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# ANNUAL FINANCIAL REPORT CHEATHAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT**  
**CHEATHAM COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

***COMPTROLLER OF THE TREASURY***  
***JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

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

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

***KATIE ARMSTRONG, CPA, CGFM, CFE***  
***CARRIE SABIN***  
***WENDY HEATH, CFE***  
***State Auditors***

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

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## CHEATHAM COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Cheatham County, Tennessee  
For the Year Ended June 30, 2012

***Scope***

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2012.

***Results***

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

Our audit resulted in 14 findings and recommendations, which we have reviewed with Cheatham County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

***Findings and Best Practices***

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

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

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ Fund balance was not classified properly.
- ◆ The General Fund had a deficit unassigned fund balance at June 30, 2012.
- ◆ The office had accounting deficiencies.
- ◆ Deficiencies were noted in the maintenance of capital asset records.
- ◆ The office had payroll deficiencies.
- ◆ The building permits software did not have adequate application controls.

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**OFFICE OF ROAD SUPERINTENDENT**

- ◆ The Road Superintendent failed to comply with a court order.

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**OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ An interfund loan was not authorized in accordance with state statutes.
-

## **OFFICE OF SHERIFF**

- ◆ The office had numerous accounting deficiencies.
  - ◆ Multiple employees operated from the same cash drawer.
  - ◆ The office used an unauthorized signature stamp.
- 

## **PROBATION DEPARTMENT**

- ◆ Deficiencies were noted in the collection of funds.
- 

## **BUILDING CODES DEPARTMENT**

- ◆ Duties were not segregated adequately.
- 

## **BEST PRACTICES**

The Division of Local Government Audit strongly believes that the items noted below are best practices 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 Cheatham County.

- Cheatham County should establish an Audit Committee.
- Cheatham County should adopt a central system of accounting, budgeting, and purchasing.

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# INTRODUCTORY SECTION

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# Cheatham County Officials

## June 30, 2012

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### **Officials**

David McCullough, County Mayor  
Jerry Carney, Road Superintendent  
Dr. Stan Curtis, Director of Schools  
Betty Balthrop, Assessor of Property  
Dorothy Jones, Trustee  
Teresa Gupton, County Clerk  
Julie Hibbs, Circuit and General Sessions Courts Clerk  
Pam Jenkins, Clerk and Master  
Dolores Moulton, Register  
John Holder, Sheriff  
Tara Patterson, Director of Accounts and Budgets

### **Board of County Commissioners**

John Haines, Chairman  
Betty Ramsey  
Doris Sanders  
Ann Jarreau  
Rob Myers  
Dale McCarver

Jimmy Hedgepath  
David Davidson  
LuAnn Engelman  
Donnie Jordan  
Walter Weakley  
John-Paul Wood, Jr.

### **Board of Education**

Dianne Proffitt, Chairman  
Michelle Collins  
Greg Horton

Tammie Lavender  
Tim Williamson  
William Johnson

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## **FINANCIAL SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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INDEPENDENT AUDITOR'S REPORT

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Cheatham County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cheatham County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cheatham County Emergency Communications District, which represent one percent and .9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and we did not audit the financial statements of the Cheatham County Water and Wastewater Authority, which represent .8 percent and .3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, at June 30, 2012, and the respective changes in financial position, 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 February 28, 2013, on our consideration of Cheatham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

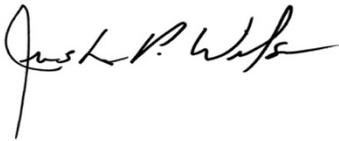
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 66 through 74 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 Cheatham County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements,

budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Cheatham County, Tennessee  
Statement of Net Assets  
June 30, 2012

	Primary Governmental Activities	Component Units		
		Cheatham County School Department	Cheatham County Emergency Communications District	Cheatham County Water and Waste Water Authority
<b>ASSETS</b>				
Cash	\$ 27,141	\$ 1,000	\$ 242,251	\$ 410,316
Investments	0	0	109,656	0
Equity in Pooled Cash and Investments	15,699,046	7,257,166	0	0
Accounts Receivable	2,738,788	175,641	18,604	17,579
Allowance for Uncollectibles	(1,681,647)	0	0	0
Due from Other Governments	750,260	913,262	35,298	0
Due from Component Units	146,600	0	0	0
Property Taxes Receivable	11,553,409	8,090,919	0	0
Allowance for Uncollectible Property Taxes	(467,543)	(161,418)	0	0
Cash Shortage	25,734	0	0	0
Interest Receivable	0	0	33	0
Prepaid Expenses	0	0	22,170	0
Deferred Charges - Debt Issuance Costs	122,224	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	3,449,605	781,997	0	0
Construction in Progress	0	698,400	0	30,956
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,565,839	56,137,933	0	0
Other Capital Assets	1,182,159	3,793,058	424,962	154,279
Infrastructure	1,795,435	0	0	0
Total Assets	<u>\$ 40,907,050</u>	<u>\$ 77,687,958</u>	<u>\$ 852,974</u>	<u>\$ 613,130</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 277,368	\$ 287,468	\$ 10,278	\$ 0
Accrued Payroll	0	96,307	0	0
Payroll Deductions Payable	3,299	719	0	0
Accrued Interest Payable	20,035	0	0	0
Due to Primary Government	0	75,403	71,197	0
Cash Overdraft	957	0	0	0
Contracts Payable	0	1,125	0	0
Due to Litigants, Heirs, and Others	31,751	0	0	0
Deferred Revenue - Current Property Taxes	10,746,984	7,530,077	0	0
Noncurrent Liabilities:				
Due Within One Year	4,676,605	404,418	0	0
Due in More Than One Year (net of deferred amount on refunding)	19,509,370	9,056,074	0	0
Total Liabilities	<u>\$ 35,266,369</u>	<u>\$ 17,451,591</u>	<u>\$ 81,475</u>	<u>\$ 0</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	\$ 9,947,182	\$ 56,415,856	\$ 0	\$ 0
Invested in Capital Assets Restricted for:	0	0	424,963	185,235
Capital Projects	188,123	0	0	0
Central Cafeteria	0	917,859	0	0
Debt Service	11,808,036	0	0	0
Highway/Public Works	2,344,874	0	0	0
Solid Waste/Sanitation	860,109	0	0	0
Drug Control	369,257	0	0	0
Jail, Workhouse, or Courthouse	510,303	0	0	0
Automation Purposes	164,814	0	0	0
Other Purposes	94,497	27,504	0	0
Unrestricted	(20,646,514)	2,875,148	346,536	427,895
Total Net Assets	<u>\$ 5,640,681</u>	<u>\$ 60,236,367</u>	<u>\$ 771,499</u>	<u>\$ 613,130</u>

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

Exhibit B

Cheatham County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Primary Governmental Activities	Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				Cheatham County School Department	Cheatham County Emergency Communications District	Cheatham County Water and Waste Water Authority	
Primary Government:										
Governmental Activities:										
General Government	\$ 2,913,138	\$ 798,731	\$ 1,480	\$ 36,575	\$ 11,480	\$ (2,066,352)	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,293,543	1,019,499	0	0	0	(274,044)	0	0	0	0
Administration of Justice	1,496,119	808,025	0	48,090	0	(640,004)	0	0	0	0
Public Safety	6,267,130	390,057	0	604,402	0	(5,272,671)	0	0	0	0
Public Health and Welfare	3,285,136	1,256,733	0	81,219	0	(1,947,184)	0	0	0	0
Social, Cultural, and Recreational Services	383,703	27,675	0	25,340	0	(330,688)	0	0	0	0
Agriculture and Natural Resources	137,580	0	0	0	0	(137,580)	0	0	0	0
Other Operations	387,028	0	0	55,041	0	(331,987)	0	0	0	0
Highways/Public Works	2,885,949	5,816	0	1,693,366	253,020	(933,747)	0	0	0	0
Education	2,342,413	0	0	0	0	(2,342,413)	0	0	0	0
Interest on Long-term Debt	684,378	0	0	0	0	(684,378)	0	0	0	0
Other Debt Service	44,576	0	0	0	0	(44,576)	0	0	0	0
<b>Total Primary Government</b>	<b>\$ 22,120,693</b>	<b>\$ 4,306,536</b>	<b>\$ 2,544,033</b>	<b>\$ 2,544,033</b>	<b>\$ 264,500</b>	<b>\$ (15,005,624)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:										
Cheatham County School Department	\$ 55,279,025	\$ 2,932,897	\$ 6,571,765	\$ 2,586,862	\$ 0	0	\$ (43,187,501)	\$ 0	\$ 0	\$ 0
Cheatham County Emergency Communications District	460,614	284,156	167,173	0	0	0	0	(9,285)	0	0
Cheatham County Water and Waste Water Authority	119,688	114,090	0	0	0	0	0	0	(5,598)	0
<b>Total Component Units</b>	<b>\$ 55,859,327</b>	<b>\$ 3,331,143</b>	<b>\$ 6,738,938</b>	<b>\$ 2,586,862</b>	<b>\$ 0</b>	<b>\$ (43,187,501)</b>	<b>\$ (9,285)</b>	<b>\$ (5,598)</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit B

Cheatham County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Cheatham County School Department	Cheatham County Emergency Communications District	Cheatham County Water and Waste Water Authority
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 9,516,532	\$ 8,494,873	\$ 0	\$ 0
Property Taxes Levied for Debt Service				2,403,308	0	0	0
Local Option Sales Tax				1,395,255	1,740,988	0	0
Wheel Tax				1,653,060	413,669	0	0
Adequate Facilities/Development Tax				224,398	0	0	0
Wholesale Beer Tax				301,681	0	0	0
Fire Tax				791,712	0	0	0
Business Tax				235,520	0	0	0
Litigation Tax				180,300	0	0	0
Payments in-Lieu-of Taxes				0	63,407	0	0
Other Local Taxes				32,159	2,098	0	0
Grants and Contributions Not Restricted to Specific Programs				691,366	31,878,960	49,133	0
Unrestricted Investment Earnings				113,336	1,142	1,587	2,703
Miscellaneous				85,714	28,446	7,671	20,000
Total General Revenues				\$ 17,624,341	\$ 42,623,583	\$ 58,391	\$ 22,703
Change in Net Assets				\$ 2,618,717	\$ (563,918)	\$ 49,106	\$ 17,105
Net Assets, July 1, 2011				3,021,964	60,800,285	722,393	596,025
Net Assets, June 30, 2012				\$ 5,640,681	\$ 60,236,367	\$ 771,499	\$ 613,130

Exhibit C-1

Cheatham County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2012

	Major Funds			Nonmajor	Total
	General	Highway /	Education	Other	
		Public	Debt	Governmental	
	Works	Service	Funds	Governmental	
<u>ASSETS</u>					
Cash	\$ 16,365	\$ 0	\$ 0	\$ 10,776	\$ 27,141
Equity in Pooled Cash and Investments	3,019,148	1,989,127	7,079,055	3,611,716	15,699,046
Accounts Receivable	2,548,223	41,086	122,669	26,810	2,738,788
Allowance for Uncollectibles	(1,681,647)	0	0	0	(1,681,647)
Due from Other Governments	190,604	288,688	260,924	10,044	750,260
Due from Other Funds	12,689	0	2,071,537	10,000	2,094,226
Due from Component Units	146,600	0	0	0	146,600
Property Taxes Receivable	7,585,437	529,973	2,084,560	1,353,439	11,553,409
Allowance for Uncollectible Property Taxes	(313,530)	(21,447)	(84,358)	(48,208)	(467,543)
Cash Shortage	0	25,714	0	20	25,734
<b>Total Assets</b>	<b>\$ 11,523,889</b>	<b>\$ 2,853,141</b>	<b>\$ 11,534,387</b>	<b>\$ 4,974,597</b>	<b>\$ 30,886,014</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 213,187	\$ 15,286	\$ 847	\$ 48,048	\$ 277,368
Payroll Deductions Payable	2,767	0	0	532	3,299
Cash Overdraft	0	0	0	957	957
Due to Other Funds	2,080,000	0	0	14,226	2,094,226
Due to Litigants, Heirs, and Others	0	0	0	31,751	31,751
Deferred Revenue - Current Property Taxes	7,039,767	492,981	1,939,058	1,275,178	10,746,984
Deferred Revenue - Delinquent Property Taxes	207,304	13,879	54,573	26,821	302,577
Other Deferred Revenues	609,747	173,966	130,632	0	914,345
<b>Total Liabilities</b>	<b>\$ 10,152,772</b>	<b>\$ 696,112</b>	<b>\$ 2,125,110</b>	<b>\$ 1,397,513</b>	<b>\$ 14,371,507</b>
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 27,922	\$ 0	\$ 0	\$ 0	\$ 27,922
Restricted for Finance	42,914	0	0	0	42,914
Restricted for Administration of Justice	80,754	0	0	0	80,754
Restricted for Public Safety	536,275	0	0	369,257	905,532
Restricted for Public Health and Welfare	73,582	0	0	827,063	900,645
Restricted for Agriculture and Natural Resources	8,167	0	0	0	8,167
Restricted for Highways/Public Works	0	2,115,476	0	0	2,115,476
Restricted for Capital Outlay	0	0	0	187,203	187,203
Restricted for Debt Service	0	0	9,409,277	2,042,425	11,451,702
Committed:					
Committed for General Government	125,888	0	0	60,100	185,988
Committed for Public Safety	110,733	0	0	0	110,733
Committed for Public Health and Welfare	548,893	0	0	0	548,893
Committed for Social, Cultural, and Recreational Services	56,007	0	0	0	56,007
Committed for Capital Outlay	0	0	0	78,339	78,339

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total
	Highway /	Education		Other	Governmental
	Public	Debt		Governmental	Governmental
	Works	Service		Funds	Funds
	General				
<b><u>LIABILITIES AND FUND BALANCES (CONT.)</u></b>					
<b><u>Fund Balances (Cont.)</u></b>					
Assigned:					
Assigned for General Government	\$ 3,454	\$ 0	\$ 0	\$ 0	\$ 3,454
Assigned for Finance	6,500	0	0	0	6,500
Assigned for Administration of Justice	2,100	0	0	0	2,100
Assigned for Public Safety	6,005	0	0	0	6,005
Assigned for Public Health and Welfare	56,857	0	0	12,697	69,554
Assigned for Social, Cultural, and Recreational Services	10,570	0	0	0	10,570
Assigned for Highways/Public Works	0	41,553	0	0	41,553
Unassigned	(325,504)	0	0	0	(325,504)
Total Fund Balances	<u>\$ 1,371,117</u>	<u>\$ 2,157,029</u>	<u>\$ 9,409,277</u>	<u>\$ 3,577,084</u>	<u>\$ 16,514,507</u>
Total Liabilities and Fund Balances	<u>\$ 11,523,889</u>	<u>\$ 2,853,141</u>	<u>\$ 11,534,387</u>	<u>\$ 4,974,597</u>	<u>\$ 30,886,014</u>

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

Exhibit C-2

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 16,514,507
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,449,605	
Add: buildings and improvements net of accumulated depreciation	5,565,839	
Add: other capital assets net of accumulated depreciation	1,182,159	
Add: infrastructure net of accumulated depreciation	<u>1,795,435</u>	11,993,038
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (12,447,500)	
Less: notes payable	(725,568)	
Less: capital leases payable	(56,657)	
Less: other loans payable	(9,913,338)	
Less: compensated absences payable	(797,490)	
Less: landfill closure/postclosure costs	(210,875)	
Less: other postemployment benefits liability	(220,159)	
Add: deferred amount on refunding	185,612	
Add: deferred charges - debt issuance costs	122,224	
Less: accrued interest on bonds, notes, and capital leases	<u>(20,035)</u>	(24,083,786)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,216,922</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 5,640,681</u>

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

Exhibit C-3

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 9,649,508	\$ 967,175	\$ 4,971,938	\$ 1,314,641	\$ 16,903,262
Licenses and Permits	363,783	0	0	0	363,783
Fines, Forfeitures, and Penalties	148,286	0	0	90,960	239,246
Charges for Current Services	1,013,704	0	0	417,829	1,431,533
Other Local Revenues	259,793	13,390	8,000	20,208	301,391
Fees Received from County Officials	1,697,851	0	0	0	1,697,851
State of Tennessee	798,432	1,886,786	59,218	29,105	2,773,541
Federal Government	287,268	66,922	0	0	354,190
Other Governments and Citizens Groups	456,060	0	0	0	456,060
Total Revenues	<u>\$ 14,674,685</u>	<u>\$ 2,934,273</u>	<u>\$ 5,039,156</u>	<u>\$ 1,872,743</u>	<u>\$ 24,520,857</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,339,710	\$ 0	\$ 71,530	\$ 246,457	\$ 1,657,697
Finance	1,177,673	0	0	0	1,177,673
Administration of Justice	1,358,443	0	0	0	1,358,443
Public Safety	5,288,806	0	0	182,108	5,470,914
Public Health and Welfare	2,002,247	0	0	903,373	2,905,620
Social, Cultural, and Recreational Services	340,957	0	0	0	340,957
Agriculture and Natural Resources	127,873	0	0	0	127,873
Other Operations	1,806,210	0	0	20,824	1,827,034
Highways	0	2,523,610	0	0	2,523,610
Debt Service:					
Principal on Debt	0	65,275	7,228,147	359,000	7,652,422
Interest on Debt	0	4,110	590,098	27,815	622,023
Other Debt Service	0	0	39,894	4,682	44,576
Capital Projects	87,077	0	0	2,739,971	2,827,048
Total Expenditures	<u>\$ 13,528,996</u>	<u>\$ 2,592,995</u>	<u>\$ 7,929,669</u>	<u>\$ 4,484,230</u>	<u>\$ 28,535,890</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,145,689</u>	<u>\$ 341,278</u>	<u>\$ (2,890,513)</u>	<u>\$ (2,611,487)</u>	<u>\$ (4,015,033)</u>
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 15,000	\$ 0	\$ 0	\$ 1,483,568	\$ 1,498,568
Other Loans Issued	0	0	0	858,845	858,845
Insurance Recovery	5,117	40,727	0	0	45,844
Transfers In	46,177	0	70,000	0	116,177
Transfers Out	(70,000)	0	0	(46,177)	(116,177)
Total Other Financing Sources (Uses)	<u>\$ (3,706)</u>	<u>\$ 40,727</u>	<u>\$ 70,000</u>	<u>\$ 2,296,236</u>	<u>\$ 2,403,257</u>
Net Change in Fund Balances	\$ 1,141,983	\$ 382,005	\$ (2,820,513)	\$ (315,251)	\$ (1,611,776)
Fund Balance, July 1, 2011	229,134	1,775,024	12,229,790	3,892,335	18,126,283
Fund Balance, June 30, 2012	<u>\$ 1,371,117</u>	<u>\$ 2,157,029</u>	<u>\$ 9,409,277</u>	<u>\$ 3,577,084</u>	<u>\$ 16,514,507</u>

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

Exhibit C-4

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ #####
(1) 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	\$ 534,449	
Less: current-year depreciation expense	<u>(1,086,951)</u>	(552,502)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: assets removed due to increase in capitalization threshold		(548,688)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (1,044,213)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>1,216,922</u>	172,709
(4) The issuance of long-term debt (e.g., notes, bonds, capital leases, 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: principal payments on capital leases	\$ 65,275	
Add: principal payments on notes	2,567,322	
Add: principal payments on bonds	1,264,000	
Add: principal payments on other loans	3,755,825	
Less: note proceeds	(1,498,568)	
Less: other loan proceeds	(858,845)	
Less: change in deferred amount on refunding debt	(47,175)	
Less: change in deferred debt issuance costs	<u>(17,220)</u>	5,230,614
(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	\$ 2,040	
Change in landfill closure/postclosure care costs	(4,943)	
Change in other postemployment benefits liability	(60,564)	
Change in compensated absences payable	<u>(8,173)</u>	(71,640)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,618,717</u>

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

Exhibit D

Cheatham County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,444,011
Accounts Receivable	3,117
Due from Other Governments	<u>384,439</u>
Total Assets	<u>\$ 1,831,567</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 384,439
Due to Litigants, Heirs, and Others	<u>1,447,128</u>
Total Liabilities	<u>\$ 1,831,567</u>

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

**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

The Cheatham County Water and Waste Water Authority provides water and waste water treatment services for industries in the Cheatham County Industrial Park and to some county schools, and the Cheatham County Commission appoints its governing body. The authority is funded primarily from user service fees. The authority must obtain the County Commission's approval before the issuance of debt.

The Cheatham County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Waste Water Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

**Related Organization** – The Cheatham County Industrial Development Board is a related organization of Cheatham County. The county’s officials are responsible for appointing the members of the board, but the county’s accountability for 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 Cheatham County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Cheatham County School Department component unit only reports governmental activities in the government-wide financial statements.

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

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

Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues totaling \$2,342,413 were contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

Fund financial statements of Cheatham County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Cheatham 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. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers

revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Cheatham County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Cheatham County reports the following major governmental funds:

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

**Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

**Education Debt Service Fund** – This fund accounts for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for construction and renovation projects.

Additionally, Cheatham County reports the following fund types:

**Capital Projects Funds** – These funds account for and report fiscal resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

**1. Deposits and Investments**

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

higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Cheatham County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Cheatham County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. 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 ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 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. 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 for the primary government and five years for the School Department. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**4. Compensated Absences**

It is the county's policy to permit employees to accumulate limited amounts of earned but unused vacation benefits (with the exception of the Offices of County Clerk, Trustee, and Register that do not allow the accumulation of unused vacation). The general policy of the county permits the unlimited accumulation of unused sick leave days. There is no liability for unpaid accumulated sick leave (with the exception of the Road Department) since Cheatham County does not have a policy to pay any amounts when employees separate from service with the government.

School Department employees may accumulate limited amounts of earned but unused vacation benefits. The general policy of the School Department permits the unlimited accumulation of unused sick leave days. The granting of vacation and sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. However, the School Department does allow accrual of limited compensatory time.

All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**5. Long-term Obligations**

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the

current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

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

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

As of June 30, 2012, Cheatham County had \$21,083,406 in outstanding debt for capital purposes of the discretely presented Cheatham County School Department. The debt is a liability of Cheatham County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Cheatham County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for

purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

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

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

**Primary Government**

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

**Discretely Presented Cheatham County School Department**

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

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

**Primary Government**

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

**Discretely Presented Cheatham County School Department**

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

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

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds (except for the Other Capital Projects Fund), 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 Cheatham County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2012, the Cheatham County School Department reported the following significant encumbrances:

Fund	Description	Amount
Major Fund:		
General Purpose School	Buses	\$ 554,074
"	School Renovations	559,841

**B. Fund Deficit**

The General Fund had a deficit in unassigned fund balance of \$325,504 at June 30, 2012. This deficit resulted from the recognition of an interfund loan payable to the Education Debt Service Fund that was still outstanding at June 30.

