | 16,000 | |
| Librarians | | 296,602 | |
| Instructional Computer Personnel | | 57,450 | |
| Clerical Personnel | | 5,754 | |
| Other Salaries and Wages | | 14,351 | |
| Social Security | | 32,139 | |
| State Retirement | | 30,043 | |
| Medical Insurance | | 30,538 | |
| Unemployment Compensation | | 853 | |
| Employer Medicare | | 7,392 | |
| Consultants | | 7,000 | |
| Travel | | 66,051 | |
| Instructional Supplies and Materials | | 6,066 | |
| Library Books/Media | | 32,804 | |
| Other Supplies and Materials | | 10,000 | |
| In Service/Staff Development | | 69,198 | |
| Other Charges | | 200 | |
| Other Equipment | | 71,587 | |
| Total Regular Instruction Program | | | 907,185 |

Special Education Program

| | | |
|----------------------------------|----|--------|
| Supervisor/Director | \$ | 56,672 |
| Career Ladder Program | | 4,000 |
| Psychological Personnel | | 49,495 |
| Career Ladder Extended Contracts | | 4,000 |
| Assessment Personnel | | 60,567 |

(Continued)

Exhibit J-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.)

| | | | |
|---------------------------------|----|--------|------------|
| Social Security | \$ | 10,085 | |
| State Retirement | | 11,180 | |
| Medical Insurance | | 10,037 | |
| Unemployment Compensation | | 276 | |
| Employer Medicare | | 2,359 | |
| Travel | | 2,808 | |
| Other Supplies and Materials | | 515 | |
| Other Charges | | 1,390 | |
| Other Equipment | | 750 | |
| Total Special Education Program | | | \$ 214,134 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 59,016 | |
| Secretary(ies) | | 13,255 | |
| Other Salaries and Wages | | 14,197 | |
| Social Security | | 5,215 | |
| State Retirement | | 6,082 | |
| Medical Insurance | | 3,158 | |
| Unemployment Compensation | | 158 | |
| Employer Medicare | | 1,220 | |
| Travel | | 3,467 | |
| Other Charges | | 4,125 | |
| Total Vocational Education Program | | | 109,893 |

Adult Programs

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 57,432 | |
| Career Ladder Program | | 1,000 | |
| Other Salaries and Wages | | 14,924 | |
| Social Security | | 4,541 | |
| State Retirement | | 4,951 | |
| Medical Insurance | | 5,865 | |
| Unemployment Compensation | | 140 | |
| Employer Medicare | | 1,062 | |
| Maintenance and Repair Services - Equipment | | 10 | |
| Travel | | 2,995 | |
| Other Contracted Services | | 2,703 | |
| In Service/Staff Development | | 1,994 | |
| Other Charges | | 17,485 | |
| Total Adult Programs | | | 115,102 |

(Continued)

Exhibit J-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 Programs

| | | |
|----------------------------|-----------|-----------|
| On-Behalf Payments to OPEB | \$ 81,922 | |
| Total Other Programs | | \$ 81,922 |

Board of Education

| | | |
|--|----------|---------|
| Board and Committee Members Fees | \$ 8,400 | |
| Social Security | 521 | |
| Life Insurance | 618 | |
| Unemployment Compensation | 84 | |
| Employer Medicare | 122 | |
| Audit Services | 15,350 | |
| Dues and Memberships | 6,906 | |
| Legal Services | 183 | |
| Travel | 1,125 | |
| Trustee's Commission | 74,281 | |
| Workers' Compensation Insurance | 94,031 | |
| In Service/Staff Development | 842 | |
| Criminal Investigation of Applicants - TBI | 2,640 | |
| Other Charges | 1,028 | |
| Total Board of Education | | 206,131 |

Director of Schools

| | | |
|---|------------|---------|
| County Official/Administrative Officer | \$ 155,430 | |
| Secretary(ies) | 16,029 | |
| Other Salaries and Wages | 4,765 | |
| Social Security | 5,873 | |
| State Retirement | 6,560 | |
| Medical Insurance | 4,766 | |
| Unemployment Compensation | 127 | |
| Employer Medicare | 1,374 | |
| Other Fringe Benefits | 1,355 | |
| Communication | 8,054 | |
| Dues and Memberships | 1,268 | |
| Maintenance and Repair Services - Equipment | 1,380 | |
| Postal Charges | 1,602 | |
| Travel | 1,158 | |
| Office Supplies | 3,492 | |
| In Service/Staff Development | 50 | |
| Total Director of Schools | | 213,283 |

