
ANNUAL FINANCIAL REPORT WAYNE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

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

KENT WHITE, CPA, CGFM, CFE
Auditor 4

RHONDA DAVIS, CFE
MARK HARVILL
JACOB KENNEDY
State Auditors

This financial report is available at www.tn.gov/comptroller

WAYNE COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Wayne County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Assets	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	25
Notes to the Financial Statements		26-54
REQUIRED SUPPLEMENTARY INFORMATION:		55
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	56-59
Solid Waste/Sanitation Fund	E-2	60
Highway/Public Works Fund	E-3	61
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Wayne County School Department	E-4	62
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Wayne County School Department	E-5	63
Notes to the Required Supplementary Information		64

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		65
Nonmajor Governmental Funds:		66
Combining Balance Sheet	F-1	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	68
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Special Purpose Fund	F-3	69
Drug Control Fund	F-4	70
Other Special Revenue Fund	F-5	71
Major Governmental Fund:		72
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	73
Fiduciary Funds:		74
Combining Statement of Fiduciary Assets and Liabilities	H-1	75
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	76
Component Unit:		
Discretely Presented Wayne County School Department:		77
Statement of Activities	I-1	78
Balance Sheet – Governmental Funds	I-2	79
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	80
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	81
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	82
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	83-84
School Federal Projects Fund	I-7	85
Central Cafeteria Fund	I-8	86
Miscellaneous Schedules:		87
Schedule of Changes in Long-term Notes and Bonds	J-1	88
Schedule of Long-term Debt Requirements by Year	J-2	89-90
Schedule of Notes Receivable	J-3	91
Schedule of Transfers	J-4	92
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Wayne County School Department	J-5	93

	Exhibit	Page(s)
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	94-103
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Wayne County School Department	J-7	104-105
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	106-128
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Wayne County School Department	J-9	129-141
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	142
<u>SINGLE AUDIT SECTION</u>		143
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		144-146
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		147-149
Schedule of Expenditures of Federal Awards and State Grants		150-151
Schedule of Audit Findings Not Corrected		152
Schedule of Findings and Questioned Costs		153-160
Auditee Reporting Responsibilities		161

Audit Highlights
Annual Financial Report
Wayne County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Wayne County as of and for the year ended June 30, 2010.

Results

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

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

WAYNE COUNTY AND WAYNE COUNTY SCHOOL DEPARTMENT

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

OFFICE OF COUNTY EXECUTIVE

- ◆ The General Capital Projects Fund required a material audit adjustment for proper financial statement presentation.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$212,643 at June 30, 2010.
-

OFFICE OF TRUSTEE

- ◆ The trustee did not require a depository to adequately collateralize funds.
-

OFFICE OF SHERIFF

- ◆ In some instances, the sheriff did not deposit funds within three days of collection as required by state statute.
-

OTHER FINDINGS

- ◆ Wayne County has material recurring audit findings.
 - ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register.
-

BEST PRACTICE

Wayne County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Wayne County.

INTRODUCTORY SECTION

Wayne County Officials
June 30, 2010

Officials

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

Board of County Commissioners

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

Board of Education

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

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

August 31, 2010

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Wayne County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wayne County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Wayne County Emergency Communications District and the Wayne County Retirement Facilities (which include the Wayne County Nursing Home and the Wayne County Assisted Living Facility), component units requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements

referred to above do not include amounts for the Wayne County Emergency Communications District and the Wayne County Retirement Facilities, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Wayne County Emergency Communications District and the Wayne County Retirement Facilities as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Wayne County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2010, 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 August 31, 2010, on our consideration of Wayne County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.A., Wayne County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

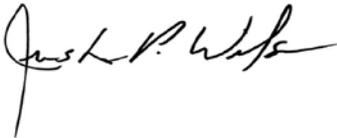
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 56 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, 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/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Wayne County, Tennessee
Statement of Net Assets
June 30, 2010

	<u>Primary Governmental Activities</u>	<u>Component Unit Wayne County School Department</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 555
Equity in Pooled Cash and Investments	8,230,204	1,142,581
Inventories	0	59,994
Accounts Receivable	143,833	1,426
Due from Other Governments	621,681	881,781
Due from Component Unit	3,366	0
Property Taxes Receivable	3,041,440	1,953,627
Allowance for Uncollectible Property Taxes	(84,349)	(54,181)
Prepaid Items	0	77,516
Notes Receivable	200,000	0
Deferred Charges - Debt Issuance Cost	177,893	0
Capital Assets:		
Assets Not Depreciated:		
Land	735,229	495,517
Construction in Progress	6,904,884	0
Assets Net of Accumulated Depreciation:		
Infrastructure	10,454,055	0
Buildings and Improvements	2,166,431	15,322,285
Other Capital Assets	1,486,600	1,299,559
Total Assets	<u>\$ 34,081,267</u>	<u>\$ 21,180,660</u>
<u>LIABILITIES</u>		
Payroll Deductions Payable	\$ 1,267	\$ 72,958
Cash Overdraft	0	212,643
Due to Primary Government	0	3,366
Accrued Interest Payable	99,496	0
Unearned Revenue - Current Property Taxes	2,755,516	1,769,967
Noncurrent Liabilities:		
Due Within One Year	1,500,709	0
Due in More Than One Year (net of unamortized premium on debt)	28,779,515	1,533,847
Total Liabilities	<u>\$ 33,136,503</u>	<u>\$ 3,592,781</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit <u>Wayne County School Department</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 11,768,055	\$ 0
Invested in Capital Assets	0	17,117,361
Restricted for:		
Debt Service	2,182,451	0
Highway/Public Works	1,196,165	0
Capital Projects	914,595	0
Solid Waste/Sanitation	345,303	0
Food Service	0	282,416
Other Purposes	302,755	69,655
Unrestricted	<u>(15,764,560)</u>	<u>118,447</u>
Total Net Assets	<u>\$ 944,764</u>	<u>\$ 17,587,879</u>

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

Exhibit B

Wayne County, Tennessee
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Unit Wayne County School Department
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities		
Primary Government:							
Governmental Activities:							
General Government	\$ 635,105	\$ 71,775	\$ 16,380	\$ 0	\$ (546,950)	\$ 0	
Finance	440,584	353,558	6,193	0	(80,833)	0	
Administration of Justice	608,282	411,799	9,000	0	(187,483)	0	
Public Safety	2,302,922	195,076	37,764	29,511	(2,040,571)	0	
Public Health and Welfare	1,360,609	238,941	133,617	0	(988,051)	0	
Social, Cultural, and Recreational Services	224,588	5,443	5,500	0	(213,645)	0	
Agriculture and Natural Resources	116,246	0	0	0	(116,246)	0	
Other Operations	161,583	0	0	0	(161,583)	0	
Highways/Public Works	1,304,664	25,190	2,272,073	853,419	1,846,018	0	
Support Services	13,267	0	0	0	(13,267)	0	
Interest on Long-term Debt	1,174,357	0	0	0	(1,174,357)	0	
Other Debt Service	50,640	0	290,931	0	240,291	0	
Total Governmental Activities	\$ 8,392,847	\$ 1,301,782	\$ 2,771,458	\$ 882,930	\$ (3,436,677)	\$ 0	
Total Primary Government	\$ 8,392,847	\$ 1,301,782	\$ 2,771,458	\$ 882,930	\$ (3,436,677)	\$ 0	
Component Unit:							
Wayne County School Department	\$ 22,212,370	\$ 420,912	\$ 4,446,769	\$ 65,376	\$ 0	\$ (17,279,313)	
Total Component Unit	\$ 22,212,370	\$ 420,912	\$ 4,446,769	\$ 65,376	\$ 0	\$ (17,279,313)	

(Continued)

Exhibit B

Wayne County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
				Primary Governmental Activities	Wayne County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 2,120,219	\$ 1,727,837
Property Taxes Levied for Debt Service				590,372	0
Local Option Sales Taxes				895,225	630,828
Wheel Tax				590,991	0
Litigation Tax - General				56,544	0
Litigation Tax - Jail, Workhouse, or Courthouse				56,080	0
Litigation Tax - Sheriff				53,303	0
Business Tax				79,820	0
Mineral Severance Tax				146,029	0
Wholesale Beer Tax				47,286	0
Other Local Taxes				43,613	28,287
Grants and Contributions Not Restricted to Specific Programs				1,137,750	13,661,678
Unrestricted Investment Earnings				148,558	0
E-rate Funding				0	34,157
Miscellaneous				57,240	19,572
Insurance Recoveries				10,353	0
Gain on Disposal of Capital Assets				37,028	0
Total General Revenues				\$ 6,070,411	\$ 16,102,359
Change in Net Assets				\$ 2,633,734	\$ (1,176,954)
Prior-period Adjustment				3,574,146	(886,696)
Net Assets, July 1, 2009				(5,263,116)	19,651,529
Net Assets, June 30, 2010				\$ 944,764	\$ 17,587,879

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

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	
Equity in Pooled Cash and Investments	\$ 1,251,030	\$ 320,510	\$ 873,877	\$ 1,842,870	\$ 3,301,295	\$ 640,622	\$ 8,230,204
Accounts Receivable	89,749	7,676	0	46,408	0	0	143,833
Due from Other Governments	145,462	0	320,612	150,000	0	5,607	621,681
Due from Component Units	3,366	0	0	0	0	0	3,366
Property Taxes Receivable	1,931,425	421,806	44,401	643,808	0	0	3,041,440
Allowance for Uncollectible Property Taxes	(53,565)	(11,698)	(1,231)	(17,855)	0	0	(84,349)
Notes Receivable - Long-term	0	0	0	200,000	0	0	200,000
Total Assets	\$ 3,367,467	\$ 738,294	\$ 1,237,659	\$ 2,865,231	\$ 3,301,295	\$ 646,229	\$ 12,156,175

ASSETS

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

LIABILITIES AND FUND BALANCES

Payroll Deductions Payable	\$ 0	\$ 0	\$ 1,267	\$ 0	\$ 0	\$ 0	\$ 1,267
Deferred Revenue - Current Property Taxes	1,749,853	382,152	40,227	583,284	0	0	2,755,516
Deferred Revenue - Delinquent Property Taxes	119,717	26,254	2,764	40,713	0	0	189,448
Other Deferred Revenues	63,509	0	160,306	75,000	0	0	298,815
Total Liabilities	\$ 1,933,079	\$ 408,406	\$ 204,564	\$ 698,997	\$ 0	\$ 0	\$ 3,245,046
Reserved for Encumbrances	\$ 35,313	\$ 21,730	\$ 196	\$ 0	\$ 3,202,170	\$ 124	\$ 3,259,533
Reserved for Alcohol and Drug Treatment	23,948	0	0	0	0	0	23,948
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	94,391	0	0	252,291	0	0	346,682
Reserved for Sexual Offender Registration	2,685	0	0	0	0	0	2,685
Reserved for Computer System - Register	29,546	0	0	0	0	0	29,546
Reserved for Automation Purposes - General Sessions Court	19,372	0	0	0	0	0	19,372
Reserved for Automation Purposes - Chancery Court	2,806	0	0	0	0	0	2,806
Reserved for Automation Purposes - Sheriff	7,981	0	0	0	0	0	7,981
Reserved for Automation Purposes - County Clerk	1,212	0	0	0	0	0	1,212

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds			
\$	0	0	200,000	0	0	0	0	200,000
	5,500	0	0	0	0	0	0	5,500
	1,211,634	0	0	0	0	0	0	1,211,634
	0	308,158	0	1,032,899	0	115,190	0	1,456,247
	0	0	1,713,943	0	0	0	0	1,713,943
	0	0	0	0	99,125	530,915	0	630,040
\$	1,434,388	329,888	2,166,234	1,033,095	3,301,295	646,229	8,911,129	
\$	3,367,467	738,294	2,865,231	1,237,659	3,301,295	646,229	12,156,175	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Reserved for Long-term Notes Receivable	
Reserved for Technology	
Unreserved, Reported In:	
General Fund	
Special Revenue Funds	
Debt Service Funds	
Capital Projects Funds	
Total Fund Balances	
Total Liabilities and Fund Balances	

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

Exhibit C-2

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2010

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)		\$ 8,911,129
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 735,229	
Add: construction in progress	6,904,884	
Add: infrastructure net of accumulated depreciation	10,454,055	
Add: buildings and improvements net of accumulated depreciation	2,166,431	
Add: other capital assets net of accumulated depreciation	<u>1,486,600</u>	21,747,199
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (708,178)	
Less: bonds payable	(29,479,675)	
Add: deferred charges - debt issuance costs	177,893	
Less: accrued compensatory time payable	(44,972)	
Less: accrued interest on bonds and notes	(99,496)	
Less: other deferred revenue - premium on debt	<u>(47,399)</u>	(30,201,827)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>488,263</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 944,764</u>

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

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds		
<u>Revenues</u>								
Local Taxes	\$ 2,231,088	\$ 451,553	\$ 39,413	\$ 1,972,056	\$ 0	\$ 89,531	\$ 4,783,641	
Licenses and Permits	4,649	0	0	0	6,076	0	10,725	
Fines, Forfeitures, and Penalties	150,451	0	0	0	0	38,354	188,805	
Charges for Current Services	42,779	0	0	0	0	173	42,952	
Other Local Revenues	24,568	108,734	49,872	55,618	27,069	187,989	453,850	
Fees Received from County Officials	674,164	0	0	0	0	0	674,164	
State of Tennessee	1,052,474	197,255	2,418,175	0	0	67,012	3,734,916	
Federal Government	56,825	0	354,530	0	0	0	411,355	
Other Governments and Citizens Groups	1,170	0	25,190	200,000	0	88,785	315,145	
Total Revenues	\$ 4,238,168	\$ 757,542	\$ 2,887,180	\$ 2,227,674	\$ 33,145	\$ 471,844	\$ 10,615,553	
<u>Expenditures</u>								
Current:								
General Government	\$ 783,740	0	0	0	0	0	783,740	
Finance	421,831	0	0	0	0	0	421,831	
Administration of Justice	582,626	0	0	0	0	173	582,799	
Public Safety	2,053,814	0	0	0	0	57,671	2,111,485	
Public Health and Welfare	207,126	759,374	0	0	0	166,294	1,132,794	
Social, Cultural, and Recreational Services	203,442	0	0	0	0	0	203,442	
Agriculture and Natural Resources	115,756	0	0	0	0	0	115,756	
Other Operations	171,592	0	0	0	0	79,225	250,817	
Highways	40,519	0	3,240,970	0	0	0	3,281,489	
Support Services	13,267	0	0	0	0	0	13,267	
Debt Service:								
Principal on Debt	0	0	0	1,264,480	0	0	1,264,480	
Interest on Debt	0	0	0	1,180,795	0	0	1,180,795	
Other Debt Service	0	0	0	42,516	0	0	42,516	
Capital Projects	402	0	0	0	5,908,201	175,551	6,084,154	
Total Expenditures	\$ 4,594,115	\$ 759,374	\$ 3,240,970	\$ 2,487,791	\$ 5,908,201	\$ 478,914	\$ 17,469,365	
Excess (Deficiency) of Revenues Over Expenditures	\$ (355,947)	\$ (1,832)	\$ (353,790)	\$ (260,117)	\$ (5,875,056)	\$ (7,070)	\$ (6,853,812)	

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>								
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 22,420	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,420
Insurance Recovery	10,353	0	14,608	0	0	0	0	24,961
Transfers In	0	0	0	564,967	0	0	0	564,967
Transfers Out	0	0	0	0	0	0	(564,967)	(564,967)
Total Other Financing Sources (Uses)	\$ 10,353	\$ 0	\$ 37,028	\$ 564,967	\$ 0	\$ 0	\$ (564,967)	\$ 47,381
Net Change in Fund Balances	\$ (345,594)	\$ (1,832)	\$ (316,762)	\$ 304,850	\$ (5,875,056)	\$ (572,037)	\$ (572,037)	\$ (6,806,431)
Fund Balance, July 1, 2009	1,779,982	331,720	1,349,857	1,861,384	9,176,351	1,218,266	1,218,266	15,717,560
Fund Balance, June 30, 2010	\$ 1,434,388	\$ 329,888	\$ 1,033,095	\$ 2,166,234	\$ 3,301,295	\$ 646,229	\$ 646,229	\$ 8,911,129

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

Exhibit C-4

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2010

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)		\$ (6,806,431)
(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	\$ 8,507,088	
Less: current year depreciation expense	<u>(648,392)</u>	7,858,696
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized		344,250
(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, 2010	\$ 488,263	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(471,012)</u>	17,251
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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: change in premium on debt issuances	\$ 2,146	
Less: change in deferred debt issuance costs	(8,124)	
Add: principal payments on notes	245,740	
Add: principal payments on bonds	<u>1,018,740</u>	1,258,502
(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	\$ 6,438	
Change in compensated absences payable	<u>(44,972)</u>	<u>(38,534)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,633,734</u>

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

Exhibit D

Wayne County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 381,985
Accounts Receivable	12
Due from Other Governments	<u>73,503</u>
Total Assets	<u><u>\$ 455,500</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 73,503
Due to Litigants, Heirs, and Others	<u>381,997</u>
Total Liabilities	<u><u>\$ 455,500</u></u>

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

WAYNE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Wayne County General Hospital Board of Trustees operates the Wayne County Retirement Facilities composed of the Wayne County Nursing Home and the Wayne County Assisted Living Facility. The Board of Trustees is a component unit of Wayne County. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints its governing body. Patient charges provide the majority of the revenues for the board. Before the issuance of debt instruments, the board must obtain the County Commission's approval. The financial statements of the Wayne County Retirement Facilities were not available from other auditors in time for inclusion in this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Wayne County, and the Wayne

County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Wayne County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

Wayne County Nursing Home
Highway 64 East
Waynesboro, TN 38485

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a

significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Wayne County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Wayne County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Wayne County issues all debt for the discretely presented Wayne County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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 Wayne County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Wayne County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Wayne County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Wayne County reports the following major governmental funds:

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

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

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

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

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

Additionally, Wayne County reports the following fund type:

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and

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

2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

3. Inventories and Prepaid Items

Inventories of the Wayne County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 \$10,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Other Capital Assets	5-20
Infrastructure:	
Roads	20
Bridges	40

5. Compensated Absences

Primary Government

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

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, 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, 2010, Wayne County had \$17,160,600 in outstanding debt for capital purposes for the discretely presented Wayne County

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Library	\$ 38,273
Emergency Management	896
General Capital Projects:	
Solid Waste Capital Projects	17,669

8. Prior-period Adjustments

Capital assets were restated \$3,574,146 for the primary government from the prior year because five bridges had been omitted.