**C. Cash Shortages (Prior and Current Years)**

The audit of Cheatham County for the 2007-08 year reported a cash shortage of \$68,281.11 in the Highway Department. Our investigation revealed that from February 5, 2007, through December 18, 2007, the Highway Department bookkeeper fraudulently issued 16 vendor checks totaling \$68,281.11 for personal use. On August 15, 2008, the bookkeeper was found guilty of theft of \$60,000 or more, sentenced, and ordered to pay restitution totaling \$68,211.11 to the Highway Department. An unpaid cash shortage of \$25,713.75 existed at June 30, 2012.

The Office of County Clerk had a cash shortage of \$20 as of June 30, 2012. The county clerk has not taken action to liquidate this cash shortage.

**D. Cash Overdraft**

The Constitutional Officers – Fees Fund had a cash overdraft of \$957 at June 30, 2012. This cash overdraft resulted from the issuance of warrants at the Sheriff’s Department exceeding cash on deposit with the county trustee. As of the date of this report, the cash overdraft has not been liquidated.

**E. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
<u>Primary Government</u>	
General:	
Other Charges	\$ 2,714
General Administration Projects	87,077
Drug Control:	
Transfers Out	2,023
<u>Discretely Presented School Department</u>	
General Purpose School:	
Support Services - Alternative Instruction Program	2,556

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues and by available fund balances.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

## Deposits

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

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

## Investments

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2012, Cheatham County had the following investments carried at cost. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely

presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Cost
State Treasurer's Investment Pool	6 to 164	\$ 5,337,940

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cheatham County has no investment policy that would further limit its investment choices. As of June 30, 2012, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2012, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 3,876,890	\$ 0	\$ (427,285)	\$ 3,449,605
Total Capital Assets Not Depreciated	<u>\$ 3,876,890</u>	<u>\$ 0</u>	<u>\$ (427,285)</u>	<u>\$ 3,449,605</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,419,566	\$ 0	\$ (17,175)	\$ 11,402,391
Infrastructure	16,851,143	0	(42,629)	16,808,514
Other Capital Assets	6,556,891	534,449	(503,951)	6,587,389
Total Capital Assets Depreciated	<u>\$ 34,827,600</u>	<u>\$ 534,449</u>	<u>\$ (563,755)</u>	<u>\$ 34,798,294</u>

**Governmental Activities (Cont.):**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation for: Buildings and Improvements	\$ 5,575,333	\$ 282,950	\$ (21,731)	\$ 5,836,552
Infrastructure	14,738,058	292,990	(17,969)	15,013,079
Other Capital Assets	5,296,871	511,011	(402,652)	5,405,230
<b>Total Accumulated Depreciation</b>	<b>\$ 25,610,262</b>	<b>\$ 1,086,951</b>	<b>\$ (442,352)</b>	<b>\$ 26,254,861</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 9,217,338</b>	<b>\$ (552,502)</b>	<b>\$ (121,403)</b>	<b>\$ 8,543,433</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 13,094,228</b>	<b>\$ (552,502)</b>	<b>\$ (548,688)</b>	<b>\$ 11,993,038</b>

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

**Governmental Activities:**

General Government	\$ 183,208
Public Safety	286,213
Public Health and Welfare	211,983
Social, Cultural, and Recreational Services	32,795
Highway/Public Works	<u>372,752</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,086,951</b>

**Discretely Presented Cheatham County School Department**

**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 781,997	\$ 0	\$ 0	\$ 781,997
Construction in Progress	4,761,450	5,904,823	(9,967,873)	698,400
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 5,543,447</b>	<b>\$ 5,904,823</b>	<b>\$ (9,967,873)</b>	<b>\$ 1,480,397</b>

**Governmental Activities (Cont.):**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and Improvements	\$ 86,407,242	\$ 7,603,090	\$ 0	\$ 94,010,332
Other Capital Assets	6,198,516	117,201	(415,190)	5,900,527
<b>Total Capital Assets Depreciated</b>	<b>\$ 92,605,758</b>	<b>\$ 7,720,291</b>	<b>\$ (415,190)</b>	<b>\$ 99,910,859</b>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 35,666,206	\$ 2,206,193	\$ 0	\$ 37,872,399
Other Capital Assets	2,016,297	407,808	(316,636)	2,107,469
<b>Total Accumulated Depreciation</b>	<b>\$ 37,682,503</b>	<b>\$ 2,614,001</b>	<b>\$ (316,636)</b>	<b>\$ 39,979,868</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 54,923,255</b>	<b>\$ 5,106,290</b>	<b>\$ (98,554)</b>	<b>\$ 59,930,991</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 60,466,702</b>	<b>\$ 11,011,113</b>	<b>\$ (10,066,427)</b>	<b>\$ 61,411,388</b>

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

**Governmental Activities:**

Support Services	<u>\$ 2,614,001</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,614,001</u></u>

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

The composition of interfund balances at June 30, 2012, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 12,689
Education Debt Service	General	2,070,000
"	Nonmajor governmental	1,537
Nonmajor governmental	General	10,000

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 217,828
Nonmajor governmental	General Purpose School	5,828

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

**Due to/from Primary Government and Component Units:**

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	General Purpose School	\$ 75,403
"	Emergency Communications District	71,197

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Fund	Education Debt Service Fund
General Fund	\$ 0	\$ 70,000
Nonmajor governmental fund	46,177	0
Total	<u>\$ 46,177</u>	<u>\$ 70,000</u>

**Discretely Presented Cheatham County School Department**

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 20,735

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

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

**D. Capital Leases**

In April 2008, Cheatham County entered into two five-year lease-purchase agreements for highway equipment. The terms of the agreements require total lease payments of \$67,232 and \$243,259 plus interest of 4.87 percent and 4.34 percent, respectively. Title to the equipment transfers to Cheatham County at the end of the lease periods. The lease payments are made from the Highway/Public Works Fund.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Other Capital Assets - Tractor	\$ 67,232
Less: Accumulated Depreciation	(30,893)
Other Capital Assets - Paver	243,259
Less: Accumulated Depreciation	<u>(101,303)</u>
 Total Book Value	 <u><u>\$ 178,295</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 57,817
Total Minimum Lease Payments	\$ 57,817
Less: Amount Representing Interest	<u>(1,160)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 56,657</u></u>

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

The county issues general obligation bonds, capital outlay notes, and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund

other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 15 years for bonds, up to three years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, and other loans included in long-term debt as of June 30, 2012, will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds -				
Refunding	2 to 4	% 6-1-22	\$ 17,499,500	\$ 12,447,500
Capital Outlay Notes	4.5	6-22-15	725,568	725,568
Other Loans	variable	5-25-19	24,840,004	9,913,338
Capital Leases	4.34 to 4.87	4-25-13	310,491	56,657

In prior years, Cheatham County entered into loan agreements with the Montgomery County Public Building Authority. These loan agreements provided for the authority to make \$7,040,703, \$2,262,948, and \$9,820,000 available for loan to Cheatham County for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2012, the variable interest rate was .47 percent on the \$7,040,703 loan, .42 percent on the \$2,262,948 loan, and .49 percent on the \$9,820,000 loan; and other fees based on the outstanding loan principal totaled approximately .25 percent on the \$7,040,703 and \$2,262,948 loans, and .35 percent on the \$9,820,000 loan (letter of credit); .08 percent (remarketing); and \$60 per month per loan (trustee).

Also, during a prior year, Cheatham County entered into loan agreements with the Tennessee Municipal Bond Fund – City of Clarksville Public Building Authority. These loan agreements provided the authority to make \$2,575,000 and \$3,921,135 available for loan to Cheatham County for the purchase of land and ADA compliance projects. The loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In

addition, the county pays various other fees (trustee and debt remarketing) in connection with these loans. At June 30, 2012, the variable interest rate was .18 percent on the \$2,575,000 and \$3,921,135 loans; and other fees based on the outstanding loan principal totaled approximately .15 percent per loan (administrative fee); and \$100 per month per loan (trustee).

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 1,319,000	\$ 431,361	\$ 1,750,361
2014	1,371,000	387,829	1,758,829
2015	1,438,000	340,683	1,778,683
2016	1,500,000	291,622	1,791,622
2017	1,558,000	238,734	1,796,734
2018-2022	5,261,500	415,878	5,677,378
Total	\$ 12,447,500	\$ 2,106,107	\$ 14,553,607

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 0	\$ 32,651	\$ 32,651
2014	0	32,651	32,651
2015	725,568	32,651	758,219
Total	\$ 725,568	\$ 97,953	\$ 823,521

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 3,141,449	\$ 38,368	\$ 32,623	\$ 3,212,440
2014	2,593,892	26,328	22,610	2,642,830
2015	1,023,072	15,659	14,178	1,052,909
2016	1,068,375	12,081	11,526	1,091,982
2017	1,115,243	8,334	8,750	1,132,327
2018-2019	971,307	5,504	6,899	983,710
Total	\$ 9,913,338	\$ 106,274	\$ 96,586	\$ 10,116,198

There is \$2,042,425 available in the General Debt Service and \$9,409,277 in the Education Debt Service funds to service long-term debt. Bonded debt per capita totaled \$318, based on the 2010 federal census. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$592, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities	Bonds	Notes	Other Loans
Balance, July 1, 2011	\$ 13,711,500	\$ 1,794,322	\$ 12,810,318
Additions	0	1,498,568	858,845
Reductions	(1,264,000)	(2,567,322)	(3,755,825)
Balance, June 30, 2012	\$ 12,447,500	\$ 725,568	\$ 9,913,338
Balance Due Within One Year	\$ 1,319,000	\$ 0	\$ 3,141,449

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 121,932	\$ 789,317	\$ 159,595
Additions	0	769,386	71,608
Reductions	(65,275)	(761,213)	(11,044)
Balance, June 30, 2012	\$ 56,657	\$ 797,490	\$ 220,159
Balance Due Within One Year	\$ 56,657	\$ 159,499	\$ 0

	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2011	\$ 205,932
Additions	4,943
Balance, June 30, 2012	\$ 210,875
Balance Due Within One Year	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 24,371,587
Less: Due Within One Year	(4,676,605)
Less: Deferred Amount on Refunding	<u>(185,612)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 19,509,370</u></u>

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

**Discretely Presented Cheatham County School Department**

In the prior year, the Cheatham County School Department entered into a loan agreement with the Tennessee Energy Efficient Schools Council. This loan agreement provided for the authority to make \$5,028,918 available for loan to the discretely presented Cheatham County School Department for energy efficiency upgrades. This loan is repayable at a .75 percent rate of interest over 12 years, with payments beginning June 1, 2012, and will be retired on May 1, 2024.

The annual requirements to amortize the other loan outstanding as of June 30, 2012, including interest payments, are presented in the following table.

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 402,264	\$ 36,084	\$ 438,348
2014	405,288	33,060	438,348
2015	408,336	30,012	438,348
2016	411,408	26,940	438,348
2017	414,504	23,844	438,348
2018-2022	2,119,800	71,940	2,191,740
2023-2024	833,932	6,243	840,175
Total	<u>\$ 4,995,532</u>	<u>\$ 228,123</u>	<u>\$ 5,223,655</u>

Debt per capita totaled \$128, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Cheatham County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities

	Other Loans	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 1,915,308	\$ 3,263	\$ 4,251,059
Additions	3,113,610	8,617	812,545
Reductions	(33,386)	(3,263)	(607,261)
Balance, June 30, 2012	<u>\$ 4,995,532</u>	<u>\$ 8,617</u>	<u>\$ 4,456,343</u>
Balance Due Within One Year	<u>\$ 402,264</u>	<u>\$ 2,154</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 9,460,492
Less: Due Within One Year	<u>(404,418)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,056,074</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cheatham County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$142,459 and \$13,858, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**G. Short-term Debt**

In the prior year, Cheatham County issued tax anticipation notes from the Education Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. This note was necessary because

funds were not available to meet obligations coming due before current tax collections.

Short-term debt activity for the year ended June 30, 2012, was as follows:

Fund	Balance 7-1-11	Paid	Balance 6-30-12
General	\$ 2,000,000	\$ (2,000,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Cheatham County**

The 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, and casualty 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.

The county 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 county pays an annual premium to the TN-RMT for its workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

**Discretely Presented Cheatham County School Department**

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

**B. Subsequent Events**

On August 31, 2012, Jerry Carney left the Office of Road Superintendent and was succeeded by Carl Cothern.

On November 19, 2012, the County Commission authorized two, three-year capital outlay notes not to exceed \$250,000 and \$299,000 for school capital outlay projects.

On November 30, 2012, the Education Debt Service Fund issued a \$784,619 tax anticipation note to the General Fund for temporary operating funds.

On December 15, 2012, Cheatham County issued a \$650,000 capital outlay note for a roofing project.

**C. Contingent Liabilities**

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

**D. Change in Administration**

On June 14, 2012, Dr. Timothy Webb left the Office of Director of Schools and was succeeded by Dr. Stan Curtis.

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

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

State and federal laws and regulations require Cheatham County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$210,875 reported as landfill closure and postclosure care liability at June 30, 2012, represents the cumulative amount reported to date based on the use of 21 percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of closure and postclosure care of \$815,381 if or as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Cheatham County Joint Economic and Community Development Board is a joint venture between Cheatham County and the cities of Ashland City, Kingston Springs, Pegram, and Pleasant View. The board comprises the county mayor, city mayors, and eight additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Cheatham County paid expenses of \$68,554 on behalf of and contributed \$117,176 to the Cheatham County Joint Economic and Community Development Board during the 2011-12 year.

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Cheatham County contributed \$18,000 to the operations of the DTF during the year ended June 30, 2012.

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

Administrative Offices:

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

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

**G. Jointly Governed Organization**

The Cheatham County Rail Authority was created by the county in conjunction with Metropolitan Davidson County. The Cheatham County Rail Authority's board includes seven members. Five members are appointed by the Cheatham County Commission, and two members are appointed by Metropolitan Davidson County. Cheatham County did not appropriate any funds to the authority for the year ended June 30, 2012. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

**H. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Plan Description**

Employees of Cheatham County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 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 Cheatham County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their

plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

### **Funding Policy**

Cheatham 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, 2012, was 5.99 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2012, Cheatham County's annual pension cost of \$775,407 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 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 ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$775,407	100%	\$0
6-30-11	712,002	100	0
6-30-10	837,295	100	0

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 96.69 percent funded. The actuarial accrued liability for benefits was \$29.91 million, and the actuarial value of assets was \$28.92 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.99 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.17 million, and the ratio of the UAAL to the covered payroll was 7.51 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.

**SCHOOL TEACHERS**

**Plan Description**

The Cheatham County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit

provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. 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](http://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, 2012, was 9.05 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, 2012, 2011, and 2010, were \$1,965,274, \$2,004,410, and \$1,390,227, respectively, equal to the required contributions for each year.

#### **2. Deferred Compensation – Primary Government**

Cheatham County offers its employees a deferred compensation plan, established pursuant to IRC Section 401(k). All costs of administering and funding this program is the responsibility of plan participants. The Section 401(k) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 401(k) establishes participation, contribution, and withdrawal provisions for the plan.

#### **3. Deferred Compensation – Discretely Presented Cheatham County School Department**

The Cheatham County School Department offers its employees a deferred compensation plan, established pursuant to IRC Section 403(b). All costs of administering and funding this program is the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

## I. Other Postemployment Benefits (OPEB)

### Plan Description

Cheatham County and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan is periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Cheatham County and the School Department recognized expenditures of \$11,044 and \$607,261, respectively, for postemployment benefits during the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Insurance Plan	Local Government Group Insurance Plan
	<u>Plan</u>	<u>Plan</u>
ARC	\$ 823,000	\$ 72,000
Interest on the NPO	170,042	6,384
Adjustment to the ARC	<u>(180,497)</u>	<u>(6,776)</u>
Annual OPEB cost	\$ 812,545	\$ 71,608
Amount of contribution	<u>(607,261)</u>	<u>(11,044)</u>
Increase/decrease in NPO	\$ 205,284	\$ 60,564
Net OPEB obligation, 7-1-11	<u>4,251,059</u>	<u>159,595</u>
Net OPEB obligation, 6-30-12	<u>\$ 4,456,343</u>	<u>\$ 220,159</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 1,128,549	52%	\$ 3,715,637
6-30-11	"	1,138,829	53	4,251,059
6-30-12	"	812,545	75	4,456,343
6-30-10	Local Government Group	93,023	21	82,897
6-30-11	"	96,197	20	159,595
6-30-12	"	71,608	15	220,159

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Insurance Plan	Local Government Group Insurance Plan
	<u>Plan</u>	<u>Plan</u>
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 6,070,000	\$ 471,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,070,000	\$ 471,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,150,000	\$ 8,061,645
UAAL as a % of covered payroll	20%	6%

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, 2011, actuarial valuation for the Local Education Group and the Local Government Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare costs trend rate of 9.5 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 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.

#### **J. Office of Central Accounting and Budgeting**

##### Office of Director of Accounts and Budgets

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

#### **K. Purchasing Laws**

##### Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by Chapter 250, Private Acts of 1933, as amended, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Chapter 250, Private Acts of 1933, as amended,

provides for the establishment of a Purchasing Commission whose responsibility is to establish guidelines for bid requirements and purchasing procedures and to keep a record of all purchases. The County Purchasing Law of 1983 and the Uniform Road Law both provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

**VI. OTHER NOTES – DISCRETELY PRESENTED CHEATHAM COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. General Statement**

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

**1. Summary of Significant Accounting Policies**

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

**2. Cash and Cash Equivalents**

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

**3. Major Sources of Revenue**

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

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

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

**B. Cash and Cash Equivalents**

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

The following is a schedule of bank accounts at June 30, 2012:

Checking - Prime Trust Bank	\$ 163,320
Money Market - Prime Trust Bank	78,931
Certificates of Deposit - Prime Trust Bank	100,000
Local Government Investment Pool	<u>9,656</u>
Total	<u>\$ 351,907</u>

At June 30, 2012, the carrying amount of the district's cash deposits was \$351,907. The district's deposit accounts are covered up to \$250,000 by the FDIC. Any amounts over \$250,000 are covered by the government collateralization pool of which Prime Trust Bank is a member. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

**C. Bonding**

Cheatham County Emergency Communications District had insurance coverage for commercial liability, automobile, management, and surety bonds covering the treasurer, other members of the board, and the coordinator totaling \$51,600 each at June 30, 2012. There have been no losses or settlements during the past three years.

**D. Capital Assets**

The following is a schedule of equipment, current-year depreciation expense, and accumulated depreciation at June 30, 2012:

<u>Assets</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Communications Equipment	\$ 1,025,115	\$ 17,207	\$ 621,152
Vehicles	40,126	6,300	19,127
Total	<u>\$ 1,065,241</u>	<u>\$ 23,507</u>	<u>\$ 640,279</u>

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

<u>Assets</u>	<u>Balance 7-1-11</u>	<u>Disposals</u>	<u>Balance 6-30-12</u>
Communications Equipment	\$ 1,047,993	\$ (22,879)	\$ 1,025,114
Office Equipment	11,439	(11,439)	0
Vehicles	40,927	(800)	40,127
Total	<u>\$ 1,100,359</u>	<u>\$ (35,118)</u>	<u>\$ 1,065,241</u>

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

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

Accounts Receivable

Bell South	\$ 10,281
Town of Kingston Springs	2,400
Other Emergency Phone Service Charges	5,923

Due from State ECB

GIS-TIPS 0112 and 0612	19,733
Shared Wireless (May and June 2012)	15,565

Total	<u>\$ 53,902</u>
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**F. Contracts with Government Agencies**

The district pays the Cheatham County government for contract labor. The district had no employees of its own at June 30, 2012.

**G. Compensated Absences**

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

**H. Budgetary Information**

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

**I. Subsequent Events**

The district has evaluated subsequent events through December 27, 2012. The district is involved in a lawsuit against AT&T/Bellsouth in an effort to recover service provider fees that should have been collected over the past several years. The outcome of this case is not reasonably determined at this time.

**VII. OTHER NOTES – DISCRETELY PRESENTED CHEATHAM COUNTY WATER AND WASTE WATER AUTHORITY**

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

The Cheatham County Water and Waste Water Authority was established by resolution of the Cheatham County Commission to be operational July 1, 1998, for the purpose of operating the industrial park waste water system. The authority is a component unit of Cheatham County. The Cheatham County Water and Waste Water Authority is run by a board of directors appointed by Cheatham County. The authority must obtain the Cheatham County Commission's approval before the issuance of debt. The Cheatham County Commission does not have the authority to change the Water and Waste Water Authority's rates without the board of director's approval.

**Summary of Significant Accounting Policies**

**1. Capital Assets and Depreciation**

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

**2. Basis of Accounting**

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

**3. Measurement Focus**

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

**4. Use of Estimates**

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

**5. Cash and Cash Equivalents**

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

**6. Major Sources of Revenue**

The major source of operating revenue is sewer charges. The major source of nonoperating revenue is interest income and proceeds from a lawsuit settlement.

**B. Cash and Cash Investments**

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

The following is a schedule of bank accounts at June 30, 2012:

Checking - Community B&T	\$ 24,569
Money Market - Community B&T	<u>385,747</u>
Total	<u>\$ 410,316</u>

At June 30, 2012, the carrying amount of the Cheatham County Water and Waste Water Authority's cash deposits was \$410,316. The authority's deposit accounts are covered up to \$250,000 by the FDIC. Any amounts over \$250,000 are covered by the government collateralization pool of which Community Bank & Trust is a member. The authority is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

**C. Bonding**

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

**D. Compensated Absences**

The authority does not have employees; therefore, no amount has been recorded for compensated absences.