(Continued)

Exhibit J-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

| | | | |
|----------------------------------|----|---------|------------|
| Principals | \$ | 436,283 | |
| Career Ladder Program | | 6,000 | |
| Career Ladder Extended Contracts | | 4,000 | |
| Secretary(ies) | | 91,712 | |
| Other Salaries and Wages | | 334 | |
| Social Security | | 31,820 | |
| State Retirement | | 35,893 | |
| Medical Insurance | | 28,695 | |
| Unemployment Compensation | | 990 | |
| Employer Medicare | | 7,442 | |
| Communication | | 7,900 | |
| Dues and Memberships | | 4,200 | |
| Office Supplies | | 707 | |
| Other Supplies and Materials | | 227 | |
| Total Office of the Principal | | | \$ 656,203 |

Fiscal Services

| | | | |
|---------------------------|----|--------|--------|
| Accountants/Bookkeepers | \$ | 25,283 | |
| Clerical Personnel | | 3,000 | |
| Social Security | | 1,736 | |
| State Retirement | | 2,472 | |
| Medical Insurance | | 5,370 | |
| Unemployment Compensation | | 70 | |
| Employer Medicare | | 406 | |
| Data Processing Services | | 6,414 | |
| Data Processing Supplies | | 3,002 | |
| Office Supplies | | 429 | |
| Total Fiscal Services | | | 48,182 |

Operation of Plant

| | | | |
|---------------------------|----|---------|--|
| Custodial Personnel | \$ | 279,883 | |
| Other Salaries and Wages | | 2,277 | |
| Social Security | | 16,697 | |
| State Retirement | | 20,048 | |
| Medical Insurance | | 6,172 | |
| Unemployment Compensation | | 1,752 | |
| Employer Medicare | | 3,905 | |
| Other Contracted Services | | 69,657 | |
| Custodial Supplies | | 57,889 | |

(Continued)

Exhibit J-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.)

Operation of Plant (Cont.)

| | | | |
|---------------------------------|----|---------|--------------|
| Electricity | \$ | 572,093 | |
| Natural Gas | | 154,924 | |
| Water and Sewer | | 48,207 | |
| Other Supplies and Materials | | 300 | |
| Building and Contents Insurance | | 97,351 | |
| Plant Operation Equipment | | 805 | |
| Total Operation of Plant | | | \$ 1,331,960 |

Maintenance of Plant

| | | | |
|---|----|---------|---------|
| Maintenance Personnel | \$ | 136,539 | |
| Other Salaries and Wages | | 2,185 | |
| Social Security | | 7,997 | |
| State Retirement | | 12,070 | |
| Medical Insurance | | 1,480 | |
| Unemployment Compensation | | 330 | |
| Employer Medicare | | 1,870 | |
| Communication | | 360 | |
| Maintenance and Repair Services - Buildings | | 75,636 | |
| Maintenance and Repair Services - Equipment | | 38,476 | |
| Travel | | 10 | |
| Other Contracted Services | | 13,436 | |
| Gasoline | | 2,982 | |
| Other Supplies and Materials | | 3,900 | |
| Other Charges | | 219 | |
| Total Maintenance of Plant | | | 297,490 |

Transportation

| | | | |
|-----------------------------|----|---------|--|
| Mechanic(s) | \$ | 98,640 | |
| Bus Drivers | | 396,601 | |
| Other Salaries and Wages | | 18,062 | |
| Social Security | | 30,542 | |
| State Retirement | | 41,502 | |
| Medical Insurance | | 13,261 | |
| Unemployment Compensation | | 2,755 | |
| Employer Medicare | | 7,143 | |
| Communication | | 1,704 | |
| Contracts with Parents | | 1,712 | |
| Medical and Dental Services | | 3,209 | |
| Other Contracted Services | | 8,268 | |

(Continued)

Exhibit J-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.)