Capital assets were restated \$886,696 for the School Department from the prior year because some assets had not been properly depreciated.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Wayne County School Department

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

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

Primary Government

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

Discretely Presented Wayne County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the 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, County Mayor/Executive, Election Commission, Register of Deeds, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$212,643 at June 30, 2010. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2010.

C. The County Had Deposits Exposed to Custodial Credit Risk

The trustee did not require one depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2010, deposits at this depository exceeded FDIC coverage and collateral securities pledged by \$243,968. Section 5-8-201, Tennessee Code Annotated, requires any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Wayne County and the Wayne County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Wayne County's deposits may not be returned to it. Wayne County does not have a formal policy that limits custodial credit risk for deposits. Separate disclosures concerning bank balances of pooled deposits cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee. As of June 30, 2010, bank balances of \$243,968 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 243,968</u>
--------------------------------	-------------------

Uninsured and uncollateralized deposits are a violation of state statute.

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 Comptroller's Office 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 fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, Wayne County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 7,330,818

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2010, Wayne County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

On June 19, 2007, Wayne County loaned \$200,000 to the Wayne County Nursing Home – Component Unit. This note matured on December 1, 2009; however, the note was not retired. Wayne County expects to collect the note receivable in the future. Therefore, the General Debt Service Fund had long-term notes receivable of \$200,000 from the Wayne County Nursing Home on June 30, 2010.

C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	*Restated Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 722,354	\$ 12,875	\$ 0	\$ 735,229
Construction in Progress	958,880	5,946,004	0	6,904,884
Total Capital Assets Not Depreciated	\$ 1,681,234	\$ 5,958,879	\$ 0	\$ 7,640,113

Governmental Activities: (Cont.)

	*Restated Balance			Balance
	7-1-09	Increases	Decreases	6-30-10
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 5,556,832	\$ 0	\$ 0	\$ 5,556,832
Roads and Bridges	8,444,892	2,527,111	0	10,972,003
Other Capital Assets	3,591,851	365,348	(118,729)	3,838,470
Total Capital Assets				
Depreciated	<u>\$ 17,593,575</u>	<u>\$ 2,892,459</u>	<u>\$ (118,729)</u>	<u>\$ 20,367,305</u>
Less Accumulated				
Depreciation for:				
Buildings and				
Improvements	\$ 3,210,559	\$ 179,842	\$ 0	\$ 3,390,401
Roads and Bridges	289,188	228,760	0	517,948
Other Capital Assets	2,230,809	239,790	(118,729)	2,351,870
Total Accumulated				
Depreciation	<u>\$ 5,730,556</u>	<u>\$ 648,392</u>	<u>\$ (118,729)</u>	<u>\$ 6,260,219</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 11,863,019</u>	<u>\$ 2,244,067</u>	<u>\$ 0</u>	<u>\$ 14,107,086</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 13,544,253</u>	<u>\$ 8,202,946</u>	<u>\$ 0</u>	<u>\$ 21,747,199</u>

* - See note I.D.8. for an explanation of the prior-period adjustment.

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

Governmental Activities:

General Government	\$ 24,620
Finance	3,980
Administration of Justice	7,726
Public Safety	92,245
Public Health and Welfare	137,698
Social, Cultural, and Recreational Services	3,349
Agriculture and Natural Resources	298
Highway/Public Works	<u>378,476</u>
Total Depreciation Expense -	
Governmental Activities	<u><u>\$ 648,392</u></u>

Discretely Presented Wayne County School Department

Governmental Activities:

	*Restated Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 495,517	\$ 0	\$ 0	\$ 495,517
Total Capital Assets Not Depreciated	<u>\$ 495,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 495,517</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 26,857,113	\$ 22,425	\$ 0	\$ 26,879,538
Other Capital Assets	2,987,963	200,708	(45,663)	3,143,008
Total Capital Assets Depreciated	<u>\$ 29,845,076</u>	<u>\$ 223,133</u>	<u>\$ (45,663)</u>	<u>\$ 30,022,546</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 10,855,556	\$ 701,697	\$ 0	\$ 11,557,253
Other Capital Assets	1,658,339	200,965	(15,855)	1,843,449
Total Accumulated Depreciation	<u>\$ 12,513,895</u>	<u>\$ 902,662</u>	<u>\$ (15,855)</u>	<u>\$ 13,400,702</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,331,181</u>	<u>\$ (679,529)</u>	<u>\$ (29,808)</u>	<u>\$ 16,621,844</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 17,826,698</u></u>	<u><u>\$ (679,529)</u></u>	<u><u>\$ (29,808)</u></u>	<u><u>\$ 17,117,361</u></u>

* - See note I.D.8. for an explanation of the prior-period adjustment.

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

Governmental Activities:

Instruction	\$ 18,053
Support Services	839,476
Operation of Non-Instructional Services	<u>45,133</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 902,662</u></u>

D. Construction Commitments

At June 30, 2010, Wayne County had uncompleted contracts of approximately \$3,202,170 for the construction of the judicial center. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: General Purpose School	\$ 3,366

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amount:

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u>
	General
	Debt
	Service
	Fund
Nonmajor governmental fund	\$ 564,967

The county made a one-time transfer of \$564,967 from the Special Purpose Fund to the General Debt Service Fund to close the fund.

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 38 years for bonds and up to 11 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as

interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	4.05 to 4.25 %	\$ 16,282,000	\$ 15,409,675
General Obligation Bonds - Refunding	3.2 to 4	16,935,000	14,070,000
Capital Outlay Notes	0 to 4.08	2,318,649	708,178

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 1,228,902	\$ 1,110,238	\$ 2,339,140
2012	1,269,071	1,065,979	2,335,050
2013	1,319,248	1,020,117	2,339,365
2014	1,359,432	972,650	2,332,082
2015	1,384,624	923,276	2,307,900
2016-2020	7,871,306	3,764,936	11,636,242
2021-2025	8,237,522	2,137,259	10,374,781
2026-2030	4,160,207	1,006,822	5,167,029
2031-2035	2,494,707	261,055	2,755,762
2036-2040	61,454	26,806	88,260
2041-2045	75,976	12,284	88,260
2046	17,226	426	17,652
Total	\$ 29,479,675	\$ 12,301,848	\$ 41,781,523

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 258,315	\$ 23,022	\$ 281,337
2012	265,964	13,539	279,503
2013	181,950	3,675	185,625
2014	1,949	0	1,949
Total	<u>\$ 708,178</u>	<u>\$ 40,236</u>	<u>\$ 748,414</u>

There is \$1,966,234 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,750, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,792, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds		Notes		Compensated
					Absences
Balance, July 1, 2009	\$ 30,498,415	\$ 953,918	\$	0	0
Additions	0	0		79,930	79,930
Deductions	(1,018,740)	(245,740)		(34,958)	(34,958)
Balance, June 30, 2010	<u>\$ 29,479,675</u>	<u>\$ 708,178</u>	<u>\$</u>	<u>44,972</u>	
Balance Due Within One Year	<u>\$ 1,228,902</u>	<u>\$ 258,315</u>	<u>\$</u>	<u>13,492</u>	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 30,232,825
Less: Due Within One Year	(1,500,709)
Add: Unamortized Premium on Debt	<u>47,399</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 28,779,515</u>

Compensated absences will be paid from the employing funds, primarily the General and Solid Waste/Sanitation funds.

Discretely Presented Wayne County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Wayne County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:	Other Postemployment Benefits
	<hr/>
Balance, July 1, 2009	\$ 1,084,676
Additions	635,577
Deductions	<hr/> (186,406)
Balance, June 30, 2010	<hr/> <hr/> \$ 1,533,847
Balance Due Within One Year	<hr/> <hr/> \$ 0

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$72,406 and \$16,914, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

Discretely Presented Wayne County School Department

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Wayne County had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Wayne County and the Wayne County School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by

county governments. Derivative instruments are financial arrangements used by governments as investments, hedges against identified financial risks, or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Wayne County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Wayne County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Wayne County may enter into derivative transactions in subsequent years.

C. Subsequent Event

On August 31, 2010, Jeff Minatra left the Office of Commissioner of Highways and was succeeded by Billy Joe Martin.

D. Contingent Liabilities

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

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

E. Joint Venture

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County Executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County did not contribute any funds to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2010.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board can be obtained from its administrative office at the following address:

Administrative Office:

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

F. Jointly Governed Organization

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

G. Retirement Commitments

Employees

Plan Description

Employees of Wayne County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System

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

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

Funding Policy

Wayne County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 6.88 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Wayne County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Wayne County's annual pension cost of \$528,829 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. Wayne County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was nine years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$528,829	100%	\$0
6-30-09	519,458	100	0
6-30-08	644,676	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 88.14 percent funded. The actuarial accrued liability for benefits was \$17.49 million, and the actuarial value of assets was \$15.42 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.07 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.3 million, and the ratio of the UAAL to the covered payroll was 28.41 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial 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 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. Cost of living adjustments (COLA) are 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/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the 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, 2010, 2009, and 2008, were \$698,351, \$689,919, and \$681,720, respectively, equal to the required contributions for each year

H. Other Postemployment Benefits (OPEB)

Discretely Presented Wayne County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan.

Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://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 plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$170 to \$571 per month. During the year ended June 30, 2010, the discretely presented Wayne County School Department contributed \$186,406 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 633,000
Interest on the NPO	48,810
Adjustment to the ARC	(46,233)
Annual OPEB cost	<hr/> \$ 635,577
Amount of contribution	(186,406)
Increase/decrease in NPO	\$ 449,171
Net OPEB obligation, 7-1-09	<hr/> 1,084,676
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 1,533,847

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 663,000	17 %	\$ 553,435
6-30-09	"	672,665	21	1,084,676
6-30-10	"	635,577	29	1,533,847

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 6,445,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,445,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,467,353
UAAL as a % of covered payroll	49%

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

Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation for the Local Education plan, 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 four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Purchasing Laws

Office of County Executive

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

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law, Section 54-7-113, TCA, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,231,088	\$ 0	0	\$ 2,231,088	\$ 2,418,076	\$ 2,465,210	\$ (234,122)
Licenses and Permits	4,649	0	0	4,649	2,090	2,090	2,559
Fines, Forfeitures, and Penalties	150,451	0	0	150,451	155,174	164,868	(14,417)
Charges for Current Services	42,779	0	0	42,779	35,750	57,693	(14,914)
Other Local Revenues	24,568	0	0	24,568	7,855	22,862	1,706
Fees Received from County Officials	674,164	0	0	674,164	636,700	670,594	3,570
State of Tennessee	1,052,474	0	0	1,052,474	923,209	928,609	123,865
Federal Government	56,825	0	0	56,825	74,000	83,100	(26,275)
Other Governments and Citizens Groups	1,170	0	0	1,170	0	1,170	0
Total Revenues	\$ 4,238,168	\$ 0	0	\$ 4,238,168	\$ 4,252,854	\$ 4,396,196	\$ (158,028)

<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 247,815	\$ (3,299)	150	\$ 244,666	\$ 248,921	\$ 247,698	\$ 3,032
County Mayor/Executive	144,736	(123)	0	144,613	146,349	144,814	201
Election Commission	98,632	(103)	0	98,529	103,169	99,003	474
Register of Deeds	105,621	(2,112)	4,601	108,110	109,003	108,203	93
County Buildings	160,083	(440)	100	159,743	151,163	160,197	454
Other General Administration	26,853	(461)	500	26,892	28,800	26,907	15
<u>Finance</u>							
Property Assessor's Office	126,999	(324)	11	126,686	128,771	126,740	54
Reappraisal Program	7,172	0	0	7,172	26,598	7,263	91
County Trustee's Office	154,268	(10,224)	0	144,044	137,552	144,581	537
County Clerk's Office	133,392	(92)	0	133,300	130,459	133,330	30

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 152,425	\$ (4,031)	293	\$ 148,687	\$ 165,487	\$ 151,551	\$ 2,864
General Sessions Court	171,634	(20)	0	171,614	168,336	173,958	2,344
Drug Court	15,082	0	0	15,082	3,050	15,082	0
Chancery Court	125,438	(744)	350	125,044	124,341	125,873	829
Juvenile Court	61,326	(2,500)	0	58,826	72,870	62,180	3,354
Judicial Commissioners	56,721	0	0	56,721	55,674	56,819	98
<u>Public Safety</u>							
Sheriff's Department	852,932	(8,594)	8,500	852,838	739,066	863,373	10,535
Jail	992,280	(49,721)	5,981	948,540	760,452	973,164	24,624
Rural Fire Protection	88,121	(10,571)	2,350	79,900	77,150	82,550	2,650
Civil Defense	34,960	0	0	34,960	37,500	37,500	2,540
Other Emergency Management	58,916	(13)	0	58,903	47,016	60,716	1,813
County Coroner/Medical Examiner	24,087	0	0	24,087	20,687	24,090	3
Other Public Safety	2,518	0	0	2,518	2,600	2,600	82
<u>Public Health and Welfare</u>							
Local Health Center	40,744	0	0	40,744	44,414	44,414	3,670
Alcohol and Drug Programs	2,500	0	0	2,500	2,500	2,500	0
Other Local Health Services	87,343	(1,084)	11,051	97,310	108,000	108,000	10,690
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Other Local Welfare Services	9,000	0	0	9,000	9,000	9,000	0
Other Waste Collection	58,539	0	0	58,539	56,918	58,983	444
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	36,000	0	0	36,000	36,000	36,000	0
Libraries	150,024	(5,439)	1,356	145,941	139,537	146,003	62

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 17,418	\$ 0	\$ 0	\$ 17,418	\$ 18,750	\$ 17,650	\$ 232
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	56,576	0	0	56,576	57,463	57,463	887
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	33,180	0	0	33,180	33,180	33,180	0
Other Agriculture and Natural Resources	24,000	0	0	24,000	24,000	24,000	0
<u>Other Operations</u>							
Other Economic and Community Development	24,838	0	0	24,838	29,700	24,840	2
Veterans' Services	4,856	(74)	0	4,782	4,952	4,952	170
Other Charges	80,201	0	0	80,201	70,717	80,202	1
Contributions to Other Agencies	4,200	0	0	4,200	4,200	4,200	0
ARRA Grant # 1	9,033	0	0	9,033	0	9,100	67
Miscellaneous	48,464	0	70	48,534	51,708	51,708	3,174
<u>Highways</u>							
Litter and Trash Collection	40,519	(150)	0	40,369	43,216	43,216	2,847
<u>Support Services</u>							
Other Programs	13,267	(732)	0	12,535	0	12,834	299
<u>Capital Projects</u>							
Public Utility Projects	402	0	0	402	0	402	0
Total Expenditures	\$ 4,594,115	\$ (100,851)	\$ 35,313	\$ 4,528,577	\$ 4,230,269	\$ 4,607,839	\$ 79,262
Excess (Deficiency) of Revenues Over Expenditures	\$ (355,947)	\$ 100,851	\$ (35,313)	\$ (290,409)	\$ 22,585	\$ (211,643)	\$ (78,766)