**E. Capital Assets**

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2012:

<u>Assets</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
<u>Non-Depreciable</u>			
Construction in Progress	\$ 30,956	\$ 0	\$ 0
Subtotal	<u>\$ 30,956</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Depreciable</u>			
Water Sewage Plant	\$ 1,014,090	\$ 25,352	\$ 859,811
Total Assets	<u>\$ 1,045,046</u>	<u>\$ 25,352</u>	<u>\$ 859,811</u>

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

	Balance 7-1-11	Increases	Balance 6-30-12
<u>Assets</u>			
<u>Non-Depreciable</u>			
Construction in Progress	\$ 0	\$ 30,956	\$ 30,956
Subtotal	<u>\$ 0</u>	<u>\$ 30,956</u>	<u>\$ 30,956</u>
<u>Depreciable</u>			
Water Sewer Plant	\$ 1,014,090	\$ 0	\$ 1,014,090
Subtotal	<u>\$ 1,014,090</u>	<u>\$ 0</u>	<u>\$ 1,014,090</u>
Total Assets	<u>\$ 1,014,090</u>	<u>\$ 30,956</u>	<u>\$ 1,045,046</u>
<u>Accumulated Depreciation</u>			
Water Sewer Plant	\$ 834,459	\$ 25,352	\$ 859,811
Total Accumulated Depreciation	<u>\$ 834,459</u>	<u>\$ 25,352</u>	<u>\$ 859,811</u>
<u>Net Capital Assets</u>			
Construction in Progress	\$ 0	\$ 30,956	\$ 30,956
Water Sewer Plant	179,631	(25,352)	154,279
Total Net Capital Assets	<u>\$ 179,631</u>	<u>\$ 5,604</u>	<u>\$ 185,235</u>

**F. Accounts Receivable**

Accounts receivable consist of the following for sewer charges:

Various Companies	\$ 17,579
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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,649,508	\$ 0	0	\$ 9,649,508	\$ 8,675,809	\$ 9,237,249	\$ 412,259
Licenses and Permits	363,783	0	0	363,783	281,000	281,000	82,783
Fines, Forfeitures, and Penalties	148,286	0	0	148,286	131,875	131,875	16,411
Charges for Current Services	1,013,704	0	0	1,013,704	1,004,057	1,004,057	9,647
Other Local Revenues	259,793	0	0	259,793	195,840	251,958	7,835
Fees Received from County Officials	1,697,851	0	0	1,697,851	1,615,000	1,615,000	82,851
State of Tennessee	798,432	0	0	798,432	574,577	608,244	190,188
Federal Government	287,268	0	0	287,268	64,000	306,273	(19,005)
Other Governments and Citizens Groups	456,060	0	0	456,060	348,994	418,450	37,610
<u>Total Revenues</u>	<u>\$ 14,674,685</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 14,674,685</u>	<u>\$ 12,891,152</u>	<u>\$ 13,854,106</u>	<u>\$ 820,579</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 113,759	\$ 0	0	\$ 113,759	\$ 101,042	\$ 117,273	\$ 3,514
Beer Board	300	0	0	300	0	500	200
County Mayor/Executive	179,674	0	784	180,458	209,938	215,479	35,021
Personnel Office	69,309	0	0	69,309	72,696	69,928	619
Election Commission	137,900	0	0	137,900	156,769	139,671	1,771
Register of Deeds	175,111	(1,728)	0	173,383	187,076	183,160	9,777
Building	200,042	0	1,300	201,342	215,165	204,382	3,040
County Buildings	463,615	(2,010)	1,370	462,975	527,552	495,561	32,586
<u>Finance</u>							
Accounting and Budgeting	312,974	(6,343)	0	306,631	301,001	308,324	1,693
Property Assessor's Office	252,047	(455)	0	251,592	282,534	263,330	11,738
Reappraisal Program	47,807	0	0	47,807	51,440	48,042	235

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 210,079	\$ 0	\$ 0	\$ 210,079	\$ 217,047	\$ 211,278	\$ 1,199
County Clerk's Office	354,766	0	6,500	361,266	384,872	365,442	4,176
<u>Administration of Justice</u>							
Circuit Court	376,779	(4,153)	0	372,626	421,808	390,932	18,306
General Sessions Court	165,590	0	0	165,590	169,251	170,885	5,295
Chancery Court	217,082	(184)	0	216,898	247,861	228,357	11,459
Juvenile Court	297,033	(499)	0	296,534	316,402	302,903	6,369
District Attorney General	18,000	0	0	18,000	0	18,000	0
Probation Services	125,688	0	150	125,838	141,426	140,609	14,771
Courtroom Security	158,271	(170)	1,950	160,051	172,681	160,890	839
<u>Public Safety</u>							
Sheriff's Department	2,215,230	(12,183)	3,006	2,206,053	2,138,928	2,311,519	105,466
Jail	1,429,025	(1,500)	1,560	1,429,085	1,460,512	1,442,423	13,338
Rural Fire Protection	827,690	0	0	827,690	266,249	827,689	(1)
Other Emergency Management	115,700	(140)	1,440	117,000	118,727	120,404	3,404
County Coroner/Medical Examiner	60,000	0	0	60,000	60,650	60,650	650
Other Public Safety	641,161	0	0	641,161	732,718	654,151	12,990
<u>Public Health and Welfare</u>							
Local Health Center	24,448	0	0	24,448	31,570	31,893	7,445
Rabies and Animal Control	192,808	(5,003)	1,586	189,391	188,609	192,346	2,955
Ambulance/Emergency Medical Services	1,669,056	(1,331)	55,270	1,722,995	1,768,196	1,790,024	67,029
Other Local Health Services	37,362	0	0	37,362	36,755	38,115	753
General Welfare Assistance	33,198	0	0	33,198	33,198	33,198	0
Sanitation Education/Information	45,375	0	0	45,375	43,341	45,400	25

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 78,393	\$ 0	\$ 0	\$ 78,393	\$ 76,000	\$ 78,393	\$ 0
Libraries	205,540	(4,330)	10,570	211,780	208,610	222,417	10,637
Parks and Fair Boards	57,024	0	0	57,024	0	57,024	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	90,186	0	0	90,186	97,140	97,039	6,853
Soil Conservation	37,687	0	0	37,687	48,624	38,870	1,183
<u>Other Operations</u>							
Other Economic and Community Development	68,554	0	0	68,554	71,493	68,866	312
Veterans' Services	0	0	0	0	1,844	1,844	1,844
Other Charges	207,714	0	0	207,714	170,000	205,000	(2,714)
Contributions to Other Agencies	340,852	0	0	340,852	352,900	352,900	12,048
Employee Benefits	927,074	0	0	927,074	115,962	933,769	6,695
Miscellaneous	262,016	0	0	262,016	272,497	267,497	5,481
<u>Capital Projects</u>							
General Administration Projects	87,077	0	0	87,077	0	0	(87,077)
<u>Total Expenditures</u>	<u>\$ 13,528,996</u>	<u>\$ (40,029)</u>	<u>\$ 85,486</u>	<u>\$ 13,574,453</u>	<u>\$ 12,471,084</u>	<u>\$ 13,906,377</u>	<u>\$ 331,924</u>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,145,689	\$ 40,029	\$ (85,486)	\$ 1,100,232	\$ 420,068	\$ (52,271)	\$ 1,152,503
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 15,000	\$ 0	\$ 0	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Insurance Recovery	5,117	0	0	5,117	1,500	1,500	3,617
Transfers In	46,177	0	0	46,177	0	219,154	(172,977)

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (70,000)	\$ 0	\$ 0	\$ (70,000)	\$ (100,000)	\$ (100,000)	\$ 30,000
Total Other Financing Sources (Uses)	\$ (3,706)	\$ 0	\$ 0	\$ (3,706)	\$ (98,500)	\$ 120,654	\$ (124,360)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 1,141,983	\$ 40,029	\$ (85,486)	\$ 1,096,526	\$ 321,568	\$ 68,383	\$ 1,028,143
	229,134	(40,029)	0	189,105	331,904	331,904	(142,799)
Fund Balance, June 30, 2012	\$ 1,371,117	\$ 0	\$ (85,486)	\$ 1,285,631	\$ 653,472	\$ 400,287	\$ 885,344

Exhibit E-2

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 967,175	\$ 0	\$ 0	\$ 967,175	\$ 942,225	\$ 24,950
Other Local Revenues	13,390	0	0	13,390	7,375	6,015
State of Tennessee	1,886,786	0	0	1,886,786	2,169,200	(282,414)
Federal Government	66,922	0	0	66,922	0	66,922
<b>Total Revenues</b>	<b>\$ 2,934,273</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,934,273</b>	<b>\$ 3,118,800</b>	<b>\$ (184,527)</b>
<b>Expenditures</b>						
<b>Highways</b>						
Administration	\$ 170,787	\$ (665)	\$ 0	\$ 170,122	\$ 171,602	\$ 1,480
Highway and Bridge Maintenance	1,525,868	(130,037)	34,703	1,430,534	1,918,395	2,157,395
Operation and Maintenance of Equipment	389,769	(2,423)	6,850	394,196	454,773	423,734
Other Charges	107,423	(23,700)	0	83,723	109,130	111,605
Employee Benefits	314,795	0	0	314,795	357,000	357,000
Capital Outlay	14,968	0	0	14,968	16,000	16,000
Principal on Debt						
Highways and Streets	65,275	0	0	65,275	65,300	65,300
Interest on Debt						
Highways and Streets	4,110	0	0	4,110	4,125	4,125
<b>Total Expenditures</b>	<b>\$ 2,592,995</b>	<b>\$ (156,825)</b>	<b>\$ 41,553</b>	<b>\$ 2,477,723</b>	<b>\$ 3,096,325</b>	<b>\$ 3,306,761</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 341,278</b>	<b>\$ 156,825</b>	<b>\$ (41,553)</b>	<b>\$ 456,550</b>	<b>\$ 5,000</b>	<b>\$ (187,961)</b>
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 40,727	\$ 0	\$ 0	\$ 40,727	\$ 0	\$ 961
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 40,727</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 40,727</b>	<b>\$ 0</b>	<b>\$ 961</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2011</b>	<b>\$ 382,005</b>	<b>\$ 156,825</b>	<b>\$ (41,553)</b>	<b>\$ 497,277</b>	<b>\$ 5,000</b>	<b>\$ (187,000)</b>
<b>Fund Balance, June 30, 2012</b>	<b>1,775,024</b>	<b>(156,825)</b>	<b>0</b>	<b>1,618,199</b>	<b>1,689,035</b>	<b>(70,836)</b>
<b>Fund Balance, July 1, 2011</b>	<b>\$ 2,157,029</b>	<b>\$ 0</b>	<b>\$ (41,553)</b>	<b>\$ 2,115,476</b>	<b>\$ 1,694,035</b>	<b>\$ 613,441</b>

Exhibit E-3

Cheatham County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Cheatham County School Department  
June 30, 2012

(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)
7-1-11	\$ 28,919	\$ 29,908	\$ 989	96.69 %	\$ 13,174	7.51 %
7-1-09	23,452	23,682	230	99.03	13,639	1.69
7-1-07	21,619	21,906	287	98.69	11,035	2.60

Exhibit E-4

Cheatham County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Cheatham County School Department  
June 30, 2012

(Dollar amounts in thousands)

Plans	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)
<b><u>PRIMARY GOVERNMENT</u></b>							
Local Government Group	7-1-09	\$ 0	\$ 612	\$ 612	0 %	\$ 8,212	7 %
"	7-1-10	0	652	652	0	8,212	8
"	7-1-11	0	471	471	0	8,062	6
<b><u>DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT</u></b>							
Local Education Group	7-1-09	0	8,760	8,760	0	28,327	31
"	7-1-10	0	8,808	8,808	0	28,327	31
"	7-1-11	0	6,070	6,070	0	30,150	20

**CHEATHAM COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2012**

**A. BUDGETARY INFORMATION**

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

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

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

**B. FUND BALANCE DEFICIT**

The General Fund had a deficit in unassigned fund balance of \$325,504 at June 30, 2012. This deficit resulted from the recognition of an interfund loan payable to the Education Debt Service Fund that was still outstanding at June 30.

**C. CASH SHORTAGE – PRIOR YEARS**

The audit of Cheatham County for the 2007-08 year reported a cash shortage of \$68,281.11 in the Highway Department. Our investigation revealed that from February 5, 2007, through December 18, 2007, the Highway Department bookkeeper fraudulently issued 16 vendor checks totaling \$68,281.11 for personal use. On August 15, 2008, the bookkeeper was found guilty of theft of \$60,000 or more, sentenced, and ordered to pay restitution totaling \$68,211.11 to the Highway Department. An unpaid cash shortage of \$25,713.75 existed at June 30, 2012.

**D. EXPENDITURES EXCEEDED APPROPRIATIONS**

General Fund expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control):

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Other Charges	\$ 2,714
General Administration Projects	87,077

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

# Debt Service Fund

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Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

# Capital Projects Funds

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Education Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by Cheatham County that is subsequently contributed to the discretely presented Cheatham County School Department for construction and renovation projects.

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

Exhibit F-1

Cheatham County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Unemployment Compensation	
\$	0	300	0	10,476	0	10,776
Equity in Pooled Cash and Investments	29,100	874,628	372,070	0	36,016	1,311,814
Accounts Receivable	628	2,207	638	22,212	0	25,685
Due from Other Governments	0	0	0	0	0	0
Due from Other Funds	0	0	10,000	0	0	10,000
Property Taxes Receivable	0	770,583	0	0	0	770,583
Allowance for Uncollectible Property Taxes	0	(31,318)	0	0	0	(31,318)
Cash Shortage	0	0	0	20	0	20
Total Assets	\$ 29,728	\$ 1,616,400	\$ 382,708	\$ 32,708	\$ 36,016	\$ 2,097,560

ASSETS

Cash	0
Equity in Pooled Cash and Investments	29,100
Accounts Receivable	628
Due from Other Governments	0
Due from Other Funds	0
Property Taxes Receivable	0
Allowance for Uncollectible Property Taxes	0
Cash Shortage	0
Total Assets	\$ 29,728

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	0	39,293	762	0	5,644	45,699
Payroll Deductions Payable	0	532	0	0	0	532
Cash Overdraft	0	0	0	957	0	957
Due to Other Funds	0	0	12,689	0	0	12,689
Due to Litigants, Heirs, and Others	0	0	0	31,751	0	31,751
Deferred Revenue - Current Property Taxes	0	716,466	0	0	0	716,466
Deferred Revenue - Delinquent Property Taxes	0	20,349	0	0	0	20,349
Total Liabilities	\$ 0	\$ 776,640	\$ 13,451	\$ 32,708	\$ 5,644	\$ 828,443
Fund Balances						
Restricted:						
Restricted for Public Safety	0	0	369,257	0	0	369,257
Restricted for Public Health and Welfare	0	827,063	0	0	0	827,063
Restricted for Capital Outlay	0	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	
\$	29,728	\$ 0	\$ 0	\$ 0	\$ 30,372	\$ 60,100
	0	0	0	0	0	0
	0	12,697	0	0	0	12,697
\$	29,728	\$ 839,760	\$ 369,257	\$ 0	\$ 30,372	\$ 1,269,117
\$	29,728	\$ 1,616,400	\$ 382,708	\$ 32,708	\$ 36,016	\$ 2,097,560

LIABILITIES AND FUND BALANCES (CONT.)

<u>Fund Balances (Cont.)</u>
Committed:
Committed for General Government
Committed for Capital Outlay
Assigned:
Assigned for Public Health and Welfare
Total Fund Balances
Total Liabilities and Fund Balances

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

	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
		General Debt Service	General Capital Projects	Other Capital Projects	
\$	0	0	0	0	\$
Equity in Pooled Cash and Investments	2,035,082	78,206	186,614	264,820	3,611,716
Accounts Receivable	519	133	473	606	26,810
Due from Other Governments	10,044	0	0	0	10,044
Due from Other Funds	0	0	0	0	10,000
Property Taxes Receivable	513,971	0	68,885	68,885	1,353,439
Allowance for Uncollectible Property Taxes	(14,772)	0	(2,118)	(2,118)	(48,208)
Cash Shortage	0	0	0	0	20
Total Assets	\$ 2,544,844	\$ 78,339	\$ 253,854	\$ 332,193	\$ 4,974,597

ASSETS

Cash	0
Equity in Pooled Cash and Investments	2,035,082
Accounts Receivable	519
Due from Other Governments	10,044
Due from Other Funds	0
Property Taxes Receivable	513,971
Allowance for Uncollectible Property Taxes	(14,772)
Cash Shortage	0
Total Assets	\$ 2,544,844

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts Payable	2,349	0	0	0	48,048
Payroll Deductions Payable	0	0	0	0	532
Cash Overdraft	0	0	0	0	957
Due to Other Funds	1,537	0	0	0	14,226
Due to Litigants, Heirs, and Others	0	0	0	0	31,751
Deferred Revenue - Current Property Taxes	492,981	0	65,731	65,731	1,275,178
Deferred Revenue - Delinquent Property Taxes	5,552	0	920	920	26,821
Total Liabilities	\$ 502,419	\$ 0	\$ 66,651	\$ 66,651	\$ 1,397,513
Fund Balances					
Restricted:					
Restricted for Public Safety	0	0	0	0	369,257
Restricted for Public Health and Welfare	0	0	0	0	827,063
Restricted for Capital Outlay	0	0	187,203	187,203	187,203
Restricted for Debt Service	2,042,425	0	0	0	2,042,425

(Continued)

Exhibit F-1

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

	Debt Service Fund		Capital Projects Funds			Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	General Capital Projects	Other Capital Projects	Total	
\$	0	\$ 0	0	\$ 0	0	\$ 60,100
	0		78,339		0	78,339
	0		0		0	12,697
	<u>2,042,425</u>	<u>\$</u>	<u>78,339</u>	<u>\$</u>	<u>187,203</u>	<u>\$ 265,542</u>
	<u>\$ 2,544,844</u>	<u>\$</u>	<u>78,339</u>	<u>\$</u>	<u>253,854</u>	<u>\$ 332,193</u>
						<u>4,974,597</u>

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)

Committed:  
 Committed for General Government  
 Committed for Capital Outlay  
 Assigned:  
 Assigned for Public Health and Welfare  
 Total Fund Balances

Total Liabilities and Fund Balances

Exhibit F-2

Cheatham County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2012

	Special Revenue Funds						Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation		
<u>Revenues</u>							
Local Taxes	\$ 9,790	\$ 818,436	\$ 0	\$ 0	\$ 0	\$ 0	\$ 828,226
Fines, Forfeitures, and Penalties	0	0	90,960	0	0	0	90,960
Charges for Current Services	0	196,708	0	1,165	219,956	0	417,829
Other Local Revenues	0	20,208	0	0	0	0	20,208
State of Tennessee	0	22,081	0	0	0	0	22,081
Total Revenues	\$ 9,790	\$ 1,057,433	\$ 90,960	\$ 1,165	\$ 219,956	\$ 0	\$ 1,379,304
<u>Expenditures</u>							
Current:							
General Government	\$ 98	\$ 18,537	\$ 926	\$ 0	\$ 219,333	\$ 0	\$ 238,894
Public Safety	0	0	180,943	1,165	0	0	182,108
Public Health and Welfare	0	903,373	0	0	0	0	903,373
Other Operations	0	20,824	0	0	0	0	20,824
Debt Service:							
Principal on Debt	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 98	\$ 942,734	\$ 181,869	\$ 1,165	\$ 219,333	\$ 0	\$ 1,345,199
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,692	\$ 114,699	\$ (90,909)	\$ 0	\$ 623	\$ 0	\$ 34,105
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Loans Issued	0	0	0	0	0	0	0
Transfers Out	0	0	(46,177)	0	0	0	(46,177)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (46,177)	\$ 0	\$ 0	\$ 0	\$ (46,177)
Net Change in Fund Balances	\$ 9,692	\$ 114,699	\$ (137,086)	\$ 0	\$ 623	\$ 0	\$ (12,072)
Fund Balance, July 1, 2011	20,036	725,061	506,343	0	29,749	0	1,281,189
Fund Balance, June 30, 2012	\$ 29,728	\$ 839,760	\$ 369,257	\$ 0	\$ 30,372	\$ 0	\$ 1,269,117

(Continued)

Exhibit F-2

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

	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
		General Debt Service	General Capital Projects	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 437,799	\$ 3,792	\$ 0	\$ 44,824	\$ 48,616
Fines, Forfeitures, and Penalties	0	0	0	0	0
Charges for Current Services	0	0	0	0	0
Other Local Revenues	0	0	0	0	0
State of Tennessee	6,022	0	0	1,002	1,002
Total Revenues	\$ 443,821	\$ 3,792	\$ 0	\$ 45,826	\$ 49,618
<u>Expenditures</u>					
Current:					
General Government	\$ 6,632	\$ 63	\$ 0	\$ 868	\$ 931
Public Safety	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Other Operations	0	0	0	0	0
Debt Service:					
Principal on Debt	359,000	0	0	0	0
Interest on Debt	27,815	0	0	0	0
Other Debt Service	4,682	0	0	0	0
Capital Projects	0	640	2,342,413	396,918	2,739,971
Total Expenditures	\$ 398,129	\$ 703	\$ 2,342,413	\$ 397,786	\$ 2,740,902
Excess (Deficiency) of Revenues Over Expenditures	\$ 45,692	\$ 3,089	\$ (2,342,413)	\$ (351,960)	\$ (2,611,487)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 1,483,568	\$ 0	\$ 1,483,568
Other Loans Issued	0	0	858,845	0	858,845
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 2,342,413	\$ 0	\$ 2,342,413
Net Change in Fund Balances	\$ 45,692	\$ 3,089	\$ 0	\$ (351,960)	\$ (315,251)
Fund Balance, July 1, 2011	1,996,733	75,250	0	539,163	614,413
Fund Balance, June 30, 2012	\$ 2,042,425	\$ 78,339	\$ 0	\$ 187,203	\$ 2,655,425

Exhibit F-3

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,790	\$ 10,000	\$ 10,000	\$ (210)
Total Revenues	\$ 9,790	\$ 10,000	\$ 10,000	\$ (210)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 0	\$ 9,650	\$ 9,650	\$ 9,650
Other General Administration	98	350	350	252
Total Expenditures	\$ 98	\$ 10,000	\$ 10,000	\$ 9,902
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,692	\$ 0	\$ 0	\$ 9,692
Net Change in Fund Balance	\$ 9,692	\$ 0	\$ 0	\$ 9,692
Fund Balance, July 1, 2011	20,036	16,485	16,485	3,551
Fund Balance, June 30, 2012	\$ 29,728	\$ 16,485	\$ 16,485	\$ 13,243

