



**ANNUAL FINANCIAL REPORT  
CHEATHAM COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2009**



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**ANNUAL FINANCIAL REPORT**  
**CHEATHAM COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

***DEPARTMENT OF AUDIT***  
***JUSTIN P. WILSON***  
***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
***RICHARD V. NORMENT***  
***Assistant to the Comptroller***

***JAMES R. ARNETTE***  
***Director***

***JEFF BAILEY, CPA, CGFM, CFE***  
***Audit Manager***

***EUGENE HAMPTON II, CPA, CGFM***  
***Auditor 4***

***KATIE ARMSTRONG, CPA, CFE***  
***JOSEPH ENSMINGER, CFE***  
***WENDY HEATH, CFE***  
***State Auditors***

This financial report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)

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***Audit Highlights***  
Annual Financial Report  
Cheatham County, Tennessee  
For the Year Ended June 30, 2009

***Scope***

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2009.

***Results***

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

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

***Findings***

The following are summaries of the audit findings:

**OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ Deficiencies were noted in the collection of funds at several remote collection sites.
- ◆ Deficiencies were noted in the maintenance of capital asset records.
- ◆ The Ambulance Service did not have written policies concerning the collection and write-off of customer accounts.
- ◆ The building permits software did not have adequate application controls.

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**OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Deficiencies were noted in the extended school program.

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**OTHER FINDING**

- ◆ Duties were not segregated adequately among the officials and employees in the Animal Control, Landfill, and Building Codes departments and the Offices of Trustee and Sheriff.

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## INTRODUCTORY SECTION

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# Cheatham County Officials

## June 30, 2009

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### **Officials**

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

### **Board of County Commissioners**

David McCullough, Chairman  
Brenda Montgomery  
William Anderson  
William Baker  
Rickey Burton  
Wendell Crouch

David Davidson  
LuAnn Engelman  
Patricia Jarreau  
Jack McCanless  
Adair Schippers  
John-Paul Wood, Jr.

### **Board of Education**

Dianne Proffitt, Chairman  
Michelle Collins  
Greg Horton

Tammie Lavender  
Tim Williamson  
Chris Spiegel

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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 37243-1402  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

March 5, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Cheatham County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cheatham County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cheatham County Emergency Communications District, which represent 1.3 percent and .8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and we did not audit the financial statements of the Cheatham County Water and Waste Water Authority, which represent 1.1 percent and .1 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented Cheatham County Emergency Communications District and the discretely presented Cheatham County Water and Waste Water Authority, is based on the reports of other auditors.

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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, at June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2010, on our consideration of Cheatham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.A., Cheatham County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

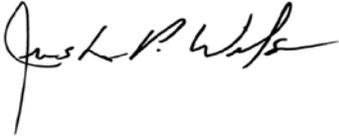
The management of Cheatham County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States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

The budgetary comparison, pension, and other postemployment benefits information on pages 77 through 83 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Cheatham County, Tennessee  
Statement of Net Assets  
June 30, 2009

|   | Primary<br>Governmental<br>Activities | Component Units                            |   |   |
|---|---------------------------------------|--|---|---|
|   |                                       | Cheatham<br>County<br>School<br>Department | Cheatham<br>County<br>Emergency<br>Communications<br>District | Cheatham<br>County<br>Water and<br>Waste Water<br>Authority |
| <u>ASSETS</u>   |                                       |  |   |   |
| Cash  | \$ 2,300                              | \$ 0                                       | \$ 327,537  | \$ 532,144  |
| Investments   | 0                                     | 0  | 9,590   | 0   |
| Equity in Pooled Cash and Investments                           | 15,659,712                            | 2,764,124                                  | 0   | 0   |
| Inventories   | 4,320                                 | 0  | 0   | 0   |
| Accounts Receivable   | 2,352,887                             | 102,986                                    | 20,988  | 13,115  |
| Allowance for Uncollectibles                                    | (1,378,157)                           | 0  | 0   | 0   |
| Property Taxes Receivable                                       | 12,018,262                            | 7,869,119                                  | 0   | 0   |
| Allowance for Uncollectible Property Taxes                      | (327,771)                             | (214,613)                                  | 0   | 0   |
| Due from Other Governments                                      | 678,365                               | 667,984                                    | 51,546  | 0   |
| Cash Shortage   | 37,987                                | 0  | 0   | 0   |
| Notes Receivable  | 116,000                               | 0  | 0   | 0   |
| Interest Receivable   | 0                                     | 0  | 267   | 0   |
| Prepaid Expense   | 0                                     | 0  | 19,720  | 0   |
| Deferred Charges - Debt Issuance Costs                          | 151,635                               | 0  | 0   | 0   |
| Capital Assets:   |                                       |  |   |   |
| Assets Not Depreciated:   |                                       |  |   |   |
| Land  | 1,292,118                             | 781,997                                    | 0   | 41,280  |
| Construction in Progress  | 0                                     | 9,186,114                                  | 0   | 0   |
| Assets Net of Accumulated Depreciation:                         |                                       |  |   |   |
| Buildings and Improvements                                      | 5,719,692                             | 44,653,115                                 | 0   | 0   |
| Other Capital Assets  | 1,464,466                             | 3,579,378                                  | 479,813   | 230,336   |
| Infrastructure  | 2,727,528                             | 0  | 0   | 0   |
| Total Assets  | <u>\$ 40,519,344</u>                  | <u>\$ 69,390,204</u>                       | <u>\$ 909,461</u>   | <u>\$ 816,875</u>   |
| <u>LIABILITIES</u>  |                                       |  |   |   |
| Accounts Payable  | \$ 195,571                            | \$ 224,291                                 | \$ 48,668   | \$ 404  |
| Accrued Payroll   | 998                                   | 16,819                                     | 0   | 0   |
| Payroll Deductions Payable                                      | 401                                   | 0  | 0   | 0   |
| Contracts Payable   | 0                                     | 272,054                                    | 0   | 0   |
| Retainage Payable   | 0                                     | 14,320                                     | 0   | 0   |
| Accrued Interest Payable  | 28,275                                | 0  | 4,181   | 0   |
| Capital Outlay Notes Payable                                    | 180,953                               | 0  | 0   | 0   |
| Deferred Revenue - Current Property Taxes                       | 11,343,482                            | 7,427,298                                  | 0   | 0   |
| Noncurrent Liabilities:   |                                       |  |   |   |
| Due Within One Year   | 3,262,971                             | 0  | 30,000  | 0   |
| Due in More Than One Year (net of deferred amount on refunding) | 26,477,386                            | 3,176,945                                  | 86,000  | 0   |
| Total Liabilities   | <u>\$ 41,490,037</u>                  | <u>\$ 11,131,727</u>                       | <u>\$ 168,849</u>   | <u>\$ 404</u>   |

(Continued)

Exhibit A

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

|  | Primary<br>Governmental<br>Activities | Component Units                            |   |   |
|--|---------------------------------------|--|---|---|
|  |                                       | Cheatham<br>County<br>School<br>Department | Cheatham<br>County<br>Emergency<br>Communications<br>District | Cheatham<br>County<br>Water and<br>Waste Water<br>Authority |
| <u>NET ASSETS</u>                                  |                                       |  |   |   |
| Invested in Capital Assets,<br>Net of Related Debt | \$ 9,540,103                          | \$ 0                                       | \$ 363,813  | \$ 0  |
| Invested in Capital Assets<br>Restricted for:      | 0                                     | 58,200,604                                 | 0   | 271,616   |
| Capital Projects                                   | 1,158,235                             | 0  | 0   | 0   |
| Central Cafeteria                                  | 0                                     | 551,994                                    | 0   | 0   |
| School Federal Projects                            | 0                                     | 12,898                                     | 0   | 0   |
| Debt Service                                       | 11,559,012                            | 0  | 0   | 0   |
| Highway/Public Works                               | 1,045,900                             | 0  | 0   | 0   |
| Solid Waste/Sanitation                             | 187,818                               | 0  | 0   | 0   |
| Drug Control                                       | 144,132                               | 0  | 0   | 0   |
| Jail, Workhouse, or Courthouse                     | 567,800                               | 0  | 0   | 0   |
| Automation Purposes                                | 108,200                               | 0  | 0   | 0   |
| Other Purposes                                     | 97,596                                | 4,210                                      | 0   | 0   |
| Unrestricted                                       | (25,379,489)                          | (511,229)                                  | 376,799   | 544,855   |
| Total Net Assets                                   | <u>\$ (970,693)</u>                   | <u>\$ 58,258,477</u>                       | <u>\$ 740,612</u>   | <u>\$ 816,471</u>   |

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

Exhibit B

Cheatham County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2009

| Functions/Programs                                | Net (Expense) Revenue and Changes in Net Assets |                      |                                    |                                  |   |  |                                   |   |   |          |
|---|---|----------------------|------------------------------------|----------------------------------|---|--|-----------------------------------|---|---|----------|
|   | Program Revenues                                |                      |                                    |                                  |   | Primary Government Total Governmental Activities | Component Units                   |   |   |          |
|   | Expenses  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets |  | Cheatham County School Department | Cheatham County Emergency Communications District | Cheatham County Water and Waste Water Authority |          |
|   |   |                      |                                    |                                  |   |  |                                   |   |   |          |
| Primary Government:                               |   |                      |                                    |                                  |   |  |                                   |   |   |          |
| Governmental Activities:                          |   |                      |                                    |                                  |   |  |                                   |   |   |          |
| General Government                                | \$ 2,112,204                                    | \$ 603,934           | \$ 17,009                          | \$ 5,348                         | \$ (1,485,913)                                  | \$ 0   | \$ 0                              | \$ 0  | \$ 0  | 0        |
| Finance   | 1,068,325                                       | 1,024,093            | 12,497                             | 0                                | (31,735)  | 0  | 0                                 | 0   | 0   | 0        |
| Administration of Justice                         | 1,298,308                                       | 766,671              | 51,505                             | 0                                | (480,132)                                       | 0  | 0                                 | 0   | 0   | 0        |
| Public Safety                                     | 4,552,276                                       | 298,347              | 230,702                            | 0                                | (4,023,227)                                     | 0  | 0                                 | 0   | 0   | 0        |
| Public Health and Welfare                         | 3,074,029                                       | 982,435              | 89,182                             | 54,659                           | (1,947,753)                                     | 0  | 0                                 | 0   | 0   | 0        |
| Social, Cultural, and Recreational Services       | 446,177   | 6,292                | 0                                  | 0                                | (439,885)                                       | 0  | 0                                 | 0   | 0   | 0        |
| Agriculture and Natural Resources                 | 130,593   | 0                    | 0                                  | 0                                | (130,593)                                       | 0  | 0                                 | 0   | 0   | 0        |
| Other Operations                                  | 1,602,623                                       | 0                    | 17,279                             | 0                                | (1,585,344)                                     | 0  | 0                                 | 0   | 0   | 0        |
| Highways/Public Works                             | 3,440,417                                       | 0                    | 1,588,115                          | 309,674                          | (1,542,628)                                     | 0  | 0                                 | 0   | 0   | 0        |
| Education   | 6,317,632                                       | 0                    | 0                                  | 0                                | (6,317,632)                                     | 0  | 0                                 | 0   | 0   | 0        |
| Interest on Long-term Debt                        | 946,568   | 0                    | 0                                  | 0                                | (946,568)                                       | 0  | 0                                 | 0   | 0   | 0        |
| Other Debt Service                                | 58,820  | 0                    | 0                                  | 0                                | (58,820)  | 0  | 0                                 | 0   | 0   | 0        |
| Total Primary Government                          | \$ 25,047,972                                   | \$ 3,681,772         | \$ 2,006,289                       | \$ 369,681                       | \$ (18,990,230)                                 | \$ 0   | \$ 0                              | \$ 0  | \$ 0  | 0        |
| Component Units:                                  |   |                      |                                    |                                  |   |  |                                   |   |   |          |
| Cheatham County School Department                 | \$ 51,266,458                                   | \$ 2,668,947         | \$ 4,900,003                       | \$ 6,317,632                     | \$ 0  | \$ (37,379,876)                                  | \$ 0                              | \$ 0  | \$ 0  | 0        |
| Cheatham County Emergency Communications District | 408,692   | 433,023              | 0                                  | 0                                | 0   | 0  | 24,331                            | 0   | 0   | 0        |
| Cheatham County Water and Waste Water Authority   | 90,027  | 69,701               | 0                                  | 0                                | 0   | 0  | 0                                 | 0   | 0   | (20,326) |
| Total Component Units                             | \$ 51,765,177                                   | \$ 3,171,671         | \$ 4,900,003                       | \$ 6,317,632                     | \$ 0  | \$ (37,379,876)                                  | \$ 24,331                         | \$ 0  | \$ (20,326)                                     | 0        |

(Continued)

Exhibit B

Cheatham County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Net (Expense) Revenue and Changes in Net Assets |                                    |                                  |  |                                   |   |   |
|--|---|------------------------------------|----------------------------------|--|-----------------------------------|---|---|
|  | Program Revenues                                |                                    |                                  | Component Units                                  |                                   |   |   |
|  | Charges for Services                            | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Total Governmental Activities | Cheatham County School Department | Cheatham County Emergency Communications District | Cheatham County Water and Waste Water Authority |
| General Revenues:  |   |                                    |                                  |  |                                   |   |   |
| Taxes:   |   |                                    |                                  |  |                                   |   |   |
| Property Taxes Levied for General Purposes                   |   |                                    |                                  | \$ 8,012,711                                     | \$ 7,682,215                      | \$ 0  | 0   |
| Property Taxes Levied for Debt Service                       |   |                                    |                                  | 3,705,364  | 0                                 | 0   | 0   |
| Local Option Sales Tax                                       |   |                                    |                                  | 1,389,130  | 1,760,316                         | 0   | 0   |
| Wheel Tax  |   |                                    |                                  | 1,522,731  | 381,365                           | 0   | 0   |
| Adequate Facilities/Development Tax                          |   |                                    |                                  | 507,001  | 0                                 | 0   | 0   |
| Wholesale Beer Tax   |   |                                    |                                  | 273,695  | 0                                 | 0   | 0   |
| Fire Tax   |   |                                    |                                  | 241,571  | 0                                 | 0   | 0   |
| Business Tax   |   |                                    |                                  | 184,298  | 0                                 | 0   | 0   |
| Litigation Tax   |   |                                    |                                  | 175,227  | 0                                 | 0   | 0   |
| Other Local Taxes  |   |                                    |                                  | 36,090   | 4,364                             | 0   | 0   |
| Grants and Contributions Not Restricted to Specific Programs |   |                                    |                                  | 674,048  | 29,993,388                        | 16,287  | 0   |
| Unrestricted Investment Earnings                             |   |                                    |                                  | 348,405  | 3,487                             | 4,087   | 4,819   |
| Miscellaneous  |   |                                    |                                  | 95,437   | 60,501                            | 7,200   | 0   |
| Total General Revenues                                       |   |                                    |                                  | \$ 17,165,708                                    | \$ 39,885,636                     | \$ 27,574   | \$ 4,819  |
| Change in Net Assets   |   |                                    |                                  | \$ (1,824,522)                                   | \$ 2,505,760                      | \$ 51,905   | (15,507)  |
| Prior-period Adjustment                                      |   |                                    |                                  | (2,903,643)                                      | 0                                 | 0   | 0   |
| Net Assets, July 1, 2008                                     |   |                                    |                                  | 3,757,472  | 55,752,717                        | 688,707   | 831,978   |
| Net Assets, June 30, 2009                                    |   |                                    |                                  | \$ (970,693)                                     | \$ 58,258,477                     | \$ 740,612  | \$ 816,471                                      |

Exhibit C-1

Cheatham County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2009

|  | Major Funds  |              |               | Nonmajor     | Total         |
|--|--------------|--------------|---------------|--------------|---------------|
|  | General      | Highway /    | Education     | Other        |               |
|  |              | Public       | Debt          | Governmental |               |
|  | Works        | Service      | Funds         | Governmental |               |
|  |              |              |               | Funds        | Funds         |
| <u>ASSETS</u>  |              |              |               |              |               |
| Cash   | \$ 1,000     | \$ 0         | \$ 0          | \$ 1,300     | \$ 2,300      |
| Equity in Pooled Cash and Investments                        | 2,125,108    | 1,167,324    | 8,642,833     | 3,724,447    | 15,659,712    |
| Inventories  | 4,320        | 0            | 0             | 0            | 4,320         |
| Accounts Receivable  | 2,169,175    | 39,945       | 124,595       | 19,172       | 2,352,887     |
| Allowance for Uncollectibles                                 | (1,378,157)  | 0            | 0             | 0            | (1,378,157)   |
| Due from Other Governments                                   | 132,659      | 303,847      | 241,859       | 0            | 678,365       |
| Due from Other Funds   | 1,150        | 0            | 220,000       | 0            | 221,150       |
| Property Taxes Receivable                                    | 6,223,743    | 572,298      | 3,576,864     | 1,645,357    | 12,018,262    |
| Allowance for Uncollectible Property Taxes                   | (169,739)    | (15,608)     | (97,551)      | (44,873)     | (327,771)     |
| Cash Shortage  | 100          | 37,887       | 0             | 0            | 37,987        |
| Notes Receivable - Long-term                                 | 0            | 0            | 0             | 116,000      | 116,000       |
| Total Assets   | \$ 9,109,359 | \$ 2,105,693 | \$ 12,708,600 | \$ 5,461,403 | \$ 29,385,055 |
| <u>LIABILITIES AND FUND BALANCES</u>                         |              |              |               |              |               |
| <u>Liabilities</u>   |              |              |               |              |               |
| Accounts Payable   | \$ 115,876   | \$ 23,325    | \$ 0          | \$ 56,370    | \$ 195,571    |
| Accrued Payroll  | 919          | 79           | 0             | 0            | 998           |
| Payroll Deductions Payable                                   | 139          | 12           | 0             | 250          | 401           |
| Due to Other Funds   | 220,000      | 0            | 0             | 1,150        | 221,150       |
| Capital Outlay Notes Payable                                 | 0            | 0            | 180,953       | 0            | 180,953       |
| Deferred Revenue - Current Property Taxes                    | 5,874,303    | 540,166      | 3,376,036     | 1,552,977    | 11,343,482    |
| Deferred Revenue - Delinquent Property Taxes                 | 157,663      | 14,498       | 90,611        | 41,680       | 304,452       |
| Other Deferred Revenues                                      | 527,918      | 179,603      | 127,389       | 0            | 834,910       |
| Total Liabilities  | \$ 6,896,818 | \$ 757,683   | \$ 3,774,989  | \$ 1,652,427 | \$ 13,081,917 |
| <u>Fund Balances</u>   |              |              |               |              |               |
| Reserved for Encumbrances                                    | \$ 54,854    | \$ 51,650    | \$ 0          | \$ 24,143    | \$ 130,647    |
| Reserved for Alcohol and Drug Treatment                      | 44,441       | 0            | 0             | 0            | 44,441        |
| Reserved for Litter Enforcement Awards                       | 21,195       | 0            | 0             | 0            | 21,195        |
| Reserved for Litigation Tax - Jail, Workhouse, or Courthouse | 532,610      | 0            | 0             | 0            | 532,610       |
| Reserved for Sexual Offender Registration                    | 8,818        | 0            | 0             | 0            | 8,818         |
| Reserved for Courtroom Security                              | 1,031        | 0            | 0             | 0            | 1,031         |
| Reserved for Computer System - Register                      | 25,087       | 0            | 0             | 0            | 25,087        |
| Reserved for Automation Purposes - Circuit Court             | 8,360        | 0            | 0             | 0            | 8,360         |
| Reserved for Automation Purposes - General Sessions Court    | 40,405       | 0            | 0             | 0            | 40,405        |
| Reserved for Automation Purposes - Chancery Court            | 7,139        | 0            | 0             | 0            | 7,139         |
| Reserved for Automation Purposes - Sheriff                   | 16,354       | 0            | 0             | 0            | 16,354        |
| Reserved for Automation Purposes - County Clerk              | 3,430        | 0            | 0             | 0            | 3,430         |
| Reserved for Archives and Records Management - County Clerk  | 7,425        | 0            | 0             | 0            | 7,425         |
| Reserved for Long-term Notes Receivable                      | 0            | 0            | 0             | 116,000      | 116,000       |
| Unreserved, Reported In:                                     |              |              |               |              |               |
| General Fund   | 1,441,392    | 0            | 0             | 0            | 1,441,392     |
| Special Revenue Funds  | 0            | 1,296,360    | 0             | 557,981      | 1,854,341     |
| Debt Service Funds   | 0            | 0            | 8,933,611     | 1,975,828    | 10,909,439    |
| Capital Projects Funds                                       | 0            | 0            | 0             | 1,135,024    | 1,135,024     |
| Total Fund Balances  | \$ 2,212,541 | \$ 1,348,010 | \$ 8,933,611  | \$ 3,808,976 | \$ 16,303,138 |
| Total Liabilities and Fund Balances                          | \$ 9,109,359 | \$ 2,105,693 | \$ 12,708,600 | \$ 5,461,403 | \$ 29,385,055 |

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

Exhibit C-2

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2009

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)  |                  | \$ 16,303,138       |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                  |                     |
| Add: land   | \$ 1,292,118     |                     |
| Add: buildings and improvements net of accumulated depreciation   | 5,719,692        |                     |
| Add: other capital assets net of accumulated depreciation   | 1,464,466        |                     |
| Add: infrastructure net of accumulated depreciation   | <u>2,727,528</u> | 11,203,804          |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.         |                  |                     |
| Less: bonds payable   | \$ (16,074,500)  |                     |
| Less: notes payable   | (116,000)        |                     |
| Less: capital leases payable  | (260,556)        |                     |
| Less: others loans payable  | (12,406,038)     |                     |
| Less: line of credit payable  | (109,648)        |                     |
| Less: compensated absences payable  | (901,201)        |                     |
| Less: landfill closure/postclosure costs  | (201,476)        |                     |
| Less: other postemployment benefits liability   | (9,349)          |                     |
| Add: deferred amount on refunded bonds  | 338,411          |                     |
| Add: deferred charges - debt issuance costs   | 151,635          |                     |
| Less: accrued interest on bonds, notes, and capital leases  | <u>(28,275)</u>  | (29,616,997)        |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |                  | <u>1,139,362</u>    |
| Net assets of governmental activities (Exhibit A)   |                  | <u>\$ (970,693)</u> |

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

Exhibit C-3

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

|   | Major Funds   |              |                |                |                            | Nonmajor Funds           |                    | Total Governmental Funds |
|---|---------------|--------------|----------------|----------------|----------------------------|--------------------------|--------------------|--------------------------|
|   | General       | Highway /    | Education      | Education      | Education Capital Projects | Other Governmental Funds | Governmental Funds |                          |
|   |               | Public Works | Debt Service   | Debt Service   |                            |                          |                    |                          |
| <u>Revenues</u>                                   |               |              |                |                |                            |                          |                    |                          |
| Local Taxes                                       | \$ 7,204,878  | \$ 949,279   | \$ 6,276,823   | \$ 0           | \$ 0                       | \$ 1,837,783             | \$ 16,268,763      |                          |
| Licenses and Permits                              | 326,135       | 0            | 0              | 0              | 0                          | 0                        | 326,135            |                          |
| Fines, Forfeitures, and Penalties                 | 169,903       | 0            | 0              | 0              | 0                          | 26,764                   | 196,667            |                          |
| Charges for Current Services                      | 816,704       | 0            | 0              | 0              | 0                          | 251,137                  | 1,067,841          |                          |
| Other Local Revenues                              | 386,452       | 67,435       | 3,265          | 0              | 0                          | 48,082                   | 505,234            |                          |
| Fees Received from County Officials               | 1,723,976     | 0            | 0              | 0              | 0                          | 0                        | 1,723,976          |                          |
| State of Tennessee                                | 574,547       | 1,906,100    | 80,429         | 0              | 0                          | 48,790                   | 2,609,866          |                          |
| Federal Government                                | 158,237       | 0            | 0              | 0              | 0                          | 0                        | 158,237            |                          |
| Other Governments and Citizens Groups             | 234,780       | 0            | 76,462         | 0              | 0                          | 0                        | 311,242            |                          |
| Total Revenues                                    | \$ 11,595,612 | \$ 2,922,814 | \$ 6,436,979   | \$ 0           | \$ 0                       | \$ 2,212,556             | \$ 23,167,961      |                          |
| <u>Expenditures</u>                               |               |              |                |                |                            |                          |                    |                          |
| Current:  |               |              |                |                |                            |                          |                    |                          |
| General Government                                | \$ 1,558,400  | \$ 0         | \$ 98,615      | \$ 0           | \$ 0                       | \$ 107,516               | \$ 1,764,531       |                          |
| Finance   | 1,070,045     | 0            | 0              | 0              | 0                          | 0                        | 1,070,045          |                          |
| Administration of Justice                         | 1,294,891     | 0            | 0              | 0              | 0                          | 1,325                    | 1,296,216          |                          |
| Public Safety                                     | 4,134,007     | 0            | 0              | 0              | 0                          | 15,929                   | 4,149,936          |                          |
| Public Health and Welfare                         | 1,866,397     | 0            | 0              | 0              | 0                          | 1,066,067                | 2,932,464          |                          |
| Social, Cultural, and Recreational Services       | 419,519       | 0            | 0              | 0              | 0                          | 0                        | 419,519            |                          |
| Agriculture and Natural Resources                 | 130,233       | 0            | 0              | 0              | 0                          | 0                        | 130,233            |                          |
| Other Operations                                  | 1,578,482     | 0            | 0              | 0              | 0                          | 24,141                   | 1,602,623          |                          |
| Highways  | 0             | 2,957,816    | 0              | 0              | 0                          | 0                        | 2,957,816          |                          |
| Debt Service:                                     |               |              |                |                |                            |                          |                    |                          |
| Principal on Debt                                 | 0             | 79,791       | 11,865,641     | 0              | 0                          | 1,009,000                | 12,954,432         |                          |
| Interest on Debt                                  | 0             | 13,513       | 645,799        | 0              | 0                          | 49,564                   | 708,876            |                          |
| Other Debt Service                                | 0             | 0            | 97,282         | 0              | 0                          | 1,010                    | 98,292             |                          |
| Capital Projects                                  | 82,481        | 0            | 0              | 6,317,632      | 0                          | 675,441                  | 7,075,554          |                          |
| Total Expenditures                                | \$ 12,134,455 | \$ 3,051,120 | \$ 12,707,337  | \$ 6,317,632   | \$ 0                       | \$ 2,949,993             | \$ 37,160,537      |                          |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (538,843)  | \$ (128,306) | \$ (6,270,358) | \$ (6,317,632) | \$ 0                       | \$ (737,437)             | \$ (13,992,576)    |                          |

(Continued)

Exhibit C-3

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

|                                       | Major Funds  |                        |                        |                            | Nonmajor Funds           |      | Total Governmental Funds |
|---------------------------------------|--------------|------------------------|------------------------|----------------------------|--------------------------|------|--------------------------|
|                                       | General      | Highway / Public Works | Education Debt Service | Education Capital Projects | Other Governmental Funds |      |                          |
| <u>Other Financing Sources (Uses)</u> |              |                        |                        |                            |                          |      |                          |
| Notes Issued                          | \$ 0         | \$ 0                   | \$ 0                   | \$ 1,254,938               | \$ 0                     | \$ 0 | \$ 1,254,938             |
| Refunding Debt Issued                 | 0            | 0                      | 7,894,500              | 0                          | 0                        | 0    | 7,894,500                |
| Other Loans Issued                    | 0            | 27,577                 | 0                      | 5,062,694                  | 0                        | 0    | 5,090,271                |
| Insurance Recovery                    | 325          | 1,753                  | 0                      | 0                          | 34,657                   | 0    | 36,735                   |
| Transfers In                          | 0            | 0                      | 220,000                | 0                          | 0                        | 0    | 220,000                  |
| Transfers Out                         | (220,000)    | 0                      | 0                      | 0                          | 0                        | 0    | (220,000)                |
| Total Other Financing Sources (Uses)  | \$ (219,675) | \$ 29,330              | \$ 8,114,500           | \$ 6,317,632               | \$ 34,657                | \$ 0 | \$ 14,276,444            |
| Net Change in Fund Balances           | \$ (758,518) | \$ (98,976)            | \$ 1,844,142           | \$ 0                       | \$ (702,780)             | \$ 0 | \$ 283,868               |
| Fund Balance, July 1, 2008            | 2,971,059    | 1,446,986              | 7,089,469              | 0                          | 4,511,756                | 0    | 16,019,270               |
| Fund Balance, June 30, 2009           | \$ 2,212,541 | \$ 1,348,010           | \$ 8,933,611           | \$ 0                       | \$ 3,808,976             | \$ 0 | \$ 16,303,138            |

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

Exhibit C-4

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2009

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)   |                    | \$ 283,868            |
|  |                    |                       |
| (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  | \$ 485,956         |                       |
| Less: current year depreciation expense  | <u>(1,035,063)</u> | (549,107)             |
|  |                    |                       |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.   |                    |                       |
| Less: proceeds from disposal of capital assets   | \$ (14,018)        |                       |
| Less: loss on disposal of capital assets   | <u>(3,693)</u>     | (17,711)              |
|  |                    |                       |
| (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, 2009   | \$ 1,139,362       |                       |
| Less: deferred delinquent property taxes and other deferred June 30, 2008  | <u>(1,106,590)</u> | 32,772                |
|  |                    |                       |
| (4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items: |                    |                       |
| Add: principal payments on capital leases  | \$ 79,791          |                       |
| Add: principal payments on notes   | 2,058,938          |                       |
| Add: principal payments on bonds   | 1,185,000          |                       |
| Add: principal payments on other loans   | 1,736,184          |                       |
| Add: principal payments on line of credit  | 19                 |                       |
| Add: payments to refund debt   | 7,894,500          |                       |
| Less: note proceeds  | (1,254,938)        |                       |
| Less: other loan proceeds  | (5,062,694)        |                       |
| Less: refunding loan proceeds  | (7,894,500)        |                       |
| Less: line of credit proceeds  | (27,577)           |                       |
| Less: change in deferred amount on refunding debt  | (192,260)          |                       |
| Less: change in deferred debt issuance costs   | <u>(27,925)</u>    | (1,505,462)           |
|  |                    |                       |
| (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   | \$ 21,965          |                       |
| Change in landfill closure/postclosure care costs  | (4,723)            |                       |
| Change in other postemployment benefits liability  | (4,928)            |                       |
| Change in compensated absences payable   | <u>(81,196)</u>    | (68,882)              |
|  |                    |                       |
| Change in net assets of governmental activities (Exhibit B)  |                    | <u>\$ (1,824,522)</u> |

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

Exhibit D

Cheatham County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

|                                     | <u>Agency<br/>Funds</u> |
|-------------------------------------|-------------------------|
| <u>ASSETS</u>                       |                         |
| Cash                                | \$ 756,708              |
| Accounts Receivable                 | 1,584                   |
| Due from Other Governments          | <u>376,718</u>          |
| Total Assets                        | <u>\$ 1,135,010</u>     |
| <u>LIABILITIES</u>                  |                         |
| Due to Other Taxing Units           | \$ 376,718              |
| Due to Litigants, Heirs, and Others | <u>758,292</u>          |
| Total Liabilities                   | <u>\$ 1,135,010</u>     |

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

**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cheatham County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Cheatham County:

**A. Reporting Entity**

Cheatham County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Cheatham County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Cheatham County School Department operates the public school system in the county, and the voters of Cheatham County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Cheatham County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Cheatham County, and the Cheatham County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Cheatham County Water and Wastewater Authority provides water and wastewater treatment services for industries in the Cheatham County Industrial Park and to some county schools, and the Cheatham County Commission appoints its governing body. The authority is funded primarily from user service fees.

The Cheatham County School Department 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. Complete financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

**Related Organization** – The Cheatham County Industrial Development Board is a related organization of Cheatham County. The county’s officials are responsible for appointing the members of the board, but the county’s accountability for this organization does not extend beyond making the appointments. During the year ended June 30, 2009, the county did not appropriate any operating subsidies to the Cheatham County Industrial Development Board.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 Cheatham County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Cheatham County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program

revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues of \$6,317,632 were contributed by the county to the School Department during the year ended June 30, 2009.

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

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

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

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

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds 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. Cheatham County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Cheatham County reports the following major governmental funds:

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

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

**Education Debt Service Fund** – This fund accounts for the retirement of bonds, a line of credit, and other loans for the construction and renovation of the county’s schools.

**Education Capital Projects Fund** – This fund accounts for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for general capital expenditures.

Additionally, Cheatham County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Cheatham County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do,

however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Cheatham County School Department reports the following major governmental funds:

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

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

Additionally, the Cheatham County School Department reports the following fund type:

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible

debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

## **2. Receivables and Payables**

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is

the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Retainage payable in the Education Capital Projects Fund of the discretely presented School Department represents amounts withheld from payments made on construction contracts pending completion of the projects. The amounts are held by the county trustee as Equity in Pooled Cash and Investments.

**3. Inventories**

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

**4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more for the primary government (infrastructure \$50,000), \$10,000 or more for the School Department, and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost

if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**5. Compensated Absences**

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

**6. Long-term Obligations**

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

are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

## **7. Net Assets and Fund Equity**

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

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

As of June 30, 2009, Cheatham County had \$27,303,041 in outstanding debt for capital purposes of the discretely presented Cheatham County School Department. The debt is a liability of

Cheatham County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Cheatham County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2009:

| <u>Fund/Purpose</u>             | <u>Amount</u> |
|---------------------------------|---------------|
| General:                        |               |
| Ag Tobacco Grant                | \$ 11,920     |
| Assessor - Data Processing Fees | 1,064         |
| FEMA Issues                     | 132,875       |
| Fire Tax                        | 118,302       |
| Health Department               | 3,452         |
| Insurance                       | 53,038        |
| Kingston Springs Library        | 18,798        |
| Land Clean-Up                   | 8,287         |
| Library                         | 1,635         |
| Parks and Recreation            | 174,679       |
| Sewer Project                   | 800,000       |
| General Purpose School:         |               |
| Daycare                         | 233,999       |
| Fuel and Utilities              | 73,398        |

**8. Prior-period Adjustments**

Capital asset balances were increased \$3,707,880 from the prior-year because accumulated depreciation was not calculated in accordance with policies.

Landfill closure/postclosure care costs were reduced \$808,658 from the prior-year due to a change in estimates.

Other postemployment benefits liabilities were increased \$4,421 for the primary government from the prior-year because the county's implicit subsidy rate was omitted.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

**Discretely Presented Cheatham County School Department**

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

**Primary Government**

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

**Discretely Presented Cheatham County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) and the primary government's Education Capital Projects Fund, which are not budgeted. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the Cheatham County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Other Boards and Committees, County Mayor/Executive, Personnel Office, 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 the GAAP basis is presented on the face of each budgetary schedule.

**B. Fund Deficit**

The discretely presented School Department's Education Capital Projects Fund had a deficit in unreserved fund balance of \$799,517 at June 30, 2009. This deficit resulted from the unperformed portions of construction contracts of \$625,889 being reserved as encumbrances and recognizing construction contract payables totaling \$286,374. Funding for these future expenditures is expected to be received from the issuance of debt.

**C. Cash Shortages – Current and Prior-Years**

The Highway Department had a cash shortage of \$68,281.11 at June 30, 2008. This cash shortage resulted from the bookkeeper falsifying checks for personal use. The Tennessee Consolidated Retirement System paid \$30,097.36 on behalf of the defendant in December 2008, and the defendant paid \$400 in June 2009 toward liquidating the cash shortage.