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 10,353	\$ 0	\$ 0	\$ 10,353	\$ 0	\$ 10,353	\$ 0
Total Other Financing Sources (Uses)	\$ 10,353	\$ 0	\$ 0	\$ 10,353	\$ 0	\$ 10,353	\$ 0
Net Change in Fund Balance	\$ (345,594)	\$ 100,851	\$ (35,313)	\$ (280,056)	\$ 22,585	\$ (201,290)	\$ (78,766)
Fund Balance, July 1, 2009	1,779,982	(100,851)	0	1,679,131	1,913,434	1,913,434	(234,303)
Fund Balance, June 30, 2010	\$ 1,434,388	\$ 0	\$ (35,313)	\$ 1,399,075	\$ 1,936,019	\$ 1,712,144	\$ (313,069)

Exhibit E-2

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 451,553	\$ 0	\$ 0	\$ 451,553	\$ 479,772	\$ 479,772	\$ (28,219)
Other Local Revenues	108,734	0	0	108,734	102,500	102,500	6,234
State of Tennessee	197,255	0	0	197,255	174,500	174,500	22,755
Total Revenues	\$ 757,542	\$ 0	\$ 0	\$ 757,542	\$ 756,772	\$ 756,772	\$ 770
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 21,302	(11,850)	2,000	11,452	11,500	19,212	7,760
Other Waste Disposal	738,072	(44,810)	19,730	712,992	717,194	724,343	11,351
Other Operations	0	0	0	0	1,175	0	0
Employee Benefits	0	0	0	0	0	0	0
Total Expenditures	\$ 759,374	\$ (56,660)	\$ 21,730	\$ 724,444	\$ 729,869	\$ 743,555	\$ 19,111
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,832)	\$ 56,660	\$ (21,730)	\$ 33,098	\$ 26,903	\$ 13,217	\$ 19,881
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (1,832)	\$ 56,660	\$ (21,730)	\$ 33,098	\$ 26,903	\$ 13,217	\$ 19,881
	331,720	(56,660)	0	275,060	265,287	265,287	9,773
Fund Balance, June 30, 2010	\$ 329,888	\$ 0	\$ (21,730)	\$ 308,158	\$ 292,190	\$ 278,504	\$ 29,654

Exhibit E-3

Wayne 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, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 39,413	\$ 0	\$ 39,413	\$ 41,553	\$ 41,553	\$ (2,140)
Other Local Revenues	49,872	0	49,872	48,000	48,000	1,872
State of Tennessee	2,418,175	0	2,418,175	2,729,049	2,729,049	(310,874)
Federal Government	354,530	0	354,530	320,000	320,000	34,530
Other Governments and Citizens Groups	25,190	0	25,190	30,000	30,000	(4,810)
Total Revenues	\$ 2,887,180	\$ 0	\$ 2,887,180	\$ 3,168,602	\$ 3,168,602	\$ (281,422)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 171,089	\$ 0	\$ 171,089	\$ 185,887	\$ 187,287	\$ 16,198
Highway and Bridge Maintenance	1,541,546	0	1,541,546	1,311,025	2,061,125	519,579
Operation and Maintenance of Equipment	555,899	196	556,095	696,036	704,786	148,691
Other Charges	45,769	0	45,769	72,400	74,100	28,331
Employee Benefits	38,233	0	38,233	41,800	41,800	3,567
Capital Outlay	888,434	0	888,434	910,935	1,332,435	444,001
Total Expenditures	\$ 3,240,970	\$ 196	\$ 3,241,166	\$ 3,218,083	\$ 4,401,533	\$ 1,160,367
Excess (Deficiency) of Revenues Over Expenditures	\$ (353,790)	(196)	(353,986)	(49,481)	(1,232,931)	878,945
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 22,420	\$ 0	\$ 22,420	\$ 0	\$ 0	\$ 22,420
Insurance Recovery	14,608	0	14,608	0	0	14,608
Total Other Financing Sources (Uses)	\$ 37,028	\$ 0	\$ 37,028	\$ 0	\$ 0	\$ 37,028
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (316,762)	(196)	(316,958)	(49,481)	(1,232,931)	915,973
	1,349,857	0	1,349,857	1,603,724	1,603,724	(253,867)
Fund Balance, June 30, 2010	\$ 1,033,095	(196)	\$ 1,032,899	\$ 1,554,243	\$ 370,793	\$ 662,106

Exhibit E-4

Wayne County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Wayne County School Department
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 15,419	\$ 17,494	\$ 2,075	88.14 %	\$ 7,302	28.41 %
7-1-07	14,571	15,748	1,177	92.53	6,673	17.64

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-5

Wayne County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Wayne County School Department
June 30, 2010

Local Education Group Plan

(Dollar amounts in thousands)

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 0	\$ 6,722	\$ 6,722	0 %	\$ 13,870	48.46 %
7-1-09	0	6,445	6,445	0	13,467	47.86

*Data for three actuarial valuations will be presented when available.

WAYNE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

BUDGETARY INFORMATION

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

The budgetary level of control is at the major category level established by the 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, County Mayor/Executive, Election Commission, Register of Deeds, etc.). Management may make revisions within major categories, but only the Wayne County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues generated by the Tennessee River Resort Act and expended for tourism.

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

Capital Projects Funds

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

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

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

Exhibit F-1

Wayne County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Drug Control	Other Special Revenue	Total	Community Development/ Industrial Park	Highway Capital Projects	Total	
\$	93,065	16,642	109,707	398,511	132,404	530,915	640,622
	0	5,607	5,607	0	0	0	5,607
\$	93,065	22,249	115,314	398,511	132,404	530,915	646,229
\$	124	0	124	0	0	0	124
	92,941	22,249	115,190	398,511	132,404	530,915	646,105
\$	93,065	22,249	115,314	398,511	132,404	530,915	646,229

ASSETS

Equity in Pooled Cash and Investments
 Due from Other Governments

Total Assets

FUND BALANCES

Reserved for Encumbrances
 Unreserved

Total Fund Balances

Exhibit F-2

Wayne County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds	
	Special Purpose	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Total	Community/ Development/ Industrial Park	Highway Capital Projects		Total
<u>Revenues</u>									
Local Taxes	\$ 12,667	\$ 0	\$ 0	\$ 0	12,667	\$ 29,578	\$ 47,286	\$ 76,864	\$ 89,531
Fines, Forfeitures, and Penalties	0	38,354	0	0	38,354	0	0	0	38,354
Charges for Current Services	0	0	0	173	173	0	0	0	173
Other Local Revenues	175,989	0	0	0	175,989	12,000	0	12,000	187,989
State of Tennessee	0	0	67,012	0	67,012	0	0	0	67,012
Other Governments and Citizens Groups	84,833	0	0	0	84,833	3,952	0	3,952	88,785
Total Revenues	\$ 273,489	\$ 38,354	\$ 67,012	\$ 173	\$ 379,028	\$ 45,530	\$ 47,286	\$ 92,816	\$ 471,844
<u>Expenditures</u>									
Current:									
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 173	173	\$ 0	\$ 0	\$ 0	173
Public Safety	0	57,671	0	0	57,671	0	0	0	57,671
Public Health and Welfare	166,294	0	0	0	166,294	0	0	0	166,294
Other Operations	0	0	69,225	0	69,225	10,000	0	10,000	79,225
Capital Projects	0	0	0	0	0	64,237	111,314	175,551	175,551
Total Expenditures	\$ 166,294	\$ 57,671	\$ 69,225	\$ 173	\$ 293,363	\$ 74,237	\$ 111,314	\$ 185,551	\$ 478,914
Excess (Deficiency) of Revenues Over Expenditures	\$ 107,195	\$ (19,317)	\$ (2,213)	\$ 0	\$ 85,665	\$ (28,707)	\$ (64,028)	\$ (92,735)	\$ (7,070)
<u>Other Financing Sources (Uses)</u>									
Transfers Out	\$ (564,967)	\$ 0	\$ 0	\$ 0	(564,967)	\$ 0	\$ 0	\$ 0	(564,967)
Total Other Financing Sources (Uses)	\$ (564,967)	\$ 0	\$ 0	\$ 0	(564,967)	\$ 0	\$ 0	\$ 0	(564,967)
Net Change in Fund Balances	\$ (457,772)	\$ (19,317)	\$ (2,213)	\$ 0	(479,302)	\$ (28,707)	\$ (64,028)	\$ (92,735)	(572,037)
Fund Balance, July 1, 2009	457,772	112,382	24,462	0	594,616	427,218	196,432	623,650	1,218,266
Fund Balance, June 30, 2010	\$ 0	\$ 93,065	\$ 22,249	\$ 0	\$ 115,314	\$ 398,511	\$ 132,404	\$ 530,915	\$ 646,229

Exhibit F-3

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,667	\$ 12,667	\$ 12,667	\$ 0
Other Local Revenues	175,989	175,000	175,000	989
Other Governments and Citizens Groups	84,833	96,741	96,741	(11,908)
Total Revenues	<u>\$ 273,489</u>	<u>\$ 284,408</u>	<u>\$ 284,408</u>	<u>\$ (10,919)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Other Local Health Services	\$ 166,294	\$ 445,811	\$ 168,896	\$ 2,602
Total Expenditures	<u>\$ 166,294</u>	<u>\$ 445,811</u>	<u>\$ 168,896</u>	<u>\$ 2,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 107,195</u>	<u>\$ (161,403)</u>	<u>\$ 115,512</u>	<u>\$ (8,317)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 130,000	\$ 130,000	\$ (130,000)
Transfers Out	(564,967)	0	(564,967)	0
Total Other Financing Sources (Uses)	<u>\$ (564,967)</u>	<u>\$ 130,000</u>	<u>\$ (434,967)</u>	<u>\$ (130,000)</u>
Net Change in Fund Balance	<u>\$ (457,772)</u>	<u>\$ (31,403)</u>	<u>\$ (319,455)</u>	<u>\$ (138,317)</u>
Fund Balance, July 1, 2009	<u>457,772</u>	<u>447,485</u>	<u>447,485</u>	<u>10,287</u>
Fund Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 416,082</u>	<u>\$ 128,030</u>	<u>\$ (128,030)</u>

Exhibit F-4

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 38,354	0	0	\$ 38,354	\$ 34,375	\$ 34,375	\$ 3,979
Other Local Revenues	0	0	0	0	500	500	(500)
Total Revenues	\$ 38,354	0	0	\$ 38,354	\$ 34,875	\$ 34,875	\$ 3,479
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 57,671	(111)	124	\$ 57,684	\$ 79,850	\$ 97,323	\$ 39,639
Total Expenditures	\$ 57,671	(111)	124	\$ 57,684	\$ 79,850	\$ 97,323	\$ 39,639
Excess (Deficiency) of Revenues Over Expenditures	\$ (19,317)	111	(124)	(19,330)	(44,975)	(62,448)	43,118
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (19,317)	111	(124)	(19,330)	(44,975)	(62,448)	43,118
	112,382	(111)	0	112,271	51,181	112,382	(111)
Fund Balance, June 30, 2010	\$ 93,065	0	(124)	\$ 92,941	\$ 6,206	\$ 49,934	\$ 43,007

Exhibit F-5

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 66,000	\$ 0	\$ 0
State of Tennessee	67,012	0	66,000	1,012
Total Revenues	<u>\$ 67,012</u>	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ 1,012</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 44,414	\$ 38,800	\$ 46,300	\$ 1,886
Tourism-Resort District	24,811	29,700	29,700	4,889
Employee Benefits	0	8,144	644	644
Total Expenditures	<u>\$ 69,225</u>	<u>\$ 76,644</u>	<u>\$ 76,644</u>	<u>\$ 7,419</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,213)</u>	<u>\$ (10,644)</u>	<u>\$ (10,644)</u>	<u>\$ 8,431</u>
Net Change in Fund Balance	\$ (2,213)	\$ (10,644)	\$ (10,644)	\$ 8,431
Fund Balance, July 1, 2009	<u>24,462</u>	<u>20,556</u>	<u>20,556</u>	<u>3,906</u>
Fund Balance, June 30, 2010	<u>\$ 22,249</u>	<u>\$ 9,912</u>	<u>\$ 9,912</u>	<u>\$ 12,337</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,972,056	\$ 2,013,999	\$ 2,013,999	\$ (41,943)
Other Local Revenues	55,618	62,500	62,500	(6,882)
Other Governments and Citizens Groups	200,000	238,591	238,591	(38,591)
Total Revenues	<u>\$ 2,227,674</u>	<u>\$ 2,315,090</u>	<u>\$ 2,315,090</u>	<u>\$ (87,416)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 378,180	\$ 265,708	\$ 381,459	\$ 3,279
Highways and Streets	37,700	0	37,700	0
Education	848,600	755,000	848,600	0
<u>Interest on Debt</u>				
General Government	475,086	621,187	487,509	12,423
Highways and Streets	51,179	0	51,179	0
Education	654,530	527,465	654,530	0
<u>Other Debt Service</u>				
General Government	32,516	37,966	33,966	1,450
Highways and Streets	5,000	5,000	5,000	0
Education	5,000	6,200	11,200	6,200
Total Expenditures	<u>\$ 2,487,791</u>	<u>\$ 2,218,526</u>	<u>\$ 2,511,143</u>	<u>\$ 23,352</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (260,117)</u>	<u>\$ 96,564</u>	<u>\$ (196,053)</u>	<u>\$ (64,064)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 564,967	\$ 0	\$ 564,967	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 564,967</u>	<u>\$ 0</u>	<u>\$ 564,967</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 304,850	\$ 96,564	\$ 368,914	\$ (64,064)
Fund Balance, July 1, 2009	<u>1,861,384</u>	<u>1,884,205</u>	<u>1,884,205</u>	<u>(22,821)</u>
Fund Balance, June 30, 2010	<u>\$ 2,166,234</u>	<u>\$ 1,980,769</u>	<u>\$ 2,253,119</u>	<u>\$ (86,885)</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Exhibit H-1

Wayne County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 381,985	\$ 381,985
Accounts Receivable	0	12	12
Due from Other Governments	73,503	0	73,503
Total Assets	<u>\$ 73,503</u>	<u>\$ 381,997</u>	<u>\$ 455,500</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 73,503	\$ 0	\$ 73,503
Due to Litigants, Heirs, and Others	0	381,997	381,997
Total Liabilities	<u>\$ 73,503</u>	<u>\$ 381,997</u>	<u>\$ 455,500</u>

Exhibit H-2

Wayne County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities- Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 443,271	\$ 443,271	\$ 0
Due from Other Governments	73,637	73,503	73,637	73,503
Total Assets	\$ 73,637	\$ 516,774	\$ 516,908	\$ 73,503
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 73,637	\$ 516,774	\$ 516,908	\$ 73,503
Total Liabilities	\$ 73,637	\$ 516,774	\$ 516,908	\$ 73,503
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 430,994	\$ 3,866,871	\$ 3,915,880	\$ 381,985
Accounts Receivable	72	12	72	12
Total Assets	\$ 431,066	\$ 3,866,883	\$ 3,915,952	\$ 381,997
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 431,066	\$ 3,866,883	\$ 3,915,952	\$ 381,997
Total Liabilities	\$ 431,066	\$ 3,866,883	\$ 3,915,952	\$ 381,997
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 430,994	\$ 3,866,871	\$ 3,915,880	\$ 381,985
Equity in Pooled Cash and Investments	0	443,271	443,271	0
Accounts Receivable	72	12	72	12
Due from Other Governments	73,637	73,503	73,637	73,503
Total Assets	\$ 504,703	\$ 4,383,657	\$ 4,432,860	\$ 455,500
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 73,637	\$ 516,774	\$ 516,908	\$ 73,503
Due to Litigants, Heirs, and Others	431,066	3,866,883	3,915,952	381,997
Total Liabilities	\$ 504,703	\$ 4,383,657	\$ 4,432,860	\$ 455,500