Exhibit F-4

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 818,436	\$ 0	\$ 818,436	\$ 783,930	\$ 783,930	\$ 34,506
Charges for Current Services	196,708	0	196,708	195,000	195,150	1,558
Other Local Revenues	20,208	0	20,208	30,025	30,025	(9,817)
State of Tennessee	22,081	0	22,081	33,500	33,500	(11,419)
Total Revenues	\$ 1,057,433	\$ 0	\$ 1,057,433	\$ 1,042,455	\$ 1,042,605	\$ 14,828
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 18,537	\$ 0	\$ 18,537	\$ 25,000	\$ 25,000	\$ 6,463
<u>Public Health and Welfare</u>						
Sanitation Management	176,592	0	176,592	168,412	184,354	7,762
Convenience Centers	647,603	2,568	650,171	774,557	743,020	92,849
Landfill Operation and Maintenance	79,178	10,129	89,307	52,800	105,700	16,393
<u>Other Operations</u>						
Employee Benefits	10,824	0	10,824	0	10,824	0
Miscellaneous	10,000	0	10,000	10,000	10,000	0
Total Expenditures	\$ 942,734	\$ 12,697	\$ 955,431	\$ 1,030,769	\$ 1,078,898	\$ 123,467
Excess (Deficiency) of Revenues Over Expenditures	\$ 114,699	\$ (12,697)	\$ 102,002	\$ 11,686	\$ (36,293)	\$ 138,295
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 114,699	\$ (12,697)	\$ 102,002	\$ 11,686	\$ (36,293)	\$ 138,295
	725,061	0	725,061	523,533	523,533	201,528
Fund Balance, June 30, 2012	\$ 839,760	\$ (12,697)	\$ 827,063	\$ 535,219	\$ 487,240	\$ 339,823

Exhibit F-5

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 90,960	\$ 25,000	\$ 225,000	\$ (134,040)
Total Revenues	\$ 90,960	\$ 25,000	\$ 225,000	\$ (134,040)
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 926	\$ 1,000	\$ 1,000	\$ 74
<u>Public Safety</u>				
Special Patrols	29,199	0	42,800	13,601
Drug Enforcement	151,744	24,000	168,894	17,150
Total Expenditures	\$ 181,869	\$ 25,000	\$ 212,694	\$ 30,825
Excess (Deficiency) of Revenues Over Expenditures	\$ (90,909)	\$ 0	\$ 12,306	\$ (103,215)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (46,177)	\$ 0	\$ (44,154)	\$ (2,023)
Total Other Financing Sources (Uses)	\$ (46,177)	\$ 0	\$ (44,154)	\$ (2,023)
Net Change in Fund Balance	\$ (137,086)	\$ 0	\$ (31,848)	\$ (105,238)
Fund Balance, July 1, 2011	506,343	853,325	853,325	(346,982)
Fund Balance, June 30, 2012	\$ 369,257	\$ 853,325	\$ 821,477	\$ (452,220)

Exhibit F-6

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Unemployment Compensation Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 219,956	\$ 22,400	\$ 227,420	\$ (7,464)
Total Revenues	\$ 219,956	\$ 22,400	\$ 227,420	\$ (7,464)
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 219,333	\$ 22,400	\$ 227,420	\$ 8,087
Total Expenditures	\$ 219,333	\$ 22,400	\$ 227,420	\$ 8,087
Excess (Deficiency) of Revenues Over Expenditures	\$ 623	\$ 0	\$ 0	\$ 623
Net Change in Fund Balance	\$ 623	\$ 0	\$ 0	\$ 623
Fund Balance, July 1, 2011	29,749	28,612	28,612	1,137
Fund Balance, June 30, 2012	\$ 30,372	\$ 28,612	\$ 28,612	\$ 1,760

Exhibit F-7

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 437,799	\$ 412,140	\$ 412,140	\$ 25,659
State of Tennessee	6,022	5,500	5,500	522
Total Revenues	\$ 443,821	\$ 417,640	\$ 417,640	\$ 26,181
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 6,632	\$ 8,500	\$ 8,500	\$ 1,868
<u>Principal on Debt</u>				
General Government	359,000	359,000	374,000	15,000
<u>Interest on Debt</u>				
General Government	27,815	79,798	81,700	53,885
<u>Other Debt Service</u>				
General Government	4,682	2,600	4,684	2
Total Expenditures	\$ 398,129	\$ 449,898	\$ 468,884	\$ 70,755
Excess (Deficiency) of Revenues Over Expenditures	\$ 45,692	\$ (32,258)	\$ (51,244)	\$ 96,936
Net Change in Fund Balance	\$ 45,692	\$ (32,258)	\$ (51,244)	\$ 96,936
Fund Balance, July 1, 2011	1,996,733	2,096,119	2,096,119	(99,386)
Fund Balance, June 30, 2012	\$ 2,042,425	\$ 2,063,861	\$ 2,044,875	\$ (2,450)

Exhibit F-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 44,824	0 \$	44,824 \$	56,065 \$	56,065 \$	(11,241)
State of Tennessee	1,002	0	1,002	9,000	9,000	(7,998)
Total Revenues	\$ 45,826	0 \$	45,826 \$	65,065 \$	65,065 \$	(19,239)
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 868	0 \$	868 \$	2,500 \$	2,500 \$	1,632
<u>Capital Projects</u>						
Other General Government Projects	396,918	(110,694)	286,224	270,000	317,576	31,352
Total Expenditures	\$ 397,786	(110,694) \$	287,092 \$	272,500 \$	320,076 \$	32,984
Excess (Deficiency) of Revenues Over Expenditures	\$ (351,960) \$	110,694 \$	(241,266) \$	(207,435) \$	(255,011) \$	13,745
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (351,960) \$	110,694 \$	(241,266) \$	(207,435) \$	(255,011) \$	13,745
	539,163	(110,694)	428,469	402,550	402,550	25,919
Fund Balance, June 30, 2012	\$ 187,203 \$	0 \$	187,203 \$	195,115 \$	147,539 \$	39,664

# **Major Governmental Fund**

## **Education Debt Service Fund**

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The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for education related principal and interest.

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Exhibit G

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,971,938	\$ 4,757,835	\$ 4,757,835	\$ 214,103
Other Local Revenues	8,000	0	0	8,000
State of Tennessee	59,218	85,000	85,000	(25,782)
Total Revenues	<u>\$ 5,039,156</u>	<u>\$ 4,842,835</u>	<u>\$ 4,842,835</u>	<u>\$ 196,321</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 71,530	\$ 110,000	\$ 110,000	\$ 38,470
<u>Principal on Debt</u>				
Education	7,228,147	4,660,825	7,938,715	710,568
<u>Interest on Debt</u>				
Education	590,098	975,084	976,519	386,421
<u>Other Debt Service</u>				
Education	39,894	75,450	75,631	35,737
Total Expenditures	<u>\$ 7,929,669</u>	<u>\$ 5,821,359</u>	<u>\$ 9,100,865</u>	<u>\$ 1,171,196</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,890,513)</u>	<u>\$ (978,524)</u>	<u>\$ (4,258,030)</u>	<u>\$ 1,367,517</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 100,000	\$ 30,000	\$ (30,000)
Transfers In	70,000	0	70,000	0
Total Other Financing Sources (Uses)	<u>\$ 70,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (30,000)</u>
Net Change in Fund Balance	<u>\$ (2,820,513)</u>	<u>\$ (878,524)</u>	<u>\$ (4,158,030)</u>	<u>\$ 1,337,517</u>
Fund Balance, July 1, 2011	<u>12,229,790</u>	<u>9,755,761</u>	<u>9,755,761</u>	<u>2,474,029</u>
Fund Balance, June 30, 2012	<u><u>\$ 9,409,277</u></u>	<u><u>\$ 8,877,237</u></u>	<u><u>\$ 5,597,731</u></u>	<u><u>\$ 3,811,546</u></u>

# Fiduciary Funds

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

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

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

Exhibit H-1

Cheatham County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Year Ended June 30, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,444,011	\$ 1,444,011
Accounts Receivable	0	3,117	3,117
Due from Other Governments	384,439	0	384,439
Total Assets	<u>\$ 384,439</u>	<u>\$ 1,447,128</u>	<u>\$ 1,831,567</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 384,439	\$ 0	\$ 384,439
Due to Litigants, Heirs, and Others	0	1,447,128	1,447,128
Total Liabilities	<u>\$ 384,439</u>	<u>\$ 1,447,128</u>	<u>\$ 1,831,567</u>

Exhibit H-2

Cheatham County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,147,442	\$ 2,147,442	\$ 0
Due from Other Governments	367,465	384,439	367,465	384,439
Total Assets	\$ 367,465	\$ 2,531,881	\$ 2,514,907	\$ 384,439
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 367,465	\$ 2,531,881	\$ 2,514,907	\$ 384,439
Total Liabilities	\$ 367,465	\$ 2,531,881	\$ 2,514,907	\$ 384,439
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,179,388	\$ 8,144,716	\$ 7,880,093	\$ 1,444,011
Accounts Receivable	1,998	3,117	1,998	3,117
Total Assets	\$ 1,181,386	\$ 8,147,833	\$ 7,882,091	\$ 1,447,128
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,181,386	\$ 8,147,833	\$ 7,882,091	\$ 1,447,128
Total Liabilities	\$ 1,181,386	\$ 8,147,833	\$ 7,882,091	\$ 1,447,128
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,179,388	\$ 8,144,716	\$ 7,880,093	\$ 1,444,011
Equity in Pooled Cash and Investments	0	2,147,442	2,147,442	0
Accounts Receivable	1,998	3,117	1,998	3,117
Due from Other Governments	367,465	384,439	367,465	384,439
Total Assets	\$ 1,548,851	\$ 10,679,714	\$ 10,396,998	\$ 1,831,567
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 367,465	\$ 2,531,881	\$ 2,514,907	\$ 384,439
Due to Litigants, Heirs, and Others	1,181,386	8,147,833	7,882,091	1,447,128
Total Liabilities	\$ 1,548,851	\$ 10,679,714	\$ 10,396,998	\$ 1,831,567

# Cheatham County School Department

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

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

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

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

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

Exhibit I-1

Cheatham County, Tennessee  
Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental	Activities
Governmental Activities:							
Instruction	\$ 28,730,219	\$ 2,465	\$ 3,742,706	\$ 95,489	\$ (24,889,559)		
Support Services	21,851,239	353,551	303,420	2,491,373	(18,702,895)		
Operation of Non-Instructional Services	4,667,867	2,576,881	2,525,639	0	434,653		
Interest on Long-term Debt	3,143	0	0	0	(3,143)		
Other Debt Service	26,557	0	0	0	(26,557)		
<b>Total Governmental Activities</b>	<b>\$ 55,279,025</b>	<b>\$ 2,932,897</b>	<b>\$ 6,571,765</b>	<b>\$ 2,586,862</b>	<b>\$ (43,187,501)</b>		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 8,494,873		
Local Option Sales Tax					1,740,988		
Wheel Tax					413,669		
Payments in-Lieu-of Taxes					63,407		
Other Local Taxes					2,098		
Grants and Contributions Not Restricted to Specific Programs					31,878,960		
Unrestricted Investment Earnings					1,142		
Miscellaneous					28,446		
<b>Total General Revenues</b>					<b>\$ 42,623,583</b>		
Change in Net Assets					\$ (563,918)		
Net Assets, July 1, 2011					60,800,285		
Net Assets, June 30, 2012					\$ 60,236,367		

Exhibit I-2

Cheatham County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<b><u>ASSETS</u></b>			
Cash	\$ 0	\$ 1,000	\$ 1,000
Equity in Pooled Cash and Investments	6,183,913	1,073,253	7,257,166
Accounts Receivable	170,839	4,802	175,641
Due from Other Governments	668,320	244,942	913,262
Due from Other Funds	217,828	5,828	223,656
Property Taxes Receivable	8,090,919	0	8,090,919
Allowance for Uncollectible Property Taxes	(161,418)	0	(161,418)
Total Assets	<u>\$ 15,170,401</u>	<u>\$ 1,329,825</u>	<u>\$ 16,500,226</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 268,474	\$ 18,994	\$ 287,468
Accrued Payroll	84,290	12,017	96,307
Payroll Deductions Payable	0	719	719
Contracts Payable	0	1,125	1,125
Due to Other Funds	5,828	217,828	223,656
Due to Primary Government	75,403	0	75,403
Deferred Revenue - Current Property Taxes	7,530,077	0	7,530,077
Deferred Revenue - Delinquent Property Taxes	379,424	0	379,424
Other Deferred Revenues	163,291	0	163,291
Total Liabilities	<u>\$ 8,506,787</u>	<u>\$ 250,683</u>	<u>\$ 8,757,470</u>
<b><u>Fund Balances</u></b>			
Restricted:			
Restricted for Education	\$ 27,504	\$ 917,859	\$ 945,363
Committed:			
Committed for Education	0	50,000	50,000
Committed for Capital Outlay	0	111,283	111,283
Assigned:			
Assigned for Education	1,750,248	0	1,750,248
Unassigned	4,885,862	0	4,885,862
Total Fund Balances	<u>\$ 6,663,614</u>	<u>\$ 1,079,142</u>	<u>\$ 7,742,756</u>
Total Liabilities and Fund Balances	<u>\$ 15,170,401</u>	<u>\$ 1,329,825</u>	<u>\$ 16,500,226</u>

Exhibit I-3

Cheatham County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
Discretely Presented Cheatham County School Department  
June 30, 2012

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)			\$ 7,742,756
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	781,997	
Add: construction in progress		698,400	
Add: buildings and improvements net of accumulated depreciation		56,137,933	
Add: other capital assets net of accumulated depreciation		<u>3,793,058</u>	61,411,388
(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	\$	(4,456,343)	
Less: other loans payable		(4,995,532)	
Less: compensated absences payable		<u>(8,617)</u>	(9,460,492)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>542,715</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 60,236,367</u>

Exhibit I-4

Cheatham County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,597,580	\$ 0	\$ 10,597,580
Licenses and Permits	3,306	0	3,306
Charges for Current Services	1,178,487	1,514,176	2,692,663
Other Local Revenues	289,341	777	290,118
State of Tennessee	32,202,510	31,373	32,233,883
Federal Government	392,461	6,144,718	6,537,179
Other Governments and Citizens Groups	710,568	1,631,845	2,342,413
Total Revenues	<u>\$ 45,374,253</u>	<u>\$ 9,322,889</u>	<u>\$ 54,697,142</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 26,390,704	\$ 3,286,071	\$ 29,676,775
Support Services	13,821,102	836,296	14,657,398
Operation of Non-Instructional Services	1,430,049	3,237,818	4,667,867
Capital Outlay	5,093,867	0	5,093,867
Debt Service:			
Principal on Debt	33,386	0	33,386
Interest on Debt	3,143	0	3,143
Other Debt Service	26,557	0	26,557
Capital Projects	0	2,420,651	2,420,651
Total Expenditures	<u>\$ 46,798,808</u>	<u>\$ 9,780,836</u>	<u>\$ 56,579,644</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,424,555)</u>	<u>\$ (457,947)</u>	<u>\$ (1,882,502)</u>
<u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$ 3,113,610	\$ 0	\$ 3,113,610
Insurance Recovery	441,771	0	441,771
Transfers In	20,735	0	20,735
Transfers Out	0	(20,735)	(20,735)
Total Other Financing Sources (Uses)	<u>\$ 3,576,116</u>	<u>\$ (20,735)</u>	<u>\$ 3,555,381</u>
Net Change in Fund Balances	\$ 2,151,561	\$ (478,682)	\$ 1,672,879
Fund Balance, July 1, 2011	4,512,053	1,557,824	6,069,877
Fund Balance, June 30, 2012	<u>\$ 6,663,614</u>	<u>\$ 1,079,142</u>	<u>\$ 7,742,756</u>

Exhibit I-5

Cheatham County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,672,879
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,657,241	
Less: current-year depreciation expense	<u>(2,614,001)</u>	1,043,240
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets	\$ (85,429)	
Add: prior construction in progress not capitalized	108,600	
Less: revenue from sale of capital assets	<u>(121,725)</u>	(98,554)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (433,336)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>542,715</u>	109,379
(4) The issuance of long-term debt (e.g., notes, bonds, capital leases, 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:		
Less: other loan proceeds	\$ (3,113,610)	
Add: principal payments on loans	<u>33,386</u>	(3,080,224)
(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 compensated absences payable	\$ (5,354)	
Change in other postemployment benefits liability	<u>(205,284)</u>	(210,638)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (563,918)</u>

Cheatham County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
June 30, 2012

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		

ASSETS

Cash	\$ 0	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000	
Equity in Pooled Cash and Investments	53,901	900,600	954,501	118,752	1,073,253	
Accounts Receivable	0	1,432	1,432	3,370	4,802	
Due from Other Governments	229,309	15,633	244,942	0	244,942	
Due from Other Funds	5,828	0	5,828	0	5,828	
Total Assets	\$ 289,038	\$ 918,665	\$ 1,207,703	\$ 122,122	\$ 1,329,825	

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	\$ 8,155	\$ 0	\$ 8,155	\$ 10,839	\$ 18,994	
Accrued Payroll	12,017	0	12,017	0	12,017	
Payroll Deductions Payable	0	719	719	0	719	
Contracts Payable	1,125	0	1,125	0	1,125	
Due to Other Funds	217,741	87	217,828	0	217,828	
Total Liabilities	\$ 239,038	\$ 806	\$ 239,844	\$ 10,839	\$ 250,683	

Fund Balances

Restricted:						
Restricted for Education	\$ 0	\$ 917,859	\$ 917,859	\$ 0	\$ 917,859	
Committed:						
Committed for Education	50,000	0	50,000	0	50,000	
Committed for Capital Outlay	0	0	0	111,283	111,283	
Total Fund Balances	\$ 50,000	\$ 917,859	\$ 967,859	\$ 111,283	\$ 1,079,142	
Total Liabilities and Fund Balances	\$ 289,038	\$ 918,665	\$ 1,207,703	\$ 122,122	\$ 1,329,825	

Exhibit I-7

Cheatham County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,514,176	\$ 1,514,176	\$ 0	\$ 1,514,176
Other Local Revenues	0	777	777	0	777
State of Tennessee	0	31,373	31,373	0	31,373
Federal Government	4,140,336	2,004,382	6,144,718	0	6,144,718
Other Governments and Citizens Groups	0	0	0	1,631,845	1,631,845
<b>Total Revenues</b>	<b>\$ 4,140,336</b>	<b>\$ 3,550,708</b>	<b>\$ 7,691,044</b>	<b>\$ 1,631,845</b>	<b>\$ 9,322,889</b>
<u>Expenditures</u>					
Current:					
Instruction	\$ 3,286,071	\$ 0	\$ 3,286,071	\$ 0	\$ 3,286,071
Support Services	836,296	0	836,296	0	836,296
Operation of Non-Instructional Services	0	3,237,818	3,237,818	0	3,237,818
Capital Projects	0	0	0	2,420,651	2,420,651
<b>Total Expenditures</b>	<b>\$ 4,122,367</b>	<b>\$ 3,237,818</b>	<b>\$ 7,360,185</b>	<b>\$ 2,420,651</b>	<b>\$ 9,780,836</b>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 17,969	\$ 312,890	\$ 330,859	\$ (788,806)	\$ (457,947)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (20,735)	\$ 0	\$ (20,735)	\$ 0	\$ (20,735)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (20,735)</b>	<b>\$ 0</b>	<b>\$ (20,735)</b>	<b>\$ 0</b>	<b>\$ (20,735)</b>
Net Change in Fund Balances	\$ (2,766)	\$ 312,890	\$ 310,124	\$ (788,806)	\$ (478,682)
Fund Balance, July 1, 2011	52,766	604,969	657,735	900,089	1,557,824
<b>Fund Balance, June 30, 2012</b>	<b>\$ 50,000</b>	<b>\$ 917,859</b>	<b>\$ 967,859</b>	<b>\$ 111,283</b>	<b>\$ 1,079,142</b>

Exhibit I-8

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,597,580	\$ 0	\$ 0	\$ 10,597,580	\$ 10,130,804	\$ 10,130,804	\$ 466,776
Licenses and Permits	3,306	0	0	3,306	3,250	3,250	56
Charges for Current Services	1,178,487	0	0	1,178,487	1,169,042	1,170,642	7,845
Other Local Revenues	289,341	0	0	289,341	93,547	256,376	32,965
State of Tennessee	32,202,510	0	0	32,202,510	31,857,804	32,252,452	(49,942)
Federal Government	392,461	0	0	392,461	285,052	374,517	17,944
Other Governments and Citizens Groups	710,568	0	0	710,568	0	710,568	0
Total Revenues	\$ 45,374,253	\$ 0	\$ 0	\$ 45,374,253	\$ 43,539,499	\$ 44,898,609	\$ 475,644
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 22,129,016	\$ (18,801)	\$ 0	\$ 22,110,215	\$ 23,619,690	\$ 22,860,835	\$ 750,620
Alternative Instruction Program	66,008	0	0	66,008	70,683	70,683	4,675
Special Education Program	3,065,460	0	665	3,066,125	2,968,389	3,093,075	26,950
Vocational Education Program	1,065,547	(2,512)	0	1,063,035	1,211,454	1,211,454	148,419
Adult Education Program	64,673	0	0	64,673	89,610	89,610	24,937
<u>Support Services</u>							
Attendance	98,388	0	0	98,388	94,586	99,787	1,399
Health Services	281,428	(825)	7,604	288,207	300,250	300,250	12,043
Other Student Support	1,412,824	0	0	1,412,824	1,290,659	1,506,659	93,835
Regular Instruction Program	1,403,369	0	0	1,403,369	1,481,174	1,516,445	113,076
Alternative Instruction Program	47,818	0	0	47,818	44,058	45,262	(2,556)
Special Education Program	355,289	0	10,988	366,277	325,975	370,818	4,541
Vocational Education Program	17,127	0	0	17,127	17,300	17,300	173

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 70,538	\$ 0	\$ 0	\$ 70,538	\$ 78,050	\$ 79,179	\$ 8,641
Other Programs	156,317	0	0	156,317	0	156,317	0
Board of Education	830,027	(3,000)	0	827,027	799,639	847,385	20,358
Director of Schools	258,426	0	0	258,426	257,177	273,853	15,427
Office of the Principal	2,394,044	0	0	2,394,044	2,269,717	2,423,270	29,226
Fiscal Services	280,385	0	0	280,385	240,419	280,713	328
Operation of Plant	3,074,070	0	0	3,074,070	3,504,186	3,185,961	111,891
Maintenance of Plant	1,186,655	(56,291)	0	1,130,364	894,632	1,192,892	62,528
Transportation	1,954,397	(2,082)	558,574	2,510,889	2,055,802	2,647,496	136,607
<u>Operation of Non-Instructional Services</u>							
Community Services	940,165	0	0	940,165	1,034,445	1,032,445	92,280
Early Childhood Education	489,884	0	0	489,884	483,696	489,884	0
<u>Capital Outlay</u>							
Regular Capital Outlay	5,093,867	(735,015)	646,219	5,005,071	4,618,223	5,961,763	956,692
<u>Principal on Debt</u>							
Education	33,386	0	0	33,386	99,972	99,972	66,586
Interest on Debt							
Education	3,143	0	0	3,143	9,036	9,036	5,893
<u>Other Debt Service</u>							
Education	26,557	0	0	26,557	0	26,557	0
Total Expenditures	\$ 46,798,808	\$ (818,526)	\$ 1,224,050	\$ 47,204,332	\$ 47,858,822	\$ 49,888,901	\$ 2,684,569
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,424,555)	\$ 818,526	\$ (1,224,050)	\$ (1,830,079)	\$ (4,319,323)	\$ (4,990,292)	\$ 3,160,213