The Animal Control Department had a cash shortage of \$100 at June 30, 2009. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**D. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) of the General Fund by \$563, in the Landfill Operation and Maintenance major appropriation category in the Solid Waste/Sanitation Fund by \$806, and in the Special Education Program major appropriation category of the General Purpose School Fund by \$2,448. Such overexpenditures are a

violation of state statutes. These overexpenditures were funded from available fund balances.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Cheatham County and the Cheatham County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, 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; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The

county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, Cheatham County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

| <u>Investment</u>                 | <u>Maturities</u> | <u>Cost</u>  |
|-----------------------------------|-------------------|--------------|
| State Treasurer's Investment Pool | Daily             | \$ 5,711,587 |

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments, as previously disclosed. Cheatham County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cheatham County has no investment policy that would further limit its investment choices. As of June 30, 2009, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

**B. Notes Receivable**

Notes receivable of \$116,000 in the General Debt Service Fund resulted from financing projects for the discretely presented Cheatham County Emergency Communications District. The long-term notes receivable are offset by a reservation of fund balance. The entire note receivable is expected to be collected in the 2009-10 fiscal year.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2009, was as follows:

## Primary Government

### Governmental Activities:

|  | Balance<br>7-1-08 | Increases      | Decreases   | Balance<br>6-30-09 |
|--|-------------------|----------------|-------------|--------------------|
| Capital Assets Not<br>Depreciated:             |                   |                |             |                    |
| Land   | \$ 1,292,118      | \$ 0           | \$ 0        | \$ 1,292,118       |
| Total Capital Assets<br>Not Depreciated        | \$ 1,292,118      | \$ 0           | \$ 0        | \$ 1,292,118       |
| Capital Assets<br>Depreciated:                 |                   |                |             |                    |
| Buildings and<br>Improvements                  | \$ 10,745,672     | \$ 0           | \$ 0        | \$ 10,745,672      |
| Infrastructure                                 | 16,851,143        | 0              | 0           | 16,851,143         |
| Other Capital Assets                           | 5,731,071         | 485,956        | (22,139)    | 6,194,888          |
| Total Capital Assets<br>Depreciated            | \$ 33,327,886     | \$ 485,956     | \$ (22,139) | \$ 33,791,703      |
| Less Accumulated<br>Depreciation for:          |                   |                |             |                    |
| Buildings and<br>Improvements                  | \$ 4,758,968      | \$ 267,012     | \$ 0        | \$ 5,025,980       |
| Infrastructure                                 | 10,085,620        | 4,037,995      | 0           | 14,123,615         |
| Other Capital Assets                           | 4,296,914         | 437,936        | (4,428)     | 4,730,422          |
| Total Accumulated<br>Depreciation              | \$ 19,141,502     | \$ 4,742,943   | \$ (4,428)  | \$ 23,880,017      |
| Total Capital Assets<br>Depreciated, Net       | \$ 14,186,384     | \$ (4,256,987) | \$ (17,711) | \$ 9,911,686       |
| Governmental Activities<br>Capital Assets, Net | \$ 15,478,502     | \$ (4,256,987) | \$ (17,711) | \$ 11,203,804      |

Increases in accumulated depreciation include a prior-period adjustment of \$3,707,880 because depreciation was not calculated in accordance with capital asset policies in prior years. Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

|   |                                |
|---|--------------------------------|
| General Government  | \$ 194,147                     |
| Public Safety   | 311,641                        |
| Public Health and Welfare                                   | 57,860                         |
| Social, Cultural, and Recreational Services                 | 32,795                         |
| Highway/Public Works  | <u>438,620</u>                 |
| <br>Total Depreciation Expense -<br>Governmental Activities | <br><u><u>\$ 1,035,063</u></u> |

**Discretely Presented Cheatham County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-08           | Increases                  | Decreases                    | Balance<br>6-30-09          |
|--|-----------------------------|----------------------------|------------------------------|-----------------------------|
| Capital Assets Not<br>Depreciated:             |                             |                            |                              |                             |
| Land   | \$ 781,997                  | \$ 0                       | \$ 0                         | \$ 781,997                  |
| Construction in Progress                       | 7,675,146                   | 4,439,745                  | (2,928,777)                  | <u>9,186,114</u>            |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 8,457,143</u>         | <u>\$ 4,439,745</u>        | <u>\$ (2,928,777)</u>        | <u>\$ 9,968,111</u>         |
| Capital Assets Depreciated:                    |                             |                            |                              |                             |
| Buildings and<br>Improvements                  | \$ 73,033,790               | \$ 3,566,464               | \$ 0                         | \$ 76,600,254               |
| Other Capital Assets                           | 4,865,045                   | 575,417                    | 0                            | <u>5,440,462</u>            |
| Total Capital Assets<br>Depreciated            | <u>\$ 77,898,835</u>        | <u>\$ 4,141,881</u>        | <u>\$ 0</u>                  | <u>\$ 82,040,716</u>        |
| Less Accumulated<br>Depreciation for:          |                             |                            |                              |                             |
| Buildings and<br>Improvements                  | \$ 30,188,896               | \$ 1,758,243               | \$ 0                         | \$ 31,947,139               |
| Other Capital Assets                           | 1,568,244                   | 292,840                    | 0                            | <u>1,861,084</u>            |
| Total Accumulated<br>Depreciation              | <u>\$ 31,757,140</u>        | <u>\$ 2,051,083</u>        | <u>\$ 0</u>                  | <u>\$ 33,808,223</u>        |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 46,141,695</u>        | <u>\$ 2,090,798</u>        | <u>\$ 0</u>                  | <u>\$ 48,232,493</u>        |
| Governmental Activities<br>Capital Assets, Net | <u><u>\$ 54,598,838</u></u> | <u><u>\$ 6,530,543</u></u> | <u><u>\$ (2,928,777)</u></u> | <u><u>\$ 58,200,604</u></u> |

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

**Governmental Activities:**

Support Services \$ 2,051,083

Total Depreciation Expense -  
Governmental Activities \$ 2,051,083

**D. Construction Commitments**

At June 30, 2009, the Other Capital Projects and Education Capital Projects funds had uncompleted construction contracts totaling \$11,432 and \$625,889, respectively. Funding has been received for these future expenditures.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances at June 30, 2009, is as follows:

**Due to/from Other Funds:**

| <u>Receivable Fund</u>      | <u>Payable Fund</u>    | <u>Amount</u> |
|-----------------------------|------------------------|---------------|
| Primary Government:         |                        |               |
| Education Debt Service      | General                | \$ 220,000    |
| General                     | Nonmajor governmental  | 1,150         |
| Discretely Presented School |                        |               |
| Department:                 |                        |               |
| General Purpose School      | Nonmajor governmental  | 746           |
| Nonmajor governmental       | General Purpose School | 656           |

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2009, consisted of the following amount:

**Primary Government**

|                     |  |
|---------------------|--|
|                     | Transfer<br>In                                 |
|                     | <u>Education<br/>Debt<br/>Service<br/>Fund</u> |
| <u>Transfer Out</u> |  |
| General Fund        | \$ 220,000                                     |

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

**F. Capital Leases**

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

| <u>Asset</u>  | <u>Original<br/>Amount<br/>of Lease</u> | <u>Interest<br/>Rate</u> | <u>Date<br/>of<br/>Issuance</u> | <u>Last<br/>Payment<br/>Date</u> |
|---------------|---|--------------------------|---------------------------------|----------------------------------|
| Dump Truck    | \$ 42,500                               | 6.37 %                   | 2-14-05                         | 1-14-09                          |
| Two Tractors  | 81,474                                  | 5.15                     | 4-15-05                         | 4-15-10                          |
| Tractor/Mower | 67,232                                  | 4.87                     | 4-15-08                         | 4-15-13                          |
| Paver         | 243,259                                 | 4.34                     | 4-17-08                         | 4-25-13                          |

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

| <u>Year Ending<br/>June 30</u>             | <u>Amount</u>     |
|--|-------------------|
| 2010                                       | \$ 86,341         |
| 2011                                       | 69,384            |
| 2012                                       | 69,388            |
| 2013                                       | <u>57,818</u>     |
| Total Minimum Lease Payments               | \$ 282,931        |
| Less: Amount Representing Interest         | <u>(22,375)</u>   |
| Present Value of Minimum<br>Lease Payments | <u>\$ 260,556</u> |

All capital leases will be retired by the Highway/Public Works Fund.

**G. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, Line of Credit, and Other Loans**

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. A line of credit is used to pay for expenditures related to a state-aid highway project.

General obligation bonds, capital outlay notes, the line of credit, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, line of credit, and other loans outstanding were issued for original terms of up to 13 years for bonds, up to 12 years for notes, up to two years for the line of credit, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, the line of credit, and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds, capital outlay notes, the line of credit, other loans, and capital leases outstanding as of June 30, 2009, are as follows:

| <u>Type</u>                | <u>Interest<br/>Rate</u> | <u>Original<br/>Amount<br/>of Issue</u> | <u>Balance<br/>6-30-09</u> |
|----------------------------|--------------------------|---|----------------------------|
| General Obligation Bonds - |                          |   |                            |
| Refunding                  | 2 to 4                   | % \$ 17,499,500                         | \$ 16,074,500              |
| Capital Outlay Notes       | 3.979                    | 400,000                                 | 116,000                    |
| Other Loans                | variable                 | 18,272,130                              | 12,406,038                 |
| Line of Credit             | variable                 | 109,667                                 | 109,648                    |
| Capital Leases             | 4.34 to 5.15             | 391,965                                 | 260,556                    |

In prior years, Cheatham County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned \$7,040,703, \$2,262,948, and \$9,820,000 to Cheatham County for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At

June 30, 2009, the variable interest rate was .48 percent on the \$7,040,703 and \$2,262,948 loans, .39 percent on the \$9,820,000 loan; and other fees based on the outstanding loan principal amounted to approximately .25 percent on the \$7,040,703 loan, .2 percent on the \$2,262,948 loan, and .17 percent on the \$9,820,000 loan (letter of credit); .08 percent (remarketing); and \$85 per month per loan (trustee).

The annual requirements to amortize all general obligation bonds, notes, the line of credit, and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

| Year Ending<br>June 30 | Bonds                |                     |                      |
|------------------------|----------------------|---------------------|----------------------|
|                        | Principal            | Interest            | Total                |
| 2010                   | \$ 1,154,000         | \$ 540,421          | \$ 1,694,421         |
| 2011                   | 1,209,000            | 505,841             | 1,714,841            |
| 2012                   | 1,264,000            | 468,894             | 1,732,894            |
| 2013                   | 1,319,000            | 428,746             | 1,747,746            |
| 2014                   | 1,371,000            | 385,437             | 1,756,437            |
| 2015-2019              | 7,901,210            | 1,169,638           | 9,070,848            |
| 2020-2022              | 1,856,290            | 104,923             | 1,961,213            |
| Total                  | <u>\$ 16,074,500</u> | <u>\$ 3,603,900</u> | <u>\$ 19,678,400</u> |

| Year Ending<br>June 30 | Notes             |                  |                   |
|------------------------|-------------------|------------------|-------------------|
|                        | Principal         | Interest         | Total             |
| 2010                   | \$ 30,000         | \$ 4,616         | \$ 34,616         |
| 2011                   | 31,000            | 3,422            | 34,422            |
| 2012                   | 32,000            | 2,188            | 34,188            |
| 2013                   | 23,000            | 915              | 23,915            |
| Total                  | <u>\$ 116,000</u> | <u>\$ 11,141</u> | <u>\$ 127,141</u> |

| Year Ending<br>June 30 | Line of Credit    |                 |                   |
|------------------------|-------------------|-----------------|-------------------|
|                        | Principal         | Interest        | Total             |
| 2010                   | \$ 0              | \$ 4,725        | \$ 4,725          |
| 2011                   | 109,648           | 1,204           | 110,852           |
| Total                  | <u>\$ 109,648</u> | <u>\$ 5,929</u> | <u>\$ 115,577</u> |

| Year Ending<br>June 30 | Other Loans          |                   |                   |                      |
|------------------------|----------------------|-------------------|-------------------|----------------------|
|                        | Principal            | Interest          | Other<br>Fees     | Total                |
| 2010                   | \$ 1,822,543         | \$ 53,257         | \$ 38,458         | \$ 1,914,258         |
| 2011                   | 1,914,071            | 45,685            | 33,556            | 1,993,312            |
| 2012                   | 2,009,825            | 37,735            | 28,408            | 2,075,968            |
| 2013                   | 2,109,865            | 29,386            | 23,003            | 2,162,254            |
| 2014                   | 1,364,737            | 20,897            | 17,364            | 1,402,998            |
| 2015-2019              | 3,184,997            | 44,847            | 39,850            | 3,269,694            |
| Total                  | <u>\$ 12,406,038</u> | <u>\$ 231,807</u> | <u>\$ 180,639</u> | <u>\$ 12,818,484</u> |

There is \$1,975,828 available in the General Debt Service and \$8,933,611 in the Education Debt Service funds to service long-term debt. Bonded debt per capita totaled \$448, based on the 2000 federal census. Debt per capita, including bonds, notes, the line of credit, other loans, and capital leases totaled \$807, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

| Governmental Activities     | Other                |                   |                         |
|-----------------------------|----------------------|-------------------|-------------------------|
|                             | Bonds                | Notes             | Loans                   |
| Balance, July 1, 2008       | \$ 9,365,000         | \$ 920,000        | \$ 16,974,028           |
| Additions                   | 7,894,500            | 1,254,938         | 5,062,694               |
| Deductions                  | (1,185,000)          | (2,058,938)       | (9,630,684)             |
| Balance, June 30, 2009      | <u>\$ 16,074,500</u> | <u>\$ 116,000</u> | <u>\$ 12,406,038</u>    |
| Balance Due Within One Year | <u>\$ 1,154,000</u>  | <u>\$ 30,000</u>  | <u>\$ 1,822,543</u>     |
|                             | Capital<br>Leases    | Line of<br>Credit | Compensated<br>Absences |
| Balance, July 1, 2008       | \$ 340,347           | \$ 82,090         | \$ 820,005              |
| Additions                   | 0                    | 27,577            | 652,132                 |
| Deductions                  | (79,791)             | (19)              | (570,936)               |
| Balance, June 30, 2009      | <u>\$ 260,556</u>    | <u>\$ 109,648</u> | <u>\$ 901,201</u>       |
| Balance Due Within One Year | <u>\$ 76,187</u>     | <u>\$ 0</u>       | <u>\$ 180,241</u>       |

|                             | Other<br>Postemployment<br>Benefits | Landfill<br>Closure/<br>Postclosure<br>Care Costs |
|-----------------------------|-------------------------------------|---|
| Balance, July 1, 2008       | \$ 4,421                            | \$ 1,005,411                                      |
| Additions                   | 30,511                              | 4,723   |
| Deductions                  | (25,583)                            | (808,658)   |
| Balance, June 30, 2009      | <u>\$ 9,349</u>                     | <u>\$ 201,476</u>                                 |
| Balance Due Within One Year | <u>\$ 0</u>                         | <u>\$ 0</u>                                       |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                      |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2009                       | \$ 30,078,768        |
| Less: Due Within One Year   | (3,262,971)          |
| Less: Deferred Amount on Refunding                                | <u>(338,411)</u>     |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 26,477,386</u> |

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

Current Refunding

On April 29, 2009, Cheatham County currently refunded a loan with a separate general obligation refunding bond to restructure the risks associated with the interest rates from variable rates to a fixed rate. The county issued \$7,894,500 of refunding bonds to provide resources to retire the loan. As a result, the other loan's liability has been removed from the county's long-term debt.

**Discretely Presented Cheatham County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Cheatham County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

|                             | Compensated<br>Absences | Other<br>Postemployment<br>Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2008       | \$ 164,074              | \$ 1,586,888                        |
| Additions                   | 0                       | 2,006,907                           |
| Deductions                  | (164,074)               | (416,850)                           |
| Balance, June 30, 2009      | <u>\$ 0</u>             | <u>\$ 3,176,945</u>                 |
| Balance Due Within One Year | <u>\$ 0</u>             | <u>\$ 0</u>                         |

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

**H. On-Behalf Payments – Discretely Presented Cheatham County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cheatham 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, 2009, were \$92,857 and \$11,071, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**I. Short-term Debt**

Cheatham County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the following funds. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

| Fund                   | Balance<br>7-1-08 | Issued     | Paid         | Balance<br>6-30-09 |
|------------------------|-------------------|------------|--------------|--------------------|
| General                | \$ 0              | \$ 500,000 | \$ (500,000) | \$ 0               |
| Solid Waste/Sanitation | 0                 | 600,000    | (600,000)    | 0                  |
| General Purpose School | 0                 | 1,000,000  | (1,000,000)  | 0                  |

## V. OTHER INFORMATION

### A. Risk Management

Cheatham County and the discretely presented Cheatham County School Department joined the Tennessee 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 county 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.

Cheatham County provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The Cheatham 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, 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. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were

not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Cheatham County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Cheatham County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Cheatham County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Cheatham County could have endowment investments in subsequent years.

**C. Subsequent Events**

On September 11, 2009, the Education Debt Service Fund issued tax anticipation notes of \$500,000 to the General Fund, \$125,000 to the Solid Waste/Sanitation Fund, and \$1,000,000 to the General Purpose School Fund to provide temporary operating funds.

On October 16, 2009, the Education Debt Service Fund issued tax anticipation notes of \$500,000 to the General Fund to provide temporary operating funds.

On December 21, 2009, Cheatham County Commission approved the issuance of capital outlay notes not to exceed \$433,275 for the purchase of school buses.

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**E. Change in Administration**

On June 18, 2009, Lynn Seifert left the Office of Director of Schools and was succeeded by Dianne Williams.

**F. Landfill Closure/Postclosure Care Costs**

Cheatham County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require Cheatham County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$201,476 reported as landfill closure and postclosure care liability at June 30, 2009, represents the cumulative amount reported to date based on the use of 21 percent of the estimated capacity of the landfill. Cheatham County stopped accepting waste at the landfill in March 1994; however, the landfill has not been closed. The county contracted its waste management with a private vendor. The county will recognize the remaining estimated costs of closure and postclosure care of \$779,038 if or as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

The Cheatham County Joint Economic and Community Development Board is a joint venture between Cheatham County and the cities of Ashland City, Kingston Springs, Pegram, and Pleasant View. The board comprises the county mayor, city mayors, and eight additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Cheatham County paid expenses of \$198,059 on behalf of and contributed \$50,936 to the Cheatham County Joint Economic and Community Development Board during the 2008-09 year.

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Cheatham County made no contributions to the DTF for the year ended June 30, 2009.

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

Administrative Offices:

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

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

**H. Jointly Governed Organization**

The Cheatham County Rail Authority was created by the county in conjunction with Metropolitan Davidson County. The Cheatham County Rail Authority's board includes seven members. Five members are appointed by the Cheatham County Commission, and two members are appointed by Metropolitan Davidson County. Cheatham County did not appropriate any funds to the authority for the year ended June 30, 2009. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

**I. Retirement Commitments**

**Employees**

**Plan Description**

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

Cheatham County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

### **Funding Policy**

Cheatham County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 5.14 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Cheatham County is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2009, Cheatham County's annual pension cost of \$711,000 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Cheatham County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight 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 |
|-------------------|---------------------------|-------------------------------|------------------------|
| 6-30-09           | \$711,000                 | 100%                          | \$0                    |
| 6-30-08           | 657,081                   | 100                           | 0                      |
| 6-30-07           | 572,085                   | 100                           | 0                      |

### Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 94.09 percent funded. The actuarial accrued liability for benefits was \$22.97 million, and the actuarial value of assets was \$21.61 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.36 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.03 million, and the ratio of the UAAL to the covered payroll was 12.32 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents 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 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 Cheatham County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of

service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Cheatham County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were \$1,406,017, \$1,371,881, and \$1,266,589, respectively, equal to the required contributions for each year.

## **J. Other Postemployment Benefits (OPEB)**

### **Plan Description**

Cheatham County and the School Department participate in the state-administered the Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for teachers and Section 8-27-207, TCA, for local governments. 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://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their 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. Cheatham County and the School Department recognized expenditures of \$25,583 and \$416,850, respectively, for postemployment benefits during the year ended June 30, 2009.

Annual OPEB Cost and Net OPEB Obligation

|                                  | Local<br>Education<br>Group<br>Insurance<br>Plan | Local<br>Government<br>Group<br>Insurance<br>Plan |
|----------------------------------|--|---|
|                                  | <u>Plan</u>                                      | <u>Plan</u>                                       |
| ARC                              | \$ 2,005,000                                     | \$ 30,506   |
| Interest on the NPO              | 71,410   | 199   |
| Adjustment to the ARC            | <u>(69,503)</u>                                  | <u>(194)</u>                                      |
| Annual OPEB cost                 | \$ 2,006,907                                     | \$ 30,511   |
| Amount of contribution           | <u>(416,850)</u>                                 | <u>(25,583)</u>                                   |
| Increase/decrease in NPO         | \$ 1,590,057                                     | \$ 4,928  |
| Net OPEB obligation, 7-1-08      | <u>1,586,888</u>                                 | <u>4,421</u>                                      |
| <br>Net OPEB obligation, 6-30-09 | <br><u>\$ 3,176,945</u>                          | <br><u>\$ 9,349</u>                               |

| Fiscal Year Ended* | Plans                  | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|--------------------|------------------------|------------------|--|---------------------------------|
| 6-30-08            | Local Education Group  | \$ 2,005,000     | 21 %                                       | \$ 1,586,888                    |
| 6-30-09            | "                      | 2,006,907        | 21   | 3,176,945                       |
| 6-30-08            | Local Government Group | 30,248           | 85   | 4,421                           |
| 6-30-09            | "                      | 30,511           | 84   | 9,349                           |

\* Data only available for two years.

#### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

|   | Local Education Group Insurance Plan | Local Government Group Insurance Plan |
|---|--------------------------------------|---------------------------------------|
| Actuarial valuation date                    | 7-1-07                               | 7-1-07                                |
| Actuarial accrued liability (AAL)           | \$ 14,514,000                        | \$ 202,277                            |
| Actuarial value of plan assets              | \$ 0                                 | \$ 0                                  |
| Unfunded actuarial accrued liability (UAAL) | \$ 14,514,000                        | \$ 202,277                            |
| Actuarial value of assets as a % of the AAL | 0%                                   | 0%                                    |
| Covered payroll (active plan members)       | \$ 22,198,983                        | \$ 8,098,927                          |
| UAAL as a % of covered payroll              | 65%                                  | 2%                                    |

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 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.

**K. Office of Central Accounting and Budgeting**

Office of Director of Accounts and Budgets

Cheatham County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering all funds administered by the county mayor and road superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

**L. Purchasing Laws**

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by Chapter 250, Private Acts of 1933, as amended, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA). Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. Chapter 250, Private Acts of 1933, as amended, provides for the establishment of a Purchasing Commission whose responsibility is to establish guidelines for bid requirements and purchasing procedures and to keep a record of all purchases. The County Purchasing Law of 1983 and the Uniform Road Law both provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. In January 1987, the County Commission adopted a resolution requiring all purchases exceeding \$50 to be authorized by department heads and requiring the department heads to obtain purchase orders issued by the director of accounts and budgets.

Office of Director of Schools

Purchasing procedures for the discretely presented Cheatham County School Department are governed by purchasing laws applicable to schools as set

forth in Section 49-2-203, TCA, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

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

**A. General Statement**

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

**1. Summary of Significant Accounting Policies**

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

**2. Cash and Cash Equivalents**

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

**3. Major Sources of Revenue**

The major sources of operating revenue are emergency telephone charges collected from telephone companies, wireless surcharges, and operational funds from the state.

**4. Occupancy and Personnel In-Kind**

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

**B. Cash and Cash Equivalents**

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

The following is a schedule of bank accounts at June 30, 2009:

|  |                          |
|--|--------------------------|
| Checking - Prime Trust Bank                | \$ 139,756               |
| Money Market - Prime Trust Bank            | 87,781                   |
| Certificates of Deposit - Prime Trust Bank | 100,000                  |
| Local Government Investment Pool           | <u>9,590</u>             |
| Total                                      | <u><u>\$ 337,127</u></u> |

At June 30, 2009, the carrying amount of the Cheatham County Emergency Communications District's cash deposits was \$337,127. The district's deposit accounts are covered up to \$250,000 by the FDIC. Any amounts over \$100,000 are covered by the government collateralization pool of which Prime Trust Bank is a member. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, TCA.

**C. Bonding**

Cheatham County Emergency Communications District had insurance coverage for commercial liability, automobile, management, and surety bonds covering the treasurer, other members of the board, and the coordinator totaling \$51,600 each at June 30, 2009. There have been no losses or settlements during the past three years.

**D. Capital Assets**

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2009:

| <u>Assets</u>            | <u>Cost</u>         | <u>Depreciation Expense</u> | <u>Accumulated Depreciation</u> |
|--------------------------|---------------------|-----------------------------|---------------------------------|
| Communications Equipment | \$ 1,047,993        | \$ 35,793                   | \$ 571,006                      |
| Office Equipment         | 11,439              | 393                         | 11,346                          |
| Vehicles                 | 9,427               | 1,725                       | 6,695                           |
| Total                    | <u>\$ 1,068,859</u> | <u>\$ 37,911</u>            | <u>\$ 589,047</u>               |

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

| <u>Assets</u>           | <u>Balance 7-1-08</u> | <u>Additions</u> | <u>Balance 6-30-09</u> |
|-------------------------|-----------------------|------------------|------------------------|
| Communication Equipment | \$ 1,021,289          | \$ 26,704        | \$ 1,047,993           |
| Office Equipment        | 11,439                | 0                | 11,439                 |
| Vehicles                | 9,427                 | 0                | 9,427                  |
| Total                   | <u>\$ 1,042,155</u>   | <u>\$ 26,704</u> | <u>\$ 1,068,859</u>    |

The district made no additions, adjustments, or retirements as of June 30, 2009.

**E. Accounts Receivable and Due from State ECB**

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

|                                       |                         |
|---------------------------------------|-------------------------|
| <u>Accounts Receivable</u>            |                         |
| Bell South                            | \$ 15,532               |
| Other Emergency Phone Service Charges | 5,456                   |
| Subtotal                              | <u>\$ 20,988</u>        |
| <br><u>Due from State ECB</u>         |                         |
| State of Tennessee                    | <u>51,546</u>           |
| Total                                 | <u><u>\$ 72,534</u></u> |

**F. Notes Payable**

On September 29, 2006, the district borrowed \$400,000 from Cheatham County at an interest rate of 3.979 percent.

Maturities of long-term debt are as follows:

| Year Ending<br>June 30 | Principal         | Interest         | Balance     |
|------------------------|-------------------|------------------|-------------|
| 2010                   | \$ 30,000         | \$ 4,616         | \$ 86,000   |
| 2011                   | 31,000            | 3,422            | 55,000      |
| 2012                   | 32,000            | 2,188            | 23,000      |
| 2013                   | 23,000            | 915              | 0           |
| Total                  | <u>\$ 116,000</u> | <u>\$ 11,141</u> | <u>\$ 0</u> |

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

| Balance<br>7-1-08 | Principle<br>Payments | Balance<br>6-30-09 |
|-------------------|-----------------------|--------------------|
| <u>\$ 195,000</u> | <u>\$ (79,000)</u>    | <u>\$ 116,000</u>  |

**G. Contracts with Government Agencies**

The Cheatham County Emergency Communications District pays the Cheatham County government for contract labor. The district had no employees of its own at June 30, 2009.

**H. Compensated Absences**

The district does not have any employees; therefore, no compensated absence liability has been recorded.

**I. Budgetary Information**

As stated in Note VI.A.1, the district must file a budget with Cheatham County each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

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

**A. General Statement and Summary of Significant Accounting Policies**

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

County. The Cheatham County Water and Waste Authority is run by a board of directors, which is appointed by Cheatham County.

**1. Summary of Significant Accounting Policies**

**a. Capital Assets and Depreciation**

Capital assets are recorded at cost and depreciated over their useful lives of 40 years using the straight-line method. Construction period interest is capitalized. All capital expenditures under \$1,000 are expensed. Of the \$1,014,090 capital assets included in these financial statements, approximately \$759,000 is based not on cost, but on the best evidence available, which is bid cost and/or preliminary cost estimates according to the engineer.

**b. Basis of Accounting**

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

**c. Measurement Focus**

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

**d. Use of Estimates**

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

e. **Cash and Cash Equivalents**

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

f. **Major Sources of Revenue**

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

**B. Cash and Cash Investments**

The Tennessee Code Annotated (TCA), requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2009:

|                              |                   |
|------------------------------|-------------------|
| Checking - Community B&T     | \$ 152,792        |
| Money Market - Community B&T | <u>379,352</u>    |
| Total                        | <u>\$ 532,144</u> |

At June 30, 2009, the carrying amount of the Cheatham County Water and Waste Water Authority's cash deposits was \$532,144. The authority's deposit accounts are covered up to \$250,000 by the FDIC. Any amounts over \$250,000 are covered by the government collateralization pool of which Community Bank & Trust is a member. The authority is authorized to deposit and invest funds according to the provisions of Section 5-8-301, TCA.

**C. Bonding**

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

**D. Capital Assets**

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2009:

| <u>Assets</u>          | <u>Cost</u>         | <u>Depreciation<br/>Expense</u> | <u>Accumulated<br/>Depreciation</u> |
|------------------------|---------------------|---------------------------------|-------------------------------------|
| <u>Non-Depreciable</u> |                     |                                 |                                     |
| Land                   | \$ 41,280           | \$ 0                            | \$ 0                                |
| <u>Depreciable</u>     |                     |                                 |                                     |
| Water Sewage Plant     | 1,014,090           | 25,352                          | 783,754                             |
| Total Assets           | <u>\$ 1,055,370</u> | <u>\$ 25,352</u>                | <u>\$ 783,754</u>                   |

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

|                                 | <u>Balance<br/>7-1-08</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance<br/>6-30-09</u> |
|---------------------------------|---------------------------|------------------|------------------|----------------------------|
| <u>Assets</u>                   |                           |                  |                  |                            |
| <u>Non-Depreciable</u>          |                           |                  |                  |                            |
| Land                            | \$ 0                      | \$ 41,280        | \$ 0             | \$ 41,280                  |
| <u>Depreciable</u>              |                           |                  |                  |                            |
| Water Sewer Plant               | 1,014,090                 | 0                | 0                | 1,014,090                  |
| Total Assets                    | <u>\$ 1,014,090</u>       | <u>\$ 41,280</u> | <u>\$ 0</u>      | <u>\$ 1,055,370</u>        |
| <u>Accumulated Depreciation</u> |                           |                  |                  |                            |
| <u>Depreciable</u>              |                           |                  |                  |                            |
| Water Sewer Plant               | \$ 758,402                | \$ 25,352        | \$ 0             | \$ 783,754                 |
| Total Accum. Depr.              | <u>\$ 758,402</u>         | <u>\$ 25,352</u> | <u>\$ 0</u>      | <u>\$ 783,754</u>          |
| <u>Net Capital Assets</u>       |                           |                  |                  |                            |
| <u>Non-Depreciable</u>          |                           |                  |                  |                            |
| Land                            | \$ 0                      | \$ 41,280        | \$ 0             | \$ 41,280                  |
| <u>Depreciable</u>              |                           |                  |                  |                            |
| Water Sewer Plant               | 255,688                   | 0                | 25,352           | 230,336                    |
| Total Accum. Depr.              | <u>\$ 255,688</u>         | <u>\$ 41,280</u> | <u>\$ 25,352</u> | <u>\$ 271,616</u>          |

**E. Accounts Receivable**

Accounts receivable consist of the following for sewer charges:

| <u>Accounts Receivable</u> |                  |
|----------------------------|------------------|
| Ashland City               | \$ 3,949         |
| Various Companies          | <u>9,165</u>     |
| Total                      | <u>\$ 13,114</u> |

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2009

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|                                       |                           |                                   |                                   |   | Original             | Final                |  |
|                                       |                           |                                   |                                   |   |                      |                      |  |
| <b>Revenues</b>                       |                           |                                   |                                   |   |                      |                      |  |
| Local Taxes                           | \$ 7,204,878              | \$ 0                              | \$ 0                              | \$ 7,204,878  | \$ 7,827,161         | \$ 7,827,161         | \$ (622,283)   |
| Licenses and Permits                  | 326,135                   | 0                                 | 0                                 | 326,135   | 456,750              | 456,750              | (130,615)  |
| Fines, Forfeitures, and Penalties     | 169,903                   | 0                                 | 0                                 | 169,903   | 194,750              | 195,960              | (26,057)   |
| Charges for Current Services          | 816,704                   | 0                                 | 0                                 | 816,704   | 772,293              | 854,664              | (37,960)   |
| Other Local Revenues                  | 386,452                   | 0                                 | 0                                 | 386,452   | 722,500              | 746,884              | (360,432)  |
| Fees Received from County Officials   | 1,723,976                 | 0                                 | 0                                 | 1,723,976   | 1,818,000            | 1,818,000            | (94,024)   |
| State of Tennessee                    | 574,547                   | 0                                 | 0                                 | 574,547   | 605,992              | 627,182              | (52,635)   |
| Federal Government                    | 158,237                   | 0                                 | 0                                 | 158,237   | 53,359               | 157,618              | 619  |
| Other Governments and Citizens Groups | 234,780                   | 0                                 | 0                                 | 234,780   | 359,278              | 374,278              | (139,498)  |
| <b>Total Revenues</b>                 | <b>\$ 11,595,612</b>      | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 11,595,612</b>  | <b>\$ 12,810,083</b> | <b>\$ 13,058,497</b> | <b>\$ (1,462,885)</b>  |
| <b>Expenditures</b>                   |                           |                                   |                                   |   |                      |                      |  |
| <u>General Government</u>             |                           |                                   |                                   |   |                      |                      |  |
| County Commission                     | \$ 113,444                | \$ (72)                           | \$ 48                             | \$ 113,420  | \$ 100,575           | \$ 128,640           | \$ 15,230  |
| Other Boards and Committees           | 0                         | 0                                 | 0                                 | 0   | 250                  | 250                  | 250  |
| County Mayor/Executive                | 241,307                   | 0                                 | 500                               | 241,807   | 237,817              | 276,080              | 34,273   |
| Personnel Office                      | 65,805                    | 0                                 | 400                               | 66,205  | 74,886               | 69,811               | 3,606  |
| Election Commission                   | 157,148                   | 0                                 | 1,657                             | 158,805   | 183,127              | 171,196              | 12,391   |
| Register of Deeds                     | 167,338                   | (1,946)                           | 610                               | 166,002   | 177,162              | 177,860              | 11,858   |
| Planning                              | 129,083                   | (1,183)                           | 0                                 | 127,900   | 162,715              | 152,565              | 24,665   |
| Building                              | 205,953                   | (70)                              | 1,205                             | 207,088   | 225,506              | 222,438              | 15,350   |
| County Buildings                      | 478,322                   | (934)                             | 7,130                             | 484,518   | 457,908              | 485,771              | 1,253  |
| <u>Finance</u>                        |                           |                                   |                                   |   |                      |                      |  |
| Accounting and Budgeting              | 277,724                   | (3,900)                           | 743                               | 274,567   | 300,384              | 285,159              | 10,592   |
| Property Assessor's Office            | 230,491                   | (545)                             | 5,085                             | 235,031   | 273,757              | 252,747              | 17,716   |

(Continued)

Exhibit E-1

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

|                                      | Actual<br>(GAAP<br>Basis) | Less:        |       | Add:<br>6/30/2009<br>Encumbrances | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |           | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--------------------------------------|---------------------------|--------------|-------|-----------------------------------|---|------------------|-----------|--|
|                                      |                           | 7/1/2008     |       |                                   |   | Original         | Final     |  |
|                                      |                           | Encumbrances |       |                                   |   |                  |           |  |
| <u>Expenditures (Cont.)</u>          |                           |              |       |                                   |   |                  |           |  |
| <u>Finance (Cont.)</u>               |                           |              |       |                                   |   |                  |           |  |
| Reappraisal Program                  | \$ 45,636                 | \$ 0         | \$ 0  | \$ 0                              | \$ 45,636   | \$ 50,991        | \$ 45,916 | \$ 280   |
| County Trustee's Office              | 196,815                   | (2,279)      | 2,855 | 197,391                           | 224,629   | 203,619          | 203,619   | 6,228  |
| County Clerk's Office                | 319,379                   | (230)        | 8     | 319,157                           | 374,472   | 337,527          | 337,527   | 18,370   |
| <u>Administration of Justice</u>     |                           |              |       |                                   |   |                  |           |  |
| Circuit Court                        | 392,685                   | (619)        | 1,710 | 393,776                           | 454,196   | 417,961          | 417,961   | 24,185   |
| General Sessions Court               | 135,186                   | 0            | 0     | 135,186                           | 149,191   | 138,330          | 138,330   | 3,144  |
| Chancery Court                       | 218,480                   | (871)        | 306   | 217,915                           | 247,677   | 226,667          | 226,667   | 8,752  |
| Juvenile Court                       | 285,239                   | (70)         | 0     | 285,169                           | 302,823   | 288,733          | 288,733   | 3,564  |
| Probation Services                   | 148,158                   | (2,384)      | 650   | 146,424                           | 153,145   | 148,070          | 148,070   | 1,646  |
| Courtroom Security                   | 115,143                   | 0            | 0     | 115,143                           | 114,091   | 122,522          | 122,522   | 7,379  |
| <u>Public Safety</u>                 |                           |              |       |                                   |   |                  |           |  |
| Sheriff's Department                 | 1,916,857                 | (10,507)     | 6,352 | 1,912,702                         | 2,035,910   | 1,928,543        | 1,928,543 | 15,841   |
| Jail                                 | 1,251,076                 | (7,010)      | 1,500 | 1,245,566                         | 1,480,199   | 1,331,699        | 1,331,699 | 86,133   |
| Rural Fire Protection                | 240,560                   | 0            | 0     | 240,560                           | 240,561   | 240,561          | 240,561   | 1  |
| Other Emergency Management           | 108,360                   | (140)        | 197   | 108,417                           | 115,092   | 110,017          | 110,017   | 1,600  |
| County Coroner/Medical Examiner      | 42,338                    | 0            | 0     | 42,338                            | 42,600  | 42,600           | 42,600    | 262  |
| Other Public Safety                  | 574,816                   | 0            | 0     | 574,816                           | 663,836   | 590,656          | 590,656   | 15,840   |
| <u>Public Health and Welfare</u>     |                           |              |       |                                   |   |                  |           |  |
| Local Health Center                  | 22,516                    | 0            | 478   | 22,994                            | 35,865  | 35,865           | 35,865    | 12,871   |
| Rabies and Animal Control            | 158,892                   | (625)        | 6,479 | 164,746                           | 223,865   | 203,565          | 203,565   | 38,819   |
| Ambulance/Emergency Medical Services | 1,573,951                 | (1,757)      | 7,475 | 1,579,669                         | 1,597,089   | 1,593,049        | 1,593,049 | 13,380   |
| Other Local Health Services          | 36,201                    | 0            | 0     | 36,201                            | 36,590  | 36,590           | 36,590    | 389  |
| General Welfare Assistance           | 33,198                    | 0            | 0     | 33,198                            | 33,000  | 33,198           | 33,198    | 0  |
| Sanitation Education/Information     | 41,639                    | 0            | 0     | 41,639                            | 43,827  | 44,327           | 44,327    | 2,688  |