Wayne County School Department

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

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

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

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

Exhibit I-1

Wayne County, Tennessee
Statement of Activities
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Charges for Services	Capital		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Operating Grants and Contributions	Grants and Contributions		Total Governmental Activities		
Governmental Activities:							
Instruction	\$ 13,219,690	\$ 0	\$ 3,520,375	\$ 0	\$ 0	\$ (9,699,315)	
Support Services	6,540,938	49,471	0	40,000	(6,451,467)		
Operation of Non-Instructional Services	2,451,742	371,441	926,394	25,376	(1,128,531)		
Total Governmental Activities	\$ 22,212,370	\$ 420,912	\$ 4,446,769	\$ 65,376	\$ (17,279,313)		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 1,727,837		
Local Option Sales Taxes					630,828		
Other Local Taxes					28,287		
Grants and Contributions Not Restricted to Specific Programs					13,661,678		
E-Rate Funding					34,157		
Miscellaneous					19,572		
Total General Revenues					\$ 16,102,359		
Change in Net Assets					\$ (1,176,954)		
Prior-period Adjustment					(886,696)		
Net Assets, July 1, 2009					19,651,529		
Net Assets, June 30, 2010					\$ 17,587,879		

Exhibit I-2

Wayne County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Wayne County School Department
June 30, 2010

	Major Funds		Nonmajor	Total Govern- mental Funds
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	953,010	0	189,571	1,142,581
Inventories	0	0	59,994	59,994
Accounts Receivable	0	0	1,426	1,426
Due from Other Governments	584,158	266,753	30,870	881,781
Property Taxes Receivable	1,953,627	0	0	1,953,627
Allowance for Uncollectible Property Taxes	(54,181)	0	0	(54,181)
Prepaid Items	77,516	0	0	77,516
Total Assets	<u>\$ 3,514,130</u>	<u>\$ 266,753</u>	<u>\$ 282,416</u>	<u>\$ 4,063,299</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 64,253	\$ 8,705	\$ 0	\$ 72,958
Cash Overdraft	0	212,643	0	212,643
Due to Primary Government	3,366	0	0	3,366
Deferred Revenue - Current Property Taxes	1,769,967	0	0	1,769,967
Deferred Revenue - Delinquent Property Taxes	121,445	0	0	121,445
Other Deferred Revenues	52,112	0	0	52,112
Total Liabilities	<u>\$ 2,011,143</u>	<u>\$ 221,348</u>	<u>\$ 0</u>	<u>\$ 2,232,491</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 343,224	\$ 16,016	\$ 13,058	\$ 372,298
Reserved for Career Ladder - Extended Contract	8,477	0	0	8,477
Reserved for Career Ladder Program	15,773	0	0	15,773
Reserved for Innovative Education Program Strategies	0	4,509	0	4,509
Other Federal Reserves	0	14,089	0	14,089
Reserved for ARRA Grant # 1	0	6,783	0	6,783
Reserved for ARRA Grant # 2	0	3,790	0	3,790
Reserved for ARRA Grant # 3	0	218	0	218
Unreserved, Reported In:				
General Fund	1,135,513	0	0	1,135,513
Special Revenue Funds	0	0	269,358	269,358
Total Fund Balances	<u>\$ 1,502,987</u>	<u>\$ 45,405</u>	<u>\$ 282,416</u>	<u>\$ 1,830,808</u>
Total Liabilities and Fund Balances	<u>\$ 3,514,130</u>	<u>\$ 266,753</u>	<u>\$ 282,416</u>	<u>\$ 4,063,299</u>

Exhibit I-3

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Wayne County School Department
June 30, 2010

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 1,830,808
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 495,517	
Add: buildings and improvements net of accumulated depreciation	15,322,285	
Add: other capital assets net of accumulated depreciation	<u>1,299,559</u>	17,117,361
(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		(1,533,847)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>173,557</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 17,587,879</u></u>

Exhibit I-4

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2010

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 2,392,228	\$ 0	\$ 0	\$ 2,392,228
Licenses and Permits	508	0	0	508
Charges for Current Services	70,571	0	350,341	420,912
Other Local Revenues	58,467	0	262	58,729
State of Tennessee	14,439,184	0	14,032	14,453,216
Federal Government	723,315	2,094,528	827,714	3,645,557
Total Revenues	<u>\$ 17,684,273</u>	<u>\$ 2,094,528</u>	<u>\$ 1,192,349</u>	<u>\$ 20,971,150</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 10,872,379	\$ 1,817,525	\$ 0	\$ 12,689,904
Support Services	5,386,488	358,566	0	5,745,054
Operation of Non-Instructional Services	1,096,990	0	1,259,455	2,356,445
Debt Service:				
Other Debt Service	200,000	0	0	200,000
Total Expenditures	<u>\$ 17,555,857</u>	<u>\$ 2,176,091</u>	<u>\$ 1,259,455</u>	<u>\$ 20,991,403</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 128,416	\$ (81,563)	\$ (67,106)	\$ (20,253)
Net Change in Fund Balances	\$ 128,416	\$ (81,563)	\$ (67,106)	\$ (20,253)
Fund Balance, July 1, 2009	1,374,571	126,968	349,522	1,851,061
Fund Balance, June 30, 2010	<u>\$ 1,502,987</u>	<u>\$ 45,405</u>	<u>\$ 282,416</u>	<u>\$ 1,830,808</u>

Exhibit I-5

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2010

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)		\$	(20,253)
(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	\$	223,133	
Less: current year depreciation expense		<u>(902,662)</u>	(679,529)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(29,808)
(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, 2010	\$	173,557	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(171,750)</u>	1,807
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(449,171)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,176,954)</u>

Exhibit I-6

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,392,228	\$ 0	\$ 0	\$ 2,392,228	\$ 2,496,567	\$ 2,473,012	\$ (80,784)
Licenses and Permits	508	0	0	508	550	550	(42)
Charges for Current Services	70,571	0	0	70,571	35,000	35,000	35,571
Other Local Revenues	58,467	0	0	58,467	72,714	77,905	(19,438)
State of Tennessee	14,439,184	0	0	14,439,184	13,658,092	14,378,331	60,853
Federal Government	723,315	0	0	723,315	519,108	796,956	(73,641)
<u>Total Revenues</u>	<u>\$ 17,684,273</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,684,273</u>	<u>\$ 16,782,031</u>	<u>\$ 17,761,754</u>	<u>\$ (77,481)</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,285,272	\$ (207,820)	\$ 138,126	\$ 9,215,578	\$ 8,891,795	\$ 9,254,261	\$ 38,683
Alternative Instruction Program	71,303	0	200	71,503	74,370	74,370	2,867
Special Education Program	935,982	(41,400)	58	894,640	887,647	894,640	0
Vocational Education Program	553,710	(8,866)	551	545,395	610,110	585,110	39,715
Adult Education Program	26,112	0	10,406	36,518	38,763	39,763	3,245
<u>Support Services</u>							
Attendance	34,324	(23)	0	34,301	74,385	40,385	6,084
Health Services	67,611	(347)	1,600	68,864	67,936	73,986	5,122
Other Student Support	459,289	(12,787)	14,827	461,329	142,961	469,844	8,515
Regular Instruction Program	644,284	(55,013)	9,937	599,208	603,167	628,033	28,825
Special Education Program	235,388	(6,798)	0	228,590	233,700	228,590	0
Vocational Education Program	106,428	(625)	0	105,803	110,815	110,815	5,012
Adult Programs	121,150	(26,522)	0	94,628	94,097	95,797	1,169
Other Programs	89,320	0	0	89,320	0	89,320	0

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 203,761	\$ 0	\$ 4,882	\$ 208,643	\$ 225,232	\$ 218,576	\$ 9,933
Director of Schools	143,218	(381)	587	143,424	140,076	146,969	3,545
Office of the Principal	630,852	(396)	499	630,955	640,372	634,572	3,617
Fiscal Services	44,697	(91)	8,560	53,166	52,016	57,616	4,450
Operation of Plant	1,305,191	(2,558)	63,603	1,366,236	1,372,701	1,369,597	3,361
Maintenance of Plant	346,828	(30,411)	41,632	358,049	272,786	520,619	162,570
Transportation	954,147	(37,472)	42,464	959,139	1,008,776	978,776	19,637
<u>Operation of Non-Instructional Services</u>							
Food Service	662	0	215	877	0	877	0
Community Services	64,976	(298)	0	64,678	64,403	64,928	250
Early Childhood Education	1,031,352	(30,495)	5,077	1,005,934	975,923	1,007,865	1,931
<u>Principal on Debt</u>							
Education	0	0	0	0	200,000	0	0
<u>Other Debt Service</u>							
Education	200,000	0	0	200,000	0	200,000	0
Total Expenditures	\$ 17,555,857	\$ (462,303)	\$ 343,224	\$ 17,436,778	\$ 16,782,031	\$ 17,785,309	\$ 348,531
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 128,416	\$ 462,303	\$ (343,224)	\$ 247,495	\$ 0	\$ (23,555)	\$ 271,050
Net Change in Fund Balance	\$ 128,416	\$ 462,303	\$ (343,224)	\$ 247,495	\$ 0	\$ (23,555)	\$ 271,050
Fund Balance, July 1, 2009	1,374,571	(462,303)	0	912,268	750,000	750,000	162,268
Fund Balance, June 30, 2010	\$ 1,502,987	\$ 0	\$ (343,224)	\$ 1,159,763	\$ 750,000	\$ 726,445	\$ 433,318

Exhibit I-7

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,094,528	\$ 0	\$ 0	\$ 2,094,528	\$ 2,322,984	\$ 2,786,014	\$ (691,486)
Total Revenues	\$ 2,094,528	\$ 0	\$ 0	\$ 2,094,528	\$ 2,322,984	\$ 2,786,014	\$ (691,486)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 866,230	\$ (8,981)	\$ 1,830	\$ 859,079	\$ 871,435	\$ 912,836	\$ 53,757
Special Education Program	799,028	(712)	11,494	809,810	967,326	1,115,292	305,482
Vocational Education Program	23,397	0	0	23,397	22,697	23,784	387
Adult Education Program	128,870	(13,369)	2,640	118,141	120,507	120,507	2,366
<u>Support Services</u>							
Other Student Support	92,004	0	0	92,004	103,801	279,349	187,345
Regular Instruction Program	119,443	(2,327)	52	117,168	134,235	160,741	43,573
Special Education Program	84,634	(758)	0	83,876	75,699	110,754	26,878
Vocational Education Program	934	0	0	934	1,200	1,200	266
Transportation	61,551	0	0	61,551	21,318	61,551	0
Total Expenditures	\$ 2,176,091	\$ (26,147)	\$ 16,016	\$ 2,165,960	\$ 2,318,218	\$ 2,786,014	\$ 620,054
Excess (Deficiency) of Revenues Over Expenditures	\$ (81,563)	\$ 26,147	\$ (16,016)	\$ (71,432)	\$ 4,766	\$ 0	\$ (71,432)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,766)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,766)	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (81,563)	\$ 26,147	\$ (16,016)	\$ (71,432)	\$ 0	\$ 0	\$ (71,432)
Fund Balance, June 30, 2010	\$ 45,405	\$ 0	\$ (16,016)	\$ 29,389	\$ 126,968	\$ 126,968	\$ (97,579)

Exhibit I-8

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 350,341	\$ 0	\$ 0	\$ 350,341	\$ 450,999	\$ 450,999	\$ (100,658)
Other Local Revenues	262	0	0	262	500	500	(238)
State of Tennessee	14,032	0	0	14,032	15,000	15,000	(968)
Federal Government	827,714	0	0	827,714	822,500	899,506	(71,792)
Total Revenues	\$ 1,192,349	\$ 0	\$ 0	\$ 1,192,349	\$ 1,288,999	\$ 1,366,005	\$ (173,656)
<u>Expenditures</u>							
Operation of Non-Instructional Services	\$ 1,259,455	\$ (51,269)	\$ 13,058	\$ 1,221,244	\$ 1,288,999	\$ 1,366,005	\$ 144,761
Food Service							
Total Expenditures	\$ 1,259,455	\$ (51,269)	\$ 13,058	\$ 1,221,244	\$ 1,288,999	\$ 1,366,005	\$ 144,761
Excess (Deficiency) of Revenues Over Expenditures	\$ (67,106)	\$ 51,269	\$ (13,058)	\$ (28,895)	\$ 0	\$ 0	\$ (28,895)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (67,106)	\$ 51,269	\$ (13,058)	\$ (28,895)	\$ 0	\$ 0	\$ (28,895)
	349,522	(51,269)	0	298,253	300,000	300,000	(1,747)
Fund Balance, June 30, 2010	\$ 282,416	\$ 0	\$ (13,058)	\$ 269,358	\$ 300,000	\$ 300,000	\$ (30,642)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Wayne County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or Matured During Period	Outstanding 6-30-10
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Hospital Improvements and Additions	\$ 1,700,000	4.08 %	4-1-01	9-1-12	\$ 670,000	\$ 155,000	\$ 515,000
Nursing Home Renovations	605,000	2.9	2-1-05	2-1-12	274,169	88,790	185,379
Energy Efficiency Capital Outlay Notes	13,649	0	4-9-07	5-15-14	9,749	1,950	7,799
Total Notes Payable					\$ 953,918	\$ 245,740	\$ 708,178
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Refunding Bonds	9,495,000	3.72	6-3-03	12-1-23	\$ 9,100,000	\$ 75,000	\$ 9,025,000
School Refunding Bonds	5,085,000	3.2	3-10-05	12-1-14	3,415,000	565,000	2,850,000
School Refunding Bonds	2,355,000	4	3-31-05	12-1-23	2,310,000	115,000	2,195,000
General Obligation Bond Series 2006	9,450,000	4.05	3-1-06	12-1-30	8,845,000	260,000	8,585,000
Water Revenue and Tax Bond Series 2008	332,000	4.25	6-25-08	6-28-46	328,415	3,740	324,675
General Obligation Bond Series 2009	6,500,000	4.13	6-3-09	12-1-34	6,500,000	0	6,500,000
Total Bonds Payable					\$ 30,498,415	\$ 1,018,740	\$ 29,479,675

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2011	\$ 258,315	\$ 23,022	\$ 281,337
2012	265,964	13,539	279,503
2013	181,950	3,675	185,625
2014	1,949	0	1,949
Total	\$ 708,178	\$ 40,236	\$ 748,414

Year Ending June 30	Bonds		Total
	Principal	Interest	
2011	\$ 1,228,902	\$ 1,110,238	\$ 2,339,140
2012	1,269,071	1,065,979	2,335,050
2013	1,319,248	1,020,117	2,339,365
2014	1,359,432	972,650	2,332,082
2015	1,384,624	923,276	2,307,900
2016	1,459,824	870,290	2,330,114
2017	1,515,034	813,834	2,328,868
2018	1,575,252	755,187	2,330,439
2019	1,630,479	694,338	2,324,817
2020	1,690,717	631,287	2,322,004
2021	1,770,964	565,568	2,336,532
2022	1,841,223	497,000	2,338,223
2023	1,916,493	425,374	2,341,867
2024	1,971,774	350,961	2,322,735
2025	737,068	298,356	1,035,424
2026	767,374	267,841	1,035,215
2027	797,693	235,922	1,033,615
2028	828,027	202,765	1,030,792
2029	868,375	168,167	1,036,542
2030	898,738	132,127	1,030,865
2031	934,116	94,320	1,028,436
2032	364,511	66,875	431,386
2033	379,924	50,603	430,527
2034	400,354	33,548	433,902

(Continued)

Exhibit J-2

Wayne County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2035	\$ 415,802	\$ 15,709	\$ 431,511
2036	11,271	6,381	17,652
2037	11,759	5,893	17,652
2038	12,269	5,383	17,652
2039	12,800	4,852	17,652
2040	13,355	4,297	17,652
2041	13,934	3,718	17,652
2042	14,538	3,114	17,652
2043	15,168	2,484	17,652
2044	15,825	1,827	17,652
2045	16,511	1,141	17,652
2046	17,226	426	17,652
Total	\$ 29,479,675	\$ 12,301,848	\$ 41,781,523

Exhibit J-3

Wayne County, Tennessee
Schedule of Notes Receivable
June 30, 2010

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-10
<u>General Debt Service Fund</u>						
Funds for Operations	Wayne County Nursing Home - Component Unit	\$ 200,000	6-19-07	12-1-09	5.5 %	\$ 200,000
Total Notes Receivable						<u>\$ 200,000</u>

These notes were not retired by their maturity date; however, Wayne County expects to collect the notes in the future.