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 3,113,610	\$ 0	\$ 0	\$ 3,113,610	\$ 4,314,323	\$ 5,051,448	\$ (1,937,838)
Insurance Recovery	441,771	0	0	441,771	0	150,942	290,829
Transfers In	20,735	0	0	20,735	5,000	5,000	15,735
Total Other Financing Sources (Uses)	\$ 3,576,116	\$ 0	\$ 0	\$ 3,576,116	\$ 4,319,323	\$ 5,207,390	\$ (1,631,274)
Net Change in Fund Balance	\$ 2,151,561	\$ 818,526	\$ (1,224,050)	\$ 1,746,037	\$ 0	\$ 217,098	\$ 1,528,939
Fund Balance, July 1, 2011	4,512,053	(818,526)	0	3,693,527	2,743,495	2,743,495	950,032
Fund Balance, June 30, 2012	\$ 6,663,614	\$ 0	\$ (1,224,050)	\$ 5,439,564	\$ 2,743,495	\$ 2,960,593	\$ 2,478,971

Exhibit I-9

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Cheatham County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Federal Government	\$ 4,140,336	\$ 0	\$ 4,140,336	\$ 4,883,402	\$ 4,879,065	\$ (738,729)
Total Revenues	\$ 4,140,336	\$ 0	\$ 4,140,336	\$ 4,883,402	\$ 4,879,065	\$ (738,729)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,760,309	\$ 0	\$ 1,760,309	\$ 1,610,791	\$ 1,893,921	\$ 133,612
Special Education Program	1,451,959	0	1,451,959	1,782,834	1,768,850	316,891
Vocational Education Program	73,803	(2,766)	71,037	71,128	71,128	91
<u>Support Services</u>						
Other Student Support	83,241	0	83,241	273,677	94,537	11,296
Regular Instruction Program	415,404	0	415,404	673,572	665,966	250,562
Special Education Program	329,381	0	329,381	302,763	334,749	5,368
Vocational Education Program	975	0	975	1,300	1,300	325
Transportation	7,295	0	7,295	126,132	42,327	35,032
Total Expenditures	\$ 4,122,367	\$ (2,766)	\$ 4,119,601	\$ 4,842,197	\$ 4,872,778	\$ 753,177
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,969	\$ 2,766	\$ 20,735	\$ 41,205	\$ 6,287	\$ 14,448
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (20,735)	\$ 0	\$ (20,735)	\$ (41,205)	\$ (22,087)	\$ 1,352
Total Other Financing Sources (Uses)	\$ (20,735)	\$ 0	\$ (20,735)	\$ (41,205)	\$ (22,087)	\$ 1,352
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (2,766)	\$ 2,766	\$ 0	\$ 0	\$ (15,800)	\$ 15,800
	52,766	(2,766)	50,000	0	25,000	25,000
Fund Balance, June 30, 2012	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 9,200	\$ 40,800

Exhibit I-10

Cheatham County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Cheatham County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,514,176	\$ 1,451,355	\$ 1,451,355	\$ 62,821
Other Local Revenues	777	3,304	3,304	(2,527)
State of Tennessee	31,373	32,000	32,000	(627)
Federal Government	2,004,382	1,563,847	1,710,487	293,895
Total Revenues	<u>\$ 3,550,708</u>	<u>\$ 3,050,506</u>	<u>\$ 3,197,146</u>	<u>\$ 353,562</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,237,818	\$ 3,237,470	\$ 3,384,110	\$ 146,292
Total Expenditures	<u>\$ 3,237,818</u>	<u>\$ 3,237,470</u>	<u>\$ 3,384,110</u>	<u>\$ 146,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 312,890</u>	<u>\$ (186,964)</u>	<u>\$ (186,964)</u>	<u>\$ 499,854</u>
Net Change in Fund Balance	\$ 312,890	\$ (186,964)	\$ (186,964)	\$ 499,854
Fund Balance, July 1, 2011	<u>604,969</u>	<u>600,000</u>	<u>600,000</u>	<u>4,969</u>
Fund Balance, June 30, 2012	<u>\$ 917,859</u>	<u>\$ 413,036</u>	<u>\$ 413,036</u>	<u>\$ 504,823</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Cheatham County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds  
Primary Government and Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<b>PRIMARY GOVERNMENT</b>								
<b>NOTES PAYABLE</b>								
Payable through General Debt Service Fund								
Building Commission Office	\$ 15,000	4.5%	6-22-12	6-22-15	\$ 0	15,000	0	15,000
Total Payable through General Debt Service Fund	\$				\$ 0	15,000	0	15,000
<b>Payable through Education Debt Service Fund</b>								
School Roofs	1,087,159	4.5	6-21-11	12-16-11	\$ 1,087,159	0	1,087,159	0
School Roofs	168,421	4.5	6-28-11	4-13-12	168,421	0	168,421	0
School Buses	504,517	4.5	6-28-11	4-13-12	504,517	0	504,517	0
School Bus	34,225	4.5	6-24-11	4-13-12	34,225	0	34,225	0
Title IX Projects	773,000	4.5	12-15-11	4-13-12	0	773,000	773,000	0
School Buses	460,568	4.5	6-22-12	6-22-15	0	460,568	0	460,568
HVAC Units	250,000	4.5	6-22-12	6-22-15	0	250,000	0	250,000
Total Payable through Education Debt Service Fund					\$ 1,794,322	1,483,568	2,567,322	710,568
Total Notes Payable					\$ 1,794,322	1,498,568	2,567,322	725,568
<b>CAPITAL LEASES PAYABLE</b>								
Payable through Highway/Public Works Fund								
Tractor/Mower	67,232	4.87	4-15-08	4-15-13	\$ 26,564	0	14,197	12,367
Paver	243,259	4.34	4-17-08	4-25-13	95,368	0	51,078	44,290
Total Capital Leases Payable					\$ 121,932	0	65,275	56,657

(Continued)

Exhibit J-1

Cheatham County, Tennessee  
Primary Government and Discretely Presented Cheatham County School Department  
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
A.O. Smith Property	\$ 2,575,000	Variable	12-22-10	5-25-17	\$ 2,347,000	0	\$ 359,000	\$ 1,988,000
Total Payable through General Debt Service Fund					\$ 2,347,000	0	\$ 359,000	\$ 1,988,000
<u>Payable through Education Debt Service Fund</u>								
Public Works Projects	7,040,703	Variable	11-1-1999	5-25-19	\$ 3,425,072	0	\$ 406,389	\$ 3,018,683
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	1,224,873	0	134,436	1,090,437
Public Works Projects	(1)	Variable	6-28-07	5-25-14	4,624,634	0	1,469,000	3,155,634
ADA Compliance Projects	(2)	Variable	8-11-10	5-25-13	1,188,739	858,845	1,387,000	660,584
Total Payable through Education Debt Service Fund					\$ 10,463,318	\$ 858,845	\$ 3,396,825	\$ 7,925,338
Total Other Loans Payable					\$ 12,810,318	\$ 858,845	\$ 3,755,825	\$ 9,913,338
<u>BONDS PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
Refunding	9,605,000	2 to 4 %	9-15-04	6-1-19	\$ 7,215,000	0	\$ 765,000	\$ 6,450,000
Refunding	7,894,500	3.14	4-29-09	6-1-22	6,496,500	0	499,000	5,997,500
Total Payable through Education Debt Service Fund					\$ 13,711,500	0	\$ 1,264,000	\$ 12,447,500
Total Bonds Payable					\$ 13,711,500	0	\$ 1,264,000	\$ 12,447,500

(Continued)

Exhibit J-1

Cheatham County, Tennessee  
Primary Government and Discretely Presented Cheatham County School Department  
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-12
<u>DISCRETELY PRESENTED CHEATHAM</u>								
<u>COUNTY SCHOOL DEPARTMENT</u>								
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Energy Efficient Schools Initiative	\$ 5,028,918	.75 %	5-31-11	6-30-24	\$ 1,915,308	\$ 3,113,610	\$ 33,386	\$ 4,995,532
Total Other Loans Payable					<u>\$ 1,915,308</u>	<u>\$ 3,113,610</u>	<u>\$ 33,386</u>	<u>\$ 4,995,532</u>

- (1) Total amount approved was \$9,820,000, of which \$6,366 remains available for draws as of June 30, 2012.  
(2) Total amount approved was \$3,921,135, of which \$773,416 remains available for draws as of June 30, 2012.

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 0	\$ 32,651	\$ 32,651
2014	0	32,651	32,651
2015	725,568	32,651	758,219
Total	\$ 725,568	\$ 97,953	\$ 823,521

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2013	\$ 56,657	\$ 1,160	\$ 57,817
Total	\$ 56,657	\$ 1,160	\$ 57,817

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 3,141,449	\$ 38,368	\$ 32,623	\$ 3,212,440
2014	2,593,892	26,328	22,610	2,642,830
2015	1,023,072	15,659	14,178	1,052,909
2016	1,068,375	12,081	11,526	1,091,982
2017	1,115,243	8,334	8,750	1,132,327
2018	724,755	4,410	4,646	733,811
2019	246,552	1,094	2,253	249,899
Total	\$ 9,913,338	\$ 106,274	\$ 96,586	\$ 10,116,198

(Continued)

Exhibit J-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 1,319,000	\$ 431,361	\$ 1,750,361
2014	1,371,000	387,829	1,758,829
2015	1,438,000	340,683	1,778,683
2016	1,500,000	291,622	1,791,622
2017	1,558,000	238,734	1,796,734
2018	1,637,210	183,247	1,820,457
2019	1,768,000	123,996	1,891,996
2020	724,000	59,258	783,258
2021	713,590	36,047	749,637
2022	418,700	13,330	432,030
Total	\$ 12,447,500	\$ 2,106,107	\$ 14,553,607

DISCRETELY PRESENTED CHEATHAM  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 402,264	\$ 36,084	\$ 438,348
2014	405,288	33,060	438,348
2015	408,336	30,012	438,348
2016	411,408	26,940	438,348
2017	414,504	23,844	438,348
2018	417,624	20,724	438,348
2019	420,768	17,580	438,348
2020	423,936	14,412	438,348
2021	427,128	11,220	438,348
2022	430,344	8,004	438,348
2023	433,584	4,764	438,348
2024	400,348	1,479	401,827
Total	\$ 4,995,532	\$ 228,123	\$ 5,223,655

Exhibit J-3

Cheatham County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Development tax	\$ 70,000
Drug Control	General	Reimbursement for salaries	46,177
Total Transfers Primary Government			<u>\$ 116,177</u>
<u>DISCRETELY PRESENTED CHEATHAM</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 20,735</u>

Exhibit J-4

Cheatham County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 76,707	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, TCA	70,350	100,000	Western Surety Company
Director of Schools:				
Dr. Timothy Webb (7-1-11 through 6-14-12)	State Board of Education and Local Board of Education	111,184 (1)	(2)	
Dr. Stan Curtis (6-15-12 through 6-30-12)	State Board of Education and Local Board of Education	6,375 (3)		
Trustee	Section 8-24-102, TCA	66,414	1,662,300	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	66,414	10,000	Western Surety Company
Director of Accounts and Budgets	County Commission	77,152 (4)	25,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	66,414	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	66,414	50,000	"
Clerk and Master	Section 8-24-102, TCA	66,414	50,000	"
Register	Section 8-24-102, TCA	66,414	25,000	"
Sheriff	Section 8-24-102, TCA	73,056 (5)	50,000	"
<u>Employee Bonds</u>				
General Employee Blanket Bond			150,000	Tennessee Risk Management Trust
School Employee Blanket Bond			150,000	"
Director of Emergency Medical Services and Coroner			25,000	RLI Insurance Company
Emergency Management Coordinator			25,000	"

- (1) Includes a \$2,000 career ladder supplement. Does not include a \$2,875 vehicle allowance.
- (2) Covered under the school employee blanket bond.
- (3) Includes a \$2,000 career ladder supplement. Does not include a \$125 vehicle allowance.
- (4) Includes \$10,671 for serving as purchasing director.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Cheatham County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway/ Public Works
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 7,707,087	\$ 0	\$ 754,499	\$ 0	\$ 0	\$ 0	\$ 516,094
Trustee's Collections - Prior Year	214,202	0	26,931	0	0	0	14,688
Circuit/Clerk & Master Collections - Prior Years	102,172	0	14,531	0	0	0	8,710
Interest and Penalty	91,848	0	11,433	0	0	0	6,949
Payments in-Lieu-of Taxes - Local Utilities	65,283	0	6,511	0	0	0	4,379
Payments in-Lieu-of Taxes - Other	4,642	0	456	0	0	0	311
<u>County Local Option Taxes</u>							
Local Option Sales Tax	2,465	0	0	0	0	0	0
Hotel/Motel Tax	29,873	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	413,265
Litigation Tax - General	127,429	9,790	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	43,081	0	0	0	0	0	0
Business Tax	19,253	0	0	0	0	0	0
Adequate Facilities/Development Tax	105,000	0	0	0	0	0	0
Other County Local Option Taxes	791,712	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	41,494	0	4,075	0	0	0	2,779
Wholesale Beer Tax	301,681	0	0	0	0	0	0
Beer Privilege Tax	650	0	0	0	0	0	0
Interstate Telecommunications Tax	1,636	0	0	0	0	0	0
<u>Total Local Taxes</u>	<u>\$ 9,649,508</u>	<u>\$ 9,790</u>	<u>\$ 818,436</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 967,175</u>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	6,808	0	0	0	0	0	0
Animal Vaccination	18,238	0	0	0	0	0	0
Cable TV Franchise	184,250	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	1,300	0	0	0	0	0	0
Building Permits	148,187	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway/ Public Works
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Other Permits	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 363,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 16,126	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,064	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,452	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	19,926	0	0	0	0	0	0
Fines for Littering	83	0	0	0	0	0	0
Officers Costs	61,230	0	0	0	0	0	0
Game and Fish Fines	171	0	0	0	0	0	0
Jail Fees	17,567	0	0	0	0	0	0
Judicial Commissioner Fees	257	0	0	0	0	0	0
DUI Treatment Fines	7,065	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,102	0	0	0	0	0	0
Courtroom Security Fee	139	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	1,476	0	0	0	0	0	0
Drug Control Fines	405	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,010	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,742	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	14,307	0	0	0
DUI Treatment Fines	100	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	76,653	0	0	0
Data Entry Fee - Other Courts	136	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway/ Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Other Fines, Forfeitures, and Penalties	\$ 5,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 148,286	\$ 0	\$ 0	\$ 90,960	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 219,956	\$ 0
Tipping Fees	0	0	196,708	0	0	0	0
Patient Charges	823,453	0	0	0	0	0	0
Work Release Charges for Board	2,489	0	0	0	0	0	0
Other General Service Charges	13,810	0	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	8,670	0	0	0	0	0	0
Copy Fees	1,149	0	0	0	0	0	0
Library Fees	11,505	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	14,548	0	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0	0
Telephone Commissions	37,602	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	20,764	0	0	0	1,165	0	0
Data Processing Fee - Register	13,512	0	0	0	0	0	0
Probation Fees	49,066	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,061	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	6,900	0	0	0	0	0	0
Data Processing Fee - County Clerk	5,025	0	0	0	0	0	0
Total Charges for Current Services	\$ 1,013,704	\$ 0	\$ 196,708	\$ 0	\$ 1,165	\$ 219,956	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 113,241	\$ 0	\$ 23	\$ 0	\$ 0	\$ 0	\$ 72
Lease/Rentals	51,390	0	0	0	0	0	0
Commissary Sales	22,526	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Recycled Materials	\$ 0	\$ 0	20,185	\$ 0	\$ 0	\$ 0	5,816
Refund of Telecommunication and Internet Fees (E-Rate)	1,622	0	0	0	0	0	0
Miscellaneous Refunds	20,047	0	0	0	0	0	7,502
Expenditure Credits	21,411	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	0
Contributions and Gifts	20,948	0	0	0	0	0	0
Performance Bond Forfeitures	2,268	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	6,340	0	0	0	0	0	0
Total Other Local Revenues	\$ 259,793	\$ 0	\$ 20,208	\$ 0	\$ 0	\$ 0	\$ 13,390
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 372,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	352,072	0	0	0	0	0	0
Clerk and Master	153,412	0	0	0	0	0	0
Register	180,167	0	0	0	0	0	0
Sheriff	21,655	0	0	0	0	0	0
Trustee	618,533	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,697,851	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
General Government Grants	\$ 9,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Juvenile Services Program							
Public Safety Grants	19,400	0	0	0	0	0	0
Law Enforcement Training Programs							
Health and Welfare Grants	10,948	0	0	0	0	0	0
Health Department Programs							

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway/ Public Works
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 253,020
Litter Program	36,341	0	0	0	0	0	0
<u>Other State Revenues</u>							
Flood Control	815	0	0	0	0	0	0
Income Tax	103,406	0	0	0	0	0	0
Beer Tax	56,895	0	0	0	0	0	0
Alcoholic Beverage Tax	19,090	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	224,827	0	22,081	0	0	0	15,055
Prisoner Transportation	2,579	0	0	0	0	0	0
Contracted Prisoner Boarding	265,475	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	1,590,495
Registrar's Salary Supplement	15,164	0	0	0	0	0	28,216
Other State Grants	25,021	0	0	0	0	0	0
Other State Revenues	9,171	0	0	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 798,432</b>	<b>\$ 0</b>	<b>\$ 22,081</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,886,786</b>
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 29,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	184,580	0	0	0	0	0	0
Homeland Security Grants	2,593	0	0	0	0	0	0
Other Federal through State	44,595	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Police Service (Lake Area)	26,500	0	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0	66,922
<b>Total Federal Government</b>	<b>\$ 287,268</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 66,922</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Unemployment Compensation	Highway/ Public Works
Other Governments and Citizens Groups							
Other Governments							
Contributions	\$ 456,060	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 456,060	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 14,674,685	\$ 9,790	\$ 1,057,433	\$ 90,960	\$ 1,165	\$ 219,956	\$ 2,934,273

(Continued)

Exhibit J-5

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 206,433	\$ 2,030,018	\$ 0	\$ 34,301	\$ 11,248,432		
Trustee's Collections - Prior Year	5,873	58,592	1,049	1,292	322,627		
Circuit/Clerk & Master Collections - Prior Years	3,468	57,794	1,734	5,780	194,189		
Interest and Penalty	2,771	38,553	980	2,953	155,487		
Payments in-Lieu-of Taxes - Local Utilities	1,752	17,226	29	292	95,472		
Payments in-Lieu-of Taxes - Other	124	1,223	0	21	6,777		
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	1,398,410	0	0	1,400,875		
Hotel/Motel Tax	0	0	0	0	29,873		
Wheel Tax	0	1,239,795	0	0	1,653,060		
Litigation Tax - General	0	0	0	0	137,219		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	43,081		
Business Tax	216,267	0	0	0	235,520		
Adequate Facilities/Development Tax	0	119,398	0	0	224,398		
Other County Local Option Taxes	0	0	0	0	791,712		
<u>Statutory Local Taxes</u>							
Bank Excise Tax	1,111	10,929	0	185	60,573		
Wholesale Beer Tax	0	0	0	0	301,681		
Beer Privilege Tax	0	0	0	0	650		
Interstate Telecommunications Tax	0	0	0	0	1,636		
<b>Total Local Taxes</b>	<b>\$ 437,799</b>	<b>\$ 4,971,938</b>	<b>\$ 3,792</b>	<b>\$ 44,824</b>	<b>\$ 16,903,262</b>		
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	0	0	0	0	6,808		
Animal Vaccination	0	0	0	0	18,238		
Cable TV Franchise	0	0	0	0	184,250		
<u>Permits</u>							
Beer Permits	0	0	0	0	1,300		
Building Permits	0	0	0	0	148,187		

(Continued)

Exhibit J-5

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	General Capital Projects	Other Capital Projects	
<u>Licenses and Permits (Cont.)</u>							
Permits (Cont.)							
Other Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	5,000
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	363,783
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	16,126
Officers Costs	0	0	0	0	0	0	4,064
Data Entry Fee - Circuit Court	0	0	0	0	0	0	1,452
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	19,926
Fines for Littering	0	0	0	0	0	0	83
Officers Costs	0	0	0	0	0	0	61,230
Game and Fish Fines	0	0	0	0	0	0	171
Jail Fees	0	0	0	0	0	0	17,567
Judicial Commissioner Fees	0	0	0	0	0	0	257
DUI Treatment Fines	0	0	0	0	0	0	7,065
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	8,102
Courtroom Security Fee	0	0	0	0	0	0	139
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	1,476
Drug Control Fines	0	0	0	0	0	0	405
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,010
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,742
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	0	0	0	14,307
DUI Treatment Fines	0	0	0	0	0	0	100
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	76,653
Data Entry Fee - Other Courts	0	0	0	0	0	0	136

(Continued)

Exhibit J-5

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Other Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
Other Fines, Forfeitures, and Penalties							
Other Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	5,235
Total Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	239,246
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	219,956
Tipping Fees	0	0	0	0	0	0	196,708
Patient Charges	0	0	0	0	0	0	823,453
Work Release Charges for Board	0	0	0	0	0	0	2,489
Other General Service Charges	0	0	0	0	0	0	13,810
<u>Fees</u>							
Engineer Review Fees	0	0	0	0	0	0	8,670
Copy Fees	0	0	0	0	0	0	1,149
Library Fees	0	0	0	0	0	0	11,505
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	14,548
Greenbelt Late Application Fee	0	0	0	0	0	0	150
Telephone Commissions	0	0	0	0	0	0	37,602
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	21,929
Data Processing Fee - Register	0	0	0	0	0	0	13,512
Probation Fees	0	0	0	0	0	0	49,066
Data Processing Fee - Sheriff	0	0	0	0	0	0	5,061
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	6,900
Data Processing Fee - County Clerk	0	0	0	0	0	0	5,025
Total Charges for Current Services	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,431,533
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	113,336
Lease/Rentals	0	0	0	0	0	0	51,390
Commissary Sales	0	0	0	0	0	0	22,526

(Continued)