(Continued)

Exhibit E-1

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>                              |                           |                                   |                                   |   |                  |               |  |
| <u>Social, Cultural, and Recreational Services</u>       |                           |                                   |                                   |   |                  |               |  |
| Senior Citizens Assistance                               | \$ 66,755                 | \$ 0                              | \$ 0                              | \$ 66,755   | \$ 68,000        | \$ 68,000     | \$ 1,245   |
| Libraries  | 210,584                   | (4,303)                           | 8,466                             | 214,747   | 206,213          | 216,017       | 1,270  |
| Parks and Fair Boards                                    | 142,180                   | 0                                 | 0                                 | 142,180   | 0                | 142,180       | 0  |
| <u>Agriculture and Natural Resources</u>                 |                           |                                   |                                   |   |                  |               |  |
| Agriculture Extension Service                            | 95,321                    | (1,168)                           | 1,000                             | 95,153  | 109,895          | 114,264       | 19,111   |
| Soil Conservation  | 34,912                    | 0                                 | 0                                 | 34,912  | 46,349           | 35,489        | 577  |
| <u>Other Operations</u>                                  |                           |                                   |                                   |   |                  |               |  |
| Other Economic and Community Development                 | 68,976                    | (1,889)                           | 0                                 | 67,087  | 107,489          | 102,414       | 35,327   |
| Veterans' Services                                       | 0                         | 0                                 | 0                                 | 0   | 1,844            | 1,844         | 1,844  |
| Other Charges  | 155,563                   | 0                                 | 0                                 | 155,563   | 150,000          | 155,000       | (563)  |
| Contributions to Other Agencies                          | 333,479                   | 0                                 | 0                                 | 333,479   | 286,500          | 339,883       | 6,404  |
| Employee Benefits  | 768,330                   | 0                                 | 0                                 | 768,330   | 54,837           | 872,097       | 103,767  |
| Miscellaneous  | 252,134                   | 0                                 | 0                                 | 252,134   | 270,968          | 257,705       | 5,571  |
| <u>Capital Projects</u>                                  |                           |                                   |                                   |   |                  |               |  |
| Public Health and Welfare Projects                       | 82,481                    | 0                                 | 0                                 | 82,481  | 0                | 82,481        | 0  |
| Total Expenditures                                       | \$ 12,134,455             | \$ (42,502)                       | \$ 54,854                         | \$ 12,146,807   | \$ 12,115,831    | \$ 12,729,906 | \$ 583,099   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (538,843)              | \$ 42,502                         | \$ (54,854)                       | \$ (551,195)  | \$ 694,252       | \$ 328,591    | \$ (879,786)   |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |               |  |
| Insurance Recovery                                       | \$ 325                    | \$ 0                              | \$ 0                              | \$ 325  | \$ 1,500         | \$ 1,500      | \$ (1,175)   |
| Transfers Out  | (220,000)                 | 0                                 | 0                                 | (220,000)   | (600,000)        | (600,000)     | 380,000  |
| Total Other Financing Sources (Uses)                     | \$ (219,675)              | \$ 0                              | \$ 0                              | \$ (219,675)  | \$ (598,500)     | \$ (598,500)  | \$ 378,825   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (758,518)              | \$ 42,502                         | \$ (54,854)                       | \$ (770,870)  | \$ 95,752        | \$ (269,909)  | \$ (500,961)   |
|  | 2,971,059                 | (42,502)                          | 0                                 | 2,928,557   | 821,189          | 821,189       | 2,107,368  |
| Fund Balance, June 30, 2009                              | \$ 2,212,541              | \$ 0                              | \$ (54,854)                       | \$ 2,157,687  | \$ 916,941       | \$ 551,280    | \$ 1,606,407   |

Exhibit E-2

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 949,279                | \$ 0                              | \$ 0                              | \$ 949,279  | \$ 937,350       | \$ 937,350   | \$ 11,929  |
| Other Local Revenues                                     | 67,435                    | 0                                 | 0                                 | 67,435  | 7,200            | 7,200        | 60,235   |
| State of Tennessee                                       | 1,906,100                 | 0                                 | 0                                 | 1,906,100   | 2,375,962        | 2,375,962    | (469,862)  |
| Total Revenues   | \$ 2,922,814              | \$ 0                              | \$ 0                              | \$ 2,922,814  | \$ 3,320,512     | \$ 3,320,512 | \$ (397,698)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>Highways</u>  |                           |                                   |                                   |   |                  |              |  |
| Administration   | \$ 160,285                | \$ 0                              | \$ 1,100                          | \$ 161,385  | \$ 174,997       | \$ 179,997   | \$ 18,612  |
| Highway and Bridge Maintenance                           | 2,038,952                 | (57,000)                          | 50,550                            | 2,032,502   | 2,369,122        | 2,364,122    | 331,620  |
| Operation and Maintenance of Equipment                   | 300,023                   | (750)                             | 0                                 | 299,273   | 402,815          | 402,815      | 103,542  |
| Other Charges  | 113,505                   | 0                                 | 0                                 | 113,505   | 127,350          | 127,350      | 13,845   |
| Employee Benefits  | 284,609                   | 0                                 | 0                                 | 284,609   | 398,700          | 398,700      | 114,091  |
| Capital Outlay   | 60,442                    | 0                                 | 0                                 | 60,442  | 37,000           | 64,577       | 4,135  |
| Principal on Debt  |                           |                                   |                                   |   |                  |              |  |
| Highways and Streets                                     | 79,791                    | 0                                 | 0                                 | 79,791  | 81,400           | 81,387       | 1,596  |
| Interest on Debt   |                           |                                   |                                   |   |                  |              |  |
| Highways and Streets                                     | 13,513                    | 0                                 | 0                                 | 13,513  | 13,500           | 13,513       | 0  |
| Total Expenditures                                       | \$ 3,051,120              | \$ (57,750)                       | \$ 51,650                         | \$ 3,045,020  | \$ 3,604,884     | \$ 3,632,461 | \$ 587,441   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (128,306)              | \$ 57,750                         | \$ (51,650)                       | \$ (122,206)  | \$ (284,372)     | \$ (311,949) | \$ 189,743   |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |              |  |
| Other Loans Issued                                       | \$ 27,577                 | \$ 0                              | \$ 0                              | \$ 27,577   | \$ 0             | \$ 27,577    | \$ 0   |
| Insurance Recovery                                       | 1,753                     | 0                                 | 0                                 | 1,753   | 0                | 0            | 1,753  |
| Total Other Financing Sources (Uses)                     | \$ 29,330                 | \$ 0                              | \$ 0                              | \$ 29,330   | \$ 0             | \$ 27,577    | \$ 1,753   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (98,976)               | \$ 57,750                         | \$ (51,650)                       | \$ (92,876)   | \$ (284,372)     | \$ (284,372) | \$ 191,496   |
| Fund Balance, July 1, 2008                               | 1,446,986                 | (57,750)                          | 0                                 | 1,389,236   | 1,362,491        | 1,362,491    | 26,745   |
| Fund Balance, June 30, 2009                              | \$ 1,348,010              | \$ 0                              | \$ (51,650)                       | \$ 1,296,360  | \$ 1,078,119     | \$ 1,078,119 | \$ 218,241   |

Exhibit E-3

Cheatham County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Cheatham County School Department  
June 30, 2009

(Dollar amounts in thousands)

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | UAAL as a Percentage of Covered Payroll |           | UAAL as a Percentage of Covered Payroll |           |
|-------------------|--------------------------|------------------------------------|---|-----------------------------|--------------------|---|-----------|---|-----------|
|                   |                          |                                    |   |                             |                    | Covered Payroll (c)                     | ((b-a)/c) | Covered Payroll (c)                     | ((b-a)/c) |
| 6-30-08           | 7-1-07                   | \$ 21,619                          | \$ 22,978                               | \$ 1,359                    | 94.09 %            | \$ 11,035                               | 12.32 %   | \$ 11,035                               | 12.32 %   |
| 6-30-09           | 7-1-07                   | 21,619                             | 22,978                                  | 1,359                       | 94.09              | 11,035                                  | 12.32     | 11,035                                  | 12.32     |

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 2007-08 year, therefore, data is only presented for two years.

Exhibit E-4

Cheatham County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Cheatham County School Department  
June 30, 2009

(Dollar amounts in thousands)

| Plans                  | Fiscal Year Ended* | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial 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) |
|------------------------|--------------------|--------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------|---------------------|---|
|                        |                    |                          |                               |                               |                             |                    |                     |   |
| Local Government Group | 6-30-08            | 7-1-07                   | \$ 0                          | 202 \$                        | 202 \$                      | 0 %                | \$ 8,098            | 2 %   |
| "                      | 6-30-09            | 7-1-07                   | 0                             | 202                           | 202                         | 0                  | 8,098               | 2   |
| Local Education Group  | 6-30-08            | 7-1-07                   | 0                             | 14,514                        | 14,514                      | 0                  | 22,030              | 66  |
| "                      | 6-30-09            | 7-1-07                   | 0                             | 14,514                        | 14,514                      | 0                  | 22,030              | 66  |

\*Data only available for two years.

**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2009**

**A. BUDGETARY INFORMATION**

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Other Boards and Committees, County Mayor/Executive, Personnel Office, 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 the GAAP basis is presented on the face of each budgetary schedule.

**B. CASH SHORTAGE – PRIOR AND CURRENT**

The Highway Department had a cash shortage of \$68,281.11 at June 30, 2008. This cash shortage resulted from the bookkeeper falsifying checks for personal use. The Tennessee Consolidated Retirement System paid \$30,097.36 on behalf of the defendant in December 2008, and the defendant paid \$400 in June 2009 toward liquidating the cash shortage.

The Animal Control Department had a cash shortage of \$100 at June 30, 2009. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**C. EXPENDITURES EXCEEDED APPROPRIATIONS**

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) of the General Fund by \$563. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

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

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

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

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

# Debt Service Fund

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

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

# Capital Projects Funds

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

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

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

Exhibit F-1

Cheatham County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

|    | Special Revenue Funds                 |                                |                 |   |                              |           | Total |
|----|---------------------------------------|--------------------------------|-----------------|---|------------------------------|-----------|-------|
|    | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation |           |       |
| \$ | 0 \$                                  | 150 \$                         | 0 \$            | 1,150 \$                                  | 0 \$                         | 1,300     |       |
|    | 34,194                                | 415,742                        | 143,369         | 0   | 26,495                       | 619,800   |       |
|    | 996                                   | 2,183                          | 763             | 0   | 0                            | 3,942     |       |
|    | 0                                     | 965,753                        | 0               | 0   | 0                            | 965,753   |       |
|    | 0                                     | (26,339)                       | 0               | 0   | 0                            | (26,339)  |       |
|    | 0                                     | 0                              | 0               | 0   | 0                            | 0         |       |
| \$ | 35,190 \$                             | 1,357,489 \$                   | 144,132 \$      | 1,150 \$                                  | 26,495 \$                    | 1,564,456 |       |

ASSETS

|  |  |
|--|--|
| Cash                                       |  |
| Equity in Pooled Cash and Investments      |  |
| Accounts Receivable                        |  |
| Property Taxes Receivable                  |  |
| Allowance for Uncollectible Property Taxes |  |
| Notes Receivable - Long-term               |  |
| Total Assets                               |  |

LIABILITIES AND FUND BALANCES

|  |           |              |            |          |           |
|--|-----------|--------------|------------|----------|-----------|
| Liabilities                                  |           |              |            |          |           |
| Accounts Payable                             | 0 \$      | 51,986 \$    | 0 \$       | 0 \$     | 4,384 \$  |
| Payroll Deductions Payable                   | 0         | 250          | 0          | 0        | 0         |
| Due to Other Funds                           | 0         | 0            | 0          | 1,150    | 0         |
| Deferred Revenue - Current Property Taxes    | 0         | 911,530      | 0          | 0        | 0         |
| Deferred Revenue - Delinquent Property Taxes | 0         | 24,464       | 0          | 0        | 0         |
| Total Liabilities                            | 0 \$      | 988,230 \$   | 0 \$       | 1,150 \$ | 4,384 \$  |
| Fund Balances                                |           |              |            |          |           |
| Reserved for Encumbrances                    | 0 \$      | 12,636 \$    | 75 \$      | 0 \$     | 0 \$      |
| Reserved for Long-term Notes Receivable      | 0         | 0            | 0          | 0        | 0         |
| Unreserved                                   | 35,190    | 356,623      | 144,057    | 0        | 22,111    |
| Total Fund Balances                          | 35,190 \$ | 369,259 \$   | 144,132 \$ | 0 \$     | 22,111 \$ |
| Total Liabilities and Fund Balances          | 35,190 \$ | 1,357,489 \$ | 144,132 \$ | 1,150 \$ | 26,495 \$ |
|  |           |              |            |          | 1,564,456 |

(Continued)

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

|  | Debt Service Fund    |            | Capital Projects Funds   |                        |              | Total Nonmajor Governmental Funds |
|--|----------------------|------------|--------------------------|------------------------|--------------|-----------------------------------|
|  | General Debt Service | 0 \$       | General Capital Projects | Other Capital Projects | Total        |                                   |
|  |                      |            | 604,518                  | 539,098                |              |                                   |
|  | 14,037               | 350        | 843                      |                        | 1,193        | 1,300                             |
|  | 214,612              | 107,306    | 357,686                  |                        | 464,992      | 19,172                            |
|  | (5,853)              | (2,927)    | (9,754)                  |                        | (12,681)     | 1,645,357                         |
|  | 116,000              | 0          | 0                        |                        | 0            | (44,873)                          |
|  | \$ 2,299,827         | \$ 709,247 | \$ 887,873               | \$ 1,597,120           | \$ 5,461,403 |                                   |

ASSETS

|  |              |            |            |              |              |           |
|--|--------------|------------|------------|--------------|--------------|-----------|
| Cash                                       | 0 \$         | 0 \$       | 0 \$       | 0 \$         | 0 \$         | 1,300     |
| Equity in Pooled Cash and Investments      | 1,961,031    | 604,518    | 539,098    | 1,143,616    |              | 3,724,447 |
| Accounts Receivable                        | 14,037       | 350        | 843        |              | 1,193        | 19,172    |
| Property Taxes Receivable                  | 214,612      | 107,306    | 357,686    |              | 464,992      | 1,645,357 |
| Allowance for Uncollectible Property Taxes | (5,853)      | (2,927)    | (9,754)    |              | (12,681)     | (44,873)  |
| Notes Receivable - Long-term               | 116,000      | 0          | 0          |              | 0            | 116,000   |
| Total Assets                               | \$ 2,299,827 | \$ 709,247 | \$ 887,873 | \$ 1,597,120 | \$ 5,461,403 |           |

LIABILITIES AND FUND BALANCES

|  | Liabilities      |                            | Fund Balances      |   |  |                   |
|--|------------------|----------------------------|--------------------|---|--|-------------------|
|  | Accounts Payable | Payroll Deductions Payable | Due to Other Funds | Deferred Revenue - Current Property Taxes | Deferred Revenue - Delinquent Property Taxes | Total Liabilities |
|  |                  |                            |                    |   |  |                   |
|  | 0 \$             | 0 \$                       | 0 \$               | 0 \$                                      | 0 \$   | 56,370            |
|  | 0                | 0                          | 0                  | 0   | 0  | 250               |
|  | 0                | 0                          | 0                  | 0   | 0  | 1,150             |
|  | 202,562          | 101,281                    | 337,604            | 438,885                                   | 1,552,977                                    |                   |
|  | 5,437            | 2,718                      | 9,061              | 11,779                                    | 41,680                                       |                   |
|  | \$ 207,999       | \$ 103,999                 | \$ 346,665         | \$ 450,664                                | \$ 1,652,427                                 |                   |
|  | \$ 0             | \$ 0                       | \$ 11,432          | \$ 11,432                                 | \$ 24,143                                    |                   |
|  | 116,000          | 0                          | 0                  | 0   | 116,000                                      |                   |
|  | 1,975,828        | 605,248                    | 529,776            | 1,135,024                                 | 3,668,833                                    |                   |
|  | \$ 2,091,828     | \$ 605,248                 | \$ 541,208         | \$ 1,146,456                              | \$ 3,808,976                                 |                   |
|  | \$ 2,299,827     | \$ 709,247                 | \$ 887,873         | \$ 1,597,120                              | \$ 5,461,403                                 |                   |

Exhibit F-2

Cheatham County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2009

|   | Special Revenue Funds                 |                                |                   |                                      |                              |             | Total               |
|---|---------------------------------------|--------------------------------|-------------------|--------------------------------------|------------------------------|-------------|---------------------|
|   | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Drug<br>Control   | Constitutional<br>Officers -<br>Fees | Unemployment<br>Compensation |             |                     |
| <b>Revenues</b>   |                                       |                                |                   |                                      |                              |             |                     |
| Local Taxes   | \$ 9,958                              | \$ 958,196                     | \$ 0              | \$ 0                                 | \$ 0                         | \$ 0        | \$ 968,154          |
| Fines, Forfeitures, and Penalties                                 | 0                                     | 0                              | 26,764            | 0                                    | 0                            | 0           | 26,764              |
| Charges for Current Services                                      | 0                                     | 178,656                        | 0                 | 1,651                                | 70,830                       | 0           | 251,137             |
| Other Local Revenues  | 0                                     | 34,931                         | 0                 | 0                                    | 0                            | 0           | 34,931              |
| State of Tennessee  | 0                                     | 30,693                         | 0                 | 0                                    | 0                            | 0           | 30,693              |
| <b>Total Revenues</b>   | <b>\$ 9,958</b>                       | <b>\$ 1,202,476</b>            | <b>\$ 26,764</b>  | <b>\$ 1,651</b>                      | <b>\$ 70,830</b>             | <b>\$ 0</b> | <b>\$ 1,311,679</b> |
| <b>Expenditures</b>   |                                       |                                |                   |                                      |                              |             |                     |
| Current:  |                                       |                                |                   |                                      |                              |             |                     |
| General Government  | \$ 196                                | \$ 21,263                      | \$ 273            | \$ 0                                 | \$ 70,146                    | \$ 0        | \$ 91,878           |
| Administration of Justice   | 0                                     | 0                              | 0                 | 1,325                                | 0                            | 0           | 1,325               |
| Public Safety   | 0                                     | 0                              | 15,603            | 326                                  | 0                            | 0           | 15,929              |
| Public Health and Welfare   | 0                                     | 1,066,067                      | 0                 | 0                                    | 0                            | 0           | 1,066,067           |
| Other Operations  | 0                                     | 24,141                         | 0                 | 0                                    | 0                            | 0           | 24,141              |
| Debt Service:   |                                       |                                |                   |                                      |                              |             |                     |
| Principal on Debt   | 0                                     | 0                              | 0                 | 0                                    | 0                            | 0           | 0                   |
| Interest on Debt  | 0                                     | 0                              | 0                 | 0                                    | 0                            | 0           | 0                   |
| Other Debt Service  | 0                                     | 0                              | 0                 | 0                                    | 0                            | 0           | 0                   |
| Capital Projects  | 0                                     | 0                              | 0                 | 0                                    | 0                            | 0           | 0                   |
| <b>Total Expenditures</b>   | <b>\$ 196</b>                         | <b>\$ 1,111,471</b>            | <b>\$ 15,876</b>  | <b>\$ 1,651</b>                      | <b>\$ 70,146</b>             | <b>\$ 0</b> | <b>\$ 1,199,340</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b>      | <b>\$ 9,762</b>                       | <b>\$ 91,005</b>               | <b>\$ 10,888</b>  | <b>\$ 0</b>                          | <b>\$ 684</b>                | <b>\$ 0</b> | <b>\$ 112,339</b>   |
| <b>Other Financing Sources (Uses)</b>                             |                                       |                                |                   |                                      |                              |             |                     |
| Insurance Recovery  | \$ 0                                  | \$ 0                           | \$ 0              | \$ 0                                 | \$ 0                         | \$ 0        | \$ 0                |
| <b>Total Other Financing Sources (Uses)</b>                       | <b>\$ 0</b>                           | <b>\$ 0</b>                    | <b>\$ 0</b>       | <b>\$ 0</b>                          | <b>\$ 0</b>                  | <b>\$ 0</b> | <b>\$ 0</b>         |
| <b>Net Change in Fund Balances<br/>Fund Balance, July 1, 2008</b> | <b>\$ 9,762</b>                       | <b>\$ 91,005</b>               | <b>\$ 10,888</b>  | <b>\$ 0</b>                          | <b>\$ 684</b>                | <b>\$ 0</b> | <b>\$ 112,339</b>   |
|   | 25,428                                | 278,254                        | 133,244           | 0                                    | 21,427                       | 0           | 458,353             |
| <b>Fund Balance, June 30, 2009</b>                                | <b>\$ 35,190</b>                      | <b>\$ 369,259</b>              | <b>\$ 144,132</b> | <b>\$ 0</b>                          | <b>\$ 22,111</b>             | <b>\$ 0</b> | <b>\$ 570,692</b>   |

(Continued)

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

|   | Debt Service |             | Capital Projects Funds   |                        |              | Total Nonmajor Governmental Funds |
|---|--------------|-------------|--------------------------|------------------------|--------------|-----------------------------------|
|   | Fund         | General     | General Capital Projects | Other Capital Projects | Total        |                                   |
| <u>Revenues</u>                                   |              |             |                          |                        |              |                                   |
| Local Taxes                                       | \$ 398,872   | \$ 112,993  | \$ 357,764               | \$ 470,757             | \$ 1,837,783 |                                   |
| Fines, Forfeitures, and Penalties                 | 0            | 0           | 0                        | 0                      | 26,764       |                                   |
| Charges for Current Services                      | 0            | 0           | 0                        | 0                      | 251,137      |                                   |
| Other Local Revenues                              | 13,151       | 0           | 0                        | 0                      | 48,082       |                                   |
| State of Tennessee                                | 4,826        | 4,424       | 8,847                    | 13,271                 | 48,790       |                                   |
| Total Revenues                                    | \$ 416,849   | \$ 117,417  | \$ 366,611               | \$ 484,028             | \$ 2,212,556 |                                   |
| <u>Expenditures</u>                               |              |             |                          |                        |              |                                   |
| Current:  |              |             |                          |                        |              |                                   |
| General Government                                | \$ 6,170     | \$ 2,287    | \$ 7,181                 | \$ 9,468               | \$ 107,516   |                                   |
| Administration of Justice                         | 0            | 0           | 0                        | 0                      | 1,325        |                                   |
| Public Safety                                     | 0            | 0           | 0                        | 0                      | 15,929       |                                   |
| Public Health and Welfare                         | 0            | 0           | 0                        | 0                      | 1,066,067    |                                   |
| Other Operations                                  | 0            | 0           | 0                        | 0                      | 24,141       |                                   |
| Debt Service:                                     |              |             |                          |                        |              |                                   |
| Principal on Debt                                 | 1,009,000    | 0           | 0                        | 0                      | 1,009,000    |                                   |
| Interest on Debt                                  | 49,564       | 0           | 0                        | 0                      | 49,564       |                                   |
| Other Debt Service                                | 1,010        | 0           | 0                        | 0                      | 1,010        |                                   |
| Capital Projects                                  | 0            | 183,630     | 491,811                  | 675,441                | 675,441      |                                   |
| Total Expenditures                                | \$ 1,065,744 | \$ 185,917  | \$ 498,992               | \$ 684,909             | \$ 2,949,993 |                                   |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (648,895) | \$ (68,500) | \$ (132,381)             | \$ (200,881)           | \$ (737,437) |                                   |
| <u>Other Financing Sources (Uses)</u>             |              |             |                          |                        |              |                                   |
| Insurance Recovery                                | \$ 0         | \$ 0        | \$ 34,657                | \$ 34,657              | \$ 34,657    |                                   |
| Total Other Financing Sources (Uses)              | \$ 0         | \$ 0        | \$ 34,657                | \$ 34,657              | \$ 34,657    |                                   |
| Net Change in Fund Balances                       | \$ (648,895) | \$ (68,500) | \$ (97,724)              | \$ (166,224)           | \$ (702,780) |                                   |
| Fund Balance, July 1, 2008                        | 2,740,723    | 673,748     | 638,932                  | 1,312,680              | 4,511,756    |                                   |
| Fund Balance, June 30, 2009                       | \$ 2,091,828 | \$ 605,248  | \$ 541,208               | \$ 1,146,456           | \$ 3,808,976 |                                   |

Exhibit F-3

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2009

|   | Actual    | Budgeted Amounts |           | Variance with Final Budget - Positive (Negative) |
|---|-----------|------------------|-----------|--|
|   |           | Original         | Final     |  |
| <u>Revenues</u>                                   |           |                  |           |  |
| Local Taxes                                       | \$ 9,958  | \$ 25,000        | \$ 25,000 | \$ (15,042)                                      |
| Total Revenues                                    | \$ 9,958  | \$ 25,000        | \$ 25,000 | \$ (15,042)                                      |
| <u>Expenditures</u>                               |           |                  |           |  |
| <u>General Government</u>                         |           |                  |           |  |
| County Buildings                                  | \$ 96     | \$ 20,000        | \$ 20,000 | \$ 19,904  |
| Other General Administration                      | 100       | 350              | 350       | 250  |
| Total Expenditures                                | \$ 196    | \$ 20,350        | \$ 20,350 | \$ 20,154  |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 9,762  | \$ 4,650         | \$ 4,650  | \$ 5,112   |
| Net Change in Fund Balance                        | \$ 9,762  | \$ 4,650         | \$ 4,650  | \$ 5,112   |
| Fund Balance, July 1, 2008                        | 25,428    | 25,646           | 25,646    | (218)  |
| Fund Balance, June 30, 2009                       | \$ 35,190 | \$ 30,296        | \$ 30,296 | \$ 4,894   |

Exhibit F-4

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 958,196                | \$ 0                              | \$ 0                              | \$ 958,196  | \$ 962,800       | \$ 962,800   | \$ (4,604)   |
| Charges for Current Services                             | 178,656                   | 0                                 | 0                                 | 178,656   | 105,000          | 105,000      | 73,656   |
| Other Local Revenues                                     | 34,931                    | 0                                 | 0                                 | 34,931  | 1,150            | 1,150        | 33,781   |
| State of Tennessee                                       | 30,693                    | 0                                 | 0                                 | 30,693  | 34,000           | 34,000       | (3,307)  |
| Total Revenues   | \$ 1,202,476              | \$ 0                              | \$ 0                              | \$ 1,202,476  | \$ 1,102,950     | \$ 1,102,950 | \$ 99,526  |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>General Government</u>                                |                           |                                   |                                   |   |                  |              |  |
| Other General Administration                             | \$ 21,263                 | \$ 0                              | \$ 0                              | \$ 21,263   | \$ 25,000        | \$ 25,000    | \$ 3,737   |
| Public Health and Welfare                                |                           |                                   |                                   |   |                  |              |  |
| Sanitation Management                                    | 172,459                   | 0                                 | 0                                 | 172,459   | 208,520          | 185,184      | 12,725   |
| Convenience Centers                                      | 836,890                   | (3,892)                           | 10,846                            | 843,844   | 762,853          | 862,228      | 18,384   |
| Landfill Operation and Maintenance                       | 56,718                    | (500)                             | 1,790                             | 58,008  | 52,800           | 57,202       | (806)  |
| <u>Other Operations</u>                                  |                           |                                   |                                   |   |                  |              |  |
| Employee Benefits  | 6,066                     | 0                                 | 0                                 | 6,066   | 0                | 6,935        | 869  |
| Miscellaneous  | 18,075                    | 0                                 | 0                                 | 18,075  | 2,700            | 18,075       | 0  |
| Total Expenditures                                       | \$ 1,111,471              | \$ (4,392)                        | \$ 12,636                         | \$ 1,119,715  | \$ 1,051,873     | \$ 1,154,624 | \$ 34,909  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 91,005                 | \$ 4,392                          | \$ (12,636)                       | \$ 82,761   | \$ 51,077        | \$ (51,674)  | \$ 134,435   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ 91,005                 | \$ 4,392                          | \$ (12,636)                       | \$ 82,761   | \$ 51,077        | \$ (51,674)  | \$ 134,435   |
|  | 278,254                   | (4,392)                           | 0                                 | 273,862   | 274,735          | 274,735      | (873)  |
| Fund Balance, June 30, 2009                              | \$ 369,259                | \$ 0                              | \$ (12,636)                       | \$ 356,623  | \$ 325,812       | \$ 223,061   | \$ 133,562   |

Exhibit F-5

Cheatham 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, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |            |  |
| Fines, Forfeitures, and Penalties                        | \$ 26,764 \$              | 0 \$                              | 0 \$                              | 26,764 \$   | 41,000 \$        | 41,000 \$  | (14,236)   |
| Total Revenues   | \$ 26,764 \$              | 0 \$                              | 0 \$                              | 26,764 \$   | 41,000 \$        | 41,000 \$  | (14,236)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |            |  |
| <u>General Government</u>                                |                           |                                   |                                   |   |                  |            |  |
| Other General Administration                             | \$ 273 \$                 | 0 \$                              | 0 \$                              | 273 \$  | 800 \$           | 800 \$     | 527  |
| Public Safety  | 15,603                    | (2,585)                           | 75                                | 13,093  | 36,000           | 36,000     | 22,907   |
| Drug Enforcement   | \$ 15,876 \$              | (2,585) \$                        | 75 \$                             | 13,366 \$   | 36,800 \$        | 36,800 \$  | 23,434   |
| Total Expenditures                                       | \$ 10,888 \$              | 2,585 \$                          | (75) \$                           | 13,398 \$   | 4,200 \$         | 4,200 \$   | 9,198  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 10,888 \$              | 2,585 \$                          | (75) \$                           | 13,398 \$   | 4,200 \$         | 4,200 \$   | 9,198  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | 133,244                   | (2,585)                           | 0                                 | 130,659   | 133,244          | 133,244    | (2,585)  |
| Fund Balance, June 30, 2009                              | \$ 144,132 \$             | 0 \$                              | (75) \$                           | 144,057 \$  | 137,444 \$       | 137,444 \$ | 6,613  |

Exhibit F-6

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Unemployment Compensation Fund  
For the Year Ended June 30, 2009

|  | Actual    | Budgeted Amounts |           | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|-----------|------------------|-----------|--|
|  |           | Original         | Final     |  |
| <u>Revenues</u>                                      |           |                  |           |  |
| Charges for Current Services                         | \$ 70,830 | \$ 22,400        | \$ 70,543 | \$ 287   |
| Total Revenues                                       | \$ 70,830 | \$ 22,400        | \$ 70,543 | \$ 287   |
| <u>Expenditures</u>                                  |           |                  |           |  |
| <u>General Government</u>                            |           |                  |           |  |
| Other General Administration                         | \$ 70,146 | \$ 22,400        | \$ 70,543 | \$ 397   |
| Total Expenditures                                   | \$ 70,146 | \$ 22,400        | \$ 70,543 | \$ 397   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 684    | \$ 0             | \$ 0      | \$ 684   |
| Net Change in Fund Balance                           | \$ 684    | \$ 0             | \$ 0      | \$ 684   |
| Fund Balance, July 1, 2008                           | 21,427    | 21,427           | 21,427    | 0  |
| Fund Balance, June 30, 2009                          | \$ 22,111 | \$ 21,427        | \$ 21,427 | \$ 684   |

Exhibit F-7

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2009

|  | Actual              | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|--|
|  |                     | Original            | Final               |  |
| <u>Revenues</u>                                      |                     |                     |                     |  |
| Local Taxes  | \$ 398,872          | \$ 418,350          | \$ 418,350          | \$ (19,478)  |
| Other Local Revenues                                 | 13,151              | 15                  | 15                  | 13,136   |
| State of Tennessee                                   | 4,826               | 6,500               | 6,500               | (1,674)  |
| Other Governments and Citizens Groups                | 0                   | 42,151              | 92,151              | (92,151)   |
| Total Revenues                                       | <u>\$ 416,849</u>   | <u>\$ 467,016</u>   | <u>\$ 517,016</u>   | <u>\$ (100,167)</u>  |
| <u>Expenditures</u>                                  |                     |                     |                     |  |
| <u>General Government</u>                            |                     |                     |                     |  |
| Other General Administration                         | \$ 6,170            | \$ 8,000            | \$ 8,000            | \$ 1,830   |
| <u>Principal on Debt</u>                             |                     |                     |                     |  |
| General Government                                   | 1,009,000           | 294,000             | 1,009,000           | 0  |
| <u>Interest on Debt</u>                              |                     |                     |                     |  |
| General Government                                   | 49,564              | 68,805              | 68,805              | 19,241   |
| <u>Other Debt Service</u>                            |                     |                     |                     |  |
| General Government                                   | 1,010               | 2,300               | 2,300               | 1,290  |
| Total Expenditures                                   | <u>\$ 1,065,744</u> | <u>\$ 373,105</u>   | <u>\$ 1,088,105</u> | <u>\$ 22,361</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (648,895)</u> | <u>\$ 93,911</u>    | <u>\$ (571,089)</u> | <u>\$ (77,806)</u>   |
| Net Change in Fund Balance                           | \$ (648,895)        | \$ 93,911           | \$ (571,089)        | \$ (77,806)  |
| Fund Balance, July 1, 2008                           | <u>2,740,723</u>    | <u>2,740,723</u>    | <u>2,740,723</u>    | <u>0</u>   |
| Fund Balance, June 30, 2009                          | <u>\$ 2,091,828</u> | <u>\$ 2,834,634</u> | <u>\$ 2,169,634</u> | <u>\$ (77,806)</u>   |

Exhibit F-8

Cheatham 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, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |   |                  |              |  |
| Local Taxes  | \$ 112,993                | \$ 0                              | \$ 112,993  | \$ 107,850       | \$ 107,850   | \$ 5,143   |
| State of Tennessee                                       | 4,424                     | 0                                 | 4,424   | 5,000            | 5,000        | (576)  |
| Total Revenues   | \$ 117,417                | \$ 0                              | \$ 117,417  | \$ 112,850       | \$ 112,850   | \$ 4,567   |
| <u>Expenditures</u>                                      |                           |                                   |   |                  |              |  |
| <u>General Government</u>                                |                           |                                   |   |                  |              |  |
| Other General Administration                             | \$ 2,287                  | \$ 0                              | \$ 2,287  | \$ 6,000         | \$ 6,000     | \$ 3,713   |
| <u>Capital Projects</u>                                  |                           |                                   |   |                  |              |  |
| Other General Government Projects                        | 183,630                   | (168,500)                         | 15,130  | 40,000           | 307,450      | 292,320  |
| Total Expenditures                                       | \$ 185,917                | \$ (168,500)                      | \$ 17,417   | \$ 46,000        | \$ 313,450   | \$ 296,033   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (68,500)               | \$ 168,500                        | \$ 100,000  | \$ 66,850        | \$ (200,600) | \$ 300,600   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (68,500)               | \$ 168,500                        | \$ 100,000  | \$ 66,850        | \$ (200,600) | \$ 300,600   |
|  | 673,748                   | (168,500)                         | 505,248   | 672,672          | 672,672      | (167,424)  |
| Fund Balance, June 30, 2009                              | \$ 605,248                | \$ 0                              | \$ 605,248  | \$ 739,522       | \$ 472,072   | \$ 133,176   |