Exhibit J-4

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2010

From Fund	To Fund	Purpose	Amount
Special Purpose	General Debt Service	To close fund	\$ 564,967
Total Transfers			\$ 564,967

Exhibit J-5

Wayne County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Wayne County School Department
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <u>TCA</u>	\$ 66,702	\$ 50,000	State Automobile Mutual Insurance Company
Commissioner of Highways	Section 8-24-102, <u>TCA</u>	63,527	100,000	"
Director of Schools	State Board of Education and County Board of Education	92,070 (1)	(2)	"
Trustee	Section 8-24-102, <u>TCA</u>	57,751	640,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	57,751	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	57,751	60,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <u>TCA</u>	57,751	75,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u>	57,751 (3)	35,000	"
Register	Section 8-24-102, <u>TCA</u>	57,751	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	63,527 (4)	25,000	Auto Owners Mutual Insurance Company
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer training supplement of \$1,000 and refund of the director's five percent share of retirement for fiscal years 2009 and 2010 (\$8,388).

(2) The director of schools is an employee of the Board of Education and is insured under the public employee dishonesty blanket bond.

(3) Does not include special commissioner fees of \$173.

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

Exhibit J-6

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2010

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,554,350	\$ 339,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,590
Trustee's Collections - Prior Year	107,446	23,286	0	0	0	0	2,598
Circuit/Clerk & Master Collections - Prior Years	34,419	5,709	0	0	0	0	601
Interest and Penalty	19,593	4,270	0	0	0	0	450
Pick-up Taxes	75	16	0	0	0	0	2
Payments in-Lieu-of-Taxes - T.V.A.	7,066	1,707	0	0	0	0	172
Payments in-Lieu-of-Taxes - Other	0	0	12,667	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0	0
Wheel Tax	147,755	0	0	0	0	0	0
Litigation Tax - General	56,544	0	0	0	0	0	0
Litigation Tax - Special Purpose	11,214	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	1,953	0	0	0	0	0	0
Business Tax	79,820	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Other County Local Option Taxes	53,303	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	87,872	0	0	0	0	0	0
Wholesale Beer Tax	68,810	77,219	0	0	0	0	0
Interstate Telecommunications Tax	868	0	0	0	0	0	0
Total Local Taxes	\$ 2,231,088	\$ 451,553	\$ 12,667	\$ 0	\$ 0	\$ 0	\$ 39,413
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 636	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	4,013	0	0	0	0	0	0
Total Licenses and Permits	\$ 4,649	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

Exhibit J-6

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees		
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 16,110	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,354	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	6,753	0	0	0	0
Drug Court Fees	2,179	0	0	0	0	0	0	0
Jail Fees	1,109	0	0	0	0	0	0	0
DUI Treatment Fines	855	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	272	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	43,094	0	0	0	0	0	0	0
Officers Costs	22,931	0	0	0	0	0	0	0
Game and Fish Fines	92	0	0	0	0	0	0	0
Drug Control Fines	5,518	0	0	10,741	0	0	0	0
Drug Court Fees	8,844	0	0	0	0	0	0	0
Jail Fees	11,269	0	0	0	0	0	0	0
Interpreter Fees	16,035	0	0	0	0	0	0	0
DUI Treatment Fines	5,633	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	3,786	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	726	0	0	0	0	0	0	0
Officers Costs	190	0	0	0	0	0	0	0
Interpreter Fees	242	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	168	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	3,760	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,284	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	20,860	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 150,451	\$ 0	\$ 0	\$ 38,354	\$ 0	\$ 0	\$ 0	0

(Continued)

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

Exhibit J-6

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Water Tap Sales	\$ 8,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>							
Copy Fees	331	0	0	0	0	0	0
Library Fees	5,443	0	0	0	0	0	0
Telephone Commissions	18,611	0	0	0	0	0	0
Vending Machine Collections	120	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	173	0
Data Processing Fee - Register	4,801	0	0	0	0	0	0
Data Processing Fee - Sheriff	3,251	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,125	0	0	0	0	0	0
Data Processing Fee - County Clerk	434	0	0	0	0	0	0
Total Charges for Current Services	\$ 42,779	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	2,294	63,005	989	0	0	0	0
Lease/Rentals	500	0	175,000	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	597
Commissary Sales	5,400	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	27,911
Sale of Recycled Materials	0	45,486	0	0	0	0	5,955
Miscellaneous Refunds	11,462	243	0	0	0	0	7,967
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	7,442
Contributions and Gifts	4,881	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	31	0	0	0	0	0	0
Total Other Local Revenues	\$ 24,568	\$ 108,734	\$ 175,989	\$ 0	\$ 0	\$ 0	\$ 49,872

(Continued)

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

Exhibit J-6

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 167,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	40,577	0	0	0	0	0	0	0
General Sessions Court Clerk	121,944	0	0	0	0	0	0	0
Clerk and Master	71,417	0	0	0	0	0	0	0
Juvenile Court Clerk	9,743	0	0	0	0	0	0	0
Register	47,771	0	0	0	0	0	0	0
Sheriff	30,224	0	0	0	0	0	0	0
Trustee	185,011	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 674,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	6,193	0	0	0	0	0	0	0
Public Safety Grants								
Law Enforcement Training Programs	7,800	0	0	0	0	0	0	0
Health and Welfare Grants								
Health Department Programs	100,306	0	0	0	0	0	0	0
Public Works Grants								
Bridge Program	0	0	0	0	0	0	0	259,169
State Aid Program	0	0	0	0	0	0	0	250,000
Litter Program	33,311	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	29,153	0	0	0	0	0	0	0
Resort District Sales Tax	66,379	0	0	0	67,012	0	0	0
Beer Tax	17,778	0	0	0	0	0	0	0
Alcoholic Beverage Tax	50,655	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	591,764	197,255	0	0	0	0	0	0
Prisoner Transportation	2,650	0	0	0	0	0	0	0
Contracted Prisoner Boarding	115,605	0	0	0	0	0	0	0

(Continued)

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,895,480
Petroleum Special Tax	0	0	0	0	0	0	13,526
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	5,500	0	0	0	0	0	0
Total State of Tennessee	\$ 1,052,474	\$ 197,255	\$ 0	\$ 0	\$ 67,012	\$ 0	\$ 2,418,175
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,653
ARRA Grant # 1	12,000	0	0	0	0	0	0
Other Federal through State	44,825	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	294,877
Total Federal Government	\$ 56,825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 354,530
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,190
Contributions	0	0	84,833	0	0	0	0
Contracted Services	1,170	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,170	\$ 0	\$ 84,833	\$ 0	\$ 0	\$ 0	\$ 25,190
Total	\$ 4,238,168	\$ 757,542	\$ 273,489	\$ 38,354	\$ 67,012	\$ 173	\$ 2,887,180

(Continued)

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

Exhibit J-6

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 517,315	\$ 0	\$ 0	\$ 0	\$ 2,446,601	
Trustee's Collections - Prior Year	36,261	0	0	0	169,591	
Circuit/Clerk & Master Collections - Prior Years	10,979	0	0	0	51,708	
Interest and Penalty	6,466	0	0	0	30,779	
Pick-up Taxes	25	0	0	0	118	
Payments in-Lieu-of Taxes - T.V.A.	2,120	0	0	0	11,065	
Payments in-Lieu-of Taxes - Other	0	0	0	0	12,667	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	899,574	0	0	0	899,574	
Hotel/Motel Tax	0	0	29,578	0	29,578	
Wheel Tax	443,236	0	0	0	590,991	
Litigation Tax - General	0	0	0	0	56,544	
Litigation Tax - Special Purpose	0	0	0	0	11,214	
Litigation Tax - Jail, Workhouse, or Courthouse	56,080	0	0	0	56,080	
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	1,953	
Business Tax	0	0	0	0	79,820	
Mineral Severance Tax	0	0	0	47,286	47,286	
Other County Local Option Taxes	0	0	0	0	53,303	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	87,872	
Wholesale Beer Tax	0	0	0	0	146,029	
Interstate Telecommunications Tax	0	0	0	0	868	
Total Local Taxes	\$ 1,972,056	\$ 0	\$ 29,578	\$ 47,286	\$ 4,783,641	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	636	
Cable TV Franchise	0	6,076	0	0	6,076	
<u>Permits</u>						
Beer Permits	0	0	0	0	4,013	
Total Licenses and Permits	\$ 0	\$ 6,076	\$ 0	\$ 0	\$ 10,725	

(Continued)

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

Exhibit J-6

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,110
Officers Costs	0	0	0	0	0	6,354
Drug Control Fines	0	0	0	0	0	6,753
Drug Court Fees	0	0	0	0	0	2,179
Jail Fees	0	0	0	0	0	1,109
DUI Treatment Fines	0	0	0	0	0	855
Data Entry Fee - Circuit Court	0	0	0	0	0	272
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	43,094
Officers Costs	0	0	0	0	0	22,931
Game and Fish Fines	0	0	0	0	0	92
Drug Control Fines	0	0	0	0	0	16,259
Drug Court Fees	0	0	0	0	0	8,844
Jail Fees	0	0	0	0	0	11,269
Interpreter Fees	0	0	0	0	0	16,035
DUI Treatment Fines	0	0	0	0	0	5,633
Data Entry Fee - General Sessions Court	0	0	0	0	0	3,786
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	726
Officers Costs	0	0	0	0	0	190
Interpreter Fees	0	0	0	0	0	242
Data Entry Fee - Juvenile Court	0	0	0	0	0	168
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	3,760
Data Entry Fee - Chancery Court	0	0	0	0	0	1,284
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	20,860
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	188,805

(Continued)

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

Exhibit J-6

	Debt Service Fund		Capital Projects Funds					Total
	General Debt Service		General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects			
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Water Tap Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,663	
<u>Fees</u>								
Copy Fees	0	0	0	0	0	0	331	
Library Fees	0	0	0	0	0	0	5,443	
Telephone Commissions	0	0	0	0	0	0	18,611	
Vending Machine Collections	0	0	0	0	0	0	120	
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	173	
Data Processing Fee - Register	0	0	0	0	0	0	4,801	
Data Processing Fee - Sheriff	0	0	0	0	0	0	3,251	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,125	
Data Processing Fee - County Clerk	0	0	0	0	0	0	434	
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,952	
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 55,201	\$ 27,069	\$ 0	\$ 0	\$ 0	\$ 0	\$ 148,558	
Lease/Rentals	0	0	12,000	0	0	0	187,500	
Sale of Materials and Supplies	0	0	0	0	0	0	597	
Commissary Sales	0	0	0	0	0	0	5,400	
Sale of Gasoline	0	0	0	0	0	0	27,911	
Sale of Recycled Materials	0	0	0	0	0	0	51,441	
Miscellaneous Refunds	417	0	0	0	0	0	20,089	
<u>Nonrecurring Items</u>								
Sale of Equipment	0	0	0	0	0	0	7,442	
Contributions and Gifts	0	0	0	0	0	0	4,881	
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	0	0	0	31	
Total Other Local Revenues	\$ 55,618	\$ 27,069	\$ 12,000	\$ 0	\$ 0	\$ 0	\$ 453,850	

(Continued)

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

Exhibit J-6

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 167,477	
Circuit Court Clerk	0	0	0	0	40,577	
General Sessions Court Clerk	0	0	0	0	121,944	
Clerk and Master	0	0	0	0	71,417	
Juvenile Court Clerk	0	0	0	0	9,743	
Register	0	0	0	0	47,771	
Sheriff	0	0	0	0	30,224	
Trustee	0	0	0	0	185,011	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 674,164	

<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
State Reappraisal Grant	0	0	0	0	6,193
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	7,800
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	100,306
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	259,169
State Aid Program	0	0	0	0	250,000
Litter Program	0	0	0	0	33,311
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	29,153
Resort District Sales Tax	0	0	0	0	133,391
Beer Tax	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	50,655
State Revenue Sharing - T.V.A.	0	0	0	0	789,019
Prisoner Transportation	0	0	0	0	2,650
Contracted Prisoner Boarding	0	0	0	0	115,605

(Continued)

	Debt	Capital Projects Funds					Total
	Service Fund	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,895,480	
Petroleum Special Tax	0	0	0	0	0	13,526	
Registrar's Salary Supplement	0	0	0	0	0	16,380	
Other State Grants	0	0	0	0	0	5,500	
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,734,916	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,653	
ARRA Grant # 1	0	0	0	0	0	12,000	
Other Federal through State	0	0	0	0	0	44,825	
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	294,877	
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 411,355	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,190	
Contributions	200,000	0	3,952	0	0	288,785	
Contracted Services	0	0	0	0	0	1,170	
Total Other Governments and Citizens Groups	\$ 200,000	\$ 0	\$ 3,952	\$ 0	\$ 0	\$ 315,145	
Total	\$ 2,227,674	\$ 33,145	\$ 45,530	\$ 47,286	\$ 10,615,553		

Exhibit J-7

Wayne County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Wayne County School Department
 For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,571,871	\$ 0	\$ 0	\$ 1,571,871
Trustee's Collections - Prior Year	108,557	0	0	108,557
Circuit/Clerk & Master Collections - Prior Years	26,532	0	0	26,532
Interest and Penalty	19,790	0	0	19,790
Pick-up Taxes	76	0	0	76
Payments in-Lieu-of Taxes - T.V.A.	7,083	0	0	7,083
<u>County Local Option Taxes</u>				
Local Option Sales Tax	630,032	0	0	630,032
Other County Local Option Taxes	26,899	0	0	26,899
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,388	0	0	1,388
Total Local Taxes	\$ 2,392,228	\$ 0	\$ 0	\$ 2,392,228
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 508	\$ 0	\$ 0	\$ 508
Total Licenses and Permits	\$ 508	\$ 0	\$ 0	\$ 508
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 184,747	\$ 184,747
Lunch Payments - Adults	0	0	47,733	47,733
Income from Breakfast	0	0	25,575	25,575
Special Milk Sales	0	0	2,930	2,930
A la carte Sales	0	0	84,753	84,753
Receipts from Individual Schools	44,868	0	4,603	49,471
Community Service Fees - Children	25,703	0	0	25,703
Total Charges for Current Services	\$ 70,571	\$ 0	\$ 350,341	\$ 420,912
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 262	\$ 262
Lease/Rentals	3,915	0	0	3,915
Sale of Materials and Supplies	78	0	0	78
Refund of Telecommunication and Internet Fees (E-Rate)	34,157	0	0	34,157
Retirees' Insurance Payments	15,251	0	0	15,251
<u>Nonrecurring Items</u>				
Sale of Property	5,000	0	0	5,000
<u>Other Local Revenues</u>				
Other Local Revenues	66	0	0	66
Total Other Local Revenues	\$ 58,467	\$ 0	\$ 262	\$ 58,729
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 89,320	\$ 0	\$ 0	\$ 89,320
<u>State Education Funds</u>				
Basic Education Program	12,225,664	0	0	12,225,664
Basic Education Program - ARRA	444,600	0	0	444,600

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Early Childhood Education	\$ 913,349	\$ 0	\$ 0	\$ 913,349
School Food Service	0	0	14,032	14,032
Energy Efficient School Initiative	42,565	0	0	42,565
Driver Education	16,259	0	0	16,259
Other State Education Funds	232,177	0	0	232,177
Coordinated School Health - ARRA	90,000	0	0	90,000
Family Resource Centers - ARRA	32,727	0	0	32,727
Statewide Student Management System (SSMS) - ARRA	6,191	0	0	6,191
Career Ladder Program	162,624	0	0	162,624
Career Ladder - Extended Contract - ARRA	75,400	0	0	75,400
<u>Other State Revenues</u>				
Other State Grants	105,419	0	0	105,419
Safe Schools - ARRA	2,889	0	0	2,889
Total State of Tennessee	<u>\$ 14,439,184</u>	<u>\$ 0</u>	<u>\$ 14,032</u>	<u>\$ 14,453,216</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 569,467	\$ 569,467
Breakfast	0	0	226,797	226,797
USDA - Other	0	0	6,074	6,074
USDA Food Service Equipment Grant - ARRA	0	0	25,376	25,376
Adult Education State Grant Program	98,136	0	0	98,136
Vocational Education - Basic Grants to States	0	42,294	0	42,294
Community Based Organizations	124,410	0	0	124,410
Title I Grants to Local Education Agencies	0	770,093	0	770,093
Special Education - Grants to States	0	933,901	0	933,901
Special Education Preschool Grants	0	25,441	0	25,441
Safe and Drug-Free Schools - State Grants	0	4,667	0	4,667
Rural Education	0	56,135	0	56,135
Eisenhower Professional Development State Grants	0	146,035	0	146,035
Other Federal through State	500,769	115,962	0	616,731
Total Federal Government	<u>\$ 723,315</u>	<u>\$ 2,094,528</u>	<u>\$ 827,714</u>	<u>\$ 3,645,557</u>
Total	<u>\$ 17,684,273</u>	<u>\$ 2,094,528</u>	<u>\$ 1,192,349</u>	<u>\$ 20,971,150</u>