Exhibit J-5

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Other Capital Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	26,001
Refund of Telecommunication and Internet Fees (E-Rate)	0	0	0	0	0	0	1,622
Miscellaneous Refunds	0	0	0	0	0	0	27,549
Expenditure Credits	0	0	0	0	0	0	21,411
<u>Nonrecurring Items</u>							
Sale of Equipment	0	8,000	0	0	0	0	8,000
Contributions and Gifts	0	0	0	0	0	0	20,948
Performance Bond Forfeitures	0	0	0	0	0	0	2,268
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	6,340
Total Other Local Revenues	\$ 0	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,391
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	372,012
Circuit Court Clerk	0	0	0	0	0	0	352,072
Clerk and Master	0	0	0	0	0	0	153,412
Register	0	0	0	0	0	0	180,167
Sheriff	0	0	0	0	0	0	21,655
Trustee	0	0	0	0	0	0	618,533
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,697,851
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,300
Public Safety Grants	0	0	0	0	0	0	19,400
Law Enforcement Training Programs	0	0	0	0	0	0	10,948
Health and Welfare Grants							
Health Department Programs	0	0	0	0	0	0	10,948

(Continued)

Exhibit J-5

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

	Debt Service Funds			Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Other Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	253,020
Litter Program	0	0	0	0	0	0	36,341
<u>Other State Revenues</u>							
Flood Control	0	0	0	0	0	0	815
Income Tax	0	0	0	0	0	0	103,406
Beer Tax	0	0	0	0	0	0	56,895
Alcoholic Beverage Tax	0	0	0	0	0	0	19,090
State Revenue Sharing - T.V.A.	6,022	59,218	0	0	1,002	0	328,205
Prisoner Transportation	0	0	0	0	0	0	2,579
Contracted Prisoner Boarding	0	0	0	0	0	0	265,475
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,590,495
Petroleum Special Tax	0	0	0	0	0	0	28,216
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	25,021
Other State Revenues	0	0	0	0	0	0	9,171
Total State of Tennessee	\$ 6,022	\$ 59,218	\$ 0	\$ 0	\$ 1,002	\$ 0	\$ 2,773,541
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	29,000
Disaster Relief	0	0	0	0	0	0	184,580
Homeland Security Grants	0	0	0	0	0	0	2,593
Other Federal through State	0	0	0	0	0	0	44,595
<u>Direct Federal Revenue</u>							
Police Service (Lake Area)	0	0	0	0	0	0	26,500
Other Direct Federal Revenue	0	0	0	0	0	0	66,922
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 354,190

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects		
Other Governments and Citizens Groups						
Other Governments Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 456,060
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 456,060
Total	\$ 443,821	\$ 5,039,156	\$ 3,792	\$ 45,826	\$ 24,520,857	

Exhibit J-6

Cheatham County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,853,735	\$ 0	\$ 0	\$ 0	\$ 7,853,735
Trustee's Collections - Prior Year	243,874	0	0	0	243,874
Circuit/Clerk & Master Collections - Prior Years	127,148	0	0	0	127,148
Interest and Penalty	103,216	0	0	0	103,216
Payments in-Lieu-of Taxes - Local Utilities	58,661	0	0	0	58,661
Payments in-Lieu-of Taxes - Other	4,746	0	0	0	4,746
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,748,013	0	0	0	1,748,013
Wheel Tax	413,669	0	0	0	413,669
<u>Statutory Local Taxes</u>					
Bank Excise Tax	42,420	0	0	0	42,420
Interstate Telecommunications Tax	2,098	0	0	0	2,098
Total Local Taxes	\$ 10,597,580	\$ 0	\$ 0	\$ 0	\$ 10,597,580
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,306	\$ 0	\$ 0	\$ 0	\$ 3,306
Total Licenses and Permits	\$ 3,306	\$ 0	\$ 0	\$ 0	\$ 3,306
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 2,065	\$ 0	\$ 0	\$ 0	\$ 2,065
Tuition - Summer School	400	0	0	0	400
Lunch Payments - Children	0	0	840,029	0	840,029
Lunch Payments - Adults	0	0	54,523	0	54,523
Income from Breakfast	0	0	110,213	0	110,213
A la carte Sales	0	0	462,492	0	462,492
Receipts from Individual Schools	113,317	0	0	0	113,317
Community Service Fees - Children	1,062,705	0	0	0	1,062,705
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	46,919	0	46,919
Total Charges for Current Services	\$ 1,178,487	\$ 0	\$ 1,514,176	\$ 0	\$ 2,692,663
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 897	\$ 0	\$ 245	\$ 0	\$ 1,142
Refund of Telecommunication and Internet Fees (E-Rate)	55,575	0	0	0	55,575
Commodity Rebates	0	0	319	0	319
Miscellaneous Refunds	16,795	0	213	0	17,008
<u>Nonrecurring Items</u>					
Sale of Equipment	6,802	0	0	0	6,802
Sale of Property	593	0	0	0	593
Damages Recovered from Individuals	3,724	0	0	0	3,724
Contributions and Gifts	20,296	0	0	0	20,296
<u>Other Local Revenues</u>					
Other Local Revenues	184,659	0	0	0	184,659
Total Other Local Revenues	\$ 289,341	\$ 0	\$ 777	\$ 0	\$ 290,118

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 156,317	\$ 0	\$ 0	\$ 0	\$ 156,317
<u>State Education Funds</u>					
Basic Education Program	30,713,001	0	0	0	30,713,001
Early Childhood Education	489,884	0	0	0	489,884
School Food Service	0	0	31,373	0	31,373
Energy Efficient School Initiative	148,460	0	0	0	148,460
Driver Education	63,697	0	0	0	63,697
Other State Education Funds	164,954	0	0	0	164,954
Career Ladder Program	157,898	0	0	0	157,898
Career Ladder - Extended Contract	59,000	0	0	0	59,000
Career Ladder - Extended Contract - ARRA	8,869	0	0	0	8,869
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	229,846	0	0	0	229,846
Other State Grants	500	0	0	0	500
Other State Revenues	10,084	0	0	0	10,084
Total State of Tennessee	\$ 32,202,510	\$ 0	\$ 31,373	\$ 0	\$ 32,233,883
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,349,696	\$ 0	\$ 1,349,696
USDA - Commodities	0	0	146,640	0	146,640
Breakfast	0	0	485,020	0	485,020
USDA - Other	0	0	23,026	0	23,026
Adult Education State Grant Program	57,190	0	0	0	57,190
Vocational Education - Basic Grants to States	0	76,809	0	0	76,809
Title I Grants to Local Education Agencies	0	713,774	0	0	713,774
Special Education - Grants to States	189,465	1,727,163	0	0	1,916,628
Special Education Preschool Grants	0	26,871	0	0	26,871
English Language Acquisition Grants	0	760	0	0	760
Safe and Drug-free Schools - State Grants	0	752	0	0	752
Eisenhower Professional Development State Grants	0	240,749	0	0	240,749
Race-to-the-Top - ARRA	0	158,567	0	0	158,567
Other Federal through State	0	1,194,891	0	0	1,194,891
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	145,806	0	0	0	145,806
Total Federal Government	\$ 392,461	\$ 4,140,336	\$ 2,004,382	\$ 0	\$ 6,537,179
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 710,568	\$ 0	\$ 0	\$ 1,631,845	\$ 2,342,413
Total Other Governments and Citizens Groups	\$ 710,568	\$ 0	\$ 0	\$ 1,631,845	\$ 2,342,413
Total	\$ 45,374,253	\$ 4,140,336	\$ 3,550,708	\$ 1,631,845	\$ 54,697,142

Exhibit J-7

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Other Salaries and Wages	\$	4,822	
Board and Committee Members Fees		59,283	
Social Security		4,853	
Audit Services		11,732	
Dues and Memberships		1,550	
Legal Services		31,251	
Other Supplies and Materials		268	
Total County Commission			\$ 113,759

Beer Board

Other Charges	\$	300	
Total Beer Board			300

County Mayor/Executive

County Official/Administrative Officer	\$	76,707	
Secretary(ies)		35,594	
Social Security		8,263	
State Retirement		6,727	
Communication		14,450	
Consultants		2,963	
Contracts with Government Agencies		4,540	
Dues and Memberships		11,656	
Legal Services		13,075	
Maintenance and Repair Services - Office Equipment		103	
Maintenance and Repair Services - Vehicles		637	
Travel		724	
Gasoline		1,625	
Office Supplies		1,340	
Other Charges		138	
Office Equipment		1,132	
Total County Mayor/Executive			179,674

Personnel Office

Supervisor/Director	\$	57,232	
Social Security		4,189	
State Retirement		3,428	
Contracts with Private Agencies		3,205	
Instructional Supplies and Materials		423	
Office Supplies		346	
Office Equipment		486	
Total Personnel Office			69,309

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	59,773	
Attendants		28,879	
Board and Committee Members Fees		3,355	
Election Workers		12,965	
In-Service Training		975	
Other Per Diem and Fees		45	
Social Security		6,417	
State Retirement		5,310	
Advertising		3,286	
Communication		1,372	
Maintenance and Repair Services - Equipment		9,562	
Printing, Stationery, and Forms		2,284	
Travel		307	
Office Supplies		1,379	
Data Processing Equipment		1,603	
Office Equipment		388	
Total Election Commission			\$ 137,900

Register of Deeds

County Official/Administrative Officer	\$	66,414	
Deputy(ies)		60,904	
Part-time Personnel		5,499	
Social Security		9,758	
State Retirement		7,626	
Communication		2,085	
Data Processing Services		13,588	
Dues and Memberships		834	
Maintenance and Repair Services - Office Equipment		992	
Travel		592	
Office Supplies		5,191	
Office Equipment		1,628	
Total Register of Deeds			175,111

Building

County Official/Administrative Officer	\$	49,145	
Investigator(s)		50,528	
Secretary(ies)		30,179	
Board and Committee Members Fees		2,825	
Social Security		9,877	
State Retirement		7,778	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Communication	\$	3,028	
Consultants		20,555	
Data Processing Services		994	
Dues and Memberships		220	
Engineering Services		5,751	
Legal Services		8,388	
Maintenance and Repair Services - Equipment		2,277	
Maintenance and Repair Services - Vehicles		205	
Printing, Stationery, and Forms		816	
Gasoline		3,119	
Office Supplies		590	
Office Equipment		3,767	
Total Building			\$ 200,042

County Buildings

Assistant(s)	\$	26,577	
Supervisor/Director		40,447	
Custodial Personnel		40,530	
Social Security		8,108	
State Retirement		5,078	
Maintenance and Repair Services - Buildings		50,619	
Maintenance and Repair Services - Office Equipment		927	
Maintenance and Repair Services - Vehicles		623	
Pest Control		5,780	
Custodial Supplies		9,064	
Electricity		180,642	
Gasoline		4,255	
Natural Gas		22,257	
Propane Gas		9,380	
Tires and Tubes		98	
Water and Sewer		52,211	
Other Supplies and Materials		1,218	
Maintenance Equipment		5,801	
Total County Buildings			463,615

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	66,481	
Assistant(s)		51,158	
Data Processing Personnel		26,832	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Salary Supplements	\$	10,671	
Clerical Personnel		37,291	
In-Service Training		776	
Social Security		14,454	
State Retirement		10,991	
Advertising		14,647	
Data Processing Services		9,325	
Postal Charges		54,421	
Printing, Stationery, and Forms		1,878	
Travel		90	
Office Supplies		2,764	
Office Equipment		11,195	
Total Accounting and Budgeting			\$ 312,974

Property Assessor's Office

County Official/Administrative Officer	\$	66,414	
Deputy(ies)		42,276	
Assessment Personnel		73,771	
Part-time Personnel		11,597	
Board and Committee Members Fees		3,480	
Social Security		13,935	
State Retirement		10,930	
Communication		1,168	
Contracts with Private Agencies		10,505	
Data Processing Services		11,957	
Dues and Memberships		1,050	
Maintenance and Repair Services - Office Equipment		116	
Maintenance and Repair Services - Vehicles		593	
Printing, Stationery, and Forms		168	
Gasoline		2,264	
Office Supplies		804	
Office Equipment		1,019	
Total Property Assessor's Office			252,047

Reappraisal Program

Deputy(ies)	\$	42,276	
Social Security		2,999	
State Retirement		2,532	
Total Reappraisal Program			47,807

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	66,414	
Deputy(ies)		94,767	
Part-time Personnel		6,255	
In-Service Training		550	
Social Security		11,420	
State Retirement		9,655	
Communication		2,537	
Data Processing Services		13,304	
Dues and Memberships		609	
Maintenance and Repair Services - Office Equipment		461	
Travel		1,028	
Office Supplies		3,079	
Total County Trustee's Office			\$ 210,079

County Clerk's Office

County Official/Administrative Officer	\$	66,414	
Deputy(ies)		150,590	
Internal Audit Personnel		28,031	
Part-time Personnel		35,719	
Other Salaries and Wages		8,750	
In-Service Training		160	
Social Security		19,767	
State Retirement		13,170	
Communication		2,603	
Data Processing Services		14,921	
Dues and Memberships		809	
Maintenance and Repair Services - Office Equipment		1,946	
Printing, Stationery, and Forms		4,669	
Travel		457	
Office Supplies		1,860	
Office Equipment		4,900	
Total County Clerk's Office			354,766

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	66,414
Deputy(ies)		237,686
Part-time Personnel		1,862
Jury and Witness Expense		10,230
Social Security		21,836

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

State Retirement	\$	17,548	
Communication		1,207	
Contracts with Government Agencies		2,750	
Data Processing Services		6,743	
Maintenance and Repair Services - Office Equipment		1,663	
Office Supplies		5,895	
Office Equipment		<u>2,945</u>	
Total Circuit Court			\$ 376,779

General Sessions Court

Judge(s)	\$	99,780	
Deputy(ies)		39,831	
Social Security		8,257	
State Retirement		8,363	
Communication		854	
Data Processing Services		421	
Dues and Memberships		225	
Legal Services		125	
Travel		897	
Office Equipment		<u>6,837</u>	
Total General Sessions Court			165,590

Chancery Court

County Official/Administrative Officer	\$	66,414	
Deputy(ies)		116,508	
Social Security		12,882	
State Retirement		10,117	
Communication		1,409	
Data Processing Services		5,367	
Dues and Memberships		170	
Maintenance and Repair Services - Office Equipment		474	
Office Supplies		3,641	
Office Equipment		<u>100</u>	
Total Chancery Court			217,082

Juvenile Court

Judge(s)	\$	46,675	
Probation Officer(s)		91,989	
Social Workers		50,642	
Salary Supplements		18,376	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Secretary(ies)	\$	33,752	
Other Salaries and Wages		8,526	
Social Security		17,592	
State Retirement		12,038	
Communication		3,362	
Contracts with Government Agencies		1,625	
Data Processing Services		1,950	
Dues and Memberships		570	
Maintenance and Repair Services - Office Equipment		513	
Maintenance and Repair Services - Vehicles		257	
Travel		1,822	
Remittance of Revenue Collected		2,944	
Gasoline		1,105	
Library Books/Media		36	
Office Supplies		2,167	
Office Equipment		1,092	
Total Juvenile Court			\$ 297,033

District Attorney General

Contributions	\$	18,000	
Total District Attorney General			18,000

Probation Services

Probation Officer(s)	\$	74,417	
Attendants		28,879	
Social Security		7,229	
State Retirement		5,039	
Communication		1,395	
Maintenance and Repair Services - Office Equipment		874	
Printing, Stationery, and Forms		742	
Remittance of Revenue Collected		5,926	
Drugs and Medical Supplies		643	
Office Supplies		544	
Total Probation Services			125,688

Courtroom Security

Supervisor/Director	\$	50,586	
Guards		34,517	
Part-time Personnel		49,643	
Social Security		10,072	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

State Retirement	\$	5,098	
Uniforms		1,450	
Law Enforcement Equipment		6,905	
Total Courtroom Security			\$ 158,271

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	73,056
Assistant(s)		35,632
Supervisor/Director		58,894
Deputy(ies)		901,642
Detective(s)		50,586
Investigator(s)		128,946
Sergeant(s)		169,831
Clerical Personnel		91,092
Overtime Pay		11,602
Other Salaries and Wages		40,682
In-Service Training		1,210
Social Security		114,733
State Retirement		86,524
Communication		47,834
Dues and Memberships		2,325
Legal Services		6,954
Maintenance and Repair Services - Equipment		12,123
Maintenance and Repair Services - Office Equipment		28,001
Maintenance and Repair Services - Vehicles		27,578
Medical and Dental Services		8,076
Travel		6,538
Gasoline		161,451
Law Enforcement Supplies		7,993
Office Supplies		7,321
Tires and Tubes		11,262
Uniforms		7,234
Other Supplies and Materials		1,558
Liability Insurance		28,021
Vehicle and Equipment Insurance		14,308
Workers' Compensation Insurance		25,445
Other Charges		6,112
Data Processing Equipment		175
Law Enforcement Equipment		27,688

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Office Equipment	\$	12,649	
Other Equipment		154	
Total Sheriff's Department			\$ 2,215,230

Jail

Supervisor/Director	\$	50,586	
Sergeant(s)		162,443	
Foremen		67,938	
Guards		657,199	
Clerical Personnel		33,969	
Board and Committee Members Fees		75	
Social Security		68,913	
State Retirement		56,208	
Maintenance and Repair Services - Equipment		4,878	
Medical and Dental Services		190,327	
Custodial Supplies		19,974	
Food Supplies		88,297	
Law Enforcement Supplies		659	
Prisoners Clothing		6,399	
Other Supplies and Materials		1,559	
Other Equipment		19,601	
Total Jail			1,429,025

Rural Fire Protection

Remittance of Revenue Collected	\$	827,690	
Total Rural Fire Protection			827,690

Other Emergency Management

Assistant(s)	\$	42,231	
Supervisor/Director		47,261	
In-Service Training		230	
Social Security		6,609	
State Retirement		5,361	
Communication		2,949	
Maintenance and Repair Services - Vehicles		906	
Travel		108	
Gasoline		3,116	
Office Supplies		540	
Other Supplies and Materials		920	
Other Charges		1,942	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Communication Equipment	\$	200	
Other Equipment		3,327	
Total Other Emergency Management			\$ 115,700

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	60,000	
Total County Coroner/Medical Examiner			60,000

Other Public Safety

Assistant(s)	\$	39,711	
Supervisor/Director		53,910	
Assessment Personnel		69,830	
Dispatchers/Radio Operators		386,057	
Part-time Personnel		20,574	
Social Security		41,679	
State Retirement		29,400	
Total Other Public Safety			641,161

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	8,188	
Social Security		626	
Communication		2,116	
Dues and Memberships		200	
Janitorial Services		9,900	
Postal Charges		496	
Travel		1,435	
Custodial Supplies		583	
Drugs and Medical Supplies		238	
Office Supplies		492	
Other Supplies and Materials		174	
Total Local Health Center			24,448

Rabies and Animal Control

Supervisor/Director	\$	38,510	
Deputy(ies)		50,252	
Attendants		22,892	
In-Service Training		440	
Social Security		8,017	
State Retirement		4,528	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Communication	\$	2,574	
Licenses		370	
Maintenance and Repair Services - Vehicles		5,483	
Printing, Stationery, and Forms		192	
Veterinary Services		15,743	
Animal Food and Supplies		6,659	
Custodial Supplies		1,276	
Drugs and Medical Supplies		17,464	
Gasoline		7,825	
Office Supplies		1,112	
Uniforms		1,003	
Other Supplies and Materials		287	
Communication Equipment		3,742	
Office Equipment		135	
Other Equipment		4,304	
Total Rabies and Animal Control			\$ 192,808

Ambulance/Emergency Medical Services

Assistant(s)	\$	53,452
Supervisor/Director		56,730
Clerical Personnel		24,979
Attendants		991,617
Part-time Personnel		84,475
In-Service Training		3,452
Social Security		89,069
State Retirement		59,276
Communication		9,020
Consultants		2,744
Contracts with Private Agencies		3,445
Dues and Memberships		260
Licenses		2,250
Maintenance and Repair Services - Equipment		3,678
Maintenance and Repair Services - Office Equipment		551
Maintenance and Repair Services - Vehicles		37,942
Rentals		7,975
Remittance of Revenue Collected		52,357
Disposal Fees		2,156
Custodial Supplies		909
Drugs and Medical Supplies		69,137
Gasoline		57,190

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Office Supplies	\$	2,902	
Tires and Tubes		9,730	
Uniforms		5,416	
Other Supplies and Materials		403	
Liability Insurance		2,800	
Vehicle and Equipment Insurance		5,937	
Workers' Compensation Insurance		21,859	
Furniture and Fixtures		6,531	
Office Equipment		814	
Total Ambulance/Emergency Medical Services			\$ 1,669,056

Other Local Health Services

Secretary(ies)	\$	32,308	
Social Security		2,426	
State Retirement		1,935	
Communication		693	
Total Other Local Health Services			37,362

General Welfare Assistance

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

Sanitation Education/Information

Foremen	\$	27,324	
Social Security		2,090	
State Retirement		1,637	
Maintenance and Repair Services - Vehicles		618	
Gasoline		3,937	
Instructional Supplies and Materials		9,000	
Other Supplies and Materials		769	
Total Sanitation Education/Information			45,375

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Matching Share	\$	78,393	
Total Senior Citizens Assistance			78,393

Libraries

Supervisor/Director	\$	62,024	
Part-time Personnel		74,832	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

In-Service Training	\$	370	
Social Security		10,390	
State Retirement		3,715	
Communication		3,024	
Dues and Memberships		1,000	
Maintenance and Repair Services - Equipment		1,129	
Travel		1,733	
Library Books/Media		25,206	
Office Supplies		7,458	
Office Equipment		14,659	
Total Libraries			\$ 205,540

Parks and Fair Boards

Contributions	\$	57,024	
Total Parks and Fair Boards			57,024

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	31,298	
Educational Assistants		31,425	
Board and Committee Members Fees		200	
In-Service Training		283	
Social Security		4,490	
State Retirement		6,058	
Communication		2,915	
Travel		2,578	
Office Supplies		1,026	
Other Charges		3,667	
Communication Equipment		2,581	
Office Equipment		3,665	
Total Agriculture Extension Service			90,186

Soil Conservation

Secretary(ies)	\$	31,425	
Social Security		2,010	
State Retirement		1,882	
Dues and Memberships		500	
Travel		1,666	
Office Supplies		204	
Total Soil Conservation			37,687

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Other Economic and Community Development

Supervisor/Director	\$	60,534	
Social Security		4,394	
State Retirement		<u>3,626</u>	
Total Other Economic and Community Development	\$		68,554