Exhibit F-9

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |            |  |
| Local Taxes  | \$ 357,764                | \$ 0                              | \$ 0                              | \$ 357,764  | \$ 345,350       | \$ 345,350 | \$ 12,414  |
| State of Tennessee                                       | 8,847                     | 0                                 | 0                                 | 8,847   | 9,500            | 9,500      | (653)  |
| Total Revenues   | \$ 366,611                | \$ 0                              | \$ 0                              | \$ 366,611  | \$ 354,850       | \$ 354,850 | \$ 11,761  |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |            |  |
| <u>General Government</u>                                |                           |                                   |                                   |   |                  |            |  |
| Other General Administration                             | \$ 7,181                  | \$ 0                              | \$ 0                              | \$ 7,181  | \$ 8,000         | \$ 8,000   | \$ 819   |
| Capital Projects   |                           |                                   |                                   |   |                  |            |  |
| Other General Government Projects                        | 491,811                   | (197,821)                         | 11,432                            | 305,422   | 272,000          | 321,118    | 15,696   |
| Total Expenditures                                       | \$ 498,992                | \$ (197,821)                      | \$ 11,432                         | \$ 312,603  | \$ 280,000       | \$ 329,118 | \$ 16,515  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (132,381)              | \$ 197,821                        | \$ (11,432)                       | \$ 54,008   | \$ 74,850        | \$ 25,732  | \$ 28,276  |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |            |  |
| Insurance Recovery                                       | \$ 34,657                 | \$ 0                              | \$ 0                              | \$ 34,657   | \$ 0             | \$ 14,018  | \$ 20,639  |
| Total Other Financing Sources (Uses)                     | \$ 34,657                 | \$ 0                              | \$ 0                              | \$ 34,657   | \$ 0             | \$ 14,018  | \$ 20,639  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (97,724)               | \$ 197,821                        | \$ (11,432)                       | \$ 88,665   | \$ 74,850        | \$ 39,750  | \$ 48,915  |
| Fund Balance, July 1, 2008                               | 638,932                   | (197,821)                         | 0                                 | 441,111   | 702,189          | 702,189    | (261,078)  |
| Fund Balance, June 30, 2009                              | \$ 541,208                | \$ 0                              | \$ (11,432)                       | \$ 529,776  | \$ 777,039       | \$ 741,939 | \$ (212,163)   |

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# **Major Governmental Fund**

## **Education Debt Service Fund**

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

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Exhibit G

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2009

|   | Actual                | Budgeted Amounts    |                       | Variance with Final Budget - Positive (Negative) |
|---|-----------------------|---------------------|-----------------------|--|
|   |                       | Original            | Final                 |  |
| <u>Revenues</u>                                   |                       |                     |                       |  |
| Local Taxes                                       | \$ 6,276,823          | \$ 6,348,250        | \$ 6,348,250          | \$ (71,427)                                      |
| Other Local Revenues                              | 3,265                 | 0                   | 0                     | 3,265  |
| State of Tennessee                                | 80,429                | 77,500              | 77,500                | 2,929  |
| Other Governments and Citizens Groups             | 76,462                | 0                   | 0                     | 76,462   |
| Total Revenues                                    | <u>\$ 6,436,979</u>   | <u>\$ 6,425,750</u> | <u>\$ 6,425,750</u>   | <u>\$ 11,229</u>                                 |
| <u>Expenditures</u>                               |                       |                     |                       |  |
| <u>General Government</u>                         |                       |                     |                       |  |
| Other General Administration                      | \$ 98,615             | \$ 105,000          | \$ 105,000            | \$ 6,385   |
| <u>Principal on Debt</u>                          |                       |                     |                       |  |
| Education   | 11,865,641            | 3,580,184           | 12,214,635            | 348,994  |
| <u>Interest on Debt</u>                           |                       |                     |                       |  |
| Education   | 645,799               | 1,094,889           | 1,094,889             | 449,090  |
| <u>Other Debt Service</u>                         |                       |                     |                       |  |
| Education   | 97,282                | 33,000              | 98,472                | 1,190  |
| Total Expenditures                                | <u>\$ 12,707,337</u>  | <u>\$ 4,813,073</u> | <u>\$ 13,512,996</u>  | <u>\$ 805,659</u>                                |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (6,270,358)</u> | <u>\$ 1,612,677</u> | <u>\$ (7,087,246)</u> | <u>\$ 816,888</u>                                |
| <u>Other Financing Sources (Uses)</u>             |                       |                     |                       |  |
| Capital Leases Issued                             | \$ 0                  | \$ 600,000          | \$ 600,000            | \$ (600,000)                                     |
| Refunding Debt Issued                             | 7,894,500             | 0                   | 7,894,500             | 0  |
| Transfers In                                      | 220,000               | 0                   | 0                     | 220,000  |
| Total Other Financing Sources (Uses)              | <u>\$ 8,114,500</u>   | <u>\$ 600,000</u>   | <u>\$ 8,494,500</u>   | <u>\$ (380,000)</u>                              |
| Net Change in Fund Balance                        | \$ 1,844,142          | \$ 2,212,677        | \$ 1,407,254          | \$ 436,888                                       |
| Fund Balance, July 1, 2008                        | <u>7,089,469</u>      | <u>7,114,369</u>    | <u>7,114,369</u>      | <u>(24,900)</u>                                  |
| Fund Balance, June 30, 2009                       | <u>\$ 8,933,611</u>   | <u>\$ 9,327,046</u> | <u>\$ 8,521,623</u>   | <u>\$ 411,988</u>                                |

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# Fiduciary Funds

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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.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

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

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Exhibit H-1

Cheatham County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Year Ended June 30, 2009

|                                     | <u>Agency Funds</u>      |   |                     |
|-------------------------------------|--------------------------|---|---------------------|
|                                     | Cities -<br>Sales<br>Tax | Constitu-<br>tional<br>Officers -<br>Agency | Total               |
| <u>ASSETS</u>                       |                          |   |                     |
| Cash                                | \$ 0                     | \$ 756,708                                  | \$ 756,708          |
| Accounts Receivable                 | 0                        | 1,584                                       | 1,584               |
| Due from Other Governments          | 376,718                  | 0   | 376,718             |
| Total Assets                        | <u>\$ 376,718</u>        | <u>\$ 758,292</u>                           | <u>\$ 1,135,010</u> |
| <u>LIABILITIES</u>                  |                          |   |                     |
| Due to Other Taxing Units           | \$ 376,718               | \$ 0  | \$ 376,718          |
| Due to Litigants, Heirs, and Others | 0                        | 758,292                                     | 758,292             |
| Total Liabilities                   | <u>\$ 376,718</u>        | <u>\$ 758,292</u>                           | <u>\$ 1,135,010</u> |

Exhibit H-2

Cheatham County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2009

|  | Beginning<br>Balance | Additions    | Deductions   | Ending<br>Balance |
|--|----------------------|--------------|--------------|-------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |              |              |                   |
| <u>Assets</u>                                |                      |              |              |                   |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 2,248,967 | \$ 2,248,967 | \$ 0              |
| Due from Other Governments                   | 391,898              | 376,718      | 391,898      | 376,718           |
| Total Assets                                 | \$ 391,898           | \$ 2,625,685 | \$ 2,640,865 | \$ 376,718        |
| <u>Liabilities</u>                           |                      |              |              |                   |
| Due to Other Taxing Units                    | \$ 391,898           | \$ 2,625,685 | \$ 2,640,865 | \$ 376,718        |
| Total Liabilities                            | \$ 391,898           | \$ 2,625,685 | \$ 2,640,865 | \$ 376,718        |
| <u>Constitutional Officers - Agency Fund</u> |                      |              |              |                   |
| <u>Assets</u>                                |                      |              |              |                   |
| Cash   | \$ 352,470           | \$ 6,973,458 | \$ 6,569,220 | \$ 756,708        |
| Accounts Receivable                          | 0                    | 1,584        | 0            | 1,584             |
| Total Assets                                 | \$ 352,470           | \$ 6,975,042 | \$ 6,569,220 | \$ 758,292        |
| <u>Liabilities</u>                           |                      |              |              |                   |
| Due to Litigants, Heirs, and Others          | \$ 352,470           | \$ 6,975,042 | \$ 6,569,220 | \$ 758,292        |
| Total Liabilities                            | \$ 352,470           | \$ 6,975,042 | \$ 6,569,220 | \$ 758,292        |
| <u>Totals - All Agency Funds</u>             |                      |              |              |                   |
| <u>Assets</u>                                |                      |              |              |                   |
| Cash   | \$ 352,470           | \$ 6,973,458 | \$ 6,569,220 | \$ 756,708        |
| Equity in Pooled Cash and Investments        | 0                    | 2,248,967    | 2,248,967    | 0                 |
| Accounts Receivable                          | 0                    | 1,584        | 0            | 1,584             |
| Due from Other Governments                   | 391,898              | 376,718      | 391,898      | 376,718           |
| Total Assets                                 | \$ 744,368           | \$ 9,600,727 | \$ 9,210,085 | \$ 1,135,010      |
| <u>Liabilities</u>                           |                      |              |              |                   |
| Due to Other Taxing Units                    | \$ 391,898           | \$ 2,625,685 | \$ 2,640,865 | \$ 376,718        |
| Due to Litigants, Heirs, and Others          | 352,470              | 6,975,042    | 6,569,220    | 758,292           |
| Total Liabilities                            | \$ 744,368           | \$ 9,600,727 | \$ 9,210,085 | \$ 1,135,010      |

# Cheatham County School Department

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This section presents fund financial statements for the Cheatham County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and one Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

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

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Exhibit I-1

Cheatham County, Tennessee  
Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

| Functions/Programs   | Program Revenues     |                                    |                                  | Expenses            | Net (Expense) Revenue and Changes in Net Assets |              |            |
|--|----------------------|------------------------------------|----------------------------------|---------------------|---|--------------|------------|
|  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                     | Total   | Governmental | Activities |
| Governmental Activities:                                     |                      |                                    |                                  |                     |   |              |            |
| Instruction  | \$ 30,059,903        | \$ 131,544                         | \$ 2,041,260                     | \$ 0                | \$ (27,887,099)                                 |              |            |
| Support Services   | 16,402,788           | 127,724                            | 731,097                          | 6,317,632           | (9,226,335)                                     |              |            |
| Operation of Non-Instructional Services                      | 4,727,305            | 2,409,679                          | 2,127,646                        | 0                   | (189,980)                                       |              |            |
| Other Debt Service   | 76,462               | 0                                  | 0                                | 0                   | (76,462)  |              |            |
| <b>Total Governmental Activities</b>                         | <b>\$ 51,266,458</b> | <b>\$ 2,668,947</b>                | <b>\$ 4,900,003</b>              | <b>\$ 6,317,632</b> | <b>\$ (37,379,876)</b>                          |              |            |
| General Revenues:  |                      |                                    |                                  |                     |   |              |            |
| Taxes:   |                      |                                    |                                  |                     |   |              |            |
| Property Taxes Levied for General Purposes                   |                      |                                    |                                  |                     | \$ 7,682,215                                    |              |            |
| Local Option Sales Tax                                       |                      |                                    |                                  |                     | 1,760,316                                       |              |            |
| Wheel Tax  |                      |                                    |                                  |                     | 381,365   |              |            |
| Other Local Taxes  |                      |                                    |                                  |                     | 4,364   |              |            |
| Grants and Contributions Not Restricted to Specific Programs |                      |                                    |                                  |                     | 29,993,388                                      |              |            |
| Unrestricted Investment Earnings                             |                      |                                    |                                  |                     | 3,487   |              |            |
| Miscellaneous  |                      |                                    |                                  |                     | 60,501  |              |            |
| <b>Total General Revenues</b>                                |                      |                                    |                                  |                     | <b>\$ 39,885,636</b>                            |              |            |
| Change in Net Assets   |                      |                                    |                                  |                     | \$ 2,505,760                                    |              |            |
| Net Assets, July 1, 2008                                     |                      |                                    |                                  |                     | 55,752,717                                      |              |            |
| Net Assets, June 30, 2009                                    |                      |                                    |                                  |                     | \$ 58,258,477                                   |              |            |

Exhibit I-2

Cheatham County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2009

|  | <u>Major Funds</u>   |                     | <u>Nonmajor</u>   | <u>Total</u>         |
|--|----------------------|---------------------|-------------------|----------------------|
|  | <u>General</u>       | <u>Education</u>    | <u>Funds</u>      |                      |
|  | <u>Purpose</u>       | <u>Capital</u>      | <u>Govern-</u>    |                      |
|  | <u>School</u>        | <u>Projects</u>     | <u>mental</u>     | <u>mental</u>        |
|  |                      |                     | <u>Funds</u>      | <u>Funds</u>         |
| <u>ASSETS</u>                                |                      |                     |                   |                      |
| Equity in Pooled Cash and Investments        | \$ 2,129,799         | \$ 112,746          | \$ 521,579        | \$ 2,764,124         |
| Accounts Receivable                          | 102,584              | 0                   | 402               | 102,986              |
| Due from Other Governments                   | 612,324              | 0                   | 55,660            | 667,984              |
| Due from Other Funds                         | 746                  | 0                   | 656               | 1,402                |
| Property Taxes Receivable                    | 7,869,119            | 0                   | 0                 | 7,869,119            |
| Allowance for Uncollectible Property Taxes   | (214,613)            | 0                   | 0                 | (214,613)            |
| <b>Total Assets</b>                          | <b>\$ 10,499,959</b> | <b>\$ 112,746</b>   | <b>\$ 578,297</b> | <b>\$ 11,191,002</b> |
| <u>LIABILITIES AND FUND BALANCES</u>         |                      |                     |                   |                      |
| <u>Liabilities</u>                           |                      |                     |                   |                      |
| Accounts Payable                             | \$ 215,247           | \$ 0                | \$ 9,044          | \$ 224,291           |
| Accrued Payroll                              | 13,204               | 0                   | 3,615             | 16,819               |
| Contracts Payable                            | 0                    | 272,054             | 0                 | 272,054              |
| Retainage Payable                            | 0                    | 14,320              | 0                 | 14,320               |
| Due to Other Funds                           | 656                  | 0                   | 746               | 1,402                |
| Deferred Revenue - Current Property Taxes    | 7,427,298            | 0                   | 0                 | 7,427,298            |
| Deferred Revenue - Delinquent Property Taxes | 199,343              | 0                   | 0                 | 199,343              |
| Other Deferred Revenues                      | 159,236              | 0                   | 0                 | 159,236              |
| <b>Total Liabilities</b>                     | <b>\$ 8,014,984</b>  | <b>\$ 286,374</b>   | <b>\$ 13,405</b>  | <b>\$ 8,314,763</b>  |
| <u>Fund Balances</u>                         |                      |                     |                   |                      |
| Reserved for Encumbrances                    | \$ 166,032           | \$ 625,889          | \$ 14,557         | \$ 806,478           |
| Reserved for Career Ladder Program           | 4,210                | 0                   | 0                 | 4,210                |
| Other Federal Reserves                       | 0                    | 0                   | 441               | 441                  |
| Unreserved, Reported In:                     |                      |                     |                   |                      |
| General Fund                                 | 2,314,733            | 0                   | 0                 | 2,314,733            |
| Special Revenue Funds                        | 0                    | 0                   | 549,894           | 549,894              |
| Capital Projects Funds (Deficit)             | 0                    | (799,517)           | 0                 | (799,517)            |
| <b>Total Fund Balances</b>                   | <b>\$ 2,484,975</b>  | <b>\$ (173,628)</b> | <b>\$ 564,892</b> | <b>\$ 2,876,239</b>  |
| <b>Total Liabilities and Fund Balances</b>   | <b>\$ 10,499,959</b> | <b>\$ 112,746</b>   | <b>\$ 578,297</b> | <b>\$ 11,191,002</b> |

Exhibit I-3

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Cheatham County School Department  
June 30, 2009

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

|   |    |                  |                          |
|---|----|------------------|--------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2)  |    | \$               | 2,876,239                |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |    |                  |                          |
| Add: land   | \$ | 781,997          |                          |
| Add: construction in progress   |    | 9,186,114        |                          |
| Add: buildings and improvements net of accumulated depreciation   |    | 44,653,115       |                          |
| Add: other capital assets net of accumulated depreciation   |    | <u>3,579,378</u> | 58,200,604               |
| (2) 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 liability   |    |                  | (3,176,945)              |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |    |                  |                          |
|   |    |                  | <u>358,579</u>           |
| Net assets of governmental activities (Exhibit A)   |    | \$               | <u><u>58,258,477</u></u> |

Exhibit I-4

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

|  | Major Funds                  |                                  | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | Education<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Revenues</u>                                      |                              |                                  |                                     |                                |
| Local Taxes  | \$ 9,962,550                 | \$ 0                             | \$ 0                                | \$ 9,962,550                   |
| Licenses and Permits                                 | 3,088                        | 0                                | 0                                   | 3,088                          |
| Charges for Current Services                         | 1,053,576                    | 0                                | 1,549,300                           | 2,602,876                      |
| Other Local Revenues                                 | 115,815                      | 0                                | 14,244                              | 130,059                        |
| State of Tennessee                                   | 30,393,025                   | 0                                | 31,734                              | 30,424,759                     |
| Federal Government                                   | 677,449                      | 0                                | 3,452,862                           | 4,130,311                      |
| Other Governments and Citizens Groups                | 576,257                      | 5,741,375                        | 0                                   | 6,317,632                      |
| Total Revenues                                       | <u>\$ 42,781,760</u>         | <u>\$ 5,741,375</u>              | <u>\$ 5,048,140</u>                 | <u>\$ 53,571,275</u>           |
| <u>Expenditures</u>                                  |                              |                                  |                                     |                                |
| Current:   |                              |                                  |                                     |                                |
| Instruction  | \$ 26,864,451                | \$ 0                             | \$ 1,459,677                        | \$ 28,324,128                  |
| Support Services                                     | 14,537,886                   | 0                                | 722,887                             | 15,260,773                     |
| Operation of Non-Instructional Services              | 1,422,904                    | 0                                | 3,064,744                           | 4,487,648                      |
| Capital Outlay                                       | 143,746                      | 0                                | 0                                   | 143,746                        |
| Debt Service:  |                              |                                  |                                     |                                |
| Other Debt Service                                   | 0                            | 76,462                           | 0                                   | 76,462                         |
| Capital Projects                                     | 0                            | 4,994,617                        | 0                                   | 4,994,617                      |
| Total Expenditures                                   | <u>\$ 42,968,987</u>         | <u>\$ 5,071,079</u>              | <u>\$ 5,247,308</u>                 | <u>\$ 53,287,374</u>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (187,227)</u>          | <u>\$ 670,296</u>                | <u>\$ (199,168)</u>                 | <u>\$ 283,901</u>              |
| <u>Other Financing Sources (Uses)</u>                |                              |                                  |                                     |                                |
| Insurance Recovery                                   | \$ 67,731                    | \$ 0                             | \$ 1,214                            | \$ 68,945                      |
| Total Other Financing Sources (Uses)                 | <u>\$ 67,731</u>             | <u>\$ 0</u>                      | <u>\$ 1,214</u>                     | <u>\$ 68,945</u>               |
| Net Change in Fund Balances                          | \$ (119,496)                 | \$ 670,296                       | \$ (197,954)                        | \$ 352,846                     |
| Fund Balance, July 1, 2008                           | 2,604,471                    | (843,924)                        | 762,846                             | 2,523,393                      |
| Fund Balance, June 30, 2009                          | <u>\$ 2,484,975</u>          | <u>\$ (173,628)</u>              | <u>\$ 564,892</u>                   | <u>\$ 2,876,239</u>            |

Exhibit I-5

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

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)  |                    | \$ 352,846          |
| (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   | \$ 5,652,849       |                     |
| Less: current year depreciation expense   | <u>(2,051,083)</u> | 3,601,766           |
| (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, 2008   | \$ (381,448)       |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2009  | <u>358,579</u>     | (22,869)            |
| (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.   |                    |                     |
| Change in compensated absences payable  | \$ 164,074         |                     |
| Change in other postemployment benefits liability   | <u>(1,590,057)</u> | <u>(1,425,983)</u>  |
| Change in net assets of governmental activities (Exhibit B)   |                    | <u>\$ 2,505,760</u> |

Exhibit I-6

Cheatham County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2009

|                                       | <u>Special Revenue Funds</u> |                   | Total             |
|---------------------------------------|------------------------------|-------------------|-------------------|
|                                       | School                       | Central           | Nonmajor          |
|                                       | Federal                      | Cafeteria         | Governmental      |
|                                       | Projects                     |                   | Funds             |
| <u>ASSETS</u>                         |                              |                   |                   |
| Equity in Pooled Cash and Investments | \$ 4,870                     | \$ 516,709        | \$ 521,579        |
| Accounts Receivable                   | 0                            | 402               | 402               |
| Due from Other Governments            | 21,433                       | 34,227            | 55,660            |
| Due from Other Funds                  | 0                            | 656               | 656               |
| Total Assets                          | <u>\$ 26,303</u>             | <u>\$ 551,994</u> | <u>\$ 578,297</u> |
| <u>LIABILITIES AND FUND BALANCES</u>  |                              |                   |                   |
| <u>Liabilities</u>                    |                              |                   |                   |
| Accounts Payable                      | \$ 9,044                     | \$ 0              | \$ 9,044          |
| Accrued Payroll                       | 3,615                        | 0                 | 3,615             |
| Due to Other Funds                    | 746                          | 0                 | 746               |
| Total Liabilities                     | <u>\$ 13,405</u>             | <u>\$ 0</u>       | <u>\$ 13,405</u>  |
| <u>Fund Balances</u>                  |                              |                   |                   |
| Reserved for Encumbrances             | \$ 12,457                    | \$ 2,100          | \$ 14,557         |
| Other Federal Reserves                | 441                          | 0                 | 441               |
| Unreserved                            | 0                            | 549,894           | 549,894           |
| Total Fund Balances                   | <u>\$ 12,898</u>             | <u>\$ 551,994</u> | <u>\$ 564,892</u> |
| Total Liabilities and Fund Balances   | <u>\$ 26,303</u>             | <u>\$ 551,994</u> | <u>\$ 578,297</u> |

Exhibit I-7

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

|   | <u>Special Revenue Funds</u> |                     | Total               |
|---|------------------------------|---------------------|---------------------|
|   | School                       | Central             | Nonmajor            |
|   | Federal                      | Cafeteria           | Governmental        |
|   | Projects                     |                     | Funds               |
| <u>Revenues</u>                         |                              |                     |                     |
| Charges for Current Services            | \$ 0                         | \$ 1,549,300        | \$ 1,549,300        |
| Other Local Revenues                    | 0                            | 14,244              | 14,244              |
| State of Tennessee                      | 0                            | 31,734              | 31,734              |
| Federal Government                      | 2,135,207                    | 1,317,655           | 3,452,862           |
| Total Revenues                          | <u>\$ 2,135,207</u>          | <u>\$ 2,912,933</u> | <u>\$ 5,048,140</u> |
| <u>Expenditures</u>                     |                              |                     |                     |
| Current:                                |                              |                     |                     |
| Instruction                             | \$ 1,459,677                 | \$ 0                | \$ 1,459,677        |
| Support Services                        | 722,887                      | 0                   | 722,887             |
| Operation of Non-Instructional Services | 0                            | 3,064,744           | 3,064,744           |
| Total Expenditures                      | <u>\$ 2,182,564</u>          | <u>\$ 3,064,744</u> | <u>\$ 5,247,308</u> |
| Excess (Deficiency) of Revenues         |                              |                     |                     |
| Over Expenditures                       | <u>\$ (47,357)</u>           | <u>\$ (151,811)</u> | <u>\$ (199,168)</u> |
| <u>Other Financing Sources (Uses)</u>   |                              |                     |                     |
| Insurance Recovery                      | \$ 0                         | \$ 1,214            | \$ 1,214            |
| Total Other Financing Sources (Uses)    | <u>\$ 0</u>                  | <u>\$ 1,214</u>     | <u>\$ 1,214</u>     |
| Net Change in Fund Balances             | \$ (47,357)                  | \$ (150,597)        | \$ (197,954)        |
| Fund Balance, July 1, 2008              | 60,255                       | 702,591             | 762,846             |
| Fund Balance, June 30, 2009             | <u>\$ 12,898</u>             | <u>\$ 551,994</u>   | <u>\$ 564,892</u>   |

Exhibit I-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2009

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|                                       |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                       |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                           | \$ 9,962,550              | \$ 0                              | \$ 0                              | \$ 9,962,550  | \$ 9,926,731     | \$ 9,926,731  | \$ 35,819  |
| Licenses and Permits                  | 3,088                     | 0                                 | 0                                 | 3,088   | 3,200            | 3,200         | (112)  |
| Charges for Current Services          | 1,053,576                 | 0                                 | 0                                 | 1,053,576   | 1,022,000        | 1,022,000     | 31,576   |
| Other Local Revenues                  | 115,815                   | 0                                 | 0                                 | 115,815   | 55,843           | 118,534       | (2,719)  |
| State of Tennessee                    | 30,393,025                | 0                                 | 0                                 | 30,393,025  | 30,142,221       | 30,434,330    | (41,305)   |
| Federal Government                    | 677,449                   | 0                                 | 0                                 | 677,449   | 279,595          | 792,544       | (115,095)  |
| Other Governments and Citizens Groups | 576,257                   | 0                                 | 0                                 | 576,257   | 0                | 576,257       | 0  |
| Total Revenues                        | \$ 42,781,760             | \$ 0                              | \$ 0                              | \$ 42,781,760   | \$ 41,429,590    | \$ 42,873,596 | \$ (91,836)  |
| <u>Expenditures</u>                   |                           |                                   |                                   |   |                  |               |  |
| <u>Instruction</u>                    |                           |                                   |                                   |   |                  |               |  |
| Regular Instruction Program           | \$ 22,659,864             | \$ (111,574)                      | \$ 73,580                         | \$ 22,621,870   | \$ 22,410,599    | \$ 22,724,216 | \$ 102,346   |
| Alternative Instruction Program       | 73,139                    | 0                                 | 0                                 | 73,139  | 70,919           | 75,209        | 2,070  |
| Special Education Program             | 2,784,421                 | 0                                 | 1,375                             | 2,785,796   | 2,771,162        | 2,858,459     | 72,663   |
| Vocational Education Program          | 1,239,785                 | (155)                             | 0                                 | 1,239,630   | 1,238,160        | 1,240,090     | 460  |
| Adult Education Program               | 107,242                   | (630)                             | 2,478                             | 109,090   | 108,603          | 117,816       | 8,726  |
| <u>Support Services</u>               |                           |                                   |                                   |   |                  |               |  |
| Attendance                            | 96,660                    | 0                                 | 350                               | 97,010  | 97,088           | 97,418        | 408  |
| Health Services                       | 285,393                   | (2,586)                           | 135                               | 282,942   | 301,550          | 298,654       | 15,712   |
| Other Student Support                 | 1,505,535                 | 0                                 | 0                                 | 1,505,535   | 1,181,836        | 1,588,258     | 82,723   |
| Regular Instruction Program           | 1,511,887                 | (13,861)                          | 0                                 | 1,498,026   | 1,508,515        | 1,521,457     | 23,431   |
| Alternative Instruction Program       | 12,451                    | (500)                             | 500                               | 12,451  | 6,555            | 14,813        | 2,362  |
| Special Education Program             | 428,377                   | 0                                 | 0                                 | 428,377   | 405,071          | 425,929       | (2,448)  |
| Vocational Education Program          | 120,667                   | 0                                 | 0                                 | 120,667   | 127,062          | 122,202       | 1,535  |

(Continued)

Exhibit I-8

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>  |                           |                                   |                                   |   |                  |               |  |
| <u>Support Services (Cont.)</u>                                    |                           |                                   |                                   |   |                  |               |  |
| Adult Programs   | \$ 58,038 \$              | 0 \$                              | 0 \$                              | 58,038 \$   | 66,399 \$        | 61,383 \$     | 3,345  |
| Other Programs   | 103,928                   | 0                                 | 0                                 | 103,928   | 0                | 103,928       | 0  |
| Board of Education   | 662,399                   | 0                                 | 0                                 | 662,399   | 768,875          | 670,615       | 8,216  |
| Director of Schools  | 345,128                   | 0                                 | 0                                 | 345,128   | 255,522          | 363,751       | 18,623   |
| Office of the Principal  | 2,663,083                 | 0                                 | 0                                 | 2,663,083   | 2,694,937        | 2,692,111     | 29,028   |
| Fiscal Services  | 259,845                   | (826)                             | 300                               | 259,319   | 277,064          | 266,991       | 7,672  |
| Operation of Plant   | 3,333,607                 | (3,056)                           | 0                                 | 3,330,551   | 3,266,444        | 3,431,567     | 101,016  |
| Maintenance of Plant   | 884,642                   | (5,773)                           | 8,635                             | 887,504   | 893,861          | 907,027       | 19,523   |
| Transportation   | 2,266,246                 | (70,810)                          | 69,690                            | 2,265,126   | 1,716,107        | 2,359,787     | 94,661   |
| <u>Operation of Non-Instructional Services</u>                     |                           |                                   |                                   |   |                  |               |  |
| Community Services   | 957,715                   | (6,422)                           | 478                               | 951,771   | 967,448          | 1,036,122     | 84,351   |
| Early Childhood Education  | 465,189                   | (1,786)                           | 4,861                             | 468,264   | 469,156          | 470,865       | 2,601  |
| <u>Capital Outlay</u>  |                           |                                   |                                   |   |                  |               |  |
| Regular Capital Outlay   | 143,746                   | (67,797)                          | 3,650                             | 79,599  | 80,000           | 80,000        | 401  |
| Total Expenditures   | \$ 42,968,987 \$          | (285,776) \$                      | 166,032 \$                        | 42,849,243 \$   | 41,682,933 \$    | 43,528,668 \$ | 679,425  |
| <u>Excess (Deficiency) of Revenues</u><br><u>Over Expenditures</u> | \$ (187,227) \$           | 285,776 \$                        | (166,032) \$                      | (67,483) \$   | (253,343) \$     | (655,072) \$  | 587,589  |
| <u>Other Financing Sources (Uses)</u>                              |                           |                                   |                                   |   |                  |               |  |
| Insurance Recovery   | \$ 67,731 \$              | 0 \$                              | 0 \$                              | 67,731 \$   | 0 \$             | 61,967 \$     | 5,764  |
| Total Other Financing Sources (Uses)                               | \$ 67,731 \$              | 0 \$                              | 0 \$                              | 67,731 \$   | 0 \$             | 61,967 \$     | 5,764  |
| Net Change in Fund Balance   | \$ (119,496) \$           | 285,776 \$                        | (166,032) \$                      | 248 \$  | (253,343) \$     | (593,105) \$  | 593,353  |
| Fund Balance, July 1, 2008   | 2,604,471                 | (285,776)                         | 0                                 | 2,318,695   | 2,224,535        | 2,224,535     | 94,160   |
| Fund Balance, June 30, 2009  | \$ 2,484,975 \$           | 0 \$                              | (166,032) \$                      | 2,318,943 \$  | 1,971,192 \$     | 1,631,430 \$  | 687,513  |

Exhibit I-9

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Federal Government                                       | \$ 2,135,207              | \$ 0                              | \$ 0                              | \$ 2,135,207  | \$ 3,142,189     | \$ 3,142,723 | \$ (1,007,516)   |
| Total Revenues   | \$ 2,135,207              | \$ 0                              | \$ 0                              | \$ 2,135,207  | \$ 3,142,189     | \$ 3,142,723 | \$ (1,007,516)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>Instruction</u>                                       |                           |                                   |                                   |   |                  |              |  |
| Regular Instruction Program                              | \$ 483,991                | \$ 0                              | \$ 0                              | \$ 483,991  | \$ 616,948       | \$ 617,058   | \$ 133,067   |
| Special Education Program                                | 881,120                   | (16,457)                          | 5,928                             | 870,591   | 1,313,922        | 1,332,311    | 461,720  |
| Vocational Education Program                             | 94,566                    | (21,028)                          | 0                                 | 73,538  | 72,731           | 75,498       | 1,960  |
| <u>Support Services</u>                                  |                           |                                   |                                   |   |                  |              |  |
| Other Student Support                                    | 92,510                    | 0                                 | 0                                 | 92,510  | 121,468          | 120,374      | 27,864   |
| Regular Instruction Program                              | 277,545                   | (10,244)                          | 6,529                             | 273,830   | 554,604          | 554,494      | 280,664  |
| Special Education Program                                | 337,847                   | (567)                             | 0                                 | 337,280   | 460,116          | 442,261      | 104,981  |
| Vocational Education Program                             | 4,825                     | 0                                 | 0                                 | 4,825   | 6,500            | 4,827        | 2  |
| Transportation   | 10,160                    | 0                                 | 0                                 | 10,160  | 10,160           | 10,160       | 0  |
| Total Expenditures                                       | \$ 2,182,564              | \$ (48,296)                       | \$ 12,457                         | \$ 2,146,725  | \$ 3,156,449     | \$ 3,156,983 | \$ 1,010,258   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (47,357)               | \$ 48,296                         | \$ (12,457)                       | \$ (11,518)   | \$ (14,260)      | \$ (14,260)  | \$ 2,742   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (47,357)               | \$ 48,296                         | \$ (12,457)                       | \$ (11,518)   | \$ (14,260)      | \$ (14,260)  | \$ 2,742   |
|  | \$ 60,255                 | \$ (48,296)                       | \$ 0                              | \$ 11,959   | \$ 14,260        | \$ 14,260    | \$ (2,301)   |
| Fund Balance, June 30, 2009                              | \$ 12,898                 | \$ 0                              | \$ (12,457)                       | \$ 441  | \$ 0             | \$ 0         | \$ 441   |

Exhibit I-10

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Charges for Current Services                             | \$ 1,549,300              | \$ 0                              | \$ 0                              | \$ 1,549,300  | \$ 1,545,500     | \$ 1,545,500 | \$ 3,800   |
| Other Local Revenues                                     | 14,244                    | 0                                 | 0                                 | 14,244  | 14,000           | 14,000       | 244  |
| State of Tennessee                                       | 31,734                    | 0                                 | 0                                 | 31,734  | 37,000           | 37,000       | (5,266)  |
| Federal Government                                       | 1,317,655                 | 0                                 | 0                                 | 1,317,655   | 1,137,000        | 1,137,000    | 180,655  |
| Total Revenues   | \$ 2,912,933              | \$ 0                              | \$ 0                              | \$ 2,912,933  | \$ 2,733,500     | \$ 2,733,500 | \$ 179,433   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>Operation of Non-Instructional Services</u>           |                           |                                   |                                   |   |                  |              |  |
| Food Service   | \$ 3,064,744              | \$ (2,168)                        | \$ 2,100                          | \$ 3,064,676  | \$ 3,176,829     | \$ 3,176,829 | \$ 112,153   |
| Total Expenditures                                       | \$ 3,064,744              | \$ (2,168)                        | \$ 2,100                          | \$ 3,064,676  | \$ 3,176,829     | \$ 3,176,829 | \$ 112,153   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (151,811)              | \$ 2,168                          | \$ (2,100)                        | \$ (151,743)  | \$ (443,329)     | \$ (443,329) | \$ 291,586   |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |              |  |
| Insurance Recovery                                       | \$ 1,214                  | \$ 0                              | \$ 0                              | \$ 1,214  | \$ 0             | \$ 0         | \$ 1,214   |
| Total Other Financing Sources (Uses)                     | \$ 1,214                  | \$ 0                              | \$ 0                              | \$ 1,214  | \$ 0             | \$ 0         | \$ 1,214   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (150,597)              | \$ 2,168                          | \$ (2,100)                        | \$ (150,529)  | \$ (443,329)     | \$ (443,329) | \$ 292,800   |
|  | 702,591                   | (2,168)                           | 0                                 | 700,423   | 769,988          | 769,988      | (69,565)   |
| Fund Balance, June 30, 2009                              | \$ 551,994                | \$ 0                              | \$ (2,100)                        | \$ 549,894  | \$ 326,659       | \$ 326,659   | \$ 223,235   |