Exhibit J-8

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Other Salaries and Wages	\$	1,500	
Board and Committee Members Fees		9,148	
Social Security		513	
State Retirement		102	
Unemployment Compensation		51	
Employer Medicare		129	
Advertising		753	
Audit Services		5,053	
Communication		7,508	
Dues and Memberships		168	
Legal Services		14,939	
Postal Charges		23,970	
Printing, Stationery, and Forms		2,128	
Other Supplies and Materials		706	
Judgments		969	
Liability Insurance		180,178	
Total County Commission			\$ 247,815

County Mayor/Executive

County Official/Administrative Officer	\$	66,702	
Accountants/Bookkeepers		19,120	
Purchasing Personnel		19,120	
Longevity Pay		600	
Other Salaries and Wages		1,180	
In-Service Training		30	
Social Security		6,596	
State Retirement		7,238	
Employee and Dependent Insurance		690	
Unemployment Compensation		256	
Employer Medicare		1,543	
Communication		7,621	
Data Processing Services		8,860	
Maintenance and Repair Services - Vehicles		267	
Printing, Stationery, and Forms		3,037	
Travel		718	
Gasoline		218	
Other Supplies and Materials		24	
Other Charges		916	
Total County Mayor/Executive			144,736

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	51,976	
Part-time Personnel		13,596	
Longevity Pay		75	
Board and Committee Members Fees		715	
Election Commission		2,470	
Election Workers		414	
In-Service Training		1,950	
Social Security		4,293	
State Retirement		3,812	
Employee and Dependent Insurance		305	
Unemployment Compensation		379	
Employer Medicare		1,004	
Termination Benefits		1,118	
Advertising		135	
Communication		1,218	
Data Processing Services		11,773	
Dues and Memberships		250	
Printing, Stationery, and Forms		963	
Rentals		62	
Travel		1,959	
Premiums on Corporate Surety Bonds		65	
Other Charges		100	
Total Election Commission			\$ 98,632

Register of Deeds

County Official/Administrative Officer	\$	57,751
Clerical Personnel		19,120
Longevity Pay		200
Social Security		4,761
State Retirement		5,302
Employee and Dependent Insurance		455
Unemployment Compensation		132
Employer Medicare		1,113
Communication		1,735
Data Processing Services		6,403
Dues and Memberships		512
Printing, Stationery, and Forms		797
Rentals		172
Other Contracted Services		3,550
Office Supplies		85

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Other Supplies and Materials	\$	299	
Premiums on Corporate Surety Bonds		100	
Other Charges		937	
Office Equipment		2,197	
Total Register of Deeds			\$ 105,621

County Buildings

Supervisor/Director	\$	23,463	
Custodial Personnel		19,508	
Maintenance Personnel		9,460	
Longevity Pay		975	
Other Per Diem and Fees		99	
Social Security		3,278	
State Retirement		2,965	
Employee and Dependent Insurance		840	
Unemployment Compensation		463	
Employer Medicare		767	
Contracts with Private Agencies		8,438	
Maintenance and Repair Services - Buildings		5,321	
Maintenance and Repair Services - Equipment		542	
Maintenance and Repair Services - Vehicles		1,362	
Travel		929	
Custodial Supplies		4,398	
Electricity		45,907	
Gasoline		1,937	
Uniforms		799	
Water and Sewer		7,671	
Other Supplies and Materials		319	
Other Charges		8,364	
Building Improvements		9,778	
Motor Vehicles		2,500	
Total County Buildings			160,083

Other General Administration

Contracts with Private Agencies	\$	589	
Dues and Memberships		7,327	
Maintenance and Repair Services - Office Equipment		4,087	
Office Supplies		13,187	
Other Equipment		1,663	
Total Other General Administration			26,853

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Clerical Personnel		38,592	
Part-time Personnel		518	
Longevity Pay		1,575	
Board and Committee Members Fees		1,050	
Social Security		5,698	
State Retirement		5,387	
Employee and Dependent Insurance		640	
Unemployment Compensation		368	
Employer Medicare		1,441	
Other Fringe Benefits		849	
Advertising		42	
Communication		551	
Contracts with Government Agencies		7,226	
Contracts with Private Agencies		2,910	
Dues and Memberships		1,329	
Printing, Stationery, and Forms		87	
Rentals		44	
Travel		587	
Other Charges		30	
Other Equipment		324	
Total Property Assessor's Office			\$ 126,999

Reappraisal Program

Communication	\$	357	
Contracts with Private Agencies		726	
Data Processing Services		5,551	
Travel		538	
Total Reappraisal Program			7,172

County Trustee's Office

County Official/Administrative Officer	\$	57,751
Clerical Personnel		38,240
Part-time Personnel		15,703
Longevity Pay		1,025
Social Security		7,029
State Retirement		7,250
Employee and Dependent Insurance		874
Unemployment Compensation		430
Employer Medicare		1,644

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Other Fringe Benefits	\$	566	
Advertising		586	
Communication		1,914	
Data Processing Services		6,199	
Dues and Memberships		397	
Printing, Stationery, and Forms		1,118	
Rentals		106	
Travel		56	
Other Supplies and Materials		130	
Premiums on Corporate Surety Bonds		3,250	
Office Equipment		10,000	
Total County Trustee's Office			\$ 154,268

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		38,374	
Part-time Personnel		2,088	
Longevity Pay		350	
Social Security		6,244	
State Retirement		6,628	
Employee and Dependent Insurance		676	
Unemployment Compensation		317	
Employer Medicare		1,460	
Other Fringe Benefits		2,206	
Communication		1,411	
Dues and Memberships		397	
Maintenance Agreements		12,472	
Printing, Stationery, and Forms		2,246	
Rentals		91	
Travel		636	
Other Supplies and Materials		45	
Total County Clerk's Office			133,392

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751
Deputy(ies)		48,055
Longevity Pay		450
Jury and Witness Fees		10,867
Social Security		6,588

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

State Retirement	\$	7,331	
Employee and Dependent Insurance		890	
Unemployment Compensation		367	
Employer Medicare		1,541	
Communication		1,968	
Contracts with Other Public Agencies		2,031	
Data Processing Services		8,084	
Dues and Memberships		397	
Printing, Stationery, and Forms		2,147	
Rentals		3,304	
Other Supplies and Materials		654	
Total Circuit Court			\$ 152,425

General Sessions Court

Judge(s)	\$	82,324	
Secretary(ies)		20,119	
Attendants		37,341	
Longevity Pay		1,700	
In-Service Training		215	
Social Security		8,814	
State Retirement		8,485	
Employee and Dependent Insurance		765	
Unemployment Compensation		454	
Employer Medicare		2,061	
Communication		1,132	
Contracts with Private Agencies		338	
Data Processing Services		3,053	
Dues and Memberships		265	
Printing, Stationery, and Forms		1,470	
Travel		729	
Uniforms		1,135	
Premiums on Corporate Surety Bonds		230	
Other Charges		1,004	
Total General Sessions Court			171,634

Drug Court

Drug Treatment	\$	15,082	
Total Drug Court			15,082

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		38,240	
Longevity Pay		1,950	
Social Security		5,978	
State Retirement		6,633	
Employee and Dependent Insurance		675	
Unemployment Compensation		396	
Employer Medicare		1,398	
Advertising		688	
Communication		571	
Data Processing Services		7,605	
Dues and Memberships		457	
Printing, Stationery, and Forms		1,462	
Rentals		64	
Data Processing Supplies		145	
Other Supplies and Materials		109	
Premiums on Corporate Surety Bonds		202	
Data Processing Equipment		647	
Office Equipment		467	
Total Chancery Court			\$ 125,438

Juvenile Court

Youth Service Officer(s)	\$	24,907	
Clerical Personnel		19,115	
Longevity Pay		300	
Social Security		2,729	
State Retirement		3,052	
Employee and Dependent Insurance		390	
Unemployment Compensation		237	
Employer Medicare		638	
Contracts with Private Agencies		6,485	
Data Processing Services		3,056	
Travel		417	
Total Juvenile Court			61,326

Judicial Commissioners

County Official/Administrative Officer	\$	47,341
Longevity Pay		175
Other Salaries and Wages		1,319
Social Security		3,050

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

State Retirement	\$	3,385	
Employee and Dependent Insurance		410	
Unemployment Compensation		264	
Employer Medicare		713	
Other Charges		64	
Total Judicial Commissioners			\$ 56,721

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,527
Supervisor/Director		37,242
Deputy(ies)		280,721
Investigator(s)		81,182
Sergeant(s)		63,451
Salary Supplements		7,800
Dispatchers/Radio Operators		384
Temporary Personnel		734
Educational Incentive - Other County Employees		3,000
Longevity Pay		2,150
Social Security		33,669
State Retirement		35,893
Employee and Dependent Insurance		5,885
Unemployment Compensation		2,248
Employer Medicare		7,874
Other Fringe Benefits		4,050
Advertising		468
Communication		3,072
Data Processing Services		1,419
Dues and Memberships		2,000
Maintenance and Repair Services - Equipment		2,218
Maintenance and Repair Services - Vehicles		43,851
Printing, Stationery, and Forms		1,290
Rentals		44
Tow-in Services		2,715
Travel		9,395
Veterinary Services		57
Data Processing Supplies		5,749
Food Supplies		683
Gasoline		63,479
Office Supplies		6,779

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Uniforms	\$	20,367	
Other Supplies and Materials		2,186	
Premiums on Corporate Surety Bonds		450	
In Service/Staff Development		3,438	
Other Charges		15,498	
Data Processing Equipment		4,540	
Law Enforcement Equipment		32,136	
Motor Vehicles		615	
Office Equipment		323	
Other Equipment		350	
Total Sheriff's Department			\$ 852,932

Jail

Supervisor/Director	\$	28,786
Medical Personnel		18,093
Dispatchers/Radio Operators		127,967
Guards		198,895
Educational Incentive - Other County Employees		1,500
Longevity Pay		2,450
Other Salaries and Wages		27,418
Social Security		25,160
State Retirement		24,812
Employee and Dependent Insurance		7,220
Unemployment Compensation		2,796
Employer Medicare		5,884
Other Fringe Benefits		1,450
Advertising		418
Communication		9,756
Contracts with Government Agencies		290,801
Data Processing Services		440
Maintenance and Repair Services - Buildings		8,080
Maintenance and Repair Services - Equipment		1,961
Printing, Stationery, and Forms		1,158
Transportation - Other than Students		5,300
Travel		2,781
Other Contracted Services		1,500
Custodial Supplies		10,147
Data Processing Supplies		5,128
Drugs and Medical Supplies		88,091
Electricity		20,812

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Supplies	\$	31,880	
Fuel Oil		255	
Office Supplies		4,668	
Prisoners Clothing		1,276	
Uniforms		2,284	
Water and Sewer		17,721	
Other Supplies and Materials		9,451	
In Service/Staff Development		80	
Other Charges		5,861	
Total Jail			\$ 992,280

Rural Fire Protection

Maintenance and Repair Services - Buildings	\$	1,376	
Maintenance and Repair Services - Equipment		4,252	
Maintenance and Repair Services - Vehicles		13,976	
Equipment and Machinery Parts		19	
Fuel Oil		2,778	
Gasoline		10,774	
Liability Insurance		44,992	
Motor Vehicles		9,954	
Total Rural Fire Protection			88,121

Civil Defense

Other Equipment	\$	34,960	
Total Civil Defense			34,960

Other Emergency Management

Longevity Pay	\$	150	
Other Salaries and Wages		13,082	
Social Security		820	
Employee and Dependent Insurance		275	
Unemployment Compensation		102	
Employer Medicare		192	
Communication		23,535	
Travel		75	
Electricity		1,925	
Fuel Oil		171	
Water and Sewer		589	
Other Charges		5,113	
Land		12,887	
Total Other Emergency Management			58,916

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Social Security	\$	144	
Unemployment Compensation		28	
Employer Medicare		34	
Medical and Dental Services		23,757	
Travel		124	
Total County Coroner/Medical Examiner			\$ 24,087

Other Public Safety

Communication	\$	2,518	
Total Other Public Safety			2,518

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	4,500	
Social Security		279	
Unemployment Compensation		54	
Employer Medicare		65	
Advertising		219	
Communication		3,251	
Contracts with Government Agencies		20,000	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		278	
Printing, Stationery, and Forms		92	
Custodial Supplies		242	
Electricity		9,973	
Office Supplies		155	
Water and Sewer		768	
Other Supplies and Materials		227	
Other Charges		106	
Office Equipment		335	
Total Local Health Center			40,744

Alcohol and Drug Programs

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

Other Local Health Services

Longevity Pay	\$	350	
Other Salaries and Wages		65,201	
Social Security		4,175	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

State Retirement	\$	4,574	
Employee and Dependent Insurance		650	
Unemployment Compensation		401	
Employer Medicare		976	
Medical and Dental Services		2,354	
Travel		3,328	
Other Supplies and Materials		5,334	
Total Other Local Health Services			\$ 87,343

Regional Mental Health Center

Contributions	\$	9,000	
Total Regional Mental Health Center			9,000

Other Local Welfare Services

Contributions	\$	9,000	
Total Other Local Welfare Services			9,000

Other Waste Collection

Truck Drivers	\$	33,522	
Laborers		14,741	
Longevity Pay		2,100	
Social Security		3,084	
State Retirement		3,368	
Employee and Dependent Insurance		630	
Unemployment Compensation		373	
Employer Medicare		721	
Total Other Waste Collection			58,539

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Supervisor/Director	\$	32,885	
Deputy(ies)		12,641	
Part-time Personnel		52,394	
Longevity Pay		2,425	
In-Service Training		1,992	
Social Security		6,287	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

State Retirement	\$	2,401	
Employee and Dependent Insurance		1,590	
Unemployment Compensation		773	
Employer Medicare		1,470	
Communication		4,094	
Data Processing Services		1,693	
Dues and Memberships		60	
Maintenance and Repair Services - Office Equipment		763	
Postal Charges		931	
Travel		2,195	
Electricity		5,382	
Library Books/Media		16,125	
Periodicals		566	
Utilities		398	
Water and Sewer		1,518	
Other Supplies and Materials		620	
Other Equipment		821	
Total Libraries			\$ 150,024

Other Social, Cultural, and Recreational

Communication	\$	1,312	
Contributions		16,000	
Other Charges		106	
Total Other Social, Cultural, and Recreational			17,418

Agriculture and Natural Resources

Agriculture Extension Service

Custodial Personnel	\$	2,700	
Longevity Pay		3,950	
Other Salaries and Wages		39,341	
Social Security		665	
State Retirement		887	
Unemployment Compensation		80	
Employer Medicare		191	
Other Fringe Benefits		3,705	
Communication		1,810	
Dues and Memberships		225	
Custodial Supplies		110	
Electricity		1,352	
Water and Sewer		1,179	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Other Supplies and Materials	\$ 381	
Total Agriculture Extension Service		\$ 56,576

Forest Service

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

Soil Conservation

Clerical Personnel	\$ 20,331	
Longevity Pay	450	
Social Security	1,275	
State Retirement	1,165	
Employee and Dependent Insurance	210	
Unemployment Compensation	130	
Employer Medicare	298	
Contributions	3,321	
Rentals	6,000	
Total Soil Conservation		33,180

Other Agriculture and Natural Resources

Contracts with Private Agencies	\$ 24,000	
Total Other Agriculture and Natural Resources		24,000

Other Operations

Other Economic and Community Development

Contributions	\$ 24,838	
Total Other Economic and Community Development		24,838

Veterans' Services

Supervisor/Director	\$ 3,513	
Social Security	218	
Unemployment Compensation	42	
Employer Medicare	51	
Communication	544	
Maintenance and Repair Services - Vehicles	378	
Other Supplies and Materials	36	
Other Charges	74	
Total Veterans' Services		4,856

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Workers' Compensation Insurance	\$ 80,201	
Total Other Charges		\$ 80,201

Contributions to Other Agencies

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

ARRA Grant # 1

Other Equipment	\$ 9,033	
Total ARRA Grant # 1		9,033

Miscellaneous

Other Supplies and Materials	\$ 31	
Trustee's Commission	47,395	
Other Charges	1,038	
Total Miscellaneous		48,464

Highways

Litter and Trash Collection

Foremen	\$ 18,475	
Longevity Pay	650	
Social Security	1,277	
Handling Charges and Administrative Costs	1,500	
State Retirement	1,418	
Employee and Dependent Insurance	270	
Unemployment Compensation	140	
Employer Medicare	299	
Maintenance and Repair Services - Vehicles	2,656	
Travel	303	
Gasoline	6,858	
Instructional Supplies and Materials	6,088	
Other Supplies and Materials	585	
Total Litter and Trash Collection		40,519

Support Services

Other Programs

Teachers	\$ 6,500	
Social Security	403	
State Retirement	447	
Unemployment Compensation	27	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Support Services (Cont.)