Other Charges

Trustee's Commission	\$	<u>207,714</u>	
Total Other Charges			207,714

Contributions to Other Agencies

Contributions	\$	<u>340,852</u>	
Total Contributions to Other Agencies			340,852

Employee Benefits

Life Insurance	\$	7,946	
Medical Insurance		<u>919,128</u>	
Total Employee Benefits			927,074

Miscellaneous

Longevity Pay	\$	111,863	
Disability Insurance		28,763	
Unemployment Compensation		15,000	
Boiler Insurance		1,368	
Building and Contents Insurance		43,352	
Liability Insurance		27,922	
Premiums on Corporate Surety Bonds		7,200	
Vehicle and Equipment Insurance		5,548	
Workers' Compensation Insurance		<u>21,000</u>	
Total Miscellaneous			262,016

Capital Projects

General Administration Projects

Building Improvements	\$	<u>87,077</u>	
Total General Administration Projects			<u>87,077</u>

Total General Fund \$ 13,528,996

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

General Government

Other General Administration

Trustee's Commission	\$ 98	
Total Other General Administration		\$ 98

Total Courthouse and Jail Maintenance Fund \$ 98

Solid Waste/Sanitation Fund

General Government

Other General Administration

Trustee's Commission	\$ 18,537	
Total Other General Administration		\$ 18,537

Public Health and Welfare

Sanitation Management

Assistant(s)	\$ 26,394	
Supervisor/Director	43,504	
Equipment Operators	34,374	
Truck Drivers	30,383	
Social Security	10,013	
State Retirement	7,336	
Communication	278	
Legal Services	50	
Electricity	5,142	
Instructional Supplies and Materials	275	
Office Supplies	456	
Water and Sewer	3,437	
Premiums on Corporate Surety Bonds	75	
Vehicle and Equipment Insurance	6,875	
Workers' Compensation Insurance	8,000	
Total Sanitation Management		176,592

Convenience Centers

Laborers	\$ 73,852	
Social Security	5,650	
Communication	4,450	
Contracts with Government Agencies	479,437	
Contracts with Private Agencies	17,063	
Maintenance and Repair Services - Equipment	18,641	
Rentals	480	
Travel	231	
Diesel Fuel	33,331	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Electricity	\$	3,543	
Equipment and Machinery Parts		4,529	
Tires and Tubes		6,396	
Total Convenience Centers			\$ 647,603

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	7,126	
Evaluation and Testing		20,356	
Maintenance Agreements		227	
Maintenance and Repair Services - Equipment		7,382	
Crushed Stone		2,186	
Equipment and Machinery Parts		201	
Small Tools		1,145	
Other Supplies and Materials		1,055	
Other Equipment		39,500	
Total Landfill Operation and Maintenance			79,178

Other Operations

Employee Benefits

Medical Insurance	\$	10,824	
Total Employee Benefits			10,824

Miscellaneous

Unemployment Compensation	\$	10,000	
Total Miscellaneous			10,000

Total Solid Waste/Sanitation Fund \$ 942,734

Drug Control Fund

General Government

Other General Administration

Trustee's Commission	\$	926	
Total Other General Administration			\$ 926

Public Safety

Special Patrols

Maintenance and Repair Services - Vehicles	\$	590	
Travel		840	
Gasoline		5,012	
Small Tools		785	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Uniforms	\$	876	
Other Supplies and Materials		241	
Law Enforcement Equipment		18,626	
Motor Vehicles		<u>2,229</u>	
Total Special Patrols			\$ 29,199

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Maintenance and Repair Services - Equipment		2,228	
Veterinary Services		162	
Instructional Supplies and Materials		6,554	
Law Enforcement Supplies		550	
Other Supplies and Materials		932	
Law Enforcement Equipment		42,290	
Motor Vehicles		<u>98,028</u>	
Total Drug Enforcement			<u>151,744</u>

Total Drug Control Fund \$ 181,869

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	<u>1,165</u>	
Total Sheriff's Department			<u>\$ 1,165</u>

Total Constitutional Officers - Fees Fund 1,165

Unemployment Compensation Fund

General Government

Other General Administration

Unemployment Compensation	\$	<u>219,333</u>	
Total Other General Administration			<u>\$ 219,333</u>

Total Unemployment Compensation Fund 219,333

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Assistant(s)		33,314	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Clerical Personnel	\$	48,276	
Advertising		864	
Contracts with Private Agencies		6,088	
Data Processing Services		200	
Dues and Memberships		2,715	
Legal Services		1,500	
Licenses		230	
Printing, Stationery, and Forms		500	
Rentals		100	
Travel		888	
Custodial Supplies		2,106	
Data Processing Supplies		200	
Drugs and Medical Supplies		100	
Office Supplies		290	
Other Supplies and Materials		1,499	
Furniture and Fixtures		100	
Office Equipment		1,467	
Total Administration			\$ 170,787

Highway and Bridge Maintenance

Foremen	\$	161,489
Equipment Operators - Heavy		414,164
Truck Drivers		197,482
Laborers		36,509
Licenses		85
Rentals		100
Other Contracted Services		9,410
Asphalt - Cold Mix		3,088
Asphalt - Hot Mix		427,844
Asphalt - Liquid		166,195
Concrete		140
Crushed Stone		66,160
Other Road Supplies		366
Pipe - Metal		7,165
Road Signs		3,132
Salt		22,802
Sand		100
Wood Products		100
Fencing		1,213
Other Supplies and Materials		2,581

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Bridge Construction	\$ 5,743	
Total Highway and Bridge Maintenance		\$ 1,525,868

Operation and Maintenance of Equipment

Foremen	\$ 47,315	
Mechanic(s)	119,322	
Rentals	1,500	
Diesel Fuel	88,288	
Equipment Parts - Light	29,317	
Equipment and Machinery Parts	34,823	
Garage Supplies	7,131	
Gasoline	35,687	
Lubricants	3,500	
Small Tools	1,570	
Tires and Tubes	16,316	
Uniforms	5,000	
Total Operation and Maintenance of Equipment		389,769

Other Charges

Communication	\$ 3,092	
Maintenance and Repair Services - Buildings	70	
Maintenance and Repair Services - Equipment	100	
Maintenance and Repair Services - Office Equipment	16	
Electricity	10,308	
Natural Gas	1,547	
Water and Sewer	157	
Premiums on Corporate Surety Bonds	350	
Trustee's Commission	31,470	
Vehicle and Equipment Insurance	30,000	
Workers' Compensation Insurance	30,313	
Total Other Charges		107,423

Employee Benefits

Longevity Pay	\$ 25,900	
Social Security	84,336	
State Retirement	66,634	
Life Insurance	1,300	
Medical Insurance	131,925	
Disability Insurance	4,700	
Total Employee Benefits		314,795

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Other Equipment	\$ 14,968	
Total Capital Outlay		\$ 14,968

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 65,275	
Total Highways and Streets		65,275

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 4,110	
Total Highways and Streets		<u>4,110</u>

Total Highway/Public Works Fund		\$ 2,592,995
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General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 6,632	
Total Other General Administration		\$ 6,632

Principal on Debt

General Government

Principal on Other Loans	\$ 359,000	
Total General Government		359,000

Interest on Debt

General Government

Interest on Other Loans	\$ 27,815	
Total General Government		27,815

Other Debt Service

General Government

Other Debt Service	\$ 4,682	
Total General Government		<u>4,682</u>

Total General Debt Service Fund		398,129
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(Continued)

Exhibit J-7

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

Education Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 71,530	
Total Other General Administration		\$ 71,530

Principal on Debt

Education

Principal on Bonds	\$ 1,264,000	
Principal on Notes	2,567,322	
Principal on Other Loans	<u>3,396,825</u>	
Total Education		7,228,147

Interest on Debt

Education

Interest on Bonds	\$ 472,294	
Interest on Notes	61,029	
Interest on Other Loans	<u>56,775</u>	
Total Education		590,098

Other Debt Service

Education

Other Debt Service	\$ 39,894	
Total Education		<u>39,894</u>

Total Education Debt Service Fund		\$ 7,929,669
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General Capital Projects Fund

General Government

Other General Administration

Trustee's Commission	\$ 63	
Total Other General Administration		\$ 63

Capital Projects

Other General Government Projects

Building Improvements	\$ 640	
Total Other General Government Projects		<u>640</u>

Total General Capital Projects Fund		703
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(Continued)

Exhibit J-7

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>2,342,413</u>	
Total Education Capital Projects			\$ <u>2,342,413</u>
Total Education Capital Projects Fund			\$ 2,342,413
<u>Other Capital Projects Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Trustee's Commission	\$	<u>868</u>	
Total Other General Administration			\$ 868
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Motor Vehicles	\$	<u>396,918</u>	
Total Other General Government Projects			<u>396,918</u>
Total Other Capital Projects Fund			<u>397,786</u>
Total Governmental Funds - Primary Government			<u>\$ 28,535,890</u>

Exhibit J-8

Cheatham County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Cheatham County School Department  
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,841,029	
Career Ladder Program	96,418	
Career Ladder Extended Contracts	44,645	
Homebound Teachers	91,290	
Educational Assistants	706,273	
Certified Substitute Teachers	65,593	
Non-certified Substitute Teachers	202,196	
Social Security	877,270	
State Retirement	1,297,884	
Life Insurance	16,106	
Medical Insurance	2,949,427	
Dental Insurance	16,028	
Disability Insurance	62,699	
Employer Medicare	205,849	
Other Fringe Benefits	1,876	
Maintenance and Repair Services - Equipment	66,963	
Tuition	46,210	
Other Contracted Services	309,936	
Instructional Supplies and Materials	115,057	
Textbooks	725,609	
Other Supplies and Materials	31,501	
Fee Waivers	129,541	
Other Charges	4,767	
Regular Instruction Equipment	224,849	
Total Regular Instruction Program		\$ 22,129,016

Alternative Instruction Program

Teachers	\$ 34,081	
Educational Assistants	17,699	
Social Security	3,187	
State Retirement	4,145	
Medical Insurance	5,747	
Employer Medicare	745	
Instructional Supplies and Materials	404	
Total Alternative Instruction Program		66,008

Special Education Program

Teachers	\$ 1,684,405
Career Ladder Program	14,060

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Homebound Teachers	\$	180	
Educational Assistants		75,022	
Speech Pathologist		290,830	
Other Salaries and Wages		24,780	
Certified Substitute Teachers		754	
Non-certified Substitute Teachers		5,888	
Social Security		123,226	
State Retirement		181,816	
Medical Insurance		363,117	
Employer Medicare		28,937	
Contracts with Private Agencies		132,964	
Maintenance and Repair Services - Equipment		880	
Other Contracted Services		7,610	
Instructional Supplies and Materials		26,810	
Other Supplies and Materials		12,516	
Special Education Equipment		91,665	
Total Special Education Program			\$ 3,065,460

Vocational Education Program

Teachers	\$	787,301	
Career Ladder Program		3,000	
Certified Substitute Teachers		416	
Non-certified Substitute Teachers		988	
Social Security		47,156	
State Retirement		71,245	
Medical Insurance		125,833	
Dental Insurance		3,791	
Employer Medicare		11,032	
Other Fringe Benefits		254	
Maintenance and Repair Services - Equipment		1,038	
Instructional Supplies and Materials		10,099	
Other Supplies and Materials		53	
Vocational Instruction Equipment		3,341	
Total Vocational Education Program			1,065,547

Adult Education Program

Teachers	\$	45,244
Social Security		2,733
State Retirement		3,886

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Medical Insurance	\$	5,252	
Dental Insurance		240	
Employer Medicare		645	
Other Contracted Services		5,547	
Instructional Supplies and Materials		1,126	
Total Adult Education Program			\$ 64,673

Support Services

Attendance

Supervisor/Director	\$	76,753	
Career Ladder Program		1,000	
Social Security		4,796	
State Retirement		7,037	
Medical Insurance		5,627	
Employer Medicare		1,122	
Travel		1,056	
Other Supplies and Materials		15	
In Service/Staff Development		982	
Total Attendance			98,388

Health Services

Supervisor/Director	\$	41,365	
Medical Personnel		109,946	
Other Salaries and Wages		660	
Social Security		8,685	
State Retirement		8,467	
Medical Insurance		41,527	
Employer Medicare		2,031	
Dues and Memberships		175	
Maintenance and Repair Services - Equipment		174	
Travel		6,734	
Other Contracted Services		2,500	
Drugs and Medical Supplies		1,747	
Other Supplies and Materials		39,807	
In Service/Staff Development		1,503	
Other Equipment		16,107	
Total Health Services			281,428

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	3,585	
Guidance Personnel		795,616	
Social Security		45,657	
State Retirement		69,676	
Medical Insurance		129,317	
Dental Insurance		608	
Employer Medicare		11,083	
Other Fringe Benefits		127	
Contracts with Government Agencies		94,445	
Contracts with Other Public Agencies		120,566	
Other Contracted Services		51,213	
Other Supplies and Materials		83,833	
In Service/Staff Development		7,098	
Total Other Student Support			\$ 1,412,824

Regular Instruction Program

Supervisor/Director	\$	212,622	
Career Ladder Program		11,000	
Career Ladder Extended Contracts		4,000	
Librarians		533,124	
Materials Supervisor		17,915	
Secretary(ies)		93,097	
Other Salaries and Wages		139,170	
Social Security		59,543	
State Retirement		81,847	
Medical Insurance		124,153	
Dental Insurance		2,223	
Employer Medicare		13,925	
Other Fringe Benefits		169	
Travel		23,049	
Other Contracted Services		21,051	
Library Books/Media		64,083	
Other Supplies and Materials		753	
In Service/Staff Development		1,645	
Total Regular Instruction Program			1,403,369

Alternative Instruction Program

Supervisor/Director	\$	35,532	
Career Ladder Program		500	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Social Security	\$	2,089	
State Retirement		3,261	
Medical Insurance		5,948	
Employer Medicare		488	
Total Alternative Instruction Program			\$ 47,818

Special Education Program

Supervisor/Director	\$	68,196	
Career Ladder Program		1,000	
Psychological Personnel		79,819	
Secretary(ies)		33,305	
Other Salaries and Wages		34,840	
Social Security		12,586	
State Retirement		17,056	
Medical Insurance		27,792	
Employer Medicare		2,944	
Travel		9,208	
Other Contracted Services		22,121	
Other Supplies and Materials		43,483	
In Service/Staff Development		2,939	
Total Special Education Program			355,289

Vocational Education Program

Communication	\$	2,127	
Other Contracted Services		15,000	
Total Vocational Education Program			17,127

Adult Programs

Supervisor/Director	\$	35,532	
Career Ladder Program		500	
Clerical Personnel		10,844	
Other Salaries and Wages		7,270	
Social Security		2,928	
State Retirement		4,092	
Medical Insurance		8,237	
Employer Medicare		685	
In Service/Staff Development		450	
Total Adult Programs			70,538

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-Behalf Payments to OPEB	\$ 156,317	
Total Other Programs		\$ 156,317

Board of Education

Other Salaries and Wages	\$ 350	
Board and Committee Members Fees	16,200	
Social Security	1,011	
State Retirement	9	
Unemployment Compensation	188,216	
Employer Medicare	239	
Audit Services	8,100	
Dues and Memberships	6,720	
Legal Services	20,871	
Other Contracted Services	476	
Other Supplies and Materials	836	
Liability Insurance	64,807	
Trustee's Commission	259,086	
Workers' Compensation Insurance	250,132	
In Service/Staff Development	2,263	
Criminal Investigation of Applicants - TBI	3,070	
Other Charges	7,641	
Total Board of Education		830,027

Director of Schools

County Official/Administrative Officer	\$ 113,559
Secretary(ies)	45,627
Social Security	8,678
State Retirement	12,889
Medical Insurance	10,992
Dental Insurance	288
Employer Medicare	2,207
Communication	21,988
Maintenance and Repair Services - Equipment	987
Postal Charges	9,431
Travel	3,125
Other Contracted Services	21,565
Office Supplies	5,242
Other Supplies and Materials	30
In Service/Staff Development	341

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Charges	\$ 1,477	
Total Director of Schools		\$ 258,426

Office of the Principal

Principals	\$ 855,590	
Career Ladder Program	18,400	
Assistant Principals	363,160	
Secretary(ies)	477,739	
Other Salaries and Wages	121,772	
Social Security	103,466	
State Retirement	145,621	
Medical Insurance	192,448	
Employer Medicare	25,146	
Communication	73,081	
Dues and Memberships	6,600	
Other Contracted Services	4,848	
Office Supplies	5,673	
Other Charges	500	
Total Office of the Principal		2,394,044

Fiscal Services

Supervisor/Director	\$ 69,696	
Accountants/Bookkeepers	141,712	
Social Security	12,140	
State Retirement	12,663	
Medical Insurance	15,469	
Employer Medicare	2,839	
Data Processing Services	7,763	
Maintenance and Repair Services - Equipment	4,674	
Travel	396	
Other Contracted Services	8,871	
Data Processing Supplies	2,847	
Office Supplies	316	
In Service/Staff Development	999	
Total Fiscal Services		280,385

Operation of Plant

Janitorial Services	\$ 1,303,435	
Disposal Fees	33,102	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Contracted Services	\$	1,074	
Electricity		1,228,067	
Natural Gas		114,418	
Water and Sewer		194,006	
Other Supplies and Materials		576	
Building and Contents Insurance		199,392	
Total Operation of Plant			\$ 3,074,070

Maintenance of Plant

Supervisor/Director	\$	28,301	
Secretary(ies)		16,585	
Social Security		2,673	
State Retirement		2,432	
Medical Insurance		4,957	
Dental Insurance		120	
Employer Medicare		625	
Communication		4,998	
Laundry Service		1,740	
Maintenance Agreements		709,381	
Maintenance and Repair Services - Buildings		132,670	
Maintenance and Repair Services - Equipment		51,182	
Maintenance and Repair Services - Vehicles		6,251	
Pest Control		17,288	
Disposal Fees		3,716	
Other Contracted Services		19,030	
Equipment and Machinery Parts		24,374	
Gasoline		16,837	
General Construction Materials		48,475	
Other Supplies and Materials		7,547	
Vehicle and Equipment Insurance		5,622	
Other Charges		66,051	
Other Equipment		15,800	
Total Maintenance of Plant			1,186,655

Transportation

Supervisor/Director	\$	28,302	
Mechanic(s)		117,341	
Bus Drivers		780,081	
Secretary(ies)		16,585	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Salaries and Wages	\$	106,260	
In-Service Training		6,255	
Social Security		59,965	
State Retirement		51,206	
Medical Insurance		15,441	
Dental Insurance		714	
Employer Medicare		15,209	
Communication		9,204	
Contracts with Parents		7,928	
Laundry Service		5,234	
Maintenance and Repair Services - Equipment		3,024	
Maintenance and Repair Services - Vehicles		81,073	
Medical and Dental Services		1,710	
Travel		870	
Disposal Fees		426	
Other Contracted Services		20,409	
Crushed Stone		559	
Diesel Fuel		339,150	
Equipment and Machinery Parts		124	
Garage Supplies		413	
Gasoline		14,990	
Lubricants		9,059	
Tires and Tubes		32,210	
Vehicle Parts		78,398	
Other Supplies and Materials		2,175	
Vehicle and Equipment Insurance		50,730	
In Service/Staff Development		3,678	
Other Charges		1,258	
Transportation Equipment		42,000	
Other Equipment		52,416	
Total Transportation			\$ 1,954,397

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	35,166
Other Salaries and Wages		705,413
Social Security		43,907
State Retirement		28,478
Medical Insurance		20,254

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Dental Insurance	\$	571	
Employer Medicare		10,274	
Communication		5,927	
Maintenance and Repair Services - Equipment		1,456	
Travel		1,809	
Food Supplies		41,960	
Other Supplies and Materials		38,903	
Other Charges		6,047	
Total Community Services			\$ 940,165

Early Childhood Education

Supervisor/Director	\$	16,988	
Teachers		220,880	
Educational Assistants		65,999	
Other Salaries and Wages		12,612	
Certified Substitute Teachers		494	
Non-certified Substitute Teachers		3,952	
Social Security		18,890	
State Retirement		26,257	
Medical Insurance		47,166	
Dental Insurance		129	
Employer Medicare		4,420	
Travel		207	
Food Supplies		5,898	
Instructional Supplies and Materials		15,864	
Other Supplies and Materials		12,290	
In Service/Staff Development		6,253	
Other Charges		10,244	
Other Equipment		21,341	
Total Early Childhood Education			489,884

Capital Outlay

Regular Capital Outlay

Architects	\$	6,810	
Engineering Services		3,867	
Other Contracted Services		7,434	
Building Construction		25,445	
Building Improvements		270,278	
Furniture and Fixtures		28,136	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Other Equipment	\$ 17,500	
Other Capital Outlay	<u>4,734,397</u>	
Total Regular Capital Outlay		\$ 5,093,867

Principal on Debt

Education

Principal on Notes	\$ 33,386	
Total Education		33,386

Interest on Debt

Education

Interest on Notes	\$ 3,143	
Total Education		3,143

Other Debt Service

Education

Other Debt Service	\$ 26,557	
Total Education		<u>26,557</u>

Total General Purpose School Fund \$ 46,798,808

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,079,133	
Educational Assistants	59,927	
Other Salaries and Wages	13,755	
Non-certified Substitute Teachers	4,732	
Social Security	70,530	
State Retirement	101,761	
Medical Insurance	139,871	
Dental Insurance	654	
Employer Medicare	16,496	
Other Fringe Benefits	286	
Other Contracted Services	61,091	
Instructional Supplies and Materials	32,706	
Other Supplies and Materials	2,168	
Regular Instruction Equipment	<u>177,199</u>	
Total Regular Instruction Program		\$ 1,760,309

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	50,140	
Educational Assistants		788,726	
Speech Pathologist		59,097	
Other Salaries and Wages		77,232	
Social Security		53,801	
State Retirement		52,069	
Medical Insurance		87,130	
Employer Medicare		13,002	
Other Contracted Services		97,289	
Instructional Supplies and Materials		21,213	
Other Supplies and Materials		5,184	
Special Education Equipment		147,076	
Total Special Education Program			\$ 1,451,959

Vocational Education Program

Instructional Supplies and Materials	\$	23,903	
Vocational Instruction Equipment		49,900	
Total Vocational Education Program			73,803

Support Services

Other Student Support

Other Salaries and Wages	\$	47,193	
Social Security		2,926	
State Retirement		4,271	
Medical Insurance		5,747	
Employer Medicare		684	
Evaluation and Testing		340	
Travel		5,415	
Other Supplies and Materials		531	
In Service/Staff Development		15	
Other Charges		16,119	
Total Other Student Support			83,241

Regular Instruction Program

Supervisor/Director	\$	53,745	
Secretary(ies)		24,945	
Other Salaries and Wages		26,050	
Certified Substitute Teachers		104	
Non-certified Substitute Teachers		624	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	6,196	
State Retirement		8,711	
Medical Insurance		16,597	
Employer Medicare		1,449	
Travel		443	
Other Supplies and Materials		37,733	
In Service/Staff Development		238,807	
Total Regular Instruction Program			\$ 415,404

Special Education Program

Psychological Personnel	\$	98,812	
Other Salaries and Wages		148,798	
Social Security		15,056	
State Retirement		22,409	
Medical Insurance		26,563	
Dental Insurance		1,333	
Employer Medicare		3,521	
Instructional Supplies and Materials		779	
Other Supplies and Materials		5,587	
In Service/Staff Development		6,523	
Total Special Education Program			329,381

Vocational Education Program

Travel	\$	460	
In Service/Staff Development		515	
Total Vocational Education Program			975

Transportation

Bus Drivers	\$	6,391	
In-Service Training		28	
Social Security		398	
State Retirement		385	
Employer Medicare		93	
Total Transportation			7,295

Total School Federal Projects Fund \$ 4,122,367

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	52,976	
Clerical Personnel		34,643	
Cafeteria Personnel		1,010,221	
Social Security		65,312	
State Retirement		41,557	
Life Insurance		2,021	
Medical Insurance		71,882	
Disability Insurance		2,110	
Unemployment Compensation		9,843	
Employer Medicare		15,397	
Communication		11,116	
Maintenance and Repair Services - Equipment		60,443	
Transportation - Other than Students		23,836	
Travel		4,979	
Other Contracted Services		58,724	
Equipment and Machinery Parts		124	
Food Preparation Supplies		112,625	
Food Supplies		1,348,444	
Office Supplies		11,227	
Uniforms		1,372	
Utilities		100,223	
USDA - Commodities		146,640	
Other Supplies and Materials		2,696	
In Service/Staff Development		1,813	
Other Charges		1,054	
Food Service Equipment		46,540	
Total Food Service			\$ 3,237,818

Total Central Cafeteria Fund \$ 3,237,818

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	40,568	
Legal Services		12,038	
Other Contracted Services		332,818	
Building Improvements		1,500,821	
Other Capital Outlay		534,406	
Total Education Capital Projects			\$ 2,420,651

Total Education Capital Projects Fund 2,420,651

Total Governmental Funds - Cheatham County School Department \$ 56,579,644

Exhibit J-9

Cheatham County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,147,442
Total Cash Receipts	<u>\$ 2,147,442</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,125,967
Trustee's Commission	21,475
Total Cash Disbursements	<u>\$ 2,147,442</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT 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*

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Cheatham County's basic financial statements and have issued our report thereon dated February 28, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Cheatham County Emergency Communications District and the Cheatham County Water and Wastewater Authority as described in our report on Cheatham County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Cheatham County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Cheatham County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.01.