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Cheatham County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, Line of Credit, Other Loans, and Bonds  
For the Year Ended June 30, 2009

| Description of Indebtedness                        | Original Amount of Issue | Interest Rate  | Date of Issue | Last Maturity Date | Outstanding 7-1-08 | Issued During Period | Paid and/or Matured During Period | Debt Refunded | Outstanding 6-30-09 |
|--|--------------------------|----------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------|---------------------|
|  |                          |                |               |                    |                    |                      |                                   |               |                     |
| <b><u>PRIMARY GOVERNMENT</u></b>                   |                          |                |               |                    |                    |                      |                                   |               |                     |
| <b><u>NOTES PAYABLE</u></b>                        |                          |                |               |                    |                    |                      |                                   |               |                     |
| <u>Payable through General Debt Service Fund</u>   |                          |                |               |                    |                    |                      |                                   |               |                     |
| Nursing Home Facility                              | \$ 800,000               | 3.95 to 5.95 % | 3-23-04       | 3-25-09            | \$ 575,000         | 0 \$                 | 575,000 \$                        | 0 \$          | 0                   |
| E-911 Communication Tower                          | 400,000                  | 3.979          | 9-29-05       | 9-1-13             | 345,000            | 0                    | 229,000                           | 0             | 116,000             |
| Total Payable through General Debt Service Fund    |                          |                |               |                    | \$ 920,000         | 0 \$                 | 804,000 \$                        | 0 \$          | 116,000             |
| <u>Payable through Education Debt Service Fund</u> |                          |                |               |                    |                    |                      |                                   |               |                     |
| School Roof  | 296,226                  | 4.03           | 8-15-08       | 4-24-09            | 0 \$               | 296,226 \$           | 296,226 \$                        | 0 \$          | 0                   |
| School Roof  | 263,210                  | 4.03           | 8-15-08       | 4-24-09            | 0                  | 263,210              | 263,210                           | 0             | 0                   |
| School Buses                                       | 514,987                  | 4.03           | 12-19-08      | 4-24-09            | 0                  | 514,987              | 514,987                           | 0             | 0                   |
| School Bus   | 61,270                   | 4.6            | 6-29-09       | 6-30-09            | 0                  | 61,270               | 61,270                            | 0             | 0                   |
| Bleachers  | 119,245                  | 4.6            | 6-29-09       | 6-30-09            | 0                  | 119,245              | 119,245                           | 0             | 0                   |
| Total Payable through Education Debt Service Fund  |                          |                |               |                    | \$ 0               | 1,254,938 \$         | 1,254,938 \$                      | 0 \$          | 0                   |
| Total Notes Payable                                |                          |                |               |                    | \$ 920,000         | 1,254,938 \$         | 2,058,938 \$                      | 0 \$          | 116,000             |
| <b><u>CAPITAL LEASES PAYABLE</u></b>               |                          |                |               |                    |                    |                      |                                   |               |                     |
| <u>Payable through Highway/Public Works Fund</u>   |                          |                |               |                    |                    |                      |                                   |               |                     |
| Dump Truck   | 42,500                   | 6.37           | 2-14-05       | 1-14-09            | 6,821              | 0 \$                 | 6,821 \$                          | 0 \$          | 0                   |
| Two Tractors                                       | 81,474                   | 5.15           | 4-15-05       | 4-15-10            | 32,311             | 0                    | 15,845                            | 0             | 16,466              |
| Tractor/Mower                                      | 67,232                   | 4.87           | 4-15-08       | 4-15-13            | 65,244             | 0                    | 12,272                            | 0             | 52,972              |
| Paver  | 243,259                  | 4.34           | 4-17-08       | 4-25-13            | 235,971            | 0                    | 44,853                            | 0             | 191,118             |
| Total Capital Leases Payable                       |                          |                |               |                    | \$ 340,347         | 0 \$                 | 79,791 \$                         | 0 \$          | 260,556             |
| <b><u>LINE OF CREDIT</u></b>                       |                          |                |               |                    |                    |                      |                                   |               |                     |
| <u>Payable through Education Debt Service Fund</u> |                          |                |               |                    |                    |                      |                                   |               |                     |
| Old Clarksville Highway/Highway 49 Intersection    | (1)                      | Variable       | 9-19-07       | 10-1-11            | 82,090             | 27,577               | 19                                | 0             | 109,648             |
| Total Line of Credit                               |                          |                |               |                    | \$ 82,090          | 27,577               | 19                                | 0             | 109,648             |

(Continued)

Exhibit J-1

Cheatham County, Tennessee  
 Schedule of Changes in Long-term Notes, Capital Leases, Line of Credit, Other Loans, and Bonds (Cont.)

| Description of Indebtedness                        | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-08 | Issued During Period | Paid and/or Matured During Period | Debt Refunded | Outstanding 6-30-09 |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------|---------------------|
| <b><u>OTHER LOANS PAYABLE</u></b>                  |                          |               |               |                    |                    |                      |                                   |               |                     |
| <u>Payable through General Debt Service Fund</u>   |                          |               |               |                    |                    |                      |                                   |               |                     |
| Public Works Projects                              | \$ 1,977,211             | Variable      | 11-1-1999     | 5-25-19            | \$ 1,432,145       | 0 \$                 | 145,000 \$                        | 0 \$          | 1,287,145           |
| Total Payable through General Debt Service Fund    |                          |               |               |                    | \$ 1,432,145       | 0 \$                 | 145,000 \$                        | 0 \$          | 1,287,145           |
| <u>Payable through Education Debt Service Fund</u> |                          |               |               |                    |                    |                      |                                   |               |                     |
| Public Works Projects                              | 5,063,492                | Variable      | 11-1-1999     | 5-25-19            | \$ 3,339,624       | 0 \$                 | 206,054 \$                        | 0 \$          | 3,133,570           |
| Public Works Projects                              | 2,262,948                | Variable      | 6-14-00       | 5-25-19            | 1,590,974          | 0                    | 116,130                           | 0             | 1,474,844           |
| Public Works Projects                              | (2)                      | Variable      | 6-28-07       | 5-25-14            | 2,716,785          | 5,062,694            | 1,269,000                         | 0             | 6,510,479           |
| School Refunding                                   | 7,894,500                | Variable      | 5-7-08        | 4-29-09            | 7,894,500          | 0                    | 0                                 | 7,894,500     | 0                   |
| Total Payable through Education Debt Service Fund  |                          |               |               |                    | \$ 15,541,883      | \$ 5,062,694         | \$ 1,591,184                      | \$ 7,894,500  | \$ 11,118,893       |
| Total Other Loans Payable                          |                          |               |               |                    | \$ 16,974,028      | \$ 5,062,694         | \$ 1,736,184                      | \$ 7,894,500  | \$ 12,406,038       |
| <b><u>BONDS PAYABLE</u></b>                        |                          |               |               |                    |                    |                      |                                   |               |                     |
| <u>Payable through General Debt Service Fund</u>   |                          |               |               |                    |                    |                      |                                   |               |                     |
| Refunding Bond - Nursing Home                      | 690,000                  | 7 to 9        | 1-1-1989      | 1-1-09             | \$ 60,000          | 0 \$                 | 60,000 \$                         | 0 \$          | 0                   |
| Total Payable through General Debt Service Fund    |                          |               |               |                    | \$ 60,000          | 0 \$                 | 60,000 \$                         | 0 \$          | 0                   |
| <u>Payable through Education Debt Service Fund</u> |                          |               |               |                    |                    |                      |                                   |               |                     |
| Refunding  | 9,605,000                | 2 to 4        | 9-15-04       | 6-1-19             | \$ 9,305,000       | 0 \$                 | 675,000 \$                        | 0 \$          | 8,630,000           |
| Refunding  | 7,894,500                | 3.14          | 4-29-09       | 6-1-22             | 0                  | 7,894,500            | 450,000                           | 0             | 7,444,500           |
| Total Payable through Education Debt Service Fund  |                          |               |               |                    | \$ 9,305,000       | \$ 7,894,500         | \$ 1,125,000                      | 0 \$          | 16,074,500          |
| Total Bonds Payable                                |                          |               |               |                    | \$ 9,365,000       | \$ 7,894,500         | \$ 1,185,000                      | 0 \$          | 16,074,500          |

(1) Total amount approved was \$500,000, of which \$390,333 remains available for draws as of June 30, 2009.

(2) Total amount approved was \$9,820,000, of which \$851,521 remains available for draws as of June 30, 2009.

Exhibit J-2

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

| Year<br>Ending<br>June 30 | Notes      |           |            |
|---------------------------|------------|-----------|------------|
|                           | Principal  | Interest  | Total      |
| 2010                      | \$ 30,000  | \$ 4,616  | \$ 34,616  |
| 2011                      | 31,000     | 3,422     | 34,422     |
| 2012                      | 32,000     | 2,188     | 34,188     |
| 2013                      | 23,000     | 915       | 23,915     |
| Total                     | \$ 116,000 | \$ 11,141 | \$ 127,141 |

| Year<br>Ending<br>June 30 | Capital Leases |           |            |
|---------------------------|----------------|-----------|------------|
|                           | Principal      | Interest  | Total      |
| 2010                      | \$ 76,187      | \$ 10,154 | \$ 86,341  |
| 2011                      | 62,436         | 6,948     | 69,384     |
| 2012                      | 65,277         | 4,111     | 69,388     |
| 2013                      | 56,656         | 1,162     | 57,818     |
| Total                     | \$ 260,556     | \$ 22,375 | \$ 282,931 |

| Year<br>Ending<br>June 30 | Line of Credit |          |            |
|---------------------------|----------------|----------|------------|
|                           | Principal      | Interest | Total      |
| 2010                      | \$ 0           | \$ 4,725 | \$ 4,725   |
| 2011                      | 109,648        | 1,204    | 110,852    |
| Total                     | \$ 109,648     | \$ 5,929 | \$ 115,577 |

(Continued)

Exhibit J-2

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

| Year<br>Ending<br>June 30 | Other Loans   |            |            | Total         |
|---------------------------|---------------|------------|------------|---------------|
|                           | Principal     | Interest   | Other Fees |               |
| 2010                      | \$ 1,822,543  | \$ 53,257  | \$ 38,458  | \$ 1,914,258  |
| 2011                      | 1,914,071     | 45,685     | 33,556     | 1,993,312     |
| 2012                      | 2,009,825     | 37,735     | 28,408     | 2,075,968     |
| 2013                      | 2,109,865     | 29,386     | 23,003     | 2,162,254     |
| 2014                      | 1,364,737     | 20,897     | 17,364     | 1,402,998     |
| 2015                      | 626,072       | 15,288     | 12,150     | 653,510       |
| 2016                      | 657,375       | 12,283     | 10,162     | 679,820       |
| 2017                      | 690,243       | 9,127      | 8,074      | 707,444       |
| 2018                      | 724,755       | 5,814      | 5,882      | 736,451       |
| 2019                      | 486,552       | 2,335      | 3,582      | 492,469       |
| Total                     | \$ 12,406,038 | \$ 231,807 | \$ 180,639 | \$ 12,818,484 |

| Year<br>Ending<br>June 30 | Bonds         |              | Total         |
|---------------------------|---------------|--------------|---------------|
|                           | Principal     | Interest     |               |
| 2010                      | \$ 1,154,000  | \$ 540,421   | \$ 1,694,421  |
| 2011                      | 1,209,000     | 505,841      | 1,714,841     |
| 2012                      | 1,264,000     | 468,894      | 1,732,894     |
| 2013                      | 1,319,000     | 428,746      | 1,747,746     |
| 2014                      | 1,371,000     | 385,437      | 1,756,437     |
| 2015                      | 1,438,000     | 338,523      | 1,776,523     |
| 2016                      | 1,500,000     | 289,323      | 1,789,323     |
| 2017                      | 1,558,000     | 237,071      | 1,795,071     |
| 2018                      | 1,637,210     | 181,845      | 1,819,055     |
| 2019                      | 1,768,000     | 122,876      | 1,890,876     |
| 2020                      | 724,000       | 58,287       | 782,287       |
| 2021                      | 713,590       | 35,554       | 749,144       |
| 2022                      | 418,700       | 11,082       | 429,782       |
| Total                     | \$ 16,074,500 | \$ 3,603,900 | \$ 19,678,400 |

Exhibit J-3

Cheatham County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2009

| Description                      | Debtor                            | Original<br>Amount<br>of Note | Date<br>of<br>Issue | Date<br>of<br>Maturity | Interest<br>Rate | Balance<br>6-30-09 |
|----------------------------------|-----------------------------------|-------------------------------|---------------------|------------------------|------------------|--------------------|
| <u>General Debt Service Fund</u> |                                   |                               |                     |                        |                  |                    |
| Loan                             | Emergency Communications District | \$ 400,000                    | 9-29-05             | 9-1-17                 | 3.979 %          | \$ <u>116,000</u>  |

Exhibit J-4

Cheatham County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2009

| <u>From Fund</u> | <u>To Fund</u>         | <u>Purpose</u>  | <u>Amount</u>     |
|------------------|------------------------|-----------------|-------------------|
| General          | Education Debt Service | Development tax | \$ <u>220,000</u> |

Exhibit J-5

Cheatham County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

| Official   | Authorization for Salary                              | Salary Paid During Period | Bond      | Surety                          |
|--|---|---------------------------|-----------|---------------------------------|
| County Mayor                                       | Section 8-24-102, <u>TCA</u>                          | \$ 73,866                 | \$ 50,000 | RLI Insurance Company           |
| Road Superintendent                                | Section 8-24-102, <u>TCA</u>                          | 70,350                    | 100,000   | Western Surety Company          |
| Director of Schools                                | State Board of Education and Local Board of Education | 194,967 (1)               | (2)       |                                 |
| Trustee  | Section 8-24-102, <u>TCA</u>                          | 63,954                    | 1,441,000 | RLI Insurance Company           |
| Assessor of Property                               | Section 8-24-102, <u>TCA</u>                          | 63,954                    | 10,000    | Western Surety Company          |
| Director of Accounts and Budgets                   | Section 8-24-102, <u>TCA</u>                          | 66,139                    | 25,000    | RLI Insurance Company           |
| County Clerk                                       | County Commission                                     | 63,954                    | 50,000    | "                               |
| Circuit and General Sessions Courts Clerk          | Section 8-24-102, <u>TCA</u>                          | 63,954                    | 50,000    | "                               |
| Clerk and Master                                   | Section 8-24-102, <u>TCA</u>                          | 63,954 (3)                | 50,000    | "                               |
| Register   | Section 8-24-102, <u>TCA</u>                          | 63,954                    | 25,000    | "                               |
| Sheriff  | Section 8-24-102, <u>TCA</u>                          | 70,950 (4)                | 50,000    | "                               |
| <u>Employee Bonds</u>                              |   |                           |           |                                 |
| General Employee Blanket Bond                      |   |                           | 150,000   | Tennessee Risk Management Trust |
| School Employee Blanket Bond                       |   |                           | 150,000   | "                               |
| Director of Emergency Medical Services and Coroner |   |                           | 25,000    | RLI Insurance Company           |
| Emergency Management Coordinator                   |   |                           | 25,000    | "                               |

- (1) Includes \$1,000 for career ladder supplement, \$1,200 for longevity pay, and \$96,239 for buyout of director's contract.
- (2) Covered under the School Employee Blanket Bond.
- (3) Does not include special commissioner fees of \$1,325.
- (4) Includes a law enforcement training supplement of \$600.

Exhibit J-6

Cheatham County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2009

|  | Special Revenue Funds |                                       |                                |                 |   |                              |      | Highway /<br>Public<br>Works |
|--|-----------------------|---------------------------------------|--------------------------------|-----------------|---|------------------------------|------|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation |      |                              |
| <u>Local Taxes</u>                               |                       |                                       |                                |                 |   |                              |      |                              |
| <u>County Property Taxes</u>                     |                       |                                       |                                |                 |   |                              |      |                              |
| Current Property Tax                             | \$ 5,827,500          | \$ 0                                  | \$ 904,265                     | \$ 0            | \$ 0                                      | \$ 0                         | \$ 0 | \$ 535,846                   |
| Trustee's Collections - Prior Year               | 146,490               | 0                                     | 23,276                         | 0               | 0   | 0                            | 0    | 14,318                       |
| Circuit/Clerk & Master Collections - Prior Years | 40,401                | 0                                     | 7,482                          | 0               | 0   | 0                            | 0    | 4,489                        |
| Interest and Penalty                             | 56,767                | 0                                     | 9,594                          | 0               | 0   | 0                            | 0    | 5,797                        |
| Payments in-Lieu-of Taxes - Local Utilities      | 45,233                | 0                                     | 7,038                          | 0               | 0   | 0                            | 0    | 4,195                        |
| Payments in-Lieu-of Taxes - Other                | 3,782                 | 0                                     | 670                            | 0               | 0   | 0                            | 0    | 400                          |
| <u>County Local Option Taxes</u>                 |                       |                                       |                                |                 |   |                              |      |                              |
| Local Option Sales Tax                           | 315                   | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Hotel/Motel Tax                                  | 33,129                | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Wheel Tax  | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 380,683                      |
| Litigation Tax - General                         | 121,957               | 9,958                                 | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Litigation Tax - Jail, Workhouse, or Courthouse  | 43,312                | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Business Tax                                     | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Mineral Severance Tax                            | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Adequate Facilities/Development Tax              | 330,000               | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 72                           |
| Other County Local Option Taxes                  | 241,571               | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| <u>Statutory Local Taxes</u>                     |                       |                                       |                                |                 |   |                              |      |                              |
| Bank Excise Tax                                  | 37,837                | 0                                     | 5,871                          | 0               | 0   | 0                            | 0    | 3,479                        |
| Wholesale Beer Tax                               | 273,695               | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Beer Privilege Tax                               | 58                    | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Interstate Telecommunications Tax                | 2,831                 | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| <u>Total Local Taxes</u>                         | \$ 7,204,878          | \$ 9,958                              | \$ 958,196                     | \$ 0            | \$ 0                                      | \$ 0                         | \$ 0 | \$ 949,279                   |
| <u>Licenses and Permits</u>                      |                       |                                       |                                |                 |   |                              |      |                              |
| <u>Licenses</u>                                  |                       |                                       |                                |                 |   |                              |      |                              |
| Animal Registration                              | \$ 6,110              | \$ 0                                  | \$ 0                           | \$ 0            | \$ 0                                      | \$ 0                         | \$ 0 | \$ 0                         |
| Animal Vaccination                               | 6,435                 | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| Cable TV Franchise                               | 162,724               | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |
| <u>Permits</u>                                   |                       |                                       |                                |                 |   |                              |      |                              |
| Beer Permits                                     | 3,598                 | 0                                     | 0                              | 0               | 0   | 0                            | 0    | 0                            |

(Continued)

Exhibit J-6

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

|  | Special Revenue Funds |                                       |                               |                 |   |                              |                             |
|--|-----------------------|---------------------------------------|-------------------------------|-----------------|---|------------------------------|-----------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste/<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation | Highway/<br>Public<br>Works |
| <u>Licenses and Permits (Cont.)</u>      |                       |                                       |                               |                 |   |                              |                             |
| <u>Permits (Cont.)</u>                   |                       |                                       |                               |                 |   |                              |                             |
| Building Permits                         | \$ 141,868            | \$ 0                                  | \$ 0                          | \$ 0            | \$ 0                                      | \$ 0                         | \$ 0                        |
| Other Permits                            | 5,400                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Total Licenses and Permits</u>        | <u>\$ 326,135</u>     | <u>\$ 0</u>                           | <u>\$ 0</u>                   | <u>\$ 0</u>     | <u>\$ 0</u>                               | <u>\$ 0</u>                  | <u>\$ 0</u>                 |
| <u>Fines, Forfeitures, and Penalties</u> |                       |                                       |                               |                 |   |                              |                             |
| <u>Circuit Court</u>                     |                       |                                       |                               |                 |   |                              |                             |
| Fines                                    | \$ 6,631              | \$ 0                                  | \$ 0                          | \$ 0            | \$ 0                                      | \$ 0                         | \$ 0                        |
| Officers Costs                           | 2,201                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Data Entry Fee - Circuit Court           | 1,503                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Criminal Court</u>                    |                       |                                       |                               |                 |   |                              |                             |
| Drug Control Fines                       | 10                    | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>General Sessions Court</u>            |                       |                                       |                               |                 |   |                              |                             |
| Fines                                    | 27,209                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Officers Costs                           | 75,355                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Game and Fish Fines                      | 292                   | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Jail Fees                                | 19,429                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Judicial Commissioner Fees               | 2,014                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| DUI Treatment Fines                      | 7,345                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Data Entry Fee - General Sessions Court  | 9,088                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Courtroom Security Fee                   | 150                   | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Juvenile Court</u>                    |                       |                                       |                               |                 |   |                              |                             |
| Fines                                    | 2,110                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Drug Control Fines                       | 1,020                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Chancery Court</u>                    |                       |                                       |                               |                 |   |                              |                             |
| Officers Costs                           | 1,233                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Data Entry Fee - Chancery Court          | 2,006                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Other Courts - In-county</u>          |                       |                                       |                               |                 |   |                              |                             |
| Drug Control Fines                       | 0                     | 0                                     | 0                             | 14,072          | 0   | 0                            | 0                           |
| DUI Treatment Fines                      | 140                   | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |

(Continued)

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

|  | Special Revenue Funds |                                       |                               |                 |   |                              |                             |
|--|-----------------------|---------------------------------------|-------------------------------|-----------------|---|------------------------------|-----------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste/<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation | Highway/<br>Public<br>Works |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u>   |                       |                                       |                               |                 |   |                              |                             |
| <u>Judicial District Drug Program</u>              |                       |                                       |                               |                 |   |                              |                             |
| Drug Task Force Forfeitures and Seizures           | \$ 5,953              | \$ 0                                  | \$ 0                          | \$ 12,692       | \$ 0                                      | \$ 0                         | \$ 0                        |
| Data Entry Fee - Other Courts                      | 181                   | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Courtroom Security Fee                             | 310                   | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Other Fines, Forfeitures, and Penalties            | 5,723                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Total Fines, Forfeitures, and Penalties            | \$ 169,903            | \$ 0                                  | \$ 0                          | \$ 26,764       | \$ 0                                      | \$ 0                         | \$ 0                        |
| <u>Charges for Current Services</u>                |                       |                                       |                               |                 |   |                              |                             |
| <u>General Service Charges</u>                     |                       |                                       |                               |                 |   |                              |                             |
| Self-Insurance Premiums/Contributions              | \$ 0                  | \$ 0                                  | \$ 0                          | \$ 0            | \$ 0                                      | \$ 70,830                    | \$ 0                        |
| Tipping Fees                                       | 0                     | 0                                     | 178,656                       | 0               | 0   | 0                            | 0                           |
| Patient Charges                                    | 658,799               | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Work Release Charges for Board                     | 2,650                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Other General Service Charges                      | 11,987                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| <u>Fees</u>  |                       |                                       |                               |                 |   |                              |                             |
| Copy Fees  | 1,872                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Library Fees                                       | 6,292                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Archives and Records Management Fee - County Clerk | 6,122                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Telephone Commissions                              | 14,550                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Constitutional Officers' Fees and Commissions      | 11,150                | 0                                     | 0                             | 0               | 1,651                                     | 0                            | 0                           |
| Data Processing Fee - Register                     | 15,686                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Probation Fees                                     | 76,397                | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Data Processing Fee - Sheriff                      | 5,122                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Sexual Offender Registration Fees - Sheriff        | 4,575                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Data Processing Fee - County Clerk                 | 1,502                 | 0                                     | 0                             | 0               | 0   | 0                            | 0                           |
| Total Charges for Current Services                 | \$ 816,704            | \$ 0                                  | \$ 178,656                    | \$ 0            | \$ 1,651                                  | \$ 70,830                    | \$ 0                        |
| <u>Other Local Revenues</u>                        |                       |                                       |                               |                 |   |                              |                             |
| <u>Recurring Items</u>                             |                       |                                       |                               |                 |   |                              |                             |
| Investment Income                                  | \$ 335,148            | \$ 0                                  | \$ 28                         | \$ 0            | \$ 0                                      | \$ 0                         | \$ 78                       |

(Continued)

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

|  | Special Revenue Funds |                                       |                                |                 |   |                              |                              |
|--|-----------------------|---------------------------------------|--------------------------------|-----------------|---|------------------------------|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation | Highway /<br>Public<br>Works |
| <u>Other Local Revenues (Cont.)</u>        |                       |                                       |                                |                 |   |                              |                              |
| <u>Recurring Items (Cont.)</u>             |                       |                                       |                                |                 |   |                              |                              |
| Sale of Recycled Materials                 | \$ 0                  | \$ 0                                  | 26,903                         | \$ 0            | \$ 0                                      | \$ 0                         | 0                            |
| Retirees' Insurance Payments               | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 173                          |
| Miscellaneous Refunds                      | 1,150                 | 0                                     | 0                              | 0               | 0   | 0                            | 67,184                       |
| Expenditure Credits                        | 1,175                 | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| <u>Nonrecurring Items</u>                  |                       |                                       |                                |                 |   |                              |                              |
| Sale of Equipment                          | 37,262                | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Damages Recovered from Individuals         | 0                     | 0                                     | 8,000                          | 0               | 0   | 0                            | 0                            |
| Contributions and Gifts                    | 9,620                 | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| <u>Other Local Revenues</u>                |                       |                                       |                                |                 |   |                              |                              |
| Other Local Revenues                       | 2,097                 | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Total Other Local Revenues                 | \$ 386,452            | \$ 0                                  | \$ 34,931                      | \$ 0            | \$ 0                                      | \$ 0                         | \$ 67,435                    |
| <u>Fees Received from County Officials</u> |                       |                                       |                                |                 |   |                              |                              |
| <u>Fees in-Lieu-of Salary</u>              |                       |                                       |                                |                 |   |                              |                              |
| County Clerk                               | \$ 414,777            | \$ 0                                  | \$ 0                           | \$ 0            | \$ 0                                      | \$ 0                         | 0                            |
| Circuit Court Clerk                        | 349,056               | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Clerk and Master                           | 134,854               | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Register                                   | 206,008               | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Sheriff                                    | 30,390                | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Trustee                                    | 588,891               | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Total Fees Received from County Officials  | \$ 1,723,976          | \$ 0                                  | \$ 0                           | \$ 0            | \$ 0                                      | \$ 0                         | 0                            |
| <u>State of Tennessee</u>                  |                       |                                       |                                |                 |   |                              |                              |
| <u>General Government Grants</u>           |                       |                                       |                                |                 |   |                              |                              |
| Juvenile Services Program                  | \$ 9,400              | \$ 0                                  | \$ 0                           | \$ 0            | \$ 0                                      | \$ 0                         | 0                            |
| State Reappraisal Grant                    | 12,497                | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| Solid Waste Grants                         | 0                     | 0                                     | 9,379                          | 0               | 0   | 0                            | 0                            |
| Other General Government Grants            | 2,279                 | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |
| <u>Public Safety Grants</u>                |                       |                                       |                                |                 |   |                              |                              |
| Law Enforcement Training Programs          | 17,800                | 0                                     | 0                              | 0               | 0   | 0                            | 0                            |

(Continued)

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

|  | Special Revenue Funds |                                       |                                |                 |   |                              |           | Highway /<br>Public<br>Works |
|--|-----------------------|---------------------------------------|--------------------------------|-----------------|---|------------------------------|-----------|------------------------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu-<br>tional<br>Officers -<br>Fees | Unemployment<br>Compensation |           |                              |
| <u>State of Tennessee (Cont.)</u>            |                       |                                       |                                |                 |   |                              |           |                              |
| Public Works Grants                          | \$ 0 \$               | 0 \$                                  | 0 \$                           | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 309,674                      |
| Bridge Program                               | 27,413                | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Litter Program                               |                       |                                       |                                |                 |   |                              |           |                              |
| <u>Other State Revenues</u>                  |                       |                                       |                                |                 |   |                              |           |                              |
| Flood Control                                |                       | 1,063                                 | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Income Tax                                   |                       | 66,111                                | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Beer Tax                                     |                       | 18,701                                | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Alcoholic Beverage Tax                       |                       | 37,253                                | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| State Revenue Sharing - T.V.A.               |                       | 135,925                               | 21,314                         | 0               | 0   | 0                            | 0         | 12,868                       |
| Prisoner Transportation                      |                       | 1,634                                 | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Contracted Prisoner Boarding                 |                       | 201,460                               | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Gasoline and Motor Fuel Tax                  | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 1,554,717                    |
| Petroleum Special Tax                        | 0                     | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 28,841                       |
| Registrar's Salary Supplement                | 14,912                | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Other State Revenues                         | 28,099                | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Total State of Tennessee                     | \$ 574,547 \$         | 0 \$                                  | 30,693 \$                      | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 1,906,100                    |
| <u>Federal Government</u>                    |                       |                                       |                                |                 |   |                              |           |                              |
| Federal Through State                        |                       |                                       |                                |                 |   |                              |           |                              |
| Disaster Relief                              | \$ 27,327 \$          | 0 \$                                  | 0 \$                           | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 0                            |
| Other Federal through State                  | 93,600                | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Direct Federal Revenue                       |                       |                                       |                                |                 |   |                              |           |                              |
| Police Service (Lake Area)                   | 37,310                | 0                                     | 0                              | 0               | 0   | 0                            | 0         | 0                            |
| Total Federal Government                     | \$ 158,237 \$         | 0 \$                                  | 0 \$                           | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 0                            |
| <u>Other Governments and Citizens Groups</u> |                       |                                       |                                |                 |   |                              |           |                              |
| Other Governments                            |                       |                                       |                                |                 |   |                              |           |                              |
| Contributions                                | \$ 234,780 \$         | 0 \$                                  | 0 \$                           | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 0                            |
| Total Other Governments and Citizens Groups  | \$ 234,780 \$         | 0 \$                                  | 0 \$                           | 0 \$            | 0 \$                                      | 0 \$                         | 0 \$      | 0                            |
| Total  | \$ 11,595,612 \$      | 9,958 \$                              | 1,202,476 \$                   | 26,764 \$       | 1,651 \$                                  | 70,830 \$                    | 2,922,814 |                              |

(Continued)

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

|  | Debt Service Funds   |                        | Capital Projects Funds   |                        |                      | Total |
|--|----------------------|------------------------|--------------------------|------------------------|----------------------|-------|
|  | General Debt Service | Education Debt Service | General Capital Projects | Other Capital Projects |                      |       |
| <u>Local Taxes</u>                               |                      |                        |                          |                        |                      |       |
| <u>County Property Taxes</u>                     |                      |                        |                          |                        |                      |       |
| Current Property Tax                             | \$ 200,943           | \$ 3,349,136           | \$ 100,487               | \$ 334,920             | \$ 11,253,097        |       |
| Trustee's Collections - Prior Year               | 5,408                | 89,662                 | 7,123                    | 10,720                 | 296,997              |       |
| Circuit/Clerk & Master Collections - Prior Years | 2,494                | 31,624                 | 1,496                    | 2,993                  | 90,979               |       |
| Interest and Penalty                             | 2,649                | 38,489                 | 2,127                    | 3,991                  | 119,414              |       |
| Payments in-Lieu-of Taxes - Local Utilities      | 1,571                | 26,192                 | 956                      | 2,687                  | 87,872               |       |
| Payments in-Lieu-of Taxes - Other                | 204                  | 2,747                  | 152                      | 278                    | 8,233                |       |
| <u>County Local Option Taxes</u>                 |                      |                        |                          |                        |                      |       |
| Local Option Sales Tax                           | 0                    | 1,398,179              | 0                        | 0                      | 1,398,494            |       |
| Hotel/Motel Tax                                  | 0                    | 0                      | 0                        | 0                      | 33,129               |       |
| Wheel Tax  | 0                    | 1,142,048              | 0                        | 0                      | 1,522,731            |       |
| Litigation Tax - General                         | 0                    | 0                      | 0                        | 0                      | 131,915              |       |
| Litigation Tax - Jail, Workhouse, or Courthouse  | 0                    | 0                      | 0                        | 0                      | 43,312               |       |
| Business Tax                                     | 184,298              | 0                      | 0                        | 0                      | 184,298              |       |
| Mineral Severance Tax                            | 0                    | 0                      | 0                        | 0                      | 72                   |       |
| Adequate Facilities/Development Tax              | 0                    | 177,001                | 0                        | 0                      | 507,001              |       |
| Other County Local Option Taxes                  | 0                    | 0                      | 0                        | 0                      | 241,571              |       |
| <u>Statutory Local Taxes</u>                     |                      |                        |                          |                        |                      |       |
| Bank Excise Tax                                  | 1,305                | 21,745                 | 652                      | 2,175                  | 73,064               |       |
| Wholesale Beer Tax                               | 0                    | 0                      | 0                        | 0                      | 273,695              |       |
| Beer Privilege Tax                               | 0                    | 0                      | 0                        | 0                      | 58                   |       |
| Interstate Telecommunications Tax                | 0                    | 0                      | 0                        | 0                      | 2,831                |       |
| <b>Total Local Taxes</b>                         | <b>\$ 398,872</b>    | <b>\$ 6,276,823</b>    | <b>\$ 112,993</b>        | <b>\$ 357,764</b>      | <b>\$ 16,268,763</b> |       |
| <u>Licenses and Permits</u>                      |                      |                        |                          |                        |                      |       |
| <u>Licenses</u>                                  |                      |                        |                          |                        |                      |       |
| Animal Registration                              | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 6,110             |       |
| Animal Vaccination                               | 0                    | 0                      | 0                        | 0                      | 6,435                |       |
| Cable TV Franchise                               | 0                    | 0                      | 0                        | 0                      | 162,724              |       |
| <u>Permits</u>                                   |                      |                        |                          |                        |                      |       |
| Beer Permits                                     | 0                    | 0                      | 0                        | 0                      | 3,598                |       |

(Continued)

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

|  | Debt Service Funds   |                        | Capital Projects Funds   |                        |      | Total      |
|--|----------------------|------------------------|--------------------------|------------------------|------|------------|
|  | General Debt Service | Education Debt Service | General Capital Projects | Other Capital Projects |      |            |
| <u>Licenses and Permits (Cont.)</u>      |                      |                        |                          |                        |      |            |
| <u>Permits (Cont.)</u>                   |                      |                        |                          |                        |      |            |
| Building Permits                         | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | \$ 141,868 |
| Other Permits                            | 0                    | 0                      | 0                        | 0                      | 0    | 5,400      |
| Total Licenses and Permits               | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | \$ 326,135 |
| <u>Fines, Forfeitures, and Penalties</u> |                      |                        |                          |                        |      |            |
| <u>Circuit Court</u>                     |                      |                        |                          |                        |      |            |
| Fines                                    | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | \$ 6,631   |
| Officers Costs                           | 0                    | 0                      | 0                        | 0                      | 0    | 2,201      |
| Data Entry Fee - Circuit Court           | 0                    | 0                      | 0                        | 0                      | 0    | 1,503      |
| <u>Criminal Court</u>                    |                      |                        |                          |                        |      |            |
| Drug Control Fines                       | 0                    | 0                      | 0                        | 0                      | 0    | 10         |
| <u>General Sessions Court</u>            |                      |                        |                          |                        |      |            |
| Fines                                    | 0                    | 0                      | 0                        | 0                      | 0    | 27,209     |
| Officers Costs                           | 0                    | 0                      | 0                        | 0                      | 0    | 75,355     |
| Game and Fish Fines                      | 0                    | 0                      | 0                        | 0                      | 0    | 292        |
| Jail Fees                                | 0                    | 0                      | 0                        | 0                      | 0    | 19,429     |
| Judicial Commissioner Fees               | 0                    | 0                      | 0                        | 0                      | 0    | 2,014      |
| DUI Treatment Fines                      | 0                    | 0                      | 0                        | 0                      | 0    | 7,345      |
| Data Entry Fee - General Sessions Court  | 0                    | 0                      | 0                        | 0                      | 0    | 9,088      |
| Courtroom Security Fee                   | 0                    | 0                      | 0                        | 0                      | 0    | 150        |
| <u>Juvenile Court</u>                    |                      |                        |                          |                        |      |            |
| Fines                                    | 0                    | 0                      | 0                        | 0                      | 0    | 2,110      |
| Drug Control Fines                       | 0                    | 0                      | 0                        | 0                      | 0    | 1,020      |
| <u>Chancery Court</u>                    |                      |                        |                          |                        |      |            |
| Officers Costs                           | 0                    | 0                      | 0                        | 0                      | 0    | 1,233      |
| Data Entry Fee - Chancery Court          | 0                    | 0                      | 0                        | 0                      | 0    | 2,006      |
| <u>Other Courts - In-county</u>          |                      |                        |                          |                        |      |            |
| Drug Control Fines                       | 0                    | 0                      | 0                        | 0                      | 0    | 14,072     |
| DUI Treatment Fines                      | 0                    | 0                      | 0                        | 0                      | 0    | 140        |