Other Programs (Cont.)

Employer Medicare	\$	94	
Contributions		100	
Travel		1,421	
Other Supplies and Materials		3,575	
In Service/Staff Development		700	
Total Other Programs			\$ 13,267

Capital Projects

Public Utility Projects

Other Charges	\$	402	
Total Public Utility Projects			402

Total General Fund \$ 4,594,115

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Contracts with Government Agencies	\$	2,600	
Contracts with Private Agencies		18,702	
Total Landfill Operation and Maintenance			\$ 21,302

Other Waste Disposal

Supervisor/Director	\$	30,632	
Longevity Pay		2,975	
Overtime Pay		3,158	
Other Salaries and Wages		129,600	
In-Service Training		935	
Other Per Diem and Fees		1,966	
Social Security		9,958	
State Retirement		8,706	
Employee and Dependent Insurance		2,239	
Unemployment Compensation		1,330	
Employer Medicare		2,611	
Termination Benefits		1,626	
Other Fringe Benefits		12,058	
Advertising		996	
Communication		3,116	
Contracts with Private Agencies		389,290	
Evaluation and Testing		1,140	
Maintenance and Repair Services - Buildings		17,754	

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal (Cont.)

Maintenance and Repair Services - Equipment	\$	23,040	
Maintenance and Repair Services - Vehicles		7,915	
Travel		2,175	
Permits		1,000	
Custodial Supplies		3,477	
Electricity		8,768	
Fuel Oil		4,723	
Gasoline		17,093	
Office Supplies		110	
Uniforms		4,848	
Water and Sewer		602	
Other Supplies and Materials		2,393	
Trustee's Commission		9,841	
Other Charges		5,219	
Motor Vehicles		25,778	
Other Equipment		1,000	
Total Other Waste Disposal			\$ 738,072
Total Solid Waste/Sanitation Fund			\$ 759,374

Special Purpose Fund

Public Health and Welfare

Other Local Health Services

Operating Lease Payments	\$	164,338	
Trustee's Commission		1,887	
Other Charges		69	
Total Other Local Health Services			\$ 166,294
Total Special Purpose Fund			166,294

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,324
Confidential Drug Enforcement Payments		20,500
Dues and Memberships		105
Maintenance and Repair Services - Vehicles		300
Veterinary Services		106
Animal Food and Supplies		1,374
Data Processing Supplies		1,308

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Law Enforcement Supplies	\$	998	
Other Supplies and Materials		436	
Trustee's Commission		207	
In Service/Staff Development		1,295	
Other Charges		4,697	
Data Processing Equipment		862	
Law Enforcement Equipment		10,492	
Motor Vehicles		13,667	
Total Drug Enforcement			\$ 57,671

Total Drug Control Fund \$ 57,671

Other Special Revenue Fund

Other Operations

Tourism

Other Salaries and Wages	\$	7,500	
Advertising		1,500	
Contributions		32,230	
Utilities		1,222	
Other Supplies and Materials		1,291	
Trustee's Commission		671	
Total Tourism			\$ 44,414

Tourism-Resort District

Contributions	\$	24,811	
Total Tourism-Resort District			24,811

Total Other Special Revenue Fund 69,225

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	173	
Total Chancery Court			\$ 173

Total Constitutional Officers - Fees Fund 173

(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	63,527	
Secretary(ies)		62,410	
Board and Committee Members Fees		550	
Social Security		7,822	
State Retirement		8,591	
Unemployment Compensation		990	
Employer Medicare		1,829	
Dues and Memberships		2,963	
Freight Expenses		30	
Maintenance and Repair Services - Buildings		118	
Postal Charges		203	
Printing, Stationery, and Forms		1,206	
Travel		688	
Other Contracted Services		12,966	
Custodial Supplies		368	
Office Supplies		1,891	
Other Supplies and Materials		735	
Other Charges		1,770	
Other Equipment		2,432	
Total Administration			\$ 171,089

Highway and Bridge Maintenance

Foremen	\$	101,875
Equipment Operators		204,524
Truck Drivers		162,209
Laborers		105,702
Social Security		35,491
State Retirement		35,387
Unemployment Compensation		8,089
Employer Medicare		8,300
Freight Expenses		87
Other Contracted Services		46,500
Asphalt		8,241
Asphalt - Cold Mix		42,208
Asphalt - Liquid		374,389
Concrete		6,066
Crushed Stone		308,977
Pipe		32,780
Pipe - Metal		23,697
Road Signs		6,519

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Small Tools	\$	1,984	
Structural Steel		2,793	
Wood Products		10,093	
Other Supplies and Materials		14,266	
Other Charges		1,369	
Total Highway and Bridge Maintenance			\$ 1,541,546

Operation and Maintenance of Equipment

Foremen	\$	24,133	
Mechanic(s)		97,968	
Social Security		7,549	
State Retirement		8,377	
Unemployment Compensation		1,650	
Employer Medicare		1,765	
Freight Expenses		2,841	
Maintenance and Repair Services - Equipment		9,555	
Maintenance and Repair Services - Vehicles		3,036	
Disposal Fees		213	
Diesel Fuel		163,314	
Equipment Parts - Light		6,278	
Equipment and Machinery Parts		97,959	
Garage Supplies		7,875	
Gasoline		53,180	
Lubricants		17,225	
Small Tools		4,549	
Tires and Tubes		44,181	
Other Supplies and Materials		3,878	
Other Charges		373	
Total Operation and Maintenance of Equipment			555,899

Other Charges

Communication	\$	8,729	
Electricity		5,278	
Food Supplies		8,132	
Utilities		482	
Water and Sewer		587	
Trustee's Commission		19,785	
Other Charges		2,776	
Total Other Charges			45,769

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Employee and Dependent Insurance	\$ 1,460	
Workers' Compensation Insurance	36,773	
Total Employee Benefits		\$ 38,233

Capital Outlay

Engineering Services	\$ 30,376	
Other Road Supplies	235,537	
Bridge Construction	259,169	
Communication Equipment	2,024	
Highway Equipment	361,328	
Total Capital Outlay		888,434

Total Highway/Public Works Fund \$ 3,240,970

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 132,440	
Principal on Notes	245,740	
Total General Government		\$ 378,180

Highways and Streets

Principal on Bonds	\$ 37,700	
Total Highways and Streets		37,700

Education

Principal on Bonds	\$ 848,600	
Total Education		848,600

Interest on Debt

General Government

Interest on Bonds	\$ 442,961	
Interest on Notes	32,125	
Total General Government		475,086

Highways and Streets

Interest on Bonds	\$ 51,179	
Total Highways and Streets		51,179

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$ 654,530	
Total Education		\$ 654,530

Other Debt Service

General Government

Fiscal Agent Charges	\$ 5,000	
Trustee's Commission	25,916	
Other Debt Service	1,600	
Total General Government		32,516

Highways and Streets

Fiscal Agent Charges	\$ 5,000	
Total Highways and Streets		5,000

Education

Fiscal Agent Charges	\$ 5,000	
Total Education		5,000

Total General Debt Service Fund \$ 2,487,791

General Capital Projects Fund

Capital Projects

General Administration Projects

Maintenance and Repair Services - Buildings	\$ 603	
Trustee's Commission	931	
Building Improvements	1,713	
Other Capital Outlay	1,800	
Total General Administration Projects		\$ 5,047

Public Safety Projects

Building Construction	\$ 5,900,467	
Total Public Safety Projects		5,900,467

Public Health and Welfare Projects

Maintenance and Repair Services - Buildings	\$ 1,695	
Total Public Health and Welfare Projects		1,695

Highway and Street Capital Projects

Road Signs	\$ 992	
Total Highway and Street Capital Projects		992

Total General Capital Projects Fund 5,908,201

(Continued)

Exhibit J-8

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

<u>Community Development/Industrial Park Fund</u>		
<u>Other Operations</u>		
<u>Airport</u>		
Contributions	\$ 10,000	
Total Airport		\$ 10,000
 <u>Capital Projects</u>		
<u>Social, Cultural, and Recreation Projects</u>		
Trustee's Commission	\$ 440	
Other Equipment	1,999	
Other Construction	15,280	
Total Social, Cultural, and Recreation Projects		17,719
 <u>Public Utility Projects</u>		
Engineering Services	\$ 41,614	
Other Construction	3,171	
Total Public Utility Projects		44,785
 <u>Highway and Street Capital Projects</u>		
Road Signs	\$ 1,733	
Total Highway and Street Capital Projects		1,733
 Total Community Development/Industrial Park Fund		 \$ 74,237
 <u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Highway Construction	\$ 60,303	
Total General Administration Projects		\$ 60,303
 <u>Highway and Street Capital Projects</u>		
Trustee's Commission	\$ 473	
Highway Construction	50,538	
Total Highway and Street Capital Projects		51,011
 Total Highway Capital Projects Fund		 111,314
 Total Governmental Funds - Primary Government		 <u>\$ 17,469,365</u>

Exhibit J-9

Wayne County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Wayne County School Department
For the Year Ended June 30, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,371,881	
Career Ladder Program	122,935	
Career Ladder Extended Contracts	57,594	
Homebound Teachers	803	
Clerical Personnel	13,508	
Educational Assistants	164,820	
Other Salaries and Wages	148,043	
Certified Substitute Teachers	69,014	
Non-certified Substitute Teachers	110,019	
Social Security	395,390	
State Retirement	436,773	
Medical Insurance	643,512	
Unemployment Compensation	26,077	
Employer Medicare	93,552	
Other Contracted Services	18,314	
Instructional Supplies and Materials	157,032	
Textbooks	153,818	
Other Supplies and Materials	50,785	
In Service/Staff Development	456	
Other Charges	30,773	
Regular Instruction Equipment	220,173	
Total Regular Instruction Program		\$ 9,285,272

Alternative Instruction Program

Teachers	\$ 56,963	
Social Security	3,162	
State Retirement	3,657	
Medical Insurance	6,508	
Unemployment Compensation	272	
Employer Medicare	741	
Total Alternative Instruction Program		71,303

Special Education Program

Teachers	\$ 650,800
Career Ladder Program	7,500
Homebound Teachers	7,888
Educational Assistants	39,072
Certified Substitute Teachers	3,579
Non-certified Substitute Teachers	10,961

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	42,137	
State Retirement		45,407	
Medical Insurance		46,424	
Unemployment Compensation		2,777	
Employer Medicare		9,851	
Other Contracted Services		22,361	
Instructional Supplies and Materials		5,825	
Other Supplies and Materials		41,400	
Total Special Education Program			\$ 935,982

Vocational Education Program

Teachers	\$	416,269	
Career Ladder Program		5,000	
Certified Substitute Teachers		4,622	
Non-certified Substitute Teachers		2,861	
Social Security		24,640	
State Retirement		27,045	
Medical Insurance		35,847	
Unemployment Compensation		1,747	
Employer Medicare		5,763	
Instructional Supplies and Materials		14,053	
Other Supplies and Materials		2,400	
Other Charges		1,389	
Vocational Instruction Equipment		12,074	
Total Vocational Education Program			553,710

Adult Education Program

Teachers	\$	14,529	
Social Security		896	
Unemployment Compensation		144	
Employer Medicare		209	
Other Contracted Services		4,906	
Instructional Supplies and Materials		1,198	
Other Charges		4,230	
Total Adult Education Program			26,112

Support Services

Attendance

Supervisor/Director	\$	23,987	
---------------------	----	--------	--

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	1,323	
State Retirement		1,540	
Medical Insurance		6,543	
Employer Medicare		309	
Travel		622	
Total Attendance			\$ 34,324

Health Services

Medical Personnel	\$	16,527	
Other Salaries and Wages		34,987	
Social Security		2,675	
State Retirement		3,468	
Medical Insurance		4,084	
Unemployment Compensation		437	
Employer Medicare		626	
Travel		1,032	
Drugs and Medical Supplies		3,775	
Total Health Services			67,611

Other Student Support

Guidance Personnel	\$	224,620	
Social Workers		18,745	
Other Salaries and Wages		65,843	
Social Security		18,041	
State Retirement		19,824	
Medical Insurance		17,496	
Unemployment Compensation		1,104	
Employer Medicare		4,219	
Evaluation and Testing		10,359	
Postal Charges		1,843	
Travel		5,050	
Other Contracted Services		4,000	
Other Supplies and Materials		22,452	
In Service/Staff Development		5,385	
Other Charges		5,618	
Other Equipment		34,690	
Total Other Student Support			459,289

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	61,944	
Career Ladder Program		10,000	
Career Ladder Extended Contracts		10,000	
Librarians		313,248	
Instructional Computer Personnel		57,570	
Other Salaries and Wages		1,928	
Social Security		26,414	
State Retirement		29,181	
Medical Insurance		31,494	
Unemployment Compensation		1,305	
Employer Medicare		6,177	
Communication		1,342	
Consultants		5,000	
Postal Charges		532	
Travel		13,252	
Library Books/Media		38,839	
Other Supplies and Materials		7,495	
In Service/Staff Development		4,087	
Other Equipment		24,476	
Total Regular Instruction Program			\$ 644,284

Special Education Program

Supervisor/Director	\$	62,205	
Psychological Personnel		54,555	
Assessment Personnel		72,697	
Social Security		10,965	
State Retirement		12,158	
Medical Insurance		10,712	
Unemployment Compensation		474	
Employer Medicare		2,564	
Travel		2,260	
Other Supplies and Materials		6,798	
Total Special Education Program			235,388

Vocational Education Program

Supervisor/Director	\$	60,622
Secretary(ies)		13,488
Other Salaries and Wages		14,430
Social Security		5,490

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

State Retirement	\$	5,813	
Medical Insurance		1,305	
Unemployment Compensation		324	
Employer Medicare		1,284	
Travel		1,939	
Other Charges		1,733	
Total Vocational Education Program			\$ 106,428

Adult Programs

Supervisor/Director	\$	58,572	
Career Ladder Program		1,000	
Other Salaries and Wages		14,138	
Social Security		4,530	
State Retirement		5,309	
Medical Insurance		5,985	
Unemployment Compensation		253	
Employer Medicare		1,059	
Travel		1,784	
Other Contracted Services		1,262	
Other Supplies and Materials		15,750	
In Service/Staff Development		1,825	
Other Charges		9,683	
Total Adult Programs			121,150

Other Programs

On-Behalf Payments to OPEB	\$	89,320	
Total Other Programs			89,320

Board of Education

Board and Committee Members Fees	\$	8,400	
Social Security		469	
Unemployment Compensation		101	
Employer Medicare		110	
Audit Services		19,000	
Dues and Memberships		7,523	
Legal Services		2,238	
Travel		904	
Trustee's Commission		76,654	
Workers' Compensation Insurance		83,305	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

In Service/Staff Development	\$	35	
Criminal Investigation of Applicants - TBI		2,100	
Other Charges		2,922	
Total Board of Education			\$ 203,761

Director of Schools

County Official/Administrative Officer	\$	92,070	
Secretary(ies)		16,309	
Social Security		6,424	
State Retirement		6,494	
Medical Insurance		6,260	
Unemployment Compensation		245	
Employer Medicare		1,502	
Communication		7,950	
Dues and Memberships		1,800	
Maintenance and Repair Services - Equipment		775	
Travel		919	
Office Supplies		2,470	
Total Director of Schools			143,218

Office of the Principal

Principals	\$	422,115	
Career Ladder Program		6,000	
Secretary(ies)		93,650	
Social Security		31,276	
State Retirement		33,966	
Medical Insurance		22,472	
Unemployment Compensation		1,809	
Employer Medicare		7,315	
Communication		6,500	
Dues and Memberships		4,375	
Office Supplies		1,273	
Other Supplies and Materials		101	
Total Office of the Principal			630,852

Fiscal Services

Accountants/Bookkeepers	\$	25,725	
Social Security		1,568	
State Retirement		1,770	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Medical Insurance	\$	12,562	
Unemployment Compensation		103	
Employer Medicare		367	
Data Processing Services		2,072	
Data Processing Supplies		530	
Total Fiscal Services			\$ 44,697