Transportation (Cont.)

| | | | |
|------------------------------|----|---------|------------|
| Diesel Fuel | \$ | 195,276 | |
| Garage Supplies | | 3,634 | |
| Gasoline | | 15,229 | |
| Lubricants | | 4,679 | |
| Tires and Tubes | | 22,006 | |
| Vehicle Parts | | 28,082 | |
| In Service/Staff Development | | 763 | |
| Other Charges | | 862 | |
| Total Transportation | | | \$ 893,930 |

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 38,335 | |
| Accountants/Bookkeepers | | 1,404 | |
| Cafeteria Personnel | | 15,225 | |
| Other Salaries and Wages | | 8,156 | |
| Social Security | | 3,898 | |
| State Retirement | | 4,364 | |
| Medical Insurance | | 550 | |
| Unemployment Compensation | | 172 | |
| Employer Medicare | | 912 | |
| Maintenance and Repair Services - Equipment | | 3,014 | |
| Payments to Schools - Breakfast | | 216,134 | |
| Payments to Schools - Lunch | | 518,490 | |
| Payments to Schools - Other | | 4,746 | |
| Transportation - Other than Students | | 8,271 | |
| Travel | | 1,662 | |
| Food Supplies | | 25,983 | |
| Office Supplies | | 668 | |
| Utilities | | 9,380 | |
| Other Charges | | 231 | |
| Total Food Service | | | 861,595 |

Community Services

| | | | |
|--------------------------|----|--------|--|
| Teachers | \$ | 52,220 | |
| Other Salaries and Wages | | 51,681 | |
| Social Security | | 6,263 | |
| State Retirement | | 7,452 | |
| Medical Insurance | | 3,431 | |

(Continued)

Exhibit J-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.)

Community Services (Cont.)

| | | | |
|------------------------------|----|-------|------------|
| Unemployment Compensation | \$ | 430 | |
| Employer Medicare | | 1,465 | |
| Travel | | 603 | |
| Other Supplies and Materials | | 233 | |
| Other Charges | | 118 | |
| Total Community Services | | | \$ 123,896 |

Early Childhood Education

| | | | |
|--------------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 29,111 | |
| Teachers | | 532,227 | |
| Educational Assistants | | 227,391 | |
| Other Salaries and Wages | | 99,674 | |
| Non-certified Substitute Teachers | | 7,589 | |
| Social Security | | 53,503 | |
| State Retirement | | 61,701 | |
| Medical Insurance | | 33,445 | |
| Unemployment Compensation | | 2,775 | |
| Employer Medicare | | 12,513 | |
| Travel | | 17,268 | |
| Other Contracted Services | | 6,939 | |
| Instructional Supplies and Materials | | 8,637 | |
| Other Supplies and Materials | | 6,848 | |
| In Service/Staff Development | | 12,238 | |
| Other Charges | | 2,351 | |
| Total Early Childhood Education | | | 1,114,210 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|--------|--------|
| Land | \$ | 20,000 | |
| Total Regular Capital Outlay | | | 20,000 |

Other Debt Service

Education

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

Total General Purpose School Fund \$ 19,202,130

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|------------|
| Teachers | \$ | 445,857 | |
| Educational Assistants | | 56,121 | |
| Non-certified Substitute Teachers | | 11,137 | |
| Social Security | | 31,712 | |
| State Retirement | | 34,662 | |
| Medical Insurance | | 32,333 | |
| Unemployment Compensation | | 1,398 | |
| Employer Medicare | | 7,386 | |
| Instructional Supplies and Materials | | 14,791 | |
| Other Supplies and Materials | | 1,596 | |
| Other Charges | | 11,413 | |
| Total Regular Instruction Program | | | \$ 648,406 |

Special Education Program

| | | | |
|---|----|---------|---------|
| Teachers | \$ | 35,361 | |
| Educational Assistants | | 228,948 | |
| Other Salaries and Wages | | 42,158 | |
| Non-certified Substitute Teachers | | 12,666 | |
| Social Security | | 19,265 | |
| State Retirement | | 24,051 | |
| Medical Insurance | | 13,186 | |
| Unemployment Compensation | | 1,673 | |
| Employer Medicare | | 4,505 | |
| Contracts with Private Agencies | | 2,596 | |
| Maintenance and Repair Services - Equipment | | 2,761 | |
| Other Contracted Services | | 22,667 | |
| Instructional Supplies and Materials | | 47,556 | |
| Textbooks | | 2,607 | |
| Other Supplies and Materials | | 32,582 | |
| Total Special Education Program | | | 492,582 |

Vocational Education Program

| | | | |
|--------------------------------------|----|--------|--------|
| Instructional Supplies and Materials | \$ | 5,237 | |
| Other Charges | | 4,753 | |
| Vocational Instruction Equipment | | 50,661 | |
| Other Equipment | | 2,975 | |
| Total Vocational Education Program | | | 63,626 |

(Continued)

Exhibit J-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.)