(Continued)

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

|  | Debt Service Funds   |                        | Capital Projects Funds   |                        |      | Total     |
|--|----------------------|------------------------|--------------------------|------------------------|------|-----------|
|  | General Debt Service | Education Debt Service | General Capital Projects | Other Capital Projects |      |           |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u>   |                      |                        |                          |                        |      |           |
| <u>Judicial District Drug Program</u>              |                      |                        |                          |                        |      |           |
| Drug Task Force Forfeitures and Seizures           | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | 18,645    |
| Data Entry Fee - Other Courts                      | 0                    | 0                      | 0                        | 0                      | 0    | 181       |
| Courtroom Security Fee                             | 0                    | 0                      | 0                        | 0                      | 0    | 310       |
| <u>Other Fines, Forfeitures, and Penalties</u>     | 0                    | 0                      | 0                        | 0                      | 0    | 5,723     |
| Total Fines, Forfeitures, and Penalties            | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | 196,667   |
| <u>Charges for Current Services</u>                |                      |                        |                          |                        |      |           |
| <u>General Service Charges</u>                     |                      |                        |                          |                        |      |           |
| Self-Insurance Premiums/Contributions              | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | 70,830    |
| Tipping Fees                                       | 0                    | 0                      | 0                        | 0                      | 0    | 178,656   |
| Patient Charges                                    | 0                    | 0                      | 0                        | 0                      | 0    | 658,799   |
| Work Release Charges for Board                     | 0                    | 0                      | 0                        | 0                      | 0    | 2,650     |
| Other General Service Charges                      | 0                    | 0                      | 0                        | 0                      | 0    | 11,987    |
| <u>Fees</u>  |                      |                        |                          |                        |      |           |
| Copy Fees  | 0                    | 0                      | 0                        | 0                      | 0    | 1,872     |
| Library Fees                                       | 0                    | 0                      | 0                        | 0                      | 0    | 6,292     |
| Archives and Records Management Fee - County Clerk | 0                    | 0                      | 0                        | 0                      | 0    | 6,122     |
| Telephone Commissions                              | 0                    | 0                      | 0                        | 0                      | 0    | 14,550    |
| Constitutional Officers' Fees and Commissions      | 0                    | 0                      | 0                        | 0                      | 0    | 12,801    |
| Data Processing Fee - Register                     | 0                    | 0                      | 0                        | 0                      | 0    | 15,686    |
| Probation Fees                                     | 0                    | 0                      | 0                        | 0                      | 0    | 76,397    |
| Data Processing Fee - Sheriff                      | 0                    | 0                      | 0                        | 0                      | 0    | 5,122     |
| Sexual Offender Registration Fees - Sheriff        | 0                    | 0                      | 0                        | 0                      | 0    | 4,575     |
| Data Processing Fee - County Clerk                 | 0                    | 0                      | 0                        | 0                      | 0    | 1,502     |
| Total Charges for Current Services                 | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | 1,067,841 |
| <u>Other Local Revenues</u>                        |                      |                        |                          |                        |      |           |
| <u>Recurring Items</u>                             |                      |                        |                          |                        |      |           |
| Investment Income                                  | \$ 13,151            | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0 | 348,405   |

(Continued)

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

|  | Debt Service Funds   |                        | Capital Projects Funds   |                        | Total               |
|--|----------------------|------------------------|--------------------------|------------------------|---------------------|
|  | General Debt Service | Education Debt Service | General Capital Projects | Other Capital Projects |                     |
| <u>Other Local Revenues (Cont.)</u>              |                      |                        |                          |                        |                     |
| <u>Recurring Items (Cont.)</u>                   |                      |                        |                          |                        |                     |
| Sale of Recycled Materials                       | \$ 0                 | 0                      | 0                        | 0                      | 26,903              |
| Retirees' Insurance Payments                     | 0                    | 0                      | 0                        | 0                      | 173                 |
| Miscellaneous Refunds                            | 0                    | 0                      | 0                        | 0                      | 68,334              |
| Expenditure Credits                              | 0                    | 0                      | 0                        | 0                      | 1,175               |
| <u>Nonrecurring Items</u>                        |                      |                        |                          |                        |                     |
| Sale of Equipment                                | 0                    | 3,265                  | 0                        | 0                      | 40,527              |
| Damages Recovered from Individuals               | 0                    | 0                      | 0                        | 0                      | 8,000               |
| Contributions and Gifts                          | 0                    | 0                      | 0                        | 0                      | 9,620               |
| <u>Other Local Revenues</u>                      |                      |                        |                          |                        |                     |
| Other Local Revenues                             | 0                    | 0                      | 0                        | 0                      | 2,097               |
| <b>Total Other Local Revenues</b>                | <b>\$ 13,151</b>     | <b>\$ 3,265</b>        | <b>\$ 0</b>              | <b>\$ 0</b>            | <b>\$ 505,234</b>   |
| <u>Fees Received from County Officials</u>       |                      |                        |                          |                        |                     |
| <u>Fees in-Lieu-of Salary</u>                    |                      |                        |                          |                        |                     |
| County Clerk                                     | 0                    | 0                      | 0                        | 0                      | 414,777             |
| Circuit Court Clerk                              | 0                    | 0                      | 0                        | 0                      | 349,056             |
| Clerk and Master                                 | 0                    | 0                      | 0                        | 0                      | 134,854             |
| Register   | 0                    | 0                      | 0                        | 0                      | 206,008             |
| Sheriff  | 0                    | 0                      | 0                        | 0                      | 30,390              |
| Trustee  | 0                    | 0                      | 0                        | 0                      | 588,891             |
| <b>Total Fees Received from County Officials</b> | <b>\$ 0</b>          | <b>\$ 0</b>            | <b>\$ 0</b>              | <b>\$ 0</b>            | <b>\$ 1,723,976</b> |
| <u>State of Tennessee</u>                        |                      |                        |                          |                        |                     |
| <u>General Government Grants</u>                 |                      |                        |                          |                        |                     |
| Juvenile Services Program                        | 0                    | 0                      | 0                        | 0                      | 9,400               |
| State Reappraisal Grant                          | 0                    | 0                      | 0                        | 0                      | 12,497              |
| Solid Waste Grants                               | 0                    | 0                      | 0                        | 0                      | 9,379               |
| Other General Government Grants                  | 0                    | 0                      | 0                        | 0                      | 2,279               |
| <u>Public Safety Grants</u>                      |                      |                        |                          |                        |                     |
| Law Enforcement Training Programs                | 0                    | 0                      | 0                        | 0                      | 17,800              |

(Continued)

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

|  | Debt Service Funds   |                        | Capital Projects Funds   |                        |                   | Total                |
|--|----------------------|------------------------|--------------------------|------------------------|-------------------|----------------------|
|  | General Debt Service | Education Debt Service | General Capital Projects | Other Capital Projects |                   |                      |
| State of Tennessee (Cont.)                   |                      |                        |                          |                        |                   |                      |
| <u>Public Works Grants</u>                   |                      |                        |                          |                        |                   |                      |
| Bridge Program                               | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0              | \$ 309,674           |
| Litter Program                               | 0                    | 0                      | 0                        | 0                      | 0                 | 27,413               |
| <u>Other State Revenues</u>                  |                      |                        |                          |                        |                   |                      |
| Flood Control                                | 0                    | 0                      | 0                        | 0                      | 0                 | 1,063                |
| Income Tax                                   | 0                    | 0                      | 0                        | 0                      | 0                 | 66,111               |
| Beer Tax                                     | 0                    | 0                      | 0                        | 0                      | 0                 | 18,701               |
| Alcoholic Beverage Tax                       | 0                    | 0                      | 0                        | 0                      | 0                 | 37,253               |
| State Revenue Sharing - T.V.A.               | 4,826                | 80,429                 | 4,424                    | 8,847                  | 8,847             | 268,633              |
| Prisoner Transportation                      | 0                    | 0                      | 0                        | 0                      | 0                 | 1,634                |
| Contracted Prisoner Boarding                 | 0                    | 0                      | 0                        | 0                      | 0                 | 201,460              |
| Gasoline and Motor Fuel Tax                  | 0                    | 0                      | 0                        | 0                      | 0                 | 1,554,717            |
| Petroleum Special Tax                        | 0                    | 0                      | 0                        | 0                      | 0                 | 28,841               |
| Registrar's Salary Supplement                | 0                    | 0                      | 0                        | 0                      | 0                 | 14,912               |
| Other State Revenues                         | 0                    | 0                      | 0                        | 0                      | 0                 | 28,099               |
| <b>Total State of Tennessee</b>              | <b>\$ 4,826</b>      | <b>\$ 80,429</b>       | <b>\$ 4,424</b>          | <b>\$ 8,847</b>        | <b>\$ 8,847</b>   | <b>\$ 2,609,866</b>  |
| <u>Federal Government</u>                    |                      |                        |                          |                        |                   |                      |
| <u>Federal Through State</u>                 |                      |                        |                          |                        |                   |                      |
| Disaster Relief                              | \$ 0                 | \$ 0                   | \$ 0                     | \$ 0                   | \$ 0              | \$ 27,327            |
| Other Federal through State                  | 0                    | 0                      | 0                        | 0                      | 0                 | 93,600               |
| <u>Direct Federal Revenue</u>                |                      |                        |                          |                        |                   |                      |
| Police Service (Lake Area)                   | 0                    | 0                      | 0                        | 0                      | 0                 | 37,310               |
| Total Federal Government                     | 0                    | 0                      | 0                        | 0                      | 0                 | 158,237              |
| <u>Other Governments and Citizens Groups</u> |                      |                        |                          |                        |                   |                      |
| <u>Other Governments</u>                     |                      |                        |                          |                        |                   |                      |
| Contributions                                | 0                    | 76,462                 | 0                        | 0                      | 0                 | 311,242              |
| Total Other Governments and Citizens Groups  | 0                    | 76,462                 | 0                        | 0                      | 0                 | 311,242              |
| <b>Total</b>                                 | <b>\$ 416,849</b>    | <b>\$ 6,436,979</b>    | <b>\$ 117,417</b>        | <b>\$ 366,611</b>      | <b>\$ 366,611</b> | <b>\$ 23,167,961</b> |

Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Education<br>Capital<br>Projects | Total        |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|--------------|
| <u>Local Taxes</u>                                   |                              |                               |                      |                                  |              |
| <u>County Property Taxes</u>                         |                              |                               |                      |                                  |              |
| Current Property Tax                                 | \$ 7,367,558                 | \$ 0                          | \$ 0                 | \$ 0                             | \$ 7,367,558 |
| Trustee's Collections - Prior Year                   | 202,241                      | 0                             | 0                    | 0                                | 202,241      |
| Circuit/Clerk & Master Collections - Prior Years     | 65,140                       | 0                             | 0                    | 0                                | 65,140       |
| Interest and Penalty                                 | 82,175                       | 0                             | 0                    | 0                                | 82,175       |
| Pick-up Taxes  | 562                          | 0                             | 0                    | 0                                | 562          |
| Payments in-Lieu-of Taxes - Local Utilities          | 57,813                       | 0                             | 0                    | 0                                | 57,813       |
| Payments in-Lieu-of Taxes - Other                    | 5,768                        | 0                             | 0                    | 0                                | 5,768        |
| <u>County Local Option Taxes</u>                     |                              |                               |                      |                                  |              |
| Local Option Sales Tax                               | 1,747,724                    | 0                             | 0                    | 0                                | 1,747,724    |
| Wheel Tax  | 381,365                      | 0                             | 0                    | 0                                | 381,365      |
| <u>Statutory Local Taxes</u>                         |                              |                               |                      |                                  |              |
| Bank Excise Tax                                      | 47,840                       | 0                             | 0                    | 0                                | 47,840       |
| Interstate Telecommunications Tax                    | 4,364                        | 0                             | 0                    | 0                                | 4,364        |
| Total Local Taxes                                    | \$ 9,962,550                 | \$ 0                          | \$ 0                 | \$ 0                             | \$ 9,962,550 |
| <u>Licenses and Permits</u>                          |                              |                               |                      |                                  |              |
| <u>Licenses</u>                                      |                              |                               |                      |                                  |              |
| Marriage Licenses                                    | \$ 3,088                     | \$ 0                          | \$ 0                 | \$ 0                             | \$ 3,088     |
| Total Licenses and Permits                           | \$ 3,088                     | \$ 0                          | \$ 0                 | \$ 0                             | \$ 3,088     |
| <u>Charges for Current Services</u>                  |                              |                               |                      |                                  |              |
| <u>Education Charges</u>                             |                              |                               |                      |                                  |              |
| Tuition - Summer School                              | \$ 1,000                     | \$ 0                          | \$ 0                 | \$ 0                             | \$ 1,000     |
| Lunch Payments - Children                            | 0                            | 0                             | 905,303              | 0                                | 905,303      |
| Lunch Payments - Adults                              | 0                            | 0                             | 47,433               | 0                                | 47,433       |
| Income from Breakfast                                | 0                            | 0                             | 113,274              | 0                                | 113,274      |
| A la carte Sales                                     | 0                            | 0                             | 444,082              | 0                                | 444,082      |
| Receipts from Individual Schools                     | 192,252                      | 0                             | 0                    | 0                                | 192,252      |
| Community Service Fees - Children                    | 860,324                      | 0                             | 0                    | 0                                | 860,324      |
| <u>Other Charges for Services</u>                    |                              |                               |                      |                                  |              |
| Other Charges for Services                           | 0                            | 0                             | 39,208               | 0                                | 39,208       |
| Total Charges for Current Services                   | \$ 1,053,576                 | \$ 0                          | \$ 1,549,300         | \$ 0                             | \$ 2,602,876 |
| <u>Other Local Revenues</u>                          |                              |                               |                      |                                  |              |
| <u>Recurring Items</u>                               |                              |                               |                      |                                  |              |
| Investment Income                                    | \$ 1,243                     | \$ 0                          | \$ 2,244             | \$ 0                             | \$ 3,487     |
| Refund of Telecommunication & Internet Fees (E-Rate) | 42,893                       | 0                             | 0                    | 0                                | 42,893       |
| Commodity Rebates                                    | 0                            | 0                             | 11,875               | 0                                | 11,875       |
| Miscellaneous Refunds                                | 20,259                       | 0                             | 120                  | 0                                | 20,379       |
| <u>Nonrecurring Items</u>                            |                              |                               |                      |                                  |              |
| Sale of Property                                     | 7,775                        | 0                             | 0                    | 0                                | 7,775        |
| Damages Recovered from Individuals                   | 2,542                        | 0                             | 5                    | 0                                | 2,547        |
| Contributions and Gifts                              | 17,925                       | 0                             | 0                    | 0                                | 17,925       |
| <u>Other Local Revenues</u>                          |                              |                               |                      |                                  |              |
| Other Local Revenues                                 | 23,178                       | 0                             | 0                    | 0                                | 23,178       |
| Total Other Local Revenues                           | \$ 115,815                   | \$ 0                          | \$ 14,244            | \$ 0                             | \$ 130,059   |

(Continued)

Exhibit J-7

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

|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Education<br>Capital<br>Projects | Total         |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|---------------|
| <u>State of Tennessee</u>                        |                              |                               |                      |                                  |               |
| <u>General Government Grants</u>                 |                              |                               |                      |                                  |               |
| On-Behalf Contributions for OPEB                 | \$ 103,928                   | \$ 0                          | \$ 0                 | \$ 0                             | \$ 103,928    |
| <u>State Education Funds</u>                     |                              |                               |                      |                                  |               |
| Basic Education Program                          | 28,952,000                   | 0                             | 0                    | 0                                | 28,952,000    |
| Early Childhood Education                        | 467,631                      | 0                             | 0                    | 0                                | 467,631       |
| School Food Service                              | 0                            | 0                             | 31,734               | 0                                | 31,734        |
| Other State Education Funds                      | 362,066                      | 0                             | 0                    | 0                                | 362,066       |
| Career Ladder Program                            | 246,047                      | 0                             | 0                    | 0                                | 246,047       |
| Career Ladder - Extended Contract                | 82,800                       | 0                             | 0                    | 0                                | 82,800        |
| <u>Other State Revenues</u>                      |                              |                               |                      |                                  |               |
| State Revenue Sharing - T.V.A.                   | 178,553                      | 0                             | 0                    | 0                                | 178,553       |
| Total State of Tennessee                         | \$ 30,393,025                | \$ 0                          | \$ 31,734            | \$ 0                             | \$ 30,424,759 |
| <u>Federal Government</u>                        |                              |                               |                      |                                  |               |
| <u>Federal Through State</u>                     |                              |                               |                      |                                  |               |
| USDA School Lunch Program                        | \$ 0                         | \$ 0                          | \$ 990,203           | \$ 0                             | \$ 990,203    |
| Breakfast  | 0                            | 0                             | 327,452              | 0                                | 327,452       |
| Adult Education State Grant Program              | 69,743                       | 0                             | 0                    | 0                                | 69,743        |
| Vocational Education - Basic Grants to States    | 0                            | 89,891                        | 0                    | 0                                | 89,891        |
| Title I Grants to Local Education Agencies       | 0                            | 644,398                       | 0                    | 0                                | 644,398       |
| Special Education - Grants to States             | 180,475                      | 1,189,721                     | 0                    | 0                                | 1,370,196     |
| Special Education Preschool Grants               | 13,049                       | 28,991                        | 0                    | 0                                | 42,040        |
| English Language Acquisition Grants              | 0                            | 14,240                        | 0                    | 0                                | 14,240        |
| Safe and Drug-free Schools - State Grants        | 0                            | 13,540                        | 0                    | 0                                | 13,540        |
| Eisenhower Professional Development State Grants | 0                            | 154,426                       | 0                    | 0                                | 154,426       |
| Other Federal through State                      | 84,111                       | 0                             | 0                    | 0                                | 84,111        |
| <u>Direct Federal Revenue</u>                    |                              |                               |                      |                                  |               |
| Other Direct Federal Revenue                     | 330,071                      | 0                             | 0                    | 0                                | 330,071       |
| Total Federal Government                         | \$ 677,449                   | \$ 2,135,207                  | \$ 1,317,655         | \$ 0                             | \$ 4,130,311  |
| <u>Other Governments and Citizens Groups</u>     |                              |                               |                      |                                  |               |
| <u>Other Governments</u>                         |                              |                               |                      |                                  |               |
| Contributions                                    | \$ 576,257                   | \$ 0                          | \$ 0                 | \$ 5,741,375                     | \$ 6,317,632  |
| Total Other Governments and Citizens Groups      | \$ 576,257                   | \$ 0                          | \$ 0                 | \$ 5,741,375                     | \$ 6,317,632  |
| Total  | \$ 42,781,760                | \$ 2,135,207                  | \$ 2,912,933         | \$ 5,741,375                     | \$ 53,571,275 |

Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

|                                  |    |        |            |
|----------------------------------|----|--------|------------|
| Other Salaries and Wages         | \$ | 9,095  |            |
| Board and Committee Members Fees |    | 59,092 |            |
| In-Service Training              |    | 1,065  |            |
| Social Security                  |    | 5,134  |            |
| Audit Services                   |    | 10,774 |            |
| Dues and Memberships             |    | 1,550  |            |
| Legal Services                   |    | 26,116 |            |
| Other Supplies and Materials     |    | 618    |            |
| Total County Commission          |    |        | \$ 113,444 |

County Mayor/Executive

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 73,866 |         |
| Secretary(ies)                                     |    | 37,305 |         |
| Social Security                                    |    | 8,385  |         |
| State Retirement                                   |    | 5,708  |         |
| Communication                                      |    | 10,775 |         |
| Consultants  |    | 541    |         |
| Dues and Memberships                               |    | 11,496 |         |
| Engineering Services                               |    | 43,959 |         |
| Legal Services                                     |    | 8,606  |         |
| Maintenance and Repair Services - Office Equipment |    | 17     |         |
| Maintenance and Repair Services - Vehicles         |    | 30     |         |
| Travel   |    | 995    |         |
| Gasoline   |    | 1,050  |         |
| Office Supplies                                    |    | 1,344  |         |
| Other Charges                                      |    | 37,230 |         |
| Total County Mayor/Executive                       |    |        | 241,307 |

Personnel Office

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Supervisor/Director             | \$ | 55,096 |        |
| Social Security                 |    | 4,053  |        |
| State Retirement                |    | 2,832  |        |
| Contracts with Private Agencies |    | 3,050  |        |
| Printing, Stationery, and Forms |    | 126    |        |
| Office Supplies                 |    | 284    |        |
| Office Equipment                |    | 364    |        |
| Total Personnel Office          |    |        | 65,805 |

Election Commission

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 57,472 |  |
|--|----|--------|--|

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Attendants                                  | \$ | 25,357 |            |
| Board and Committee Members Fees            |    | 2,915  |            |
| Election Workers                            |    | 34,376 |            |
| In-Service Training                         |    | 600    |            |
| Other Per Diem and Fees                     |    | 752    |            |
| Social Security                             |    | 5,756  |            |
| State Retirement                            |    | 4,257  |            |
| Advertising                                 |    | 4,646  |            |
| Communication                               |    | 1,499  |            |
| Dues and Memberships                        |    | 150    |            |
| Maintenance and Repair Services - Equipment |    | 11,868 |            |
| Printing, Stationery, and Forms             |    | 608    |            |
| Travel                                      |    | 1,748  |            |
| Office Supplies                             |    | 1,858  |            |
| Office Equipment                            |    | 3,286  |            |
| Total Election Commission                   |    |        | \$ 157,148 |

Register of Deeds

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 63,954 |         |
| Deputy(ies)  |    | 52,910 |         |
| Part-time Personnel                                |    | 6,020  |         |
| Social Security                                    |    | 9,112  |         |
| State Retirement                                   |    | 5,307  |         |
| Communication                                      |    | 2,021  |         |
| Data Processing Services                           |    | 14,155 |         |
| Dues and Memberships                               |    | 834    |         |
| Maintenance and Repair Services - Office Equipment |    | 994    |         |
| Travel   |    | 986    |         |
| Office Supplies                                    |    | 5,272  |         |
| Office Equipment                                   |    | 5,773  |         |
| Total Register of Deeds                            |    |        | 167,338 |

Planning

|                     |    |        |  |
|---------------------|----|--------|--|
| Assistant(s)        | \$ | 25,492 |  |
| Supervisor/Director |    | 39,552 |  |
| Part-time Personnel |    | 3,479  |  |
| In-Service Training |    | 799    |  |
| Social Security     |    | 5,033  |  |
| State Retirement    |    | 3,349  |  |
| Communication       |    | 1,727  |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Consultants                                 | \$ | 34,059 |            |
| Maintenance Agreements                      |    | 14,250 |            |
| Maintenance and Repair Services - Equipment |    | 344    |            |
| Travel                                      |    | 934    |            |
| Office Supplies                             |    | 65     |            |
| Total Planning                              |    |        | \$ 129,083 |

Building

|   |    |        |         |
|---|----|--------|---------|
| County Official/Administrative Officer      | \$ | 15,623 |         |
| Assistant(s)                                |    | 49,668 |         |
| Supervisor/Director                         |    | 31,425 |         |
| Investigator(s)                             |    | 29,617 |         |
| Secretary(ies)                              |    | 26,500 |         |
| Part-time Personnel                         |    | 35     |         |
| Board and Committee Members Fees            |    | 2,650  |         |
| Social Security                             |    | 11,430 |         |
| State Retirement                            |    | 7,856  |         |
| Communication                               |    | 3,740  |         |
| Data Processing Services                    |    | 791    |         |
| Dues and Memberships                        |    | 175    |         |
| Legal Services                              |    | 11,062 |         |
| Maintenance and Repair Services - Equipment |    | 1,357  |         |
| Maintenance and Repair Services - Vehicles  |    | 1,579  |         |
| Printing, Stationery, and Forms             |    | 657    |         |
| Other Contracted Services                   |    | 4,962  |         |
| Gasoline                                    |    | 3,270  |         |
| Library Books/Media                         |    | 60     |         |
| Office Supplies                             |    | 2,129  |         |
| Communication Equipment                     |    | 140    |         |
| Office Equipment                            |    | 1,227  |         |
| Total Building                              |    |        | 205,953 |

County Buildings

|   |    |        |  |
|---|----|--------|--|
| Assistant(s)                                | \$ | 20,779 |  |
| Supervisor/Director                         |    | 42,278 |  |
| Custodial Personnel                         |    | 47,440 |  |
| Social Security                             |    | 7,523  |  |
| State Retirement                            |    | 4,904  |  |
| Maintenance and Repair Services - Buildings |    | 42,073 |  |
| Maintenance and Repair Services - Vehicles  |    | 2,887  |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

|                              |    |         |            |
|------------------------------|----|---------|------------|
| Pest Control                 | \$ | 6,555   |            |
| Custodial Supplies           |    | 6,688   |            |
| Diesel Fuel                  |    | 261     |            |
| Electricity                  |    | 171,266 |            |
| Fertilizer, Lime, and Seed   |    | 173     |            |
| Gasoline                     |    | 4,106   |            |
| Natural Gas                  |    | 33,118  |            |
| Propane Gas                  |    | 25,026  |            |
| Water and Sewer              |    | 60,571  |            |
| Other Supplies and Materials |    | 1,702   |            |
| Maintenance Equipment        |    | 972     |            |
| Total County Buildings       |    |         | \$ 478,322 |

Finance

Accounting and Budgeting

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 66,139 |         |
| Assistant(s)                           |    | 44,919 |         |
| Data Processing Personnel              |    | 25,166 |         |
| Salary Supplements                     |    | 6,121  |         |
| Clerical Personnel                     |    | 34,926 |         |
| In-Service Training                    |    | 598    |         |
| Social Security                        |    | 13,190 |         |
| State Retirement                       |    | 8,482  |         |
| Advertising                            |    | 15,465 |         |
| Data Processing Services               |    | 7,159  |         |
| Postal Charges                         |    | 42,705 |         |
| Printing, Stationery, and Forms        |    | 2,701  |         |
| Travel                                 |    | 1,540  |         |
| Office Supplies                        |    | 2,618  |         |
| Office Equipment                       |    | 5,995  |         |
| Total Accounting and Budgeting         |    |        | 277,724 |

Property Assessor's Office

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 63,954 |  |
| Deputy(ies)                            |    | 40,698 |  |
| Assessment Personnel                   |    | 66,071 |  |
| Part-time Personnel                    |    | 11,224 |  |
| Board and Committee Members Fees       |    | 4,620  |  |
| Social Security                        |    | 12,942 |  |
| State Retirement                       |    | 8,770  |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Communication                                      | \$ | 1,059  |            |
| Contracts with Private Agencies                    |    | 3,205  |            |
| Data Processing Services                           |    | 13,984 |            |
| Dues and Memberships                               |    | 1,043  |            |
| Maintenance and Repair Services - Office Equipment |    | 86     |            |
| Maintenance and Repair Services - Vehicles         |    | 156    |            |
| Printing, Stationery, and Forms                    |    | 156    |            |
| Travel   |    | 60     |            |
| Gasoline   |    | 2,016  |            |
| Office Supplies                                    |    | 447    |            |
| Total Property Assessor's Office                   |    |        | \$ 230,491 |

Reappraisal Program

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Deputy(ies)               | \$ | 40,661 |        |
| Social Security           |    | 2,885  |        |
| State Retirement          |    | 2,090  |        |
| Total Reappraisal Program |    |        | 45,636 |

County Trustee's Office

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 63,954 |         |
| Deputy(ies)  |    | 90,550 |         |
| Part-time Personnel                                |    | 3,276  |         |
| In-Service Training                                |    | 300    |         |
| Social Security                                    |    | 11,357 |         |
| State Retirement                                   |    | 7,936  |         |
| Communication                                      |    | 2,200  |         |
| Data Processing Services                           |    | 11,792 |         |
| Dues and Memberships                               |    | 609    |         |
| Maintenance and Repair Services - Office Equipment |    | 75     |         |
| Travel   |    | 1,690  |         |
| Office Supplies                                    |    | 3,059  |         |
| Data Processing Equipment                          |    | 17     |         |
| Total County Trustee's Office                      |    |        | 196,815 |

County Clerk's Office

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 63,954  |
| Deputy(ies)                            |    | 131,986 |
| Internal Audit Personnel               |    | 24,264  |
| Part-time Personnel                    |    | 33,436  |
| Other Salaries and Wages               |    | 10,500  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| In-Service Training                                | \$ | 372    |            |
| Social Security                                    |    | 17,632 |            |
| State Retirement                                   |    | 11,218 |            |
| Communication                                      |    | 2,355  |            |
| Data Processing Services                           |    | 13,288 |            |
| Dues and Memberships                               |    | 874    |            |
| Maintenance and Repair Services - Office Equipment |    | 867    |            |
| Printing, Stationery, and Forms                    |    | 3,912  |            |
| Travel   |    | 1,152  |            |
| Office Supplies                                    |    | 3,569  |            |
| Total County Clerk's Office                        |    |        | \$ 319,379 |

Administration of Justice

Circuit Court

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer             | \$ | 63,954  |         |
| Deputy(ies)  |    | 245,057 |         |
| Jury and Witness Fees                              |    | 4,322   |         |
| Social Security                                    |    | 22,337  |         |
| State Retirement                                   |    | 15,329  |         |
| Communication                                      |    | 1,599   |         |
| Contracts with Government Agencies                 |    | 3,000   |         |
| Data Processing Services                           |    | 8,403   |         |
| Dues and Memberships                               |    | 689     |         |
| Maintenance and Repair Services - Office Equipment |    | 1,262   |         |
| Matching Share                                     |    | 18,000  |         |
| Office Supplies                                    |    | 8,228   |         |
| Office Equipment                                   |    | 505     |         |
| Total Circuit Court                                |    |         | 392,685 |

General Sessions Court

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Judge(s)                     | \$ | 81,594 |         |
| Deputy(ies)                  |    | 34,613 |         |
| Social Security              |    | 7,332  |         |
| State Retirement             |    | 5,925  |         |
| Communication                |    | 823    |         |
| Data Processing Services     |    | 3,050  |         |
| Dues and Memberships         |    | 795    |         |
| Travel                       |    | 1,004  |         |
| Office Equipment             |    | 50     |         |
| Total General Sessions Court |    |        | 135,186 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

|  |    |         |            |
|--|----|---------|------------|
| County Official/Administrative Officer             | \$ | 63,954  |            |
| Deputy(ies)  |    | 116,926 |            |
| Social Security                                    |    | 12,819  |            |
| State Retirement                                   |    | 9,292   |            |
| Communication                                      |    | 1,446   |            |
| Data Processing Services                           |    | 7,807   |            |
| Dues and Memberships                               |    | 654     |            |
| Maintenance and Repair Services - Office Equipment |    | 508     |            |
| Office Supplies                                    |    | 4,695   |            |
| Furniture and Fixtures                             |    | 200     |            |
| Office Equipment                                   |    | 179     |            |
| Total Chancery Court                               |    |         | \$ 218,480 |

Juvenile Court

|  |    |        |         |
|--|----|--------|---------|
| Judge(s)   | \$ | 38,161 |         |
| Probation Officer(s)                               |    | 84,980 |         |
| Social Workers                                     |    | 48,733 |         |
| Salary Supplements                                 |    | 17,648 |         |
| Secretary(ies)                                     |    | 32,701 |         |
| Other Salaries and Wages                           |    | 11,910 |         |
| Social Security                                    |    | 16,941 |         |
| State Retirement                                   |    | 10,282 |         |
| Communication                                      |    | 2,989  |         |
| Contracts with Government Agencies                 |    | 2,475  |         |
| Data Processing Services                           |    | 1,500  |         |
| Dues and Memberships                               |    | 1,090  |         |
| Maintenance and Repair Services - Office Equipment |    | 1,740  |         |
| Travel   |    | 2,954  |         |
| Remittance of Revenue Collected                    |    | 6,172  |         |
| Drugs and Medical Supplies                         |    | 718    |         |
| Gasoline   |    | 1,070  |         |
| Office Supplies                                    |    | 1,197  |         |
| Office Equipment                                   |    | 1,978  |         |
| Total Juvenile Court                               |    |        | 285,239 |

Probation Services

|                      |    |        |  |
|----------------------|----|--------|--|
| Probation Officer(s) | \$ | 86,176 |  |
| Attendants           |    | 25,357 |  |
| Social Security      |    | 8,094  |  |
| State Retirement     |    | 5,733  |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Communication                                      | \$ | 1,732  |            |
| Maintenance and Repair Services - Office Equipment |    | 296    |            |
| Printing, Stationery, and Forms                    |    | 1,110  |            |
| Travel   |    | 621    |            |
| Remittance of Revenue Collected                    |    | 13,403 |            |
| Drugs and Medical Supplies                         |    | 3,038  |            |
| Office Supplies                                    |    | 2,598  |            |
| Total Probation Services                           |    |        | \$ 148,158 |

Courtroom Security

|                          |    |        |         |
|--------------------------|----|--------|---------|
| Supervisor/Director      | \$ | 39,397 |         |
| Guards                   |    | 33,216 |         |
| Part-time Personnel      |    | 31,315 |         |
| Social Security          |    | 7,483  |         |
| State Retirement         |    | 3,732  |         |
| Total Courtroom Security |    |        | 115,143 |

Public Safety

Sheriff's Department

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer             | \$ | 70,350  |  |
| Assistant(s)                                       |    | 34,302  |  |
| Supervisor/Director                                |    | 56,696  |  |
| Deputy(ies)  |    | 774,596 |  |
| Detective(s)                                       |    | 48,697  |  |
| Investigator(s)                                    |    | 126,898 |  |
| Sergeant(s)  |    | 163,396 |  |
| Clerical Personnel                                 |    | 83,597  |  |
| Overtime Pay                                       |    | 19,661  |  |
| Other Salaries and Wages                           |    | 40,440  |  |
| In-Service Training                                |    | 990     |  |
| Social Security                                    |    | 101,639 |  |
| State Retirement                                   |    | 68,592  |  |
| Communication                                      |    | 41,695  |  |
| Dues and Memberships                               |    | 1,700   |  |
| Legal Services                                     |    | 3,593   |  |
| Maintenance and Repair Services - Equipment        |    | 4,315   |  |
| Maintenance and Repair Services - Office Equipment |    | 1,649   |  |
| Maintenance and Repair Services - Vehicles         |    | 23,014  |  |
| Travel   |    | 17,497  |  |
| Gasoline   |    | 105,826 |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

|                                      |    |        |              |
|--------------------------------------|----|--------|--------------|
| Instructional Supplies and Materials | \$ | 4,593  |              |
| Law Enforcement Supplies             |    | 23,896 |              |
| Office Supplies                      |    | 6,866  |              |
| Tires and Tubes                      |    | 8,045  |              |
| Uniforms                             |    | 1,871  |              |
| Other Supplies and Materials         |    | 1,993  |              |
| Liability Insurance                  |    | 21,156 |              |
| Vehicle and Equipment Insurance      |    | 14,308 |              |
| Workers' Compensation Insurance      |    | 22,020 |              |
| Other Charges                        |    | 3,103  |              |
| Data Processing Equipment            |    | 1,704  |              |
| Law Enforcement Equipment            |    | 15,802 |              |
| Office Equipment                     |    | 445    |              |
| Other Equipment                      |    | 1,912  |              |
| Total Sheriff's Department           |    |        | \$ 1,916,857 |

Jail

|   |    |         |           |
|---|----|---------|-----------|
| Supervisor/Director                         | \$ | 48,697  |           |
| Sergeant(s)                                 |    | 154,457 |           |
| Foremen                                     |    | 65,401  |           |
| Guards                                      |    | 607,951 |           |
| Clerical Personnel                          |    | 32,701  |           |
| Board and Committee Members Fees            |    | 75      |           |
| Social Security                             |    | 64,522  |           |
| State Retirement                            |    | 42,019  |           |
| Maintenance and Repair Services - Buildings |    | 6,414   |           |
| Maintenance and Repair Services - Equipment |    | 5,871   |           |
| Medical and Dental Services                 |    | 101,207 |           |
| Custodial Supplies                          |    | 14,034  |           |
| Food Supplies                               |    | 100,420 |           |
| Law Enforcement Supplies                    |    | 108     |           |
| Prisoners Clothing                          |    | 5,572   |           |
| Other Supplies and Materials                |    | 1,036   |           |
| Other Equipment                             |    | 591     |           |
| Total Jail                                  |    |         | 1,251,076 |