Operation of Plant

Custodial Personnel	\$	283,853	
Other Salaries and Wages		3,725	
Social Security		17,139	
State Retirement		17,285	
Medical Insurance		6,463	
Unemployment Compensation		2,355	
Employer Medicare		4,008	
Maintenance and Repair Services - Equipment		55	
Other Contracted Services		60,260	
Custodial Supplies		68,581	
Electricity		561,817	
Natural Gas		134,146	
Water and Sewer		38,481	
Building and Contents Insurance		107,023	
Total Operation of Plant			1,305,191

Maintenance of Plant

Maintenance Personnel	\$	112,683	
Social Security		6,781	
State Retirement		8,005	
Medical Insurance		1,251	
Unemployment Compensation		508	
Employer Medicare		1,586	
Communication		570	
Maintenance and Repair Services - Buildings		143,045	
Maintenance and Repair Services - Equipment		42,615	
Other Contracted Services		25,370	
Gasoline		2,801	
Other Supplies and Materials		1,550	
Other Charges		63	
Total Maintenance of Plant			346,828

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Mechanic(s)	\$	75,282	
Bus Drivers		401,402	
Other Salaries and Wages		21,368	
Social Security		28,440	
State Retirement		31,255	
Medical Insurance		12,314	
Unemployment Compensation		4,275	
Employer Medicare		6,784	
Communication		1,426	
Contracts with Parents		3,985	
Maintenance and Repair Services - Equipment		398	
Medical and Dental Services		3,210	
Other Contracted Services		16,828	
Diesel Fuel		122,803	
Garage Supplies		5,167	
Gasoline		5,177	
Lubricants		4,153	
Tires and Tubes		33,283	
Vehicle Parts		32,027	
Other Supplies and Materials		290	
In Service/Staff Development		1,155	
Other Charges		922	
Regular Instruction Equipment		1,987	
Transportation Equipment		140,216	
Total Transportation			\$ 954,147

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	236	
Other Salaries and Wages		229	
Social Security		19	
State Retirement		2	
Unemployment Compensation		5	
Employer Medicare		7	
Maintenance and Repair Services - Equipment		164	
Total Food Service			662

Community Services

Teachers	\$	53,625	
----------	----	--------	--

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	3,243	
State Retirement		3,443	
Medical Insurance		2,417	
Unemployment Compensation		212	
Employer Medicare		758	
Travel		980	
Other Supplies and Materials		298	
Total Community Services			\$ 64,976

Early Childhood Education

Supervisor/Director	\$	30,972	
Teachers		362,185	
Clerical Personnel		2,751	
Educational Assistants		260,923	
Other Salaries and Wages		125,220	
Certified Substitute Teachers		1,545	
Non-certified Substitute Teachers		7,651	
Social Security		47,252	
State Retirement		51,099	
Medical Insurance		30,594	
Unemployment Compensation		4,670	
Employer Medicare		11,051	
Travel		680	
Other Contracted Services		10,302	
Instructional Supplies and Materials		29,656	
Other Supplies and Materials		30,031	
In Service/Staff Development		4,150	
Other Charges		20,371	
Other Equipment		249	
Total Early Childhood Education			1,031,352

Other Debt Service

Education

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

Total General Purpose School Fund \$ 17,555,857

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	5,162	
Teachers		584,339	
Educational Assistants		47,562	
Other Salaries and Wages		828	
Certified Substitute Teachers		3,856	
Non-certified Substitute Teachers		17,831	
Social Security		41,188	
State Retirement		41,171	
Medical Insurance		30,034	
Unemployment Compensation		2,481	
Employer Medicare		8,946	
Instructional Supplies and Materials		56,290	
Other Supplies and Materials		1,512	
Other Charges		7,663	
Regular Instruction Equipment		17,367	
Total Regular Instruction Program			\$ 866,230

Special Education Program

Teachers	\$	259,390	
Educational Assistants		238,152	
Other Salaries and Wages		53,010	
Certified Substitute Teachers		5,124	
Non-certified Substitute Teachers		21,640	
Social Security		35,249	
State Retirement		36,454	
Medical Insurance		10,754	
Unemployment Compensation		3,599	
Employer Medicare		8,244	
Contracts with Private Agencies		34,853	
Maintenance and Repair Services - Equipment		231	
Other Contracted Services		48,641	
Instructional Supplies and Materials		19,004	
Textbooks		1,112	
Other Supplies and Materials		15,399	
Special Education Equipment		8,172	
Total Special Education Program			799,028

Vocational Education Program

Instructional Supplies and Materials	\$	799	
--------------------------------------	----	-----	--

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Vocational Instruction Equipment	\$ 22,598	
Total Vocational Education Program		\$ 23,397

Adult Education Program

Teachers	\$ 39,666	
Clerical Personnel	480	
Other Salaries and Wages	18,270	
Social Security	3,430	
State Retirement	3,804	
Medical Insurance	2,853	
Unemployment Compensation	293	
Employer Medicare	802	
Other Contracted Services	3,750	
Other Supplies and Materials	22,412	
Other Charges	11,896	
Other Equipment	21,214	
Total Adult Education Program		128,870

Support Services

Other Student Support

Guidance Personnel	\$ 40,903	
Other Salaries and Wages	11,762	
Social Security	3,115	
State Retirement	3,315	
Medical Insurance	1,536	
Unemployment Compensation	192	
Employer Medicare	739	
Travel	11,056	
Other Contracted Services	8,120	
Other Supplies and Materials	795	
In Service/Staff Development	8,712	
Other Charges	1,759	
Total Other Student Support		92,004

Regular Instruction Program

Supervisor/Director	\$ 25,810
Clerical Personnel	2,585
Other Salaries and Wages	22,541
Social Security	3,483

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	3,595	
Medical Insurance		137	
Unemployment Compensation		136	
Employer Medicare		815	
Communication		1,041	
Maintenance and Repair Services - Equipment		709	
Travel		16,815	
Other Supplies and Materials		6,748	
In Service/Staff Development		35,028	
Total Regular Instruction Program			\$ 119,443

Special Education Program

Supervisor/Director	\$	5,409	
Secretary(ies)		13,258	
Social Security		1,898	
State Retirement		2,035	
Medical Insurance		7,098	
Unemployment Compensation		97	
Employer Medicare		444	
Communication		1,621	
Postal Charges		624	
Travel		21,486	
Other Supplies and Materials		24,270	
In Service/Staff Development		6,394	
Total Special Education Program			84,634

Vocational Education Program

Travel	\$	934	
Total Vocational Education Program			934

Transportation

Bus Drivers	\$	19,023	
Social Security		1,169	
State Retirement		980	
Unemployment Compensation		106	
Employer Medicare		273	
Transportation Equipment		40,000	
Total Transportation			61,551

Total School Federal Projects Fund \$ 2,176,091

(Continued)

Exhibit J-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	40,054	
Cafeteria Personnel		364,097	
Other Salaries and Wages		7,618	
Social Security		24,523	
State Retirement		24,613	
Medical Insurance		10,942	
Unemployment Compensation		3,973	
Employer Medicare		5,735	
Communication		3,064	
Maintenance and Repair Services - Equipment		14,838	
Matching Share		38	
Travel		2,379	
Other Contracted Services		13,743	
Food Preparation Supplies		54,661	
Food Supplies		651,370	
Office Supplies		2,564	
Other Supplies and Materials		1,956	
Trustee's Commission		3	
Other Charges		2,381	
Food Service Equipment		30,903	
Total Food Service			\$ 1,259,455

Total Central Cafeteria Fund \$ 1,259,455

Total Governmental Funds - Wayne County School Department \$ 20,991,403

Exhibit J-10

Wayne County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 443,271
Total Cash Receipts	<u>\$ 443,271</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 438,838
Trustee's Commission	4,433
Total Cash Disbursements	<u>\$ 443,271</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

August 31, 2010

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Wayne County's basic financial statements and have issued our report thereon dated August 31, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Wayne County Retirement Facilities (composed of the Wayne County Assisted Living Facility and the Wayne County Nursing Home) and the Wayne County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01, 10.02, and 10.06.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.03 and 10.07.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 10.04 and 10.05.

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

Wayne 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 Wayne County's responses and, accordingly, we express no opinion on the responses.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

August 31, 2010

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Wayne County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Wayne County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wayne County's management. Our responsibility is to express an opinion on Wayne County's compliance based on our audit.

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

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wayne County's compliance with those requirements.

In our opinion, Wayne County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Wayne County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wayne County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wayne County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

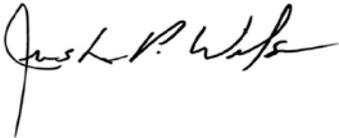
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County as of and for the year ended June 30, 2010, and have issued our report thereon dated August 31, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Wayne County Emergency Communications District and the Wayne County Retirement Facilities (composed of the Wayne County Nursing Home and the Wayne County Assisted Living Facility), which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Wayne County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional

analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Wayne County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Watershed Protection and Flood Prevention	10.904	N/A	\$ 294,877
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	226,797
National School Lunch Program	10.555	N/A	575,541 (8)
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	25,376
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	67,459 (8)
Total U.S. Department of Agriculture			<u>\$ 1,190,050</u>
U.S. Department of Justice:			
Direct Program:			
FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant	16.804	N/A	\$ 12,000
Passed-through State Commission on Children and Youth:			
Enforcing Underage Drinking Laws Program	16.727	Z-08-073535-00	34,786
Total U.S. Department of Justice			<u>\$ 46,786</u>
U.S. Department of Labor:			
Passed-through South Central Tennessee Workforce Alliance:			
ARRA - WIA Youth Activities	17.259	(2)	\$ 26,824
Total U.S. Department of Labor			<u>\$ 26,824</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(3)	\$ 98,136
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	615,859
Title I Grants to Local Educational Agencies - Recovery Act	84.389	N/A	175,390
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	645,172
Special Education - Preschool Grants	84.173	N/A	17,404
Special Education - Grants to States - Recovery Act	84.391	N/A	317,663
Special Education - Preschool Grants - Recovery Act	84.392	N/A	10,895
Vocational Education - Basic Grants to States	84.048	N/A	44,649
Safe and Drug Free Schools and Communities	84.186	(2)	4,460
Even Start State Educational Agencies	84.213	(2)	128,869
Twenty-first Century Community Learning Centers	84.287	(2)	200,000
Educational Technology Cluster:			
Educational Technology State Grants	84.318	(2)	5,225
Educational Technology State Grants - Recovery Act	84.386	(2)	11,219
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GG-08-21816-00	149,694
Reading First State Grants	84.357	GG-05-11254-00	88,840
Rural Education	84.358	N/A	51,955
Improving Teacher Quality State Grants	84.367	N/A	145,365
Education for Homeless Children and Youth - Recovery Act	84.387	(2)	1,966
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds-Education State Grants - Recovery Act	84.394	(2)	444,600
State Fiscal Stabilization Funds-Government Services - Recovery Act	84.397	(2)	207,207
Total U.S. Department of Education			<u>\$ 3,364,568</u>

(Continued)

Wayne County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	\$ 625
Total U.S. Department of Health and Human Services			\$ 625
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1856-DR-TN	\$ 59,653
Emergency Management Performance Grants	97.042	(4)	15,314
Homeland Security Grant Program	97.067	GG-08-24425-00	29,511
Total U.S. Department of Homeland Security			\$ 104,478
Total Expenditures of Federal Awards			\$ 4,733,331
<u>State Grants</u>			
		<u>Contract Number</u>	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 6,193
Rural Local Health Services - State Department of Health	N/A	(5)	100,306
Litter Program - State Department of Transportation	N/A	(6)	33,311
Early Childhood Education - State Department of Education	N/A	(2)	913,349
Adult Basic Education - State Department of Education	N/A	(7)	32,711
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	42,565
Save the Children - State Department of Education	N/A	(2)	72,708
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	229,500
Technology Grant - Tennessee Secretary of State	N/A	(2)	5,500
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Total State Grants			\$ 1,445,143

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) - Z-08-020840-00: \$2,297; Z-09-213520-00: \$10,706; Z-10-218564-00: \$85,133.

(4) - 34101-0000000805: \$7,300; 34101-0000003775: \$8,014.

(5) - Z-09-213773-00: \$20,022; Z-10-219845-00: \$80,284.

(6) - Z-09-212809-00: \$4,035; Z-10-220391-00: \$29,276.

(7) - Z-08-020840-00: \$766; Z-09-213520-00: \$3,568; Z-10-218564-00: \$28,377.

(8) - Total for CFDA No. 10.555 is \$643,000.

Wayne County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Wayne County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

WAYNE COUNTY AND WAYNE COUNTY SCHOOL DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	180	Wayne County and the Wayne County School Department do not have the resources to produce their financial statements and the notes to the financial statements

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.02	181	Material audit adjustments were required for proper financial statement presentation

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.07	183	Duties were not segregated adequately in the Offices of County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register

WAYNE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Wayne County disclosed significant deficiencies in internal control. Three of these deficiencies were also considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Wayne County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants Recovery Act and State Fiscal Stabilization Funds – Government Services Recovery Act (CFDA Nos. 84.394 and 84.397); and Improving Teacher Quality State Grants (CFDA No. 84.367) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Wayne County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of schools and sheriff provided written responses on certain findings, which are paraphrased in this report.

WAYNE COUNTY AND WAYNE COUNTY SCHOOL DEPARTMENT

FINDING 10.01 **WAYNE COUNTY AND THE WAYNE COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

(Internal Control – Material Weakness Under Government Auditing Standards)

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

RECOMMENDATION

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

OFFICE OF COUNTY EXECUTIVE

FINDING 10.02 **THE GENERAL CAPITAL PROJECTS FUND REQUIRED A MATERIAL AUDIT ADJUSTMENT FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, the Reserve for Encumbrances general ledger account balance in the General Capital Projects Fund was not materially correct, and an audit adjustment of \$3,202,170 was required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Wayne County to have adequate internal controls over the maintenance of its accounting records. This material audit adjustment was required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to record a construction contract for the new justice center and their failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.03 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$212,643 AT JUNE 30, 2010**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

At June 30, 2010, the School Federal Projects Fund had a cash overdraft of \$212,643. Sound business practices dictate that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. This cash overdraft was liquidated subsequent to June 30, 2010.

RECOMMENDATION

The School Department should not issue warrants exceeding cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding. To avoid this overdraft in the future, we will monitor more closely the reimbursement process during the month of June. The issuance of payroll checks and vendor checks at year-end caused the overdraft; however, these reimbursement requests were reflected as accounts receivable at year-end. Additionally, we will consider a transfer from the General Purpose School Fund to the School Federal Projects Fund to cover the lag in reimbursement.

OFFICE OF TRUSTEE

FINDING 10.04 **THE TRUSTEE DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS**
(Material Noncompliance Under Government Auditing Standards)

The trustee did not require a depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2010, deposits at one depository exceeded FDIC coverage and collateral securities pledged by \$243,968. Section 5-8-201, Tennessee Code Annotated, provides for county officials to require any bank that is a depository of county funds to deposit collateral security equal to 105 percent of funds exceeding FDIC coverage into an escrow account in a second bank. This deficiency is the result of management's oversight. The failure to adequately collateralize funds could result in a loss for the county.

RECOMMENDATION

The trustee should require all depositories to pledge adequate securities to protect county funds exceeding FDIC coverage as required by state statute.

OFFICE OF SHERIFF

FINDING 10.05 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under Government Auditing Standards)

In some instances, the sheriff did not deposit funds within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency is the result of management's oversight. The delay in depositing the funds increases the risks of fraud and misappropriation.

RECOMMENDATION

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

MANAGEMENT’S RESPONSE – SHERIFF

I agree with your finding and have made a new policy to address the problem. As of August 31, 2010, the Sheriff’s Department will make deposits on Monday, Wednesday, and Friday.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.06 **WAYNE COUNTY HAS MATERIAL RECURRING AUDIT FINDINGS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Wayne County has material audit findings that have been reported in their annual financial reports for three or more consecutive years. These recurring material findings are listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Wayne County and the Wayne County School Department do not have the resources to produce financial statements and notes to the financial statements
10.02, 09.02, 08.02	Wayne County has several funds that required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted findings indicates that management is either unwilling or unable to address the deficiencies. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Wayne County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Wayne County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding. To address this finding, we will research with other systems the possibility of developing an Audit Committee, consisting of the county executive, commissioner of highways, county commissioners, school board members, community members, and the director of schools. This committee shall address financial and other reporting practices, internal control, compliance with laws and regulations and ethics. This committee will operate within the guidelines of TCA 9-3-405.

FINDING 10.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register. Employees responsible for maintaining the accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

BEST PRACTICE

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

Wayne County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice and would significantly improve accountability and the quality of services provided to the citizens of Wayne County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

**WAYNE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010**

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