Adult Education Program

| | | | |
|-------------------------------|----|--------|-----------|
| Teachers | \$ | 57,808 | |
| Social Security | | 3,388 | |
| State Retirement | | 3,641 | |
| Medical Insurance | | 2,609 | |
| Unemployment Compensation | | 140 | |
| Employer Medicare | | 792 | |
| Other Contracted Services | | 3,750 | |
| Other Supplies and Materials | | 2,964 | |
| Other Charges | | 2,164 | |
| Total Adult Education Program | | | \$ 77,256 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|-------|--------|
| Other Salaries and Wages | \$ | 81 | |
| Social Security | | 322 | |
| State Retirement | | 262 | |
| Unemployment Compensation | | 13 | |
| Employer Medicare | | 75 | |
| Travel | | 3,613 | |
| Other Contracted Services | | 4,270 | |
| In Service/Staff Development | | 2,983 | |
| Total Other Student Support | | | 11,619 |

Regular Instruction Program

| | | | |
|--------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 10,000 | |
| Social Security | | 548 | |
| State Retirement | | 581 | |
| Medical Insurance | | 3,000 | |
| Unemployment Compensation | | 2 | |
| Employer Medicare | | 128 | |
| Instructional Supplies and Materials | | 82 | |
| In Service/Staff Development | | 13,753 | |
| Other Charges | | 40,936 | |
| Total Regular Instruction Program | | | 69,030 |

Special Education Program

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 5,152 | |
| Secretary(ies) | | 20,484 | |
| Clerical Personnel | | 1,708 | |

(Continued)

Exhibit J-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.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Social Security | \$ | 1,994 | |
| State Retirement | | 2,567 | |
| Unemployment Compensation | | 61 | |
| Employer Medicare | | 466 | |
| Communication | | 1,895 | |
| Consultants | | 3,638 | |
| Postal Charges | | 648 | |
| Travel | | 15,041 | |
| Other Contracted Services | | 651 | |
| Other Supplies and Materials | | 35,298 | |
| In Service/Staff Development | | 21,392 | |
| Total Special Education Program | | | \$ 110,995 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Travel | \$ | 895 | |
| Other Charges | | 2,068 | |
| Total Vocational Education Program | | | 2,963 |

Transportation

| | | | |
|---------------------------|----|--------|--------|
| Bus Drivers | \$ | 9,836 | |
| Social Security | | 571 | |
| State Retirement | | 801 | |
| Unemployment Compensation | | 32 | |
| Employer Medicare | | 134 | |
| Transportation Equipment | | 13,518 | |
| Total Transportation | | | 24,892 |

Operation of Non-Instructional Services

Early Childhood Education

| | | | |
|-----------------------------------|----|--------|--|
| Teachers | \$ | 64,106 | |
| Clerical Personnel | | 17,758 | |
| Educational Assistants | | 18,241 | |
| Other Salaries and Wages | | 9,802 | |
| Non-certified Substitute Teachers | | 1,133 | |
| Social Security | | 4,462 | |
| State Retirement | | 7,849 | |
| Medical Insurance | | 5,563 | |
| Unemployment Compensation | | 368 | |
| Employer Medicare | | 1,516 | |

(Continued)

Exhibit J-9

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

| | | |
|---|----------------|-----------------------------|
| <u>School Federal Projects Fund (Cont.)</u> | | |
| <u>Operation of Non-Instructional Services (Cont.)</u> | | |
| <u>Early Childhood Education (Cont.)</u> | | |
| Contracts with Private Agencies | \$ 118,024 | |
| Travel | 3,643 | |
| Other Contracted Services | 2,037 | |
| Instructional Supplies and Materials | 4,544 | |
| Other Supplies and Materials | 4,648 | |
| Other Charges | <u>3,153</u> | |
| Total Early Childhood Education | | <u>\$ 266,847</u> |
| Total School Federal Projects Fund | | \$ 1,768,216 |
| <u>Education Capital Projects Fund</u> | | |
| <u>Support Services</u> | | |
| <u>Board of Education</u> | | |
| Trustee's Commission | <u>\$ 213</u> | |
| Total Board of Education | | \$ 213 |
| <u>Capital Projects</u> | | |
| <u>Education Capital Projects</u> | | |
| Building Improvements | \$ 344,314 | |
| Other Equipment | <u>269,592</u> | |
| Total Education Capital Projects | | <u>613,906</u> |
| Total Education Capital Projects Fund | | <u>614,119</u> |
| Total Governmental Funds - Wayne County School Department | | <u><u>\$ 21,584,465</u></u> |