Rural Fire Protection

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Remittance of Revenue Collected | \$ | 240,560 |         |
| Total Rural Fire Protection     |    |         | 240,560 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

|   |    |        |            |
|---|----|--------|------------|
| Assistant(s)                                | \$ | 37,456 |            |
| Supervisor/Director                         |    | 45,497 |            |
| In-Service Training                         |    | 226    |            |
| Social Security                             |    | 6,162  |            |
| State Retirement                            |    | 4,264  |            |
| Communication                               |    | 2,322  |            |
| Maintenance and Repair Services - Equipment |    | 424    |            |
| Maintenance and Repair Services - Vehicles  |    | 864    |            |
| Travel                                      |    | 198    |            |
| Gasoline                                    |    | 2,745  |            |
| Instructional Supplies and Materials        |    | 487    |            |
| Office Supplies                             |    | 543    |            |
| Other Supplies and Materials                |    | 1,501  |            |
| Other Charges                               |    | 2,476  |            |
| Communication Equipment                     |    | 1,796  |            |
| Other Equipment                             |    | 1,399  |            |
| Total Other Emergency Management            |    |        | \$ 108,360 |

County Coroner/Medical Examiner

|  |    |        |        |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 42,125 |        |
| Social Security                        |    | 147    |        |
| State Retirement                       |    | 66     |        |
| Total County Coroner/Medical Examiner  |    |        | 42,338 |

Other Public Safety

|                             |    |         |         |
|-----------------------------|----|---------|---------|
| Supervisor/Director         | \$ | 52,240  |         |
| Assessment Personnel        |    | 62,157  |         |
| Dispatchers/Radio Operators |    | 378,867 |         |
| Part-time Personnel         |    | 22,970  |         |
| Social Security             |    | 35,522  |         |
| State Retirement            |    | 23,060  |         |
| Total Other Public Safety   |    |         | 574,816 |

Public Health and Welfare

Local Health Center

|                     |    |       |  |
|---------------------|----|-------|--|
| Clerical Personnel  | \$ | 7,947 |  |
| Social Security     |    | 608   |  |
| Communication       |    | 1,604 |  |
| Janitorial Services |    | 9,000 |  |
| Postal Charges      |    | 467   |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

|                              |    |       |           |
|------------------------------|----|-------|-----------|
| Travel                       | \$ | 235   |           |
| Custodial Supplies           |    | 445   |           |
| Drugs and Medical Supplies   |    | 685   |           |
| Office Supplies              |    | 1,007 |           |
| Other Supplies and Materials |    | 329   |           |
| Other Charges                |    | 189   |           |
| Total Local Health Center    |    |       | \$ 22,516 |

Rabies and Animal Control

|  |    |        |         |
|--|----|--------|---------|
| Supervisor/Director                                | \$ | 42,272 |         |
| Deputy(ies)  |    | 49,265 |         |
| Attendants   |    | 18,591 |         |
| Social Security                                    |    | 7,929  |         |
| State Retirement                                   |    | 5,243  |         |
| Communication                                      |    | 1,924  |         |
| Maintenance and Repair Services - Office Equipment |    | 201    |         |
| Maintenance and Repair Services - Vehicles         |    | 745    |         |
| Veterinary Services                                |    | 12,156 |         |
| Animal Food and Supplies                           |    | 618    |         |
| Custodial Supplies                                 |    | 1,912  |         |
| Drugs and Medical Supplies                         |    | 11,486 |         |
| Gasoline   |    | 5,028  |         |
| Office Supplies                                    |    | 966    |         |
| Uniforms   |    | 540    |         |
| Other Supplies and Materials                       |    | 16     |         |
| Total Rabies and Animal Control                    |    |        | 158,892 |

Ambulance/Emergency Medical Services

|                                 |    |         |  |
|---------------------------------|----|---------|--|
| Supervisor/Director             | \$ | 59,106  |  |
| Clerical Personnel              |    | 37,616  |  |
| Attendants                      |    | 964,141 |  |
| Part-time Personnel             |    | 96,937  |  |
| In-Service Training             |    | 2,624   |  |
| Social Security                 |    | 85,733  |  |
| State Retirement                |    | 49,381  |  |
| Communication                   |    | 8,669   |  |
| Consultants                     |    | 2,400   |  |
| Contracts with Private Agencies |    | 5,043   |  |
| Dues and Memberships            |    | 260     |  |
| Licenses                        |    | 2,250   |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

|  |    |        |              |
|--|----|--------|--------------|
| Maintenance and Repair Services - Equipment        | \$ | 893    |              |
| Maintenance and Repair Services - Office Equipment |    | 489    |              |
| Maintenance and Repair Services - Vehicles         |    | 36,450 |              |
| Rentals  |    | 10,710 |              |
| Remittance of Revenue Collected                    |    | 73,472 |              |
| Disposal Fees                                      |    | 7,231  |              |
| Custodial Supplies                                 |    | 1,747  |              |
| Drugs and Medical Supplies                         |    | 51,681 |              |
| Gasoline   |    | 37,338 |              |
| Office Supplies                                    |    | 1,951  |              |
| Tires and Tubes                                    |    | 5,010  |              |
| Uniforms   |    | 2,707  |              |
| Other Supplies and Materials                       |    | 549    |              |
| Vehicle and Equipment Insurance                    |    | 5,937  |              |
| Workers' Compensation Insurance                    |    | 22,437 |              |
| Communication Equipment                            |    | 239    |              |
| Office Equipment                                   |    | 950    |              |
| Total Ambulance/Emergency Medical Services         |    |        | \$ 1,573,951 |

Other Local Health Services

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Secretary(ies)                    | \$ | 31,102 |        |
| Social Security                   |    | 2,335  |        |
| State Retirement                  |    | 1,599  |        |
| Communication                     |    | 1,138  |        |
| Office Supplies                   |    | 27     |        |
| Total Other Local Health Services |    |        | 36,201 |

General Welfare Assistance

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 33,198 |        |
| Total General Welfare Assistance   |    |        | 33,198 |

Sanitation Education/Information

|  |    |        |        |
|--|----|--------|--------|
| Foremen                                    | \$ | 26,304 |        |
| Social Security                            |    | 2,012  |        |
| State Retirement                           |    | 1,352  |        |
| Maintenance and Repair Services - Vehicles |    | 379    |        |
| Gasoline                                   |    | 3,329  |        |
| Instructional Supplies and Materials       |    | 7,000  |        |
| Other Supplies and Materials               |    | 1,263  |        |
| Total Sanitation Education/Information     |    |        | 41,639 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

|                                  |           |           |
|----------------------------------|-----------|-----------|
| Matching Share                   | \$ 66,755 |           |
| Total Senior Citizens Assistance |           | \$ 66,755 |

Libraries

|   |           |         |
|---|-----------|---------|
| Supervisor/Director                         | \$ 61,270 |         |
| Part-time Personnel                         | 75,996    |         |
| In-Service Training                         | 555       |         |
| Social Security                             | 9,685     |         |
| State Retirement                            | 3,093     |         |
| Communication                               | 3,376     |         |
| Dues and Memberships                        | 456       |         |
| Maintenance and Repair Services - Equipment | 179       |         |
| Travel                                      | 705       |         |
| Library Books/Media                         | 34,347    |         |
| Office Supplies                             | 10,220    |         |
| Office Equipment                            | 10,702    |         |
| Total Libraries                             |           | 210,584 |

Parks and Fair Boards

|                             |            |         |
|-----------------------------|------------|---------|
| Contributions               | \$ 142,180 |         |
| Total Parks and Fair Boards |            | 142,180 |

Agriculture and Natural Resources

Agriculture Extension Service

|                                     |           |        |
|-------------------------------------|-----------|--------|
| Salary Supplements                  | \$ 45,048 |        |
| Educational Assistants              | 27,809    |        |
| Board and Committee Members Fees    | 350       |        |
| In-Service Training                 | 305       |        |
| Social Security                     | 5,149     |        |
| State Retirement                    | 7,436     |        |
| Communication                       | 2,799     |        |
| Travel                              | 1,241     |        |
| Other Charges                       | 3,309     |        |
| Office Equipment                    | 1,875     |        |
| Total Agriculture Extension Service |           | 95,321 |

Soil Conservation

|                  |           |  |
|------------------|-----------|--|
| Secretary(ies)   | \$ 27,809 |  |
| Social Security  | 1,589     |  |
| State Retirement | 1,429     |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

|                                      |    |            |           |
|--------------------------------------|----|------------|-----------|
| Contracts with Other Public Agencies | \$ | 3,300      |           |
| Other Contracted Services            |    | <u>785</u> |           |
| Total Soil Conservation              |    |            | \$ 34,912 |

Other Operations

Other Economic and Community Development

|  |    |           |        |
|--|----|-----------|--------|
| Supervisor/Director                            | \$ | 53,578    |        |
| Part-time Personnel                            |    | 3,800     |        |
| Social Security                                |    | 4,206     |        |
| State Retirement                               |    | 2,754     |        |
| Communication                                  |    | 1,024     |        |
| Dues and Memberships                           |    | 495       |        |
| Printing, Stationery, and Forms                |    | 56        |        |
| Travel   |    | 2,305     |        |
| Other Contracted Services                      |    | 332       |        |
| Office Supplies                                |    | 277       |        |
| Other Charges                                  |    | 108       |        |
| Office Equipment                               |    | <u>41</u> |        |
| Total Other Economic and Community Development |    |           | 68,976 |

Other Charges

|                      |    |                |         |
|----------------------|----|----------------|---------|
| Trustee's Commission | \$ | <u>155,563</u> |         |
| Total Other Charges  |    |                | 155,563 |

Contributions to Other Agencies

|                                       |    |                |         |
|---------------------------------------|----|----------------|---------|
| Contributions                         | \$ | <u>333,479</u> |         |
| Total Contributions to Other Agencies |    |                | 333,479 |

Employee Benefits

|                         |    |                |         |
|-------------------------|----|----------------|---------|
| Life Insurance          | \$ | 8,689          |         |
| Medical Insurance       |    | <u>759,641</u> |         |
| Total Employee Benefits |    |                | 768,330 |

Miscellaneous

|                                 |    |        |  |
|---------------------------------|----|--------|--|
| Longevity Pay                   | \$ | 98,917 |  |
| Disability Insurance            |    | 17,594 |  |
| Unemployment Compensation       |    | 16,725 |  |
| Boiler Insurance                |    | 1,448  |  |
| Building and Contents Insurance |    | 32,631 |  |
| Liability Insurance             |    | 37,077 |  |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

|                                    |    |               |         |
|------------------------------------|----|---------------|---------|
| Premiums on Corporate Surety Bonds | \$ | 7,162         |         |
| Vehicle and Equipment Insurance    |    | 5,548         |         |
| Workers' Compensation Insurance    |    | <u>35,032</u> |         |
| Total Miscellaneous                | \$ |               | 252,134 |

Capital Projects

Public Health and Welfare Projects

|  |    |               |               |
|--|----|---------------|---------------|
| Contracts with Government Agencies       | \$ | <u>82,481</u> |               |
| Total Public Health and Welfare Projects |    |               | <u>82,481</u> |

Total General Fund \$ 12,134,455

Courthouse and Jail Maintenance Fund

General Government

County Buildings

|                        |    |           |    |
|------------------------|----|-----------|----|
| Building Improvements  | \$ | <u>96</u> |    |
| Total County Buildings | \$ |           | 96 |

Other General Administration

|                                    |    |            |            |
|------------------------------------|----|------------|------------|
| Trustee's Commission               | \$ | <u>100</u> |            |
| Total Other General Administration |    |            | <u>100</u> |

Total Courthouse and Jail Maintenance Fund 196

Solid Waste/Sanitation Fund

General Government

Other General Administration

|                                    |    |               |        |
|------------------------------------|----|---------------|--------|
| Trustee's Commission               | \$ | <u>21,263</u> |        |
| Total Other General Administration | \$ |               | 21,263 |

Public Health and Welfare

Sanitation Management

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 54,691 |  |
| Equipment Operators |    | 29,292 |  |
| Truck Drivers       |    | 30,687 |  |
| Clerical Personnel  |    | 24,367 |  |
| Social Security     |    | 10,516 |  |
| State Retirement    |    | 4,612  |  |
| Communication       |    | 1,771  |  |
| Electricity         |    | 4,010  |  |

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

|                                 |    |       |            |
|---------------------------------|----|-------|------------|
| Office Supplies                 | \$ | 1,155 |            |
| Water and Sewer                 |    | 1,012 |            |
| Vehicle and Equipment Insurance |    | 3,000 |            |
| Workers' Compensation Insurance |    | 7,346 |            |
| Total Sanitation Management     |    |       | \$ 172,459 |

Convenience Centers

|   |    |         |         |
|---|----|---------|---------|
| Laborers                                    | \$ | 54,349  |         |
| Social Security                             |    | 4,158   |         |
| Communication                               |    | 2,698   |         |
| Contracts with Government Agencies          |    | 575,623 |         |
| Contracts with Private Agencies             |    | 40,614  |         |
| Maintenance and Repair Services - Equipment |    | 19,192  |         |
| Rentals                                     |    | 2,388   |         |
| Diesel Fuel                                 |    | 37,791  |         |
| Electricity                                 |    | 4,424   |         |
| Equipment and Machinery Parts               |    | 7,730   |         |
| Lubricants                                  |    | 339     |         |
| Tires and Tubes                             |    | 8,124   |         |
| Other Equipment                             |    | 79,460  |         |
| Total Convenience Centers                   |    |         | 836,890 |

Landfill Operation and Maintenance

|   |    |        |        |
|---|----|--------|--------|
| Contracts with Private Agencies             | \$ | 6,746  |        |
| Evaluation and Testing                      |    | 14,000 |        |
| Maintenance and Repair Services - Equipment |    | 11,600 |        |
| Crushed Stone                               |    | 7,785  |        |
| Equipment and Machinery Parts               |    | 2,789  |        |
| Fertilizer, Lime, and Seed                  |    | 6,086  |        |
| Small Tools                                 |    | 252    |        |
| Other Supplies and Materials                |    | 631    |        |
| Other Equipment                             |    | 6,829  |        |
| Total Landfill Operation and Maintenance    |    |        | 56,718 |

Other Operations

Employee Benefits

|                         |    |       |       |
|-------------------------|----|-------|-------|
| Medical Insurance       | \$ | 6,066 |       |
| Total Employee Benefits |    |       | 6,066 |

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

|                           |               |           |
|---------------------------|---------------|-----------|
| Unemployment Compensation | \$ 18,075     |           |
| Total Miscellaneous       | <u>18,075</u> | \$ 18,075 |

Total Solid Waste/Sanitation Fund \$ 1,111,471

Drug Control Fund

General Government

Other General Administration

|                                    |            |        |
|------------------------------------|------------|--------|
| Trustee's Commission               | \$ 273     |        |
| Total Other General Administration | <u>273</u> | \$ 273 |

Public Safety

Drug Enforcement

|   |              |               |
|---|--------------|---------------|
| Confidential Drug Enforcement Payments      | \$ 9,000     |               |
| Maintenance and Repair Services - Equipment | 689          |               |
| Law Enforcement Supplies                    | 280          |               |
| Other Supplies and Materials                | 236          |               |
| Law Enforcement Equipment                   | <u>5,398</u> |               |
| Total Drug Enforcement                      |              | <u>15,603</u> |

Total Drug Control Fund 15,876

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

|   |          |          |
|---|----------|----------|
| Constitutional Officers' Operating Expenses | \$ 1,325 |          |
| Total Chancery Court                        |          | \$ 1,325 |

Public Safety

Sheriff's Department

|   |        |            |
|---|--------|------------|
| Constitutional Officers' Operating Expenses | \$ 326 |            |
| Total Sheriff's Department                  |        | <u>326</u> |

Total Constitutional Officers - Fees Fund 1,651

Unemployment Compensation Fund

General Government

Other General Administration

|                                    |               |           |
|------------------------------------|---------------|-----------|
| Unemployment Compensation          | \$ 70,146     |           |
| Total Other General Administration | <u>70,146</u> | \$ 70,146 |

Total Unemployment Compensation Fund 70,146

(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

|  |    |        |            |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 70,350 |            |
| Assistant(s)                           |    | 18,001 |            |
| Secretary(ies)                         |    | 5,348  |            |
| Clerical Personnel                     |    | 45,905 |            |
| Advertising                            |    | 645    |            |
| Contracts with Private Agencies        |    | 4,963  |            |
| Dues and Memberships                   |    | 2,831  |            |
| Legal Services                         |    | 6,556  |            |
| Licenses                               |    | 548    |            |
| Printing, Stationery, and Forms        |    | 1,140  |            |
| Rentals                                |    | 500    |            |
| Travel                                 |    | 784    |            |
| Custodial Supplies                     |    | 747    |            |
| Office Supplies                        |    | 495    |            |
| Other Supplies and Materials           |    | 880    |            |
| Furniture and Fixtures                 |    | 182    |            |
| Office Equipment                       |    | 410    |            |
| Total Administration                   |    |        | \$ 160,285 |

Highway and Bridge Maintenance

|                                      |    |         |           |
|--------------------------------------|----|---------|-----------|
| Foremen                              | \$ | 178,090 |           |
| Equipment Operators - Heavy          |    | 386,287 |           |
| Truck Drivers                        |    | 282,540 |           |
| Laborers                             |    | 32,237  |           |
| Overtime Pay                         |    | 10,523  |           |
| Other Contracted Services            |    | 373,413 |           |
| Asphalt - Cold Mix                   |    | 1,666   |           |
| Asphalt - Hot Mix                    |    | 464,550 |           |
| Asphalt - Liquid                     |    | 171,217 |           |
| Crushed Stone                        |    | 61,032  |           |
| Other Road Supplies                  |    | 1,160   |           |
| Pipe - Metal                         |    | 8,965   |           |
| Road Signs                           |    | 3,358   |           |
| Other Supplies and Materials         |    | 2,968   |           |
| Bridge Construction                  |    | 60,946  |           |
| Total Highway and Bridge Maintenance |    |         | 2,038,952 |

Operation and Maintenance of Equipment

|             |    |        |
|-------------|----|--------|
| Foremen     | \$ | 51,939 |
| Mechanic(s) |    | 75,636 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Overtime Pay                                 | \$ | 126    |            |
| Rentals                                      |    | 1,085  |            |
| Diesel Fuel                                  |    | 66,308 |            |
| Equipment Parts - Light                      |    | 17,435 |            |
| Equipment and Machinery Parts                |    | 31,252 |            |
| Garage Supplies                              |    | 5,948  |            |
| Gasoline                                     |    | 24,803 |            |
| Lubricants                                   |    | 4,749  |            |
| Propane Gas                                  |    | 1,956  |            |
| Small Tools                                  |    | 468    |            |
| Tires and Tubes                              |    | 14,318 |            |
| Uniforms                                     |    | 4,000  |            |
| Total Operation and Maintenance of Equipment |    |        | \$ 300,023 |

Other Charges

|   |    |        |         |
|---|----|--------|---------|
| Communication                               | \$ | 4,651  |         |
| Maintenance and Repair Services - Buildings |    | 293    |         |
| Maintenance and Repair Services - Equipment |    | 427    |         |
| Electricity                                 |    | 14,316 |         |
| Natural Gas                                 |    | 1,880  |         |
| Water and Sewer                             |    | 309    |         |
| Premiums on Corporate Surety Bonds          |    | 350    |         |
| Trustee's Commission                        |    | 30,966 |         |
| Vehicle and Equipment Insurance             |    | 30,000 |         |
| Workers' Compensation Insurance             |    | 30,313 |         |
| Total Other Charges                         |    |        | 113,505 |

Employee Benefits

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Longevity Pay             | \$ | 25,100  |         |
| Social Security           |    | 84,160  |         |
| State Retirement          |    | 15,847  |         |
| Life Insurance            |    | 1,200   |         |
| Medical Insurance         |    | 154,542 |         |
| Disability Insurance      |    | 3,330   |         |
| Unemployment Compensation |    | 430     |         |
| Total Employee Benefits   |    |         | 284,609 |

Capital Outlay

|                         |    |        |  |
|-------------------------|----|--------|--|
| Communication Equipment | \$ | 500    |  |
| Highway Construction    |    | 27,577 |  |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

|                      |              |           |
|----------------------|--------------|-----------|
| Motor Vehicles       | \$ 26,865    |           |
| Other Equipment      | <u>5,500</u> |           |
| Total Capital Outlay |              | \$ 60,442 |

Principal on Debt

Highways and Streets

|                             |           |        |
|-----------------------------|-----------|--------|
| Principal on Capital Leases | \$ 79,791 |        |
| Total Highways and Streets  |           | 79,791 |

Interest on Debt

Highways and Streets

|                            |           |               |
|----------------------------|-----------|---------------|
| Interest on Capital Leases | \$ 13,513 |               |
| Total Highways and Streets |           | <u>13,513</u> |

Total Highway/Public Works Fund \$ 3,051,120

General Debt Service Fund

General Government

Other General Administration

|                                    |          |          |
|------------------------------------|----------|----------|
| Trustee's Commission               | \$ 6,170 |          |
| Total Other General Administration |          | \$ 6,170 |

Principal on Debt

General Government

|                          |                |           |
|--------------------------|----------------|-----------|
| Principal on Bonds       | \$ 60,000      |           |
| Principal on Notes       | 804,000        |           |
| Principal on Other Loans | <u>145,000</u> |           |
| Total General Government |                | 1,009,000 |

Interest on Debt

General Government

|                          |              |        |
|--------------------------|--------------|--------|
| Interest on Bonds        | \$ 2,220     |        |
| Interest on Notes        | 43,044       |        |
| Interest on Other Loans  | <u>4,300</u> |        |
| Total General Government |              | 49,564 |

Other Debt Service

General Government

|                          |          |              |
|--------------------------|----------|--------------|
| Bank Charges             | \$ 1,010 |              |
| Total General Government |          | <u>1,010</u> |

Total General Debt Service Fund 1,065,744

(Continued)

Exhibit J-8

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

Education Debt Service Fund

General Government

Other General Administration

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Trustee's Commission               | \$ 98,615 |           |
| Total Other General Administration |           | \$ 98,615 |

Principal on Debt

Education

|                          |                  |            |
|--------------------------|------------------|------------|
| Principal on Bonds       | \$ 1,125,000     |            |
| Principal on Notes       | 1,254,938        |            |
| Principal on Other Loans | <u>9,485,703</u> |            |
| Total Education          |                  | 11,865,641 |

Interest on Debt

Education

|                         |                |         |
|-------------------------|----------------|---------|
| Interest on Bonds       | \$ 359,680     |         |
| Interest on Notes       | 23,609         |         |
| Interest on Other Loans | <u>262,510</u> |         |
| Total Education         |                | 645,799 |

Other Debt Service

Education

|                      |            |               |
|----------------------|------------|---------------|
| Bank Charges         | \$ 57,267  |               |
| Fiscal Agent Charges | 39,203     |               |
| Legal Services       | <u>812</u> |               |
| Total Education      |            | <u>97,282</u> |

|                                   |  |               |
|-----------------------------------|--|---------------|
| Total Education Debt Service Fund |  | \$ 12,707,337 |
|-----------------------------------|--|---------------|

General Capital Projects Fund

General Government

Other General Administration

|                                    |          |          |
|------------------------------------|----------|----------|
| Trustee's Commission               | \$ 2,287 |          |
| Total Other General Administration |          | \$ 2,287 |

Capital Projects

Other General Government Projects

|   |            |                |
|---|------------|----------------|
| Building Improvements                   | \$ 183,630 |                |
| Total Other General Government Projects |            | <u>183,630</u> |

|                                     |  |         |
|-------------------------------------|--|---------|
| Total General Capital Projects Fund |  | 185,917 |
|-------------------------------------|--|---------|

(Continued)

Exhibit J-8

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

|   |                     |                     |                      |
|---|---------------------|---------------------|----------------------|
| <u>Education Capital Projects Fund</u>        |                     |                     |                      |
| <u>Capital Projects</u>                       |                     |                     |                      |
| <u>Education Capital Projects</u>             |                     |                     |                      |
| Contributions                                 | <u>\$ 6,317,632</u> |                     |                      |
| Total Education Capital Projects              |                     | <u>\$ 6,317,632</u> |                      |
| Total Education Capital Projects Fund         |                     |                     | \$ 6,317,632         |
| <u>Other Capital Projects Fund</u>            |                     |                     |                      |
| <u>General Government</u>                     |                     |                     |                      |
| <u>Other General Administration</u>           |                     |                     |                      |
| Trustee's Commission                          | <u>\$ 7,181</u>     |                     |                      |
| Total Other General Administration            |                     | \$ 7,181            |                      |
| <u>Capital Projects</u>                       |                     |                     |                      |
| <u>Other General Government Projects</u>      |                     |                     |                      |
| Motor Vehicles                                | <u>\$ 491,811</u>   |                     |                      |
| Total Other General Government Projects       |                     | <u>491,811</u>      |                      |
| Total Other Capital Projects Fund             |                     |                     | <u>498,992</u>       |
| Total Governmental Funds - Primary Government |                     |                     | <u>\$ 37,160,537</u> |

Exhibit J-9

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

|   |               |               |
|---|---------------|---------------|
| Teachers                                    | \$ 14,696,274 |               |
| Career Ladder Program                       | 141,540       |               |
| Career Ladder Extended Contracts            | 55,000        |               |
| Homebound Teachers                          | 83,612        |               |
| Educational Assistants                      | 1,045,205     |               |
| Certified Substitute Teachers               | 10,875        |               |
| Non-certified Substitute Teachers           | 229,428       |               |
| Social Security                             | 945,952       |               |
| State Retirement                            | 980,891       |               |
| Life Insurance                              | 18,393        |               |
| Medical Insurance                           | 2,828,425     |               |
| Dental Insurance                            | 21,444        |               |
| Disability Insurance                        | 66,476        |               |
| Employer Medicare                           | 224,847       |               |
| Other Fringe Benefits                       | 1,386         |               |
| Maintenance and Repair Services - Equipment | 99,523        |               |
| Tuition                                     | 5,464         |               |
| Other Contracted Services                   | 125,111       |               |
| Instructional Supplies and Materials        | 98,356        |               |
| Textbooks                                   | 500,159       |               |
| Other Supplies and Materials                | 60,829        |               |
| Fee Waivers                                 | 125,383       |               |
| Other Charges                               | 2,725         |               |
| Regular Instruction Equipment               | 292,566       |               |
| Total Regular Instruction Program           |               | \$ 22,659,864 |

Alternative Instruction Program

|                                       |           |        |
|---------------------------------------|-----------|--------|
| Teachers                              | \$ 32,543 |        |
| Educational Assistants                | 21,278    |        |
| Social Security                       | 3,278     |        |
| State Retirement                      | 2,741     |        |
| Medical Insurance                     | 12,280    |        |
| Employer Medicare                     | 767       |        |
| Instructional Supplies and Materials  | 252       |        |
| Total Alternative Instruction Program |           | 73,139 |

Special Education Program

|                       |              |
|-----------------------|--------------|
| Teachers              | \$ 1,543,085 |
| Career Ladder Program | 14,160       |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

|   |    |         |              |
|---|----|---------|--------------|
| Educational Assistants                      | \$ | 91,694  |              |
| Speech Pathologist                          |    | 287,352 |              |
| Certified Substitute Teachers               |    | 500     |              |
| Non-certified Substitute Teachers           |    | 11,471  |              |
| Social Security                             |    | 113,355 |              |
| State Retirement                            |    | 119,167 |              |
| Medical Insurance                           |    | 359,365 |              |
| Employer Medicare                           |    | 26,931  |              |
| Contracts with Private Agencies             |    | 121,721 |              |
| Maintenance and Repair Services - Equipment |    | 2,608   |              |
| Other Contracted Services                   |    | 1,992   |              |
| Instructional Supplies and Materials        |    | 15,950  |              |
| Other Supplies and Materials                |    | 36,258  |              |
| Special Education Equipment                 |    | 38,812  |              |
| Total Special Education Program             |    |         | \$ 2,784,421 |

Vocational Education Program

|   |    |         |           |
|---|----|---------|-----------|
| Teachers                                    | \$ | 931,083 |           |
| Career Ladder Program                       |    | 7,000   |           |
| Non-certified Substitute Teachers           |    | 1,650   |           |
| Social Security                             |    | 56,359  |           |
| State Retirement                            |    | 60,286  |           |
| Medical Insurance                           |    | 149,040 |           |
| Dental Insurance                            |    | 1,707   |           |
| Employer Medicare                           |    | 13,181  |           |
| Other Fringe Benefits                       |    | 106     |           |
| Maintenance and Repair Services - Equipment |    | 6,304   |           |
| Instructional Supplies and Materials        |    | 10,069  |           |
| Other Supplies and Materials                |    | 426     |           |
| Vocational Instruction Equipment            |    | 2,574   |           |
| Total Vocational Education Program          |    |         | 1,239,785 |

Adult Education Program

|                        |    |        |  |
|------------------------|----|--------|--|
| Teachers               | \$ | 70,916 |  |
| Educational Assistants |    | 9,240  |  |
| Social Security        |    | 4,546  |  |
| State Retirement       |    | 4,383  |  |
| Dental Insurance       |    | 1,065  |  |
| Employer Medicare      |    | 1,137  |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

|                                      |    |              |            |
|--------------------------------------|----|--------------|------------|
| Other Contracted Services            | \$ | 6,847        |            |
| Instructional Supplies and Materials |    | <u>9,108</u> |            |
| Total Adult Education Program        |    |              | \$ 107,242 |

Support Services

Attendance

|                              |    |              |        |
|------------------------------|----|--------------|--------|
| Supervisor/Director          | \$ | 75,669       |        |
| Career Ladder Program        |    | 1,000        |        |
| Social Security              |    | 4,729        |        |
| State Retirement             |    | 4,922        |        |
| Medical Insurance            |    | 5,527        |        |
| Employer Medicare            |    | 1,106        |        |
| Travel                       |    | 857          |        |
| Other Supplies and Materials |    | 1,151        |        |
| In Service/Staff Development |    | <u>1,699</u> |        |
| Total Attendance             |    |              | 96,660 |

Health Services

|   |    |              |         |
|---|----|--------------|---------|
| Supervisor/Director                         | \$ | 45,015       |         |
| Career Ladder Program                       |    | 500          |         |
| Medical Personnel                           |    | 109,374      |         |
| Secretary(ies)                              |    | 29,178       |         |
| Other Salaries and Wages                    |    | 300          |         |
| Social Security                             |    | 10,565       |         |
| State Retirement                            |    | 7,888        |         |
| Medical Insurance                           |    | 38,596       |         |
| Employer Medicare                           |    | 2,471        |         |
| Dues and Memberships                        |    | 830          |         |
| Maintenance and Repair Services - Equipment |    | 110          |         |
| Travel                                      |    | 8,407        |         |
| Other Contracted Services                   |    | 7,750        |         |
| Drugs and Medical Supplies                  |    | 3,955        |         |
| Other Supplies and Materials                |    | 14,454       |         |
| In Service/Staff Development                |    | 665          |         |
| Health Equipment                            |    | <u>5,335</u> |         |
| Total Health Services                       |    |              | 285,393 |

Other Student Support

|                       |    |       |  |
|-----------------------|----|-------|--|
| Career Ladder Program | \$ | 8,000 |  |
|-----------------------|----|-------|--|

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Guidance Personnel                   | \$ | 857,128 |              |
| Social Security                      |    | 49,400  |              |
| State Retirement                     |    | 53,261  |              |
| Medical Insurance                    |    | 127,398 |              |
| Dental Insurance                     |    | 1,333   |              |
| Employer Medicare                    |    | 11,957  |              |
| Contracts with Other Public Agencies |    | 308,374 |              |
| Other Supplies and Materials         |    | 87,378  |              |
| In Service/Staff Development         |    | 1,306   |              |
| Total Other Student Support          |    |         | \$ 1,505,535 |

Regular Instruction Program

|                                   |    |         |           |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director               | \$ | 257,170 |           |
| Career Ladder Program             |    | 20,962  |           |
| Career Ladder Extended Contracts  |    | 9,000   |           |
| Librarians                        |    | 544,889 |           |
| Materials Supervisor              |    | 5,308   |           |
| Secretary(ies)                    |    | 79,514  |           |
| Other Salaries and Wages          |    | 171,798 |           |
| Social Security                   |    | 63,561  |           |
| State Retirement                  |    | 66,674  |           |
| Medical Insurance                 |    | 141,446 |           |
| Dental Insurance                  |    | 1,428   |           |
| Employer Medicare                 |    | 14,865  |           |
| Dues and Memberships              |    | 109     |           |
| Travel                            |    | 23,804  |           |
| Other Contracted Services         |    | 6,283   |           |
| Library Books/Media               |    | 64,399  |           |
| Other Supplies and Materials      |    | 5,803   |           |
| In Service/Staff Development      |    | 34,874  |           |
| Total Regular Instruction Program |    |         | 1,511,887 |

Alternative Instruction Program

|   |    |        |  |
|---|----|--------|--|
| Supervisor/Director                         | \$ | 10,076 |  |
| Career Ladder Program                       |    | 300    |  |
| Social Security                             |    | 643    |  |
| State Retirement                            |    | 666    |  |
| Employer Medicare                           |    | 150    |  |
| Maintenance and Repair Services - Equipment |    | 466    |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

|                                       |        |           |
|---------------------------------------|--------|-----------|
| Other Supplies and Materials          | \$ 150 |           |
| Total Alternative Instruction Program |        | \$ 12,451 |

Special Education Program

|                                      |           |         |
|--------------------------------------|-----------|---------|
| Supervisor/Director                  | \$ 65,749 |         |
| Career Ladder Program                | 1,000     |         |
| Psychological Personnel              | 86,746    |         |
| Secretary(ies)                       | 32,394    |         |
| Other Salaries and Wages             | 133,641   |         |
| Social Security                      | 19,349    |         |
| State Retirement                     | 15,846    |         |
| Medical Insurance                    | 34,408    |         |
| Employer Medicare                    | 4,525     |         |
| Travel                               | 10,415    |         |
| Other Contracted Services            | 7,048     |         |
| Instructional Supplies and Materials | 3,550     |         |
| Other Supplies and Materials         | 6,181     |         |
| In Service/Staff Development         | 7,525     |         |
| Total Special Education Program      |           | 428,377 |

Vocational Education Program

|                                    |           |         |
|------------------------------------|-----------|---------|
| Supervisor/Director                | \$ 63,984 |         |
| Career Ladder Program              | 1,000     |         |
| Secretary(ies)                     | 17,962    |         |
| Social Security                    | 4,656     |         |
| State Retirement                   | 5,095     |         |
| Medical Insurance                  | 8,845     |         |
| Employer Medicare                  | 1,089     |         |
| Communication                      | 2,191     |         |
| Travel                             | 345       |         |
| Other Contracted Services          | 15,000    |         |
| In Service/Staff Development       | 500       |         |
| Total Vocational Education Program |           | 120,667 |

Adult Programs

|                          |           |
|--------------------------|-----------|
| Supervisor/Director      | \$ 23,510 |
| Career Ladder Program    | 700       |
| Clerical Personnel       | 15,227    |
| Other Salaries and Wages | 8,057     |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

|                              |    |       |           |
|------------------------------|----|-------|-----------|
| Social Security              | \$ | 2,396 |           |
| State Retirement             |    | 2,509 |           |
| Medical Insurance            |    | 4,425 |           |
| Employer Medicare            |    | 561   |           |
| Travel                       |    | 204   |           |
| In Service/Staff Development |    | 449   |           |
| Total Adult Programs         |    |       | \$ 58,038 |

Other Programs

|                            |    |         |         |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 103,928 |         |
| Total Other Programs       |    |         | 103,928 |

Board of Education

|  |    |         |         |
|--|----|---------|---------|
| Other Salaries and Wages                   | \$ | 300     |         |
| Board and Committee Members Fees           |    | 7,800   |         |
| Social Security                            |    | 501     |         |
| State Retirement                           |    | 15      |         |
| Unemployment Compensation                  |    | 31,000  |         |
| Employer Medicare                          |    | 117     |         |
| Audit Services                             |    | 8,700   |         |
| Dues and Memberships                       |    | 9,884   |         |
| Legal Services                             |    | 17,080  |         |
| Other Contracted Services                  |    | 83      |         |
| Other Supplies and Materials               |    | 556     |         |
| Liability Insurance                        |    | 61,387  |         |
| Trustee's Commission                       |    | 243,984 |         |
| Workers' Compensation Insurance            |    | 266,345 |         |
| In Service/Staff Development               |    | 9,749   |         |
| Criminal Investigation of Applicants - TBI |    | 697     |         |
| Other Charges                              |    | 4,201   |         |
| Total Board of Education                   |    |         | 662,399 |