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: 12.03, 12.04, 12.05, 12.06, 12.07, 12.10, 12.11, 12.12, and 12.14.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cheatham County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.02, 12.08, 12.09, and 12.13.

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

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

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Cheatham County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Cheatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cheatham County's management. Our responsibility is to express an opinion on Cheatham County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and

material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cheatham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cheatham County's compliance with those requirements.

In our opinion, Cheatham County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### Internal Control Over Compliance

The management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cheatham County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 Cheatham 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 Cheatham County as of and for the year ended June 30, 2012, and have issued our report thereon dated February 28, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Very truly yours,

A handwritten signature in black ink, 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

Cheatham County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 66,922
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	146,640 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	485,020
National School Lunch Program	10.555	N/A	1,349,696 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	23,026
Total U.S. Department of Agriculture			<u>\$ 2,071,304</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 11,372
Total U.S. Department of the Interior			<u>\$ 11,372</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 33,115
Total U.S. Department of Transportation			<u>\$ 33,115</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 145,806
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	57,190
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	713,774
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,903,294
Special Education - Preschool Grants	84.173	N/A	26,871
Special Education - Grants to States, Recovery Act	84.391	N/A	13,335
Career and Technical Education - Basic Grants to States	84.048	N/A	79,574
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	752
Education Technology Cluster:			
Educational Technology State Grants	84.318	N/A	6,538
Education Technology State Grants, Recovery Act	84.386	N/A	1,128
English Language Acquisition Grant	84.365	N/A	760
Improving Teacher Quality State Grants	84.367	N/A	240,749
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	158,567
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	8,869
Education Jobs Fund	84.410	N/A	1,186,288
Total U.S. Department of Education			<u>\$ 4,543,495</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 11,480
Total U.S. Election Assistance Commission			<u>\$ 11,480</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 184,580
Emergency Management Performance Grants	97.042	(2)	29,000
Homeland Security Grant Program	97.067	(2)	<u>2,593</u>
Total U.S. Department of Homeland Security			<u>\$ 216,173</u>
Total Expenditure of Federal Awards			<u>\$ 6,886,939</u>
		Contract Number	
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	(2)	\$ 36,341
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Development and Coordination of Rural Health Services - State Department of Health	N/A	(2)	10,948
Disaster Grant - State Department of Military	N/A	(2)	19,671
Flood Debris Removal Grant - State Department of Environment and Conservation	N/A	(2)	5,350
High Schools That Work - State Department of Education	N/A	(2)	938
Adult Basic Education - State Department of Labor and Workforce Development	N/A	(2)	23,040
Early Childhood Education - State Department of Education	N/A	(2)	489,884
Energy Efficient School Initiative - State Department of Education	N/A	(2)	148,460
Coordinated School Health - State Department of Health	N/A	(2)	105,000
Student Ticket Subsidy - State Arts Commission	N/A	(2)	500
Internet Connectivity Grant - State Department of Education	N/A	(2)	<u>23,956</u>
Total State Grants			<u>\$ 873,088</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Information not available.  
(3) Total for CFDA No. 10.555 is \$1,496,336.

Cheatham County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Cheatham County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

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

Finding Number	Page Number	Subject
11.01	177	Fund equity was not classified properly
11.03	178	The General Fund had a deficit unassigned fund balance
11.05	180	The office had accounting deficiencies
11.06(C)	181	Duties were not segregated adequately in the Building Codes Department
11.07	182	Deficiencies were noted in the maintenance of capital asset records
11.08	183	The office had payroll deficiencies
11.09	184	The Building Permits software did not have adequate application controls

**OFFICE OF DIRECTOR OF SCHOOLS**

Finding Number	Page Number	Subject
11.10	188	The office had deficiencies in purchasing procedures

**OFFICE OF SHERIFF**

Finding Number	Page Number	Subject
11.16	191	The office had numerous accounting deficiencies

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**CHEATHAM COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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

1. Our report on the financial statements of Cheatham County is unqualified.
2. The audit of the financial statements of Cheatham County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Cheatham County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants and Special Education – Grants to States, Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391); and the State Fiscal Stabilization Fund Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Cheatham County did qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, director of accounts and budgets, and the current and former directors of schools are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

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

**FINDING 12.01**      **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, receivable and liability account balances in the General Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Cheatham County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were 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. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

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

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

Auditors gave the director of accounts and budgets an audit adjustment to correctly reflect the outstanding portion of the \$2 million interfund loan for flood damages, as well as an adjustment for ambulance receivables. In the future, the director of accounts and budgets will post these entries when closing year-end.

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**FINDING 12.02**      **FUND BALANCE WAS NOT CLASSIFIED PROPERLY**  
(Noncompliance Under *Government Auditing Standards*)

The Office of Accounts and Budget did not attempt to analyze revenues and expenditures in any fund, except the General Fund, for fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. An analysis of fund balance classifications is

necessary to determine the hierarchy for which amounts of fund balance can be spent. Fund balance classifications at June 30, 2012, were determined by alternative auditing procedures. The failure to properly classify fund balance was the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

County officials should determine all fund balance classifications each June 30.

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

The county's fund balance classifications were only calculated for the General Fund. Management is now aware that it must be classified for all funds and will ensure that all fund classifications are available to auditors for the upcoming audit.

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FINDING 12.03      **THE GENERAL FUND HAD A DEFICIT UNASSIGNED FUND BALANCE AT JUNE 30, 2012**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The General Fund had a deficit in unassigned fund balance of \$325,504 at June 30, 2012. This deficit resulted from the recognition of an interfund loan payable to the Education Debt Service Fund that was still outstanding at June 30.

RECOMMENDATION

Officials should liquidate the deficit in unassigned fund balance.

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

When applying the adjustment for the unpaid balance of the \$2 million interfund loan that the county borrowed to fund damages, which occurred in the 2010 flood, the fund balance of the General Fund ended with a deficit balance. As the county receives funds from FEMA for the flood damages, the interfund loan is repaid to liquidate the payable. Until the interfund loan is paid, the payable will result in a deficit balance for the General Fund. Management will continue to direct all flood funds received from FEMA toward the repayment of the interfund loan to expedite clearing the payable and the deficit.

FINDING 12.04

**THE OFFICE HAD ACCOUNTING DEFICIENCIES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our audit disclosed the following accounting deficiencies. These deficiencies can be attributed in part to the lack of management oversight and management’s failure to correct findings noted in the prior-year audit report.

- A. The office did not reconcile general ledger cash accounts with county trustee reports timely. Instead, personnel waited extended periods of time to reconcile the cash accounts with the trustee. The Education Debt Service Fund has not been properly reconciled since July 2011. The failure to currently reconcile cash accounts with the trustee reports allows errors to remain undiscovered and uncorrected.
- B. The accounting records for the fiscal year ended June 30, 2012, did not include year-end receivable and payable amounts. After discussions with the director of accounts and budgets, it was determined that several year-end closing entries were not posted until November 2012. Accounting records should be closed within 60 days after year-end. This delay prevents the current presentation of the financial statements to the County Commission, citizens, and other interested parties.
- C. We noted several journal entries that were dated on or before June 30, 2012, but were posted as late as November 2012. Although there was a parameter in the accounting software that limited the number of accounting periods that could be open, the office contacted the vendor to change this parameter to allow users to post transactions to any month.
- D. Multiple deficiencies were noted in the calculation of property tax receivables. The property tax receivables calculation included errors such as, incorrect tax rates and July tax collections. After several attempts, the office was able to provide adequate calculations to auditors.

RECOMMENDATION

Cash accounts should be reconciled with trustee reports monthly. After posting year-end accruals and closing entries, the office should close its accounting records within 60 days following end of the accounting period to provide interested parties with current financial information. Journal entries should be posted to records in a timely manner to ensure accounting records are accurate. Property taxes receivable should be correctly calculated.

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

- A. Management ensures that general ledger cash accounts will be reconciled with the trustee reports on a monthly basis instead of waiting a month. Doing so will ensure errors are discovered and corrected in a timely manner.

- B. Management will make certain that the accounting records are closed within 60 to 90 days after year-end to ensure current financial information is available.
  - C. Journal entries for payroll deduction accounts were entered in November when year-end was being closed. The director of accounts and budgets noticed journal entries had not been done for payroll; therefore, the entries were posted so year-end could be closed. Management has contracted with the software vendor to change the parameter that limits the number of months entries can be open.
  - D. The director of accounts and budgets worked with auditors to correct the spreadsheet used to prepare the taxes receivable so that the reports will reflect the correct information in the future.
- 

**FINDING 12.05**      **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

In prior years, audit findings have been reported related to the county not following its capital asset policy. As a result, the County Commission adopted a new capital asset policy in June 2011, in an attempt to correct certain issues. Capital asset reports were finally provided to auditors on January 9, 2013, by the director of accounts and budgets after several requests. However, upon our examination, it was determined the county was not in compliance with its new capital assets policy, and deficiencies were prevalent in the capital asset records. These deficiencies can be attributed in part to the lack of management oversight.

- A. The capital assets policy provides that assets costing \$10,000 or more should be capitalized. However, we noted numerous items below the \$10,000 threshold that were included on the capital asset listing. Management has accepted and posted audit adjustments to properly reflect capital assets in the financial statements of this report.
- B. The capital assets policy references using a table in the MUNIS accounting system as a guide when determining the valuation and depreciation of county assets. However, the county does not operate or utilize the MUNIS accounting system; therefore, the referenced depreciation tables do not exist. Capital assets were depreciated based on the previous capital asset policy.
- C. The new capital assets policy states depreciation will begin in the first month that an asset is in use by the county; however, assets purchased during the audit period were depreciated for a full year in accordance with the previous capital asset policy.
- D. Assets were not tagged or otherwise clearly identified as county property. In addition, the records did not contain sufficient information such as the assets'

serial number or other form of identification that would allow the asset to be physically inspected and reconciled with the capital asset listing.

### RECOMMENDATION

Management should remove all items from the capital asset records that are below the \$10,000 capitalization threshold for external financial statement reporting. The county should amend the new capital assets policy regarding references for depreciation to the table in the MUNIS accounting system. The county should comply with its current capital assets policy. All capital assets should be tagged or otherwise clearly identified as county property.

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

Management will be presenting an updated capital assets policy to the Budget Committee and County Commission that will provide better records and control of capital assets. Additionally, the accounting/finance office will be working with all offices and departments to get all items tagged with control numbers and any other additional information that will be helpful in identifying the county's assets.

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### FINDING 12.06

#### **THE OFFICE HAD PAYROLL DEFICIENCIES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our audit disclosed the following payroll deficiencies. These deficiencies can be attributed in part to the lack of management oversight and management's failure to correct findings noted in the prior-year audit report.

- A. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. These errors were not corrected in the financial statements of this report; however, we do not consider the uncorrected differences to be material to the financial statements.
- B. Several instances were noted where employees did not sign their time sheets. Employees should sign time sheets as verification that the time reported is correct. If employees do not review and sign their time sheets, it increases the risk that time will be reported and paid incorrectly.

### RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and errors should be corrected promptly. Employees should review and sign their time sheets before they are submitted to payroll.

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

- A. Our office has implemented a monthly review process with the payroll clerk to make certain payroll deduction accounts are reconciled on a monthly basis. This review process will ensure errors do not go undiscovered and uncorrected.
  - B. The county's payroll clerk has been notified that all employees must review and sign their timesheet to verify reported time is correct. Furthermore, the payroll clerk has sent a memo to all department heads and elected officials informing them this must be done.
- 

FINDING 12.07      **THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

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

Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with proper controls, inappropriate system activity could occur. These deficiencies were reported to management in previous audit reports. At that time, management had contacted the vendor who informed them that the latest version of the software would correct the deficiencies. This version was still under development and had not yet been released by the vendor. However, when management again contacted the vendor in June 2011, the vendor stated that they were no longer planning to release a new version of the software and were also no longer supporting the current software. In November 2012, the office began using a new software application.

RECOMMENDATION

Management should ensure that the recently purchased software has proper controls to help ensure the reliability and integrity of the information maintained by the system.

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**OFFICE OF ROAD SUPERINTENDENT**

**FINDING 12.08      **THE ROAD SUPERINTENDENT FAILED TO COMPLY WITH A COURT ORDER****

(Material Noncompliance Under *Government Auditing Standards*)

Cheatham County operates under the Fiscal Control Acts of 1957, which require the director of accounts and budgets to maintain accounting records for funds administered by the county mayor and the road superintendent. During the year ended June 30, 2012, the road superintendent maintained his own fund accounting records with the director of accounts and budget's cursory oversight. On May 17, 2012, an agreed order was issued by Chancery Court requiring the Office of Road Superintendent to comply with the Cheatham County Purchasing Policy Manual and to forward invoices and employee time sheets to the Office of Accounts and Budgets for review and payment. As of January 31, 2013, the agreed order has not been implemented. This deficiency resulted from the failure of management to comply with the agreed order.

**RECOMMENDATION**

The road superintendent should follow the Fiscal Control Acts of 1957 and the directives outlined in the agreed court order.

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**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 12.09      **AN INTERFUND LOAN WAS NOT AUTHORIZED IN ACCORDANCE WITH STATE STATUTES****

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2012, the School Federal Projects Fund reflected a Due to the General Purpose School Fund of \$199,830.83 for payroll reimbursements. Payments were made in July, September, December 2012, and January 2013, to liquidate the payable. Auditors were advised by the School Department that reimbursements could not be made in a timely manner because the cash flow was needed for current operating expenses. This year-end payable, in effect, was an interfund loan, which was not approved by the state Comptroller's Office as required by Section 9-21-408, *Tennessee Code Annotated*.

**RECOMMENDATION**

All interfund loans should be approved by the state Comptroller's Office as required by state statute, and all interfund loans should be liquidated on a current basis.

**MANAGEMENT'S RESPONSE – FORMER DIRECTOR OF SCHOOLS TIM WEBB**

I concur.

MANAGEMENT'S RESPONSE – CURRENT DIRECTOR OF SCHOOLS DR. STAN CURTIS

We concur. In September 2012, the district was awarded a competitive federal grant award that required expenditures to be paid and then reimbursed with federal funds. The project had to be completed in less than 60 days. Therefore, reimbursements to the General Purpose School Fund were delayed to fund the grant until the reimbursement arrived, and an interfund transfer was prepared and approved the following month. With the increase in the interfund transfer balance, this issue will not occur in the future.

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**OFFICE OF SHERIFF**

**FINDING 12.10      **THE OFFICE HAD NUMEROUS ACCOUNTING DEFICIENCIES****

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies can be attributed to a lack of management oversight.

- A. The annual financial report prepared by the Sheriff's Department did not accurately reflect the operations of the office. The report did not include beginning or ending balances, confidential drug funds, commissary operations, or account for board bill activity. Year-end balances were determined by substantive testing and alternative auditing procedures.
- B. The bank account maintained for general operations was not reconciled with accounting records in a timely manner. Also, reconciling errors were not investigated and corrected. The failure to properly reconcile bank accounts with accounting records is a significant deficiency that increases the risk that errors will not be discovered and corrected timely. The bank balance at June 30, 2012, was determined from bank statements and alternative auditing procedures.
- C. The official cash journal was not properly maintained and did not accurately reflect the operations of the office. There were several bank charges, bank deposits, and checks not posted to the cash journal, ultimately resulting in the Sheriff's bank account being overdrawn by \$957 at June 30, 2012. Alternative auditing procedures were used to determine cash receipts and disbursements for the Sheriff's Department.

**RECOMMENDATION**

The annual financial report should accurately reflect all operations of the office. Bank statements should be reconciled on a current basis. Reconciling errors discovered should be investigated and corrected promptly. The official cash journal should be properly maintained, and all transactions should be recorded properly.

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**FINDING 12.11      **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER****

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Employees operated from the same cash drawer in the Office of Sheriff. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the sheriff would not be able to determine who was responsible for the shortage because multiple employees were working from the same cash drawers. This deficiency in internal controls was the result of management's failure to correct the prior-year finding and a lack of management oversight over risks related to safeguarding assets.

**RECOMMENDATION**

The sheriff should assign each employee their own cash drawer.

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**FINDING 12.12      **THE OFFICE USED AN UNAUTHORIZED SIGNATURE STAMP****

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Sheriff's Department used a signature stamp to affix the sheriff's signature to documents issued by the office. *Tennessee Code Annotated* does not provide authority for the use of a signature stamp. Use of a signature stamp increases the risk of having unauthorized transactions and falsified documents. This deficiency in internal controls was the result of management's decision to use a signature stamp.

**RECOMMENDATION**

The office should immediately discontinue the use of the signature stamp.

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**PROBATION DEPARTMENT**

**FINDING 12.13      **DEFICIENCIES WERE NOTED IN THE COLLECTION OF FUNDS****

(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the collection of funds at the Probation Department collection site. These deficiencies are the result of a lack of management oversight.

- A. The Probation Department did not always deposit collections with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated (TCA)*.
- B. The Probation Department did not issue official receipts for all collections as required by Section 9-2-104, *TCA*. Instead, the office used index cards and notebook paper to generically receipt court and copy fee collections. The use of unofficial receipts exposes the office to risks that collections may not be accounted for properly.

**RECOMMENDATION**

All collections should be deposited with the county trustee within three days of collection. Official receipts should be issued for all collections.

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**BUILDINGS AND CODES DEPARTMENT**

**FINDING 12.14**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among employees in the Building Codes Department. Employees responsible for maintaining the accounting records in the office were also involved in receipting and depositing 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.

**RECOMMENDATION**

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

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**BEST PRACTICES**

The Division of Local Government Audit strongly believes that the items noted below are best practices 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 Cheatham County.

**ITEM 1.      CHEATHAM COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Cheatham County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee could significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks.

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

The county provides an internal review and recommendation for all audit findings given by the Comptroller's Office. To proceed with this best practice it would be necessary for rural counties like Cheatham County to spend money on professional services (legal and accounting) to make sure this independent financial reporting process is beneficial and not political. This best practice is viewed as an unfunded mandate and the financial burden on rural counties should be addressed.

**AUDITOR'S COMMENT**

An Audit Committee consists of members of the County Commission, citizens of Cheatham County, or a combination of both. To insure the committee's independence and effectiveness, no Audit Committee member will be an elected official (with the exception of elected county commissioners), employee, spouse of an official/employee, or person that commingles assets with an official/employee of Cheatham County. While committee members need not be accountants, they should possess sufficient knowledge and experience in finance, business, and accounting to discharge the committee's duties. The members of the Audit Committee shall be appointed by the County Commission to staggered year terms.

**ITEM 2.      CHEATHAM COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Cheatham County does not have a central system of accounting, budgeting, and purchasing for all departments. Cheatham County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and road superintendent, but exclude the School Department. Sound business practices dictate that establishing a central system for all departments 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. 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.

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

Cheatham County operates under the Budgeting Laws of 1957. According to *Tennessee Code Annotated*, Section 5-13-104, the director of accounts and budgets administers a centralized system of accounting and fiscal procedure of the county. The Fiscal Control Act of 1957 found in *TCA*, Sections 5-12-101 through 5-14-116, was intended to provide a means for counties to consolidate functions, incorporate business practices into the management of county finances, etc. All funds in Cheatham County are managed by the county mayor and the director of accounts and budgets except for the school funds. According to the 1957 law, Cheatham County is operating under a centralized form of accounting. Therefore, the best practice is misleading and should be explained in such a way that the public is adequately informed.

## AUDITOR'S COMMENT

Cheatham County does not have a central system of accounting, budgeting, and purchasing for all departments since the School Department is excluded. The Comptroller's Office recommends 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.

**CHEATHAM COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2012**

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