Exhibit J-10

Wayne County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2008

| | Cities - Sales Tax Fund |
|--|-------------------------------|
| <hr/> | |
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 443,132 |
| Total Cash Receipts | <u>\$ 443,132</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 438,700 |
| Trustee's Commission | 4,432 |
| Total Cash Disbursements | <u>\$ 443,132</u> |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2007 | <u>0</u> |
| Cash Balance, June 30, 2008 | <u><u>\$ 0</u></u> |

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SINGLE AUDIT SECTION

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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 23, 2008

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise Wayne County's basic financial statements and have issued our report thereon dated September 23, 2008. 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 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: 08.01, 08.02, 08.03, 08.04, 08.05, 08.07, 08.08, 08.10, 08.11, and 08.12.

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 items 08.01 and 08.02 to be material weaknesses.

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 two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 08.06 and 08.09.

We consider item 08.13 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, commissioner 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/sb

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 23, 2008

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

To the County Executive and Board of County Commissioners:

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, 2008. 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 of 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, 2008.

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.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County as of and for the year ended June 30, 2008, and have issued our report thereon dated September 23, 2008. 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

and the Wayne County Assisted Living Facility) and the Wayne County Emergency Communications District, 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, the director of schools, commissioner of highways, the County Commission, the Board of Education, others within Wayne County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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/sb

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Wayne County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2008

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|--------------|
| U.S. Department of Agriculture: | | | |
| Direct Program: | | | |
| Water and Waste Disposal Systems for Rural Communities | 10.760 | N/A | \$ 362,300 |
| Watershed Protection and Flood Prevention | 10.904 | N/A | 257,913 |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 67,142 (5) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 216,134 |
| National School Lunch Program | 10.555 | N/A | 515,912 (5) |
| Summer Food Service Program for Children | 10.559 | N/A | 54,038 |
| Total U.S. Department of Agriculture | | | \$ 1,473,439 |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/State's Program | 14.228 | GG-06-12295-00 | \$ 332,608 |
| Total U.S. Department of Housing and Urban Development | | | \$ 332,608 |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Alcohol Open Container Requirements | 20.607 | Z-08-024012-00 | \$ 35,146 |
| Total U.S. Department of Transportation | | | \$ 35,146 |
| U.S. Department of Education: | | | |
| Direct Program: | | | |
| Early Reading First | 84.359 | N/A | \$ 266,813 |
| Passed-through State Department of Education: | | | |
| Adult Education - State Grant Program | 84.002 | Z-08-020840-00 | 84,981 |
| Title 1 Grants to Local Educational Agencies | 84.010 | N/A | 546,670 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 613,717 |
| Special Education - Preschool Grants | 84.173 | N/A | 15,574 |
| Vocational Education - Basic Grants to States | 84.048 | N/A | 66,185 |
| Safe and Drug Free Schools and Communities - State Grant | 84.186 | (2) | 11,610 |
| Even Start State Educational Agencies | 84.213 | (2) | 77,256 |
| Twenty-First Century Community Learning Centers | 84.287 | (2) | 200,000 |
| State Grants for Innovative Programs | 84.298 | N/A | 4,534 |
| Educational Technology State Grants | 84.318 | (2) | 8,770 |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | GG-08-21816-00 | 112,585 |
| Reading First State Grants | 84.357 | GG-05-11254-00 | 536,054 |
| Rural Education | 84.358 | N/A | 7,625 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 137,360 |
| Total U.S. Department of Education | | | \$ 2,689,734 |
| U.S. Elections Assistance Commission: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Help America Vote Act Requirements Payments | 90.401 | Z-08-201131-00 | \$ 1,773 |
| Total U.S. Elections Assistance Commission | | | \$ 1,773 |