Director of Schools

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 194,967 |  |
| Secretary(ies)                         |    | 32,469  |  |
| Social Security                        |    | 11,618  |  |
| State Retirement                       |    | 8,200   |  |
| Life Insurance                         |    | 169     |  |
| Medical Insurance                      |    | 4,052   |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Dental Insurance                            | \$ | 1,333  |            |
| Employer Medicare                           |    | 3,315  |            |
| Other Fringe Benefits                       |    | 181    |            |
| Communication                               |    | 20,259 |            |
| Dues and Memberships                        |    | 2,900  |            |
| Maintenance and Repair Services - Equipment |    | 841    |            |
| Postal Charges                              |    | 10,432 |            |
| Travel                                      |    | 3,409  |            |
| Other Contracted Services                   |    | 22,740 |            |
| Office Supplies                             |    | 5,786  |            |
| In Service/Staff Development                |    | 1,727  |            |
| Other Charges                               |    | 20,730 |            |
| Total Director of Schools                   |    |        | \$ 345,128 |

Office of the Principal

|                                  |    |         |           |
|----------------------------------|----|---------|-----------|
| Principals                       | \$ | 783,690 |           |
| Career Ladder Program            |    | 22,892  |           |
| Career Ladder Extended Contracts |    | 8,000   |           |
| Assistant Principals             |    | 805,186 |           |
| Secretary(ies)                   |    | 460,734 |           |
| Social Security                  |    | 122,582 |           |
| State Retirement                 |    | 127,375 |           |
| Medical Insurance                |    | 217,639 |           |
| Dental Insurance                 |    | 3,888   |           |
| Employer Medicare                |    | 28,669  |           |
| Other Fringe Benefits            |    | 424     |           |
| Communication                    |    | 69,626  |           |
| Travel                           |    | 1,557   |           |
| Other Contracted Services        |    | 4,848   |           |
| Office Supplies                  |    | 5,973   |           |
| Total Office of the Principal    |    |         | 2,663,083 |

Fiscal Services

|                         |    |         |  |
|-------------------------|----|---------|--|
| Supervisor/Director     | \$ | 57,637  |  |
| Accountants/Bookkeepers |    | 132,974 |  |
| Social Security         |    | 10,903  |  |
| State Retirement        |    | 8,953   |  |
| Medical Insurance       |    | 14,741  |  |
| Dental Insurance        |    | 889     |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Employer Medicare                           | \$ | 2,550  |            |
| Data Processing Services                    |    | 6,558  |            |
| Maintenance and Repair Services - Equipment |    | 9,422  |            |
| Travel                                      |    | 1,014  |            |
| Other Contracted Services                   |    | 10,217 |            |
| Data Processing Supplies                    |    | 3,115  |            |
| Office Supplies                             |    | 66     |            |
| In Service/Staff Development                |    | 806    |            |
| Total Fiscal Services                       |    |        | \$ 259,845 |

Operation of Plant

|   |    |           |           |
|---|----|-----------|-----------|
| Accountants/Bookkeepers                     | \$ | 34,473    |           |
| Custodial Personnel                         |    | 814,506   |           |
| Overtime Pay                                |    | 8,896     |           |
| Other Salaries and Wages                    |    | 95,157    |           |
| Social Security                             |    | 56,602    |           |
| State Retirement                            |    | 38,855    |           |
| Medical Insurance                           |    | 59,658    |           |
| Employer Medicare                           |    | 13,238    |           |
| Laundry Service                             |    | 3,869     |           |
| Maintenance and Repair Services - Equipment |    | 368       |           |
| Disposal Fees                               |    | 29,717    |           |
| Other Contracted Services                   |    | 21,653    |           |
| Custodial Supplies                          |    | 122,699   |           |
| Electricity                                 |    | 1,484,244 |           |
| Natural Gas                                 |    | 156,073   |           |
| Water and Sewer                             |    | 207,192   |           |
| Other Supplies and Materials                |    | 1,266     |           |
| Building and Contents Insurance             |    | 182,359   |           |
| In Service/Staff Development                |    | 2,782     |           |
| Total Operation of Plant                    |    |           | 3,333,607 |

Maintenance of Plant

|                       |    |         |  |
|-----------------------|----|---------|--|
| Supervisor/Director   | \$ | 54,546  |  |
| Secretary(ies)        |    | 31,923  |  |
| Maintenance Personnel |    | 300,487 |  |
| Social Security       |    | 23,239  |  |
| State Retirement      |    | 18,278  |  |
| Medical Insurance     |    | 31,414  |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Dental Insurance                            | \$ | 1,058  |            |
| Employer Medicare                           |    | 5,399  |            |
| Communication                               |    | 10,432 |            |
| Laundry Service                             |    | 9,085  |            |
| Maintenance and Repair Services - Buildings |    | 59,104 |            |
| Maintenance and Repair Services - Equipment |    | 74,456 |            |
| Maintenance and Repair Services - Vehicles  |    | 6,774  |            |
| Pest Control                                |    | 11,024 |            |
| Travel                                      |    | 5,137  |            |
| Disposal Fees                               |    | 3,603  |            |
| Other Contracted Services                   |    | 3,993  |            |
| Equipment and Machinery Parts               |    | 71,676 |            |
| Gasoline                                    |    | 18,205 |            |
| General Construction Materials              |    | 68,072 |            |
| Other Supplies and Materials                |    | 28,717 |            |
| Vehicle and Equipment Insurance             |    | 5,337  |            |
| Other Charges                               |    | 1,784  |            |
| Other Equipment                             |    | 40,899 |            |
| Total Maintenance of Plant                  |    |        | \$ 884,642 |

Transportation

|   |    |         |
|---|----|---------|
| Supervisor/Director                         | \$ | 45,660  |
| Mechanic(s)                                 |    | 133,145 |
| Bus Drivers                                 |    | 831,976 |
| Other Salaries and Wages                    |    | 3,075   |
| In-Service Training                         |    | 7,140   |
| Social Security                             |    | 57,382  |
| State Retirement                            |    | 42,360  |
| Medical Insurance                           |    | 32,087  |
| Employer Medicare                           |    | 14,391  |
| Communication                               |    | 7,662   |
| Contracts with Parents                      |    | 500     |
| Laundry Service                             |    | 8,475   |
| Maintenance and Repair Services - Equipment |    | 3,746   |
| Medical and Dental Services                 |    | 7,065   |
| Travel                                      |    | 332     |
| Disposal Fees                               |    | 426     |
| Other Contracted Services                   |    | 6,508   |
| Crushed Stone                               |    | 1,220   |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

|                                 |    |                |           |
|---------------------------------|----|----------------|-----------|
| Diesel Fuel                     | \$ | 233,588        |           |
| Garage Supplies                 |    | 682            |           |
| Gasoline                        |    | 5,144          |           |
| Lubricants                      |    | 8,721          |           |
| Small Tools                     |    | 604            |           |
| Tires and Tubes                 |    | 37,741         |           |
| Vehicle Parts                   |    | 135,332        |           |
| Other Supplies and Materials    |    | 11,574         |           |
| Vehicle and Equipment Insurance |    | 48,037         |           |
| In Service/Staff Development    |    | 2,720          |           |
| Other Charges                   |    | 3,536          |           |
| Transportation Equipment        |    | <u>575,417</u> |           |
| Total Transportation            | \$ |                | 2,266,246 |

Operation of Non-Instructional Services

Community Services

|                              |    |              |         |
|------------------------------|----|--------------|---------|
| Supervisor/Director          | \$ | 39,724       |         |
| Teachers                     |    | 42,662       |         |
| Other Salaries and Wages     |    | 588,342      |         |
| Social Security              |    | 40,168       |         |
| State Retirement             |    | 23,947       |         |
| Medical Insurance            |    | 26,984       |         |
| Dental Insurance             |    | 634          |         |
| Employer Medicare            |    | 9,431        |         |
| Communication                |    | 5,172        |         |
| Travel                       |    | 5,645        |         |
| Other Contracted Services    |    | 3,750        |         |
| Other Supplies and Materials |    | 169,277      |         |
| In Service/Staff Development |    | <u>1,979</u> |         |
| Total Community Services     |    |              | 957,715 |

Early Childhood Education

|                                   |    |         |  |
|-----------------------------------|----|---------|--|
| Supervisor/Director               | \$ | 10,185  |  |
| Teachers                          |    | 196,718 |  |
| Career Ladder Program             |    | 638     |  |
| Educational Assistants            |    | 63,986  |  |
| Other Salaries and Wages          |    | 46,275  |  |
| Non-certified Substitute Teachers |    | 7,550   |  |
| Social Security                   |    | 18,593  |  |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

|                                      |    |        |            |
|--------------------------------------|----|--------|------------|
| State Retirement                     | \$ | 16,687 |            |
| Medical Insurance                    |    | 38,293 |            |
| Dental Insurance                     |    | 1,152  |            |
| Employer Medicare                    |    | 4,559  |            |
| Travel                               |    | 184    |            |
| Food Supplies                        |    | 5,133  |            |
| Instructional Supplies and Materials |    | 8,418  |            |
| Other Supplies and Materials         |    | 16,643 |            |
| In Service/Staff Development         |    | 4,338  |            |
| Other Charges                        |    | 3,213  |            |
| Other Equipment                      |    | 22,624 |            |
| Total Early Childhood Education      |    |        | \$ 465,189 |

Capital Outlay

Regular Capital Outlay

|  |    |        |         |
|--|----|--------|---------|
| Building Improvements                  | \$ | 44,162 |         |
| Data Processing Equipment              |    | 6,411  |         |
| Furniture and Fixtures                 |    | 20,959 |         |
| Heating and Air Conditioning Equipment |    | 8,000  |         |
| Other Capital Outlay                   |    | 64,214 |         |
| Total Regular Capital Outlay           |    |        | 143,746 |

Total General Purpose School Fund \$ 42,968,987

School Federal Projects Fund

Instruction

Regular Instruction Program

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Teachers                             | \$ | 76,557  |            |
| Educational Assistants               |    | 245,836 |            |
| Other Salaries and Wages             |    | 30,768  |            |
| Non-certified Substitute Teachers    |    | 7,975   |            |
| Social Security                      |    | 19,105  |            |
| State Retirement                     |    | 14,770  |            |
| Medical Insurance                    |    | 27,246  |            |
| Employer Medicare                    |    | 4,844   |            |
| Other Contracted Services            |    | 2,919   |            |
| Instructional Supplies and Materials |    | 39,103  |            |
| Other Supplies and Materials         |    | 4,773   |            |
| Regular Instruction Equipment        |    | 10,095  |            |
| Total Regular Instruction Program    |    |         | \$ 483,991 |

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Teachers                             | \$ | 4,247   |            |
| Educational Assistants               |    | 557,303 |            |
| Other Salaries and Wages             |    | 73,452  |            |
| Social Security                      |    | 35,402  |            |
| State Retirement                     |    | 24,905  |            |
| Medical Insurance                    |    | 68,563  |            |
| Employer Medicare                    |    | 8,280   |            |
| Other Contracted Services            |    | 56,812  |            |
| Instructional Supplies and Materials |    | 7,756   |            |
| Other Supplies and Materials         |    | 23,235  |            |
| Special Education Equipment          |    | 21,165  |            |
| Total Special Education Program      |    |         | \$ 881,120 |

Vocational Education Program

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Clerical Personnel                   | \$ | 13,805 |        |
| Social Security                      |    | 856    |        |
| State Retirement                     |    | 710    |        |
| Employer Medicare                    |    | 200    |        |
| Instructional Supplies and Materials |    | 22,932 |        |
| Other Supplies and Materials         |    | 1,974  |        |
| Vocational Instruction Equipment     |    | 54,089 |        |
| Total Vocational Education Program   |    |        | 94,566 |

Support Services

Other Student Support

|                              |    |        |        |
|------------------------------|----|--------|--------|
| Other Salaries and Wages     | \$ | 51,665 |        |
| Social Security              |    | 3,203  |        |
| State Retirement             |    | 3,317  |        |
| Medical Insurance            |    | 5,527  |        |
| Employer Medicare            |    | 749    |        |
| Travel                       |    | 4,938  |        |
| Other Contracted Services    |    | 2,250  |        |
| Other Supplies and Materials |    | 754    |        |
| In Service/Staff Development |    | 4,970  |        |
| Other Charges                |    | 15,137 |        |
| Total Other Student Support  |    |        | 92,510 |

Regular Instruction Program

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 49,884 |  |
|---------------------|----|--------|--|

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

|                                   |    |        |            |
|-----------------------------------|----|--------|------------|
| Secretary(ies)                    | \$ | 16,692 |            |
| Other Salaries and Wages          |    | 73,178 |            |
| Social Security                   |    | 7,552  |            |
| State Retirement                  |    | 7,801  |            |
| Medical Insurance                 |    | 10,844 |            |
| Employer Medicare                 |    | 1,968  |            |
| Travel                            |    | 6,358  |            |
| Other Supplies and Materials      |    | 1,725  |            |
| In Service/Staff Development      |    | 98,152 |            |
| Other Equipment                   |    | 3,391  |            |
| Total Regular Instruction Program |    |        | \$ 277,545 |

Special Education Program

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Psychological Personnel         | \$ | 93,145  |         |
| Other Salaries and Wages        |    | 137,790 |         |
| Social Security                 |    | 13,958  |         |
| State Retirement                |    | 14,826  |         |
| Medical Insurance               |    | 26,013  |         |
| Dental Insurance                |    | 1,333   |         |
| Employer Medicare               |    | 3,264   |         |
| Other Contracted Services       |    | 4,990   |         |
| Other Supplies and Materials    |    | 13,194  |         |
| In Service/Staff Development    |    | 29,334  |         |
| Total Special Education Program |    |         | 337,847 |

Vocational Education Program

|                                    |    |       |       |
|------------------------------------|----|-------|-------|
| Travel                             | \$ | 198   |       |
| Other Contracted Services          |    | 3,500 |       |
| In Service/Staff Development       |    | 1,127 |       |
| Total Vocational Education Program |    |       | 4,825 |

Transportation

|                      |    |       |               |
|----------------------|----|-------|---------------|
| Bus Drivers          | \$ | 9,000 |               |
| Social Security      |    | 610   |               |
| State Retirement     |    | 530   |               |
| Employer Medicare    |    | 20    |               |
| Total Transportation |    |       | <u>10,160</u> |

Total School Federal Projects Fund \$ 2,182,564

(Continued)

Exhibit J-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

|   |    |           |              |
|---|----|-----------|--------------|
| Supervisor/Director                         | \$ | 51,330    |              |
| Clerical Personnel                          |    | 60,708    |              |
| Cafeteria Personnel                         |    | 993,459   |              |
| Social Security                             |    | 66,318    |              |
| State Retirement                            |    | 40,118    |              |
| Life Insurance                              |    | 2,050     |              |
| Medical Insurance                           |    | 77,388    |              |
| Disability Insurance                        |    | 2,497     |              |
| Unemployment Compensation                   |    | 4,600     |              |
| Employer Medicare                           |    | 15,547    |              |
| Communication                               |    | 8,868     |              |
| Maintenance and Repair Services - Equipment |    | 60,475    |              |
| Transportation - Other than Students        |    | 36,969    |              |
| Travel                                      |    | 5,338     |              |
| Other Contracted Services                   |    | 60,086    |              |
| Food Preparation Supplies                   |    | 100,455   |              |
| Food Supplies                               |    | 1,314,855 |              |
| Office Supplies                             |    | 9,858     |              |
| Uniforms                                    |    | 5,019     |              |
| Utilities                                   |    | 100,223   |              |
| Other Supplies and Materials                |    | 1,256     |              |
| In Service/Staff Development                |    | 6,626     |              |
| Other Charges                               |    | 3,075     |              |
| Food Service Equipment                      |    | 37,626    |              |
| Total Food Service                          |    |           | \$ 3,064,744 |

Total Central Cafeteria Fund \$ 3,064,744

Education Capital Projects Fund

Other Debt Service

Education

|   |    |        |           |
|---|----|--------|-----------|
| Debt Service Contribution to Primary Government | \$ | 76,462 |           |
| Total Education                                 |    |        | \$ 76,462 |

Capital Projects

Education Capital Projects

|                      |    |        |  |
|----------------------|----|--------|--|
| Architects           | \$ | 59,110 |  |
| Engineering Services |    | 1,600  |  |
| Legal Services       |    | 2,122  |  |

(Continued)

Exhibit J-9

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

|  |    |                      |
|--|----|----------------------|
| <u>Education Capital Projects Fund (Cont.)</u>               |    |                      |
| <u>Capital Projects (Cont.)</u>                              |    |                      |
| <u>Education Capital Projects (Cont.)</u>                    |    |                      |
| Other Contracted Services                                    | \$ | 400                  |
| Building and Contents Insurance                              |    | 6,381                |
| Building Improvements  |    | 4,629,011            |
| Furniture and Fixtures                                       |    | 2,625                |
| Heating and Air Conditioning Equipment                       |    | 5,687                |
| Other Equipment  |    | 287,681              |
| Total Education Capital Projects                             |    | <u>\$ 4,994,617</u>  |
| Total Education Capital Projects Fund                        |    | <u>\$ 5,071,079</u>  |
| Total Governmental Funds - Cheatham County School Department |    | <u>\$ 53,287,374</u> |

Exhibit J-10

Cheatham County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2009

|  | Cities -<br>Sales Tax<br>Fund |
|--|-------------------------------|
| <hr/>  |                               |
| <u>Cash Receipts</u>   |                               |
| Local Option Sales Tax   | \$ 2,248,967                  |
| Total Cash Receipts  | <u>\$ 2,248,967</u>           |
| <br><u>Cash Disbursements</u>                                  |                               |
| Remittance of Revenues Collected                               | \$ 2,226,477                  |
| Trustee's Commission   | <u>22,490</u>                 |
| Total Cash Disbursements                                       | <u>\$ 2,248,967</u>           |
| <br>Excess of Cash Receipts Over<br>(Under) Cash Disbursements | <br>\$ 0                      |
| Cash Balance, July 1, 2008                                     | <u>0</u>                      |
| <br>Cash Balance, June 30, 2009                                | <br><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 37243-1402  
PHONE (615) 401-7841

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

March 5, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Cheatham County's basic financial statements and have issued our report thereon dated March 5, 2010. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the discretely presented Cheatham County Emergency Communications District and the discretely presented Cheatham County Water and Waste Water Authority as described in our report on Cheatham County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cheatham County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Cheatham County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01(A,E), 09.02, 09.03, 09.04, 09.05(B,C), and 09.06.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### Compliance and Other Matters

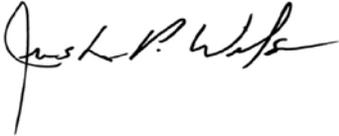
As part of obtaining reasonable assurance about whether Cheatham County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.01(B,C,D) and 09.05(A).

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

Cheatham County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Cheatham County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, County Commission, Board of Education, others within Cheatham County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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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 37243-1402  
PHONE (615) 401-7841

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

March 5, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Cheatham County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Cheatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cheatham County's management. Our responsibility is to express an opinion on Cheatham County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cheatham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cheatham County's compliance with those requirements.

In our opinion, Cheatham County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

#### Internal Control Over Compliance

The management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cheatham County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control over compliance.

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

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

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

#### Schedule of Expenditures of Federal Awards

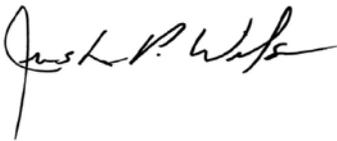
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County as of and for the year ended June 30, 2009, and have issued our report thereon dated March 5, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Cheatham County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cheatham County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Cheatham County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, County Commission, Board of Education, others within Cheatham County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical stroke at the beginning.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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Cheatham County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2009

| Federal/Pass-through Agency/State<br>Grantor Program Title                         | Federal<br>CFDA<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures        |
|--|---------------------------|---|---------------------|
| U.S. Department of Agriculture:  |                           |   |                     |
| Passed-through State Department of Agriculture:                                    |                           |   |                     |
| National School Lunch Program (Commodities - Noncash Assistance)                   | 10.555                    | N/A   | \$ 223,812 (3)      |
| Passed-through State Department of Education:                                      |                           |   |                     |
| Child Nutrition Cluster:   |                           |   |                     |
| School Breakfast Program   | 10.553                    | N/A   | 327,452             |
| National School Lunch Program  | 10.555                    | N/A   | 990,203 (3)         |
| Total U.S. Department of Agriculture   |                           |   | <u>\$ 1,541,467</u> |
| U.S. Department of Housing and Urban Development:                                  |                           |   |                     |
| Passed-through State Housing Development Agency:                                   |                           |   |                     |
| HOME Investment Partnerships Program   | 14.239                    | (2)   | \$ 54,659           |
| Total U.S. Department of Housing and Urban Development                             |                           |   | <u>\$ 54,659</u>    |
| U.S. Department of Interior:   |                           |   |                     |
| Direct Program:  |                           |   |                     |
| Payments in-Lieu-of Taxes  | 15.226                    | N/A   | \$ 13,922           |
| Total U.S. Department of Interior  |                           |   | <u>\$ 13,922</u>    |
| U.S. Department of Transportation:   |                           |   |                     |
| Passed-through State Department of Transportation:                                 |                           |   |                     |
| Safety Incentives to Prevent Operation of Motor Vehicles<br>by Intoxicated Persons | 20.605                    | (2)   | \$ 33,594 (4)       |
| Total U.S. Department of Transportation  |                           |   | <u>\$ 33,594</u>    |
| Institute of Museum and Library Services:  |                           |   |                     |
| Passed-through State Library and Archives:   |                           |   |                     |
| Grants to States   | 45.310                    | (2)   | \$ 2,500            |
| Total Institute of Museum and Library Services                                     |                           |   | <u>\$ 2,500</u>     |
| U.S. Department of Education:  |                           |   |                     |
| Direct Program:  |                           |   |                     |
| Fund for the Improvement of Education  | 84.215                    | N/A   | \$ 330,071          |
| Passed-through State Department of Labor and Workforce Development:                |                           |   |                     |
| Adult Education-Basic Grants to States   | 84.002                    | (2)   | 69,743              |
| Passed-through State Department of Education:                                      |                           |   |                     |
| Title I Grants to Local Educational Agencies                                       | 84.010                    | N/A   | 649,540             |
| Special Education Cluster:   |                           |   |                     |
| Special Education - Grants to States   | 84.027                    | N/A   | 1,364,449           |
| Special Education - Preschool Grants   | 84.173                    | N/A   | 42,040              |
| Career and Technical Education - Basic Grants to States                            | 84.048                    | N/A   | 90,231              |
| Safe and Drug-free Schools and Communities - State Grants                          | 84.186                    | (2)   | 13,098              |
| Even Start - State Educational Agencies  | 84.213                    | (2)   | 84,111              |
| English Language Acquisition Grant   | 84.365                    | N/A   | 14,240              |
| Improving Teacher Quality State Grants   | 84.367                    | N/A   | 157,016             |
| Total U.S. Department of Education   |                           |   | <u>\$ 2,814,539</u> |
| U.S. Election Assistance Commission:   |                           |   |                     |
| Passed-through Tennessee Secretary of State:                                       |                           |   |                     |
| Help America Vote Act Requirements Payments  | 90.401                    | (2)   | \$ 2,848            |
| Total U.S. Election Assistance Commission  |                           |   | <u>\$ 2,848</u>     |

(Continued)

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

| Federal/Pass-through Agency/State<br>Grantor Program Title  | Federal<br>CFDA<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures        |
|---|---------------------------|---|---------------------|
| U.S. Department of Homeland Security:   |                           |   |                     |
| Passed-through State Department of Military:  |                           |   |                     |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                                   | 97.036                    | (2)   | \$ 3,266            |
| Emergency Management Performance Grant  | 97.042                    | GG-08-26012-00                                  | 24,000              |
| Total U.S. Department of Homeland Security  |                           |   | <u>\$ 27,266</u>    |
| Total Expenditure of Federal Awards   |                           |   | <u>\$ 4,490,795</u> |
| Contract<br>Number  |                           |   |                     |
| <u>State Grants</u>   |                           |   |                     |
| Litter Program - State Department of Transportation   | N/A                       | (2)   | \$ 27,413           |
| State Reappraisal Program - Comptroller of the Treasury   | N/A                       | (2)   | 12,497              |
| Juvenile Services Program - State Commission on Children and Youth  | N/A                       | (2)   | 9,400               |
| Economic Development Three Star Grant Program - State Department of<br>Economic and Community Development | N/A                       | (2)   | 2,279               |
| Adult Basic Education - State Department of Labor and Workforce Development                               | N/A                       | (2)   | 26,891              |
| Early Childhood Education - State Department of Education   | N/A                       | (2)   | 467,631             |
| Coordinates School Health - State Department of Health  | N/A                       | (2)   | 110,000             |
| Touching the Lives of Children - State Department of Education  | N/A                       | (2)   | 14,114              |
| Waste Tire Grant - State Department of Environment and Conservation                                       | N/A                       | (2)   | 9,379               |
| Safe Schools Act - State Department of Education  | N/A                       | (2)   | 34,300              |
| Total State Grants  |                           |   | <u>\$ 713,904</u>   |

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Information not available.  
(3) Total for CFDA No. 10.555 is \$1,214,015.  
(4) Z-08-024000: \$25,477; Z-09-214586: \$8,117.

Cheatham County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Cheatham County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

**OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>  |
|-----------------------|--------------------|---|
| 08.03(C,D)            | 198                | Deficiencies were noted in the maintenance of capital asset records                                     |
| 08.06                 | 202                | The Ambulance Service did not have written policies concerning the collection and write-off of accounts |
| 08.07                 | 202                | The Ambulance Service did not properly issue receipts for all collections                               |
| 08.08                 | 203                | The building permits software did not have adequate application controls                                |

**OFFICE OF DIRECTOR OF SCHOOLS**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>   |
|-----------------------|--------------------|--|
| 08.11 (A,B)           | 206                | The extended school program had operating deficiencies |

**OTHER FINDING**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>   |
|-----------------------|--------------------|--|
| 08.15                 | 209                | Duties were not segregated adequately in the Animal Control, Landfill, and Building and Codes Departments and the Offices of Trustee and Sheriff |

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**CHEATHAM COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2009**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Cheatham County is unqualified.
2. The audit of the financial statements of Cheatham County disclosed significant deficiencies in internal control. None of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Cheatham County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Fund for the Improvement of Education (CFDA No. 84.215) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Cheatham County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, director of accounts and budgets, animal control director, and director of schools are paraphrased in this report.

### OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 09.01      **DEFICIENCIES WERE NOTED IN THE COLLECTION OF FUNDS AT SEVERAL REMOTE COLLECTION SITES**  
(A. and E. – Internal Control – Significant Deficiency Under Government Auditing Standards; B., C., and D. – Noncompliance Under Government Auditing Standards)

We noted the following deficiencies in the collection of funds at several remote collection sites:

- A. While performing testwork tracing receipts issued by the Animal Control Department with deposits made with the county trustee, auditors discovered that a receipt from December 2008 for \$100 was not deposited with the county trustee. The director at the Animal Control Department insisted that the funds had been deposited with the county trustee; however, he could not provide evidence to substantiate this claim. On July 31, 2009, the director deposited \$100 of his personal funds with the county trustee to liquidate the cash shortage. This shortage was not discovered by management due to the failure of management to reconcile receipts with deposits.
- B. The Animal Control and Landfill Departments did not always deposit collections with the county trustee within three days of collection as required by Section 5-8-207, Tennessee Code Annotated (TCA). This deficiency resulted from a lack of management oversight.
- C. The Landfill and Ambulance Service Departments did not issue official receipts for collections as required by Section 9-2-104, TCA. Instead, the Ambulance Service Department used generic receipts that did not display the official name of the office, and the Landfill Department used a stamp to affix the official name of the office to each receipt. These deficiencies are the result of management's decisions and expose the departments to risks that collections may not be accounted for properly.
- D. The Ambulance Service Department did not issue receipts for some collections. Instead, the office manually issued receipts if the customers paid their bill at the office. Receipts were not issued for collections received through the mail. Section 9-2-103, TCA, requires that official prenumbered receipts be issued for all collections. This deficiency is the result of management's decisions and exposes the department to risks that collections may not be accounted for properly.

- E. On two occasions while conducting cash counts at the Landfill Department, we discovered that cash on hand exceeded receipts issued by over \$400. Landfill personnel advised that the excess cash resulted from tips and from customers leaving without receiving their change. These deficiencies are the result of a lack of management oversight and increase the risk of fraud and abuse.

### RECOMMENDATION

Receipts issued at all collection sites should be reconciled with deposits made with the county trustee. All collections should be deposited with the county trustee within three days of collection. Official receipts should be issued for all collections. Cash in excess of receipts should be identified and remitted to the county trustee.

### MANAGEMENT'S RESPONSES – ANIMAL CONTROL DIRECTOR AND COUNTY MAYOR/DIRECTOR OF ACCOUNTS AND BUDGETS

- A. A search was conducted by employees of the Animal Control facility in an attempt to find the \$100 cash shortage. Clerical staff and other employees were questioned, but they were unable to identify where the cash had gone. However, to rectify the situation; cash was replaced and deposited on July 31, 2009, by the director. Furthermore, the following protocol changes were put in place by the Animal Control director to make certain this does not recur:
- All payments for adoptions must be in the form of a check or money order; no cash is accepted
  - Upon receipt of funds, they are sealed in an envelope and locked in a safe until taken to the Trustee's Office
  - Trustee receipts are placed in a file and held in a safe for record keeping
- B. The Animal Control and Landfill Departments are now depositing collections with the trustee every Tuesday and Thursday to make certain all monies are receipted within three days of collection.
- C. To resolve this issue the Ambulance Service will purchase prenumbered receipts from a local printing company. Because of the cost of purchasing prenumbered receipts and the amount of receipts written in a week, the Landfill Department has chosen not to purchase receipts from a printing company; however, they will purchase prenumbered receipt books in bulk from an office supply store, so that the numbers will be in sequential order for the entire year. They will continue to stamp each receipt with the name of the office.
- D. They issued receipts only if paid in person at the office: The Ambulance Service intends to receipt all monies, including those received through the mail as a means of accurately tracking all collections at the Ambulance Service.
- E. Cash overage resulted from tips and customers leaving without receiving their change. The landfill director has stated that employees are not allowed to keep tips

from customers. To account for the cash from tips and customers not receiving their change; the additional money will be noted on the customers receipt and deposited in the solid waste fund.

### AUDITOR'S COMMENT TO MANAGEMENT'S RESPONSE PART C

It is an internal control weakness to use a stamp to place the name of the office on generic receipts. This weakness could allow someone to have another receipt book that is not prenumbered that they continue to use to issue unofficial receipts. Therefore, the office should immediately discontinue the use of a stamp.

---

### FINDING 09.02      **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

Our examination of the capital asset records revealed the following deficiencies. These deficiencies can be attributed in part to the lack of management oversight and the failure of management to correct the finding noted in the prior-year audit report.

- A.     The county did not maintain capital asset control cards as required by the county's policy. These control cards identify the historical cost and location of each asset.
  
- B.     Assets were not tagged or otherwise clearly identified as county property. In addition, the records did not contain sufficient information such as the asset's serial number or other form of identification that would allow the asset to be physically inspected and reconciled with the capital asset listing.

### RECOMMENDATION

Management should provide the necessary oversight to ensure that its capital asset records are maintained in accordance with the county's policy. All capital assets should be tagged or otherwise clearly identified as county property.

### MANAGEMENT'S RESPONSE – COUNTY MAYOR/DIRECTOR OF ACCOUNTS AND BUDGETS

The Accounting and Finance Office will be working with all offices and departments to create control cards for each asset on the capital asset listing. Additionally, they will also be working to get all items tagged with control numbers, and additional information that will be helpful in identifying the county's assets.

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**FINDING 09.03      THE AMBULANCE SERVICE DID NOT HAVE WRITTEN POLICIES CONCERNING THE COLLECTION AND WRITE-OFF OF CUSTOMER ACCOUNTS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Ambulance Service did not have written policies concerning the collection and write-off of customer accounts. Sound business practices dictate that written policies concerning customer accounts should be adopted. This deficiency resulted from the failure of management to correct the finding noted in the prior-year audit report. Without formal policies for the collection and write-off of customer accounts, employees have no guidance for consistent and uniform treatment of customers.

**RECOMMENDATION**

The Ambulance Service should develop written policies concerning the collection and write-off of customer accounts and present these policies to the County Commission for its consideration.

**MANAGEMENT’S RESPONSE – COUNTY MAYOR/DIRECTOR OF ACCOUNTS AND BUDGETS**

The Ambulance Service director has written a policy concerning the collection and write-off process of ambulance customer accounts. It is currently being reviewed by the county mayor. It will then be sent to the Budget Committee for a second review. Lastly, it will be forwarded to the County Commission for final approval and adoption.

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**FINDING 09.04      THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following deficiencies in the Office of Building Commissioner related to the building permit software were identified:

- A.    The application did not provide a record of changes to previously issued receipts and permits. Users had the capability to change information on receipts and permits, leaving no evidence of the original information.
- B.    Permits and receipts could be deleted from the application, leaving no evidence of the original transaction.
- C.    Voided receipts were not properly reflected on daily reports.

Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with proper controls, inappropriate system activity could occur. These deficiencies were reported to management in the prior-year audit report.

Management contacted the vendor who informed them that the latest version of the software should correct the deficiencies. This version was still under development and has not yet been released by the vendor.

### RECOMMENDATION

Management should ensure that the latest version of the software is installed once it is released. This software should provide an audit trail for any changes to receipts or permits and should not have a deletion capability. These controls would help to ensure the reliability and integrity of the information maintained by the system.

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## OFFICE OF DIRECTOR OF SCHOOLS

### FINDING 09.05      **DEFICIENCIES WERE NOTED IN THE EXTENDED SCHOOL PROGRAM** (A. – Noncompliance Under Government Auditing Standards; B. and C. – Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed the following deficiencies in the extended school program. These deficiencies can be attributed to a lack of management oversight. Also, items A. and B. are the result of the failure of management to correct the findings noted in the prior-year audit report.

- A.      Official prenumbered receipts were not issued for some collections. Section 9-2-103, Tennessee Code Annotated, requires official prenumbered receipts to be issued for all collections. Without official prenumbered receipts, we were unable to determine if all funds have been accounted for properly.
- B.      In some instances, receipts were not issued at the time of collection. Instead, employees would write receipts for collections at the time bank deposits were prepared or after the deposits were made. The practice of issuing receipts subsequent to the actual collection increases the risk that officials will not properly account for funds.
- C.      Funds were not stored in a secure location overnight. Instead, the funds were left in an unlocked box in a classroom.

### RECOMMENDATION

The extended school program should ensure that official prenumbered receipts are issued for all collections at the time of collection. All funds should be stored in a secure location overnight.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The extended school staff has received instructions on the proper procedures for receipting funds collected. All sites have obtained a locked money bag and have been advised to place all funds in a secure location. The extended school director is reviewing procedures to ensure that receipts and deposits are made correctly. We have purchased a new software program for our extended school sites that will help with the receipting process.

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## OTHER FINDING AND RECOMMENDATION

### FINDING 09.06      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE ANIMAL CONTROL, LANDFILL, AND BUILDING CODES DEPARTMENTS AND THE OFFICES OF TRUSTEE AND SHERIFF**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Animal Control, Landfill, and Building Codes departments and the Offices of Trustee and Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this finding is the result of the failure of management to correct the deficiency noted in the prior-year audit report.

### RECOMMENDATION

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

## MANAGEMENT'S RESPONSE – COUNTY MAYOR/DIRECTOR OF ACCOUNTS AND BUDGETS

As the finding states; employees responsible for maintaining accounting records for these offices were also involved in receipting, depositing, and/or disbursing funds. The auditor's recommendation to resolve this finding is to segregate duties to the extent possible using available resources. Department heads at both Animal Control and Landfill feel they are utilizing their employees to the best of their ability. These departments have a limited number of employees that work in the office as "Office Staff" who would generally have the responsibility of handling receipts and/or deposits. Because of this, it is difficult for these offices to segregate the duties as needed. Until such time that additional employees can be hired for these offices, they will continue to do the best they can with the resources provided.

MANAGEMENT'S RESPONSE – ANIMAL CONTROL DIRECTOR

Segregation of duties have been implemented in the area of funds for deposit. One employee receives the deposit, a second employee adds up the deposit and prepares the deposit form, and a third employee deposits the funds with the Trustee's Office.

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

There were no findings and questioned costs for federal awards.

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**CHEATHAM COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2009**

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