(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 Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Development and Coordination of Rural Health Services | 93.223 | Z-08-020393-00 | \$ 17,738 |
| Centers for Disease Control and Prevention - Investigations and Technical Assistance | 93.283 | (3) | 32,622 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 50,360</u> |
| U.S. Department of Homeland Security: | | | |
| Direct Program: | | | |
| Assistance to Firefighters Grant | 97.044 | EMW-2005-FG-17876 | \$ 15,034 |
| Passed-through State Department of Military: | | | |
| Emergency Management Performance Grants | 97.042 | Z-06-032864-00 | 8,000 |
| Homeland Security Grant Program | 97.067 | Z-07-020589-00 | 14,000 |
| Total U.S. Department of Homeland Security | | | <u>\$ 37,034</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 4,620,094</u> |

| State Grants | | Contract Number | Expenditures |
|---|-----|--------------------|---------------------|
| State Reappraisal Program - Comptroller of the Treasury | N/A | (2) | \$ 7,703 |
| Rural Local Health Services - State Department of Health | N/A | Z-08-020393-00 | 28,940 |
| Litter Program - State Department of Transportation | N/A | (4) | 31,503 |
| Early Childhood Education - State Department of Education | N/A | (2) | 812,523 |
| Adult Basic Education - State Department of Education | N/A | Z-08-020840-00 | 50,369 |
| SSMS Regional User Group Grant - State Department of Education | N/A | GG-06-011929-00 | 2,225 |
| Family Resource Center - State Department of Education | N/A | (2) | 33,300 |
| Used Oil Grant - State Department of Environment and Conservation | N/A | Z-05-024459-00 | 10,966 |
| Recycling Equipment Grant - State Dept of Environment and Conservation | N/A | Z-05-020921-00 | 25,000 |
| Volunteer Lottery - State Department of Education | N/A | (2) | 127,457 |
| Save the Children - State Department of Education | N/A | (2) | 44,815 |
| Literacy Coordination - State Department of Education | N/A | (2) | 6,000 |
| Coordinated School Health - State Department of Education | N/A | (2) | 99,581 |
| Academy Small Learning Community and Transition - State Department of Education | N/A | (2) | 9,747 |
| Safe Schools Act of 1998 - State Department of Education | N/A | (2) | 17,000 |
| Lottery for Education Afterschool Program - State Department of Education | N/A | (2) | 130,500 |
| Tobacco Use Prevention and Cessation Initiative - State Department of Health | N/A | GG-08-023206-00 | 15,789 |
| Juvenile Justice and Delinquency Prevention - State Commission of Children | N/A | Z-08-022820-00 | 9,000 |
| Library Technology Grant - Secretary of State | N/A | Z-07-020550-00 | 8,819 |
| Community Enhancement Grant - Secretary of State | N/A | (2) | 35,500 |
| Total State Grants | | | <u>\$ 1,506,737</u> |

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

- (1) - Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) - Information not available.
- (3) - GG-07-12477-00: \$6,818; GG-08-02912-00: \$25,804.
- (4) - Z-07-033859-00: \$1,368; Z-08-021056-00: \$30,135.
- (5) - Total forCFDA No. 10.555 is \$583,054.

Wayne County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

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, for the year ended June 30, 2007, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 07.01 | 162 | The office had deficiencies in purchasing procedures |

OFFICE OF DIRECTOR OF SCHOOLS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 07.02(A) | 162 | The office had a cash overdraft in the School Federal Projects Fund |

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 07.03 | 163 | The office did not deposit funds within three days of collection |

OTHER FINDINGS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 07.04 | 164 | Duties were not segregated adequately in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register |
| 07.05 | 164 | A central system of accounting, budgeting, and purchasing had not been adopted |

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WAYNE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2008

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. Two of these deficiencies were also considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Wayne County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Water and Waste Disposal Systems for Rural Communities (CFDA No. 10.760); Community Development Block Grant/State's Program (CFDA No. 14.228); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$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 commissioner of highways 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.

WAYNE COUNTY AND WAYNE COUNTY SCHOOL DEPARTMENT

FINDING 08.01 **WAYNE COUNTY AND THE WAYNE COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE THEIR FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Wayne County's and the Wayne County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the county's external auditors, to assist Wayne County and the School Department in preparing their financial statements and notes as a matter of convenience as long as the county and the School Department have the skills needed to prepare their financial statements and notes. However, management, including the accounting staff, does not have the technical skills necessary to prepare GAAP financial statements and disclosures. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

RECOMMENDATION

Wayne County and the Wayne County School Department should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's and the School Department's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's and the School Department's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

MANAGEMENT'S RESPONSE – COMMISSIONER OF HIGHWAYS

Due to budgetary constraints, the Highway Department cannot afford to have a certified public accountant on staff.

REBUTTAL

We have not recommended hiring a certified public accountant. We are recommending that the county have a least one staff member trained to have sufficient skills to prepare a complete set of year-end financial statements and disclosures.

OFFICE OF COUNTY EXECUTIVE

FINDING 08.02 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION** (Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted accounting principles require Wayne County to have adequate internal controls over the maintenance of its accounting records. At June 30, 2008, various general ledgers were not materially correct, and multiple audit adjustments were required for the financial statements to be materially correct at year-end. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditors, to assist the county in preparing its financial statements, it is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

FINDING 08.03 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit disclosed the following deficiencies in purchasing procedures. These deficiencies can be attributed to the failure of management to correct previously communicated audit findings.

- 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. The failure to issue purchase orders increases the risks of unauthorized purchases.
- B. In some 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. The practice of paying invoices without documentation that goods had been received or services rendered increases the risks of paying for something that was never received.

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.

FINDING 08.04 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site. Sound business practices dictate that system backups be stored off-site. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

In addition to daily system backups, a weekly system backup should be performed, and two copies of this backup should be maintained. These backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OFFICE OF COMMISSIONER OF HIGHWAYS

FINDING 08.05 **THE FAILURE TO SAFEGUARD ASSETS RESULTED IN THE THEFT OF GASOLINE**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Highway Department dispenses gasoline from pumps located at both its Waynesboro and Collinwood locations. As an internal control procedure, management periodically reconciles its gasoline usage with purchases and inventory on hand at both locations. However, on February 8, 2008, the reconciliation of gasoline at the Waynesboro site revealed that 1,160 gallons of gasoline was missing; therefore, a police report was filed. Generally accepted accounting principles require accountability for all consumable assets. The fuel tanks at both locations are not in secured areas to limit access to authorized personnel. Management believes that the gasoline was stolen through a vent pipe located on top of the tank. The failure to adequately secure access to consumable assets results in a loss of control over the assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should secure its fuel tanks in areas where access is limited to authorized personnel.

MANAGEMENT'S RESPONSE – COMMISSIONER OF HIGHWAYS

The fuel tanks have now been secured with pad locks, welded and extended vent pipes, and the installation of a video camera surveillance system. Also, we have begun a daily reconciliation of the fuel inventory. There have been no further losses since we have implemented these corrective measures.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 08.06 **EXPENDITURES EXCEEDED APPROPRIATIONS IN TWO MAJOR CATEGORIES OF THE GENERAL PURPOSE SCHOOL FUND**

(Material Noncompliance Under Government Auditing Standards)

Expenditures exceeded appropriations in the Regular Instruction Program (\$45,229) and Director of Schools (\$76,997) major appropriation categories (the legal level of control) of the General Purpose School Fund. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because of the failure of management to stay within the spending limits authorized by the County Commission, which results in unauthorized expenditures.

RECOMMENDATION

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

FINDING 08.07 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The School Federal Projects Fund had a cash overdraft of \$8,705 at June 30, 2008. Sound business practice dictates that expenditures be held within available funds. This cash overdraft resulted from the issuance of warrants that exceeded cash on deposit with the county trustee, and the failure of management to correct a previously communicated audit finding.

RECOMMENDATION

Warrants that exceed cash on deposit with the county trustee should not be issued.

OFFICE OF TRUSTEE

FINDING 08.08 **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Since management was not aware of its importance, officials did not begin reviewing this log until several months into the fiscal year. Procedures for reviewing this log are currently in place.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 08.09 **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. This deficiency can be attributed to the failure of management to

correct a previously communicated audit finding. The delay in depositing the funds results in a loss of investment earnings and increases the risks of fraud and misappropriation.

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.

FINDING 08.10 **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Since management was not aware of its importance, officials did not begin reviewing this log until several months into the fiscal year. Procedures for reviewing this log are currently in place.

FINDING 08.11 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site. Sound business practices dictate that system backups be stored off-site. This deficiency is the result of management’s failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

In addition to daily system backups, a weekly system backup should be performed, and two copies of this backup should be maintained. These backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 08.12 **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. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

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

FINDING 08.13 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practice would indicate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

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**

There were no findings and questioned costs for federal awards.

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WAYNE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2008

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

Director of Schools – Summary Schedule of Prior Year Findings

FINDINGS 07.02 and 07.06

The department will try to refrain from writing checks in advance and will require accounting personnel to will calculate reserve balances for the various grants administered through the School Federal Projects Fund.