ANNUAL FINANCIAL REPORT
CHEATHAM COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2011

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

CHEATHAM COUNTY, TENNESSEE
TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
INTRODUCTORY SECTION		8
Cheatham County Officials		9
FINANCIAL SECTION		10
Independent Auditor's Report		11-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Assets	A	15
Statement of Activities	B	16-17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	24
Notes to the Financial Statements		25-66
REQUIRED SUPPLEMENTARY INFORMATION:		67
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	68-70
Highway/Public Works Fund	E-2	71
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Cheatham County School Department	E-3	72
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Cheatham County School Department	E-4	73
Notes to the Required Supplementary Information		74-75

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		76
Nonmajor Governmental Funds:		77-78
Combining Balance Sheet	F-1	79-80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	81-82
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	83
Solid Waste/Sanitation Fund	F-4	84
Drug Control Fund	F-5	85
Unemployment Compensation Fund	F-6	86
General Debt Service Fund	F-7	87
General Capital Projects Fund	F-8	88
Other Capital Projects Fund	F-9	89
Major Governmental Fund:		90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Education Debt Service Fund	G	91
Fiduciary Funds:		92
Combining Statement of Fiduciary Assets and Liabilities	H-1	93
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	94
Component Unit:		
Discretely Presented Cheatham County School Department:		95
Statement of Activities	I-1	96
Balance Sheet – Governmental Funds	I-2	97
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	98
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	99
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	100
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	102
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	103-105
School Federal Projects Fund	I-9	106
Central Cafeteria Fund	I-10	107

	Exhibit	Page(s)
Miscellaneous Schedules:		108
Schedule of Changes in Long-term Notes, Capital Leases, Line of Credit, Other Loans, and Bonds – Primary Government and Discretely Presented Cheatham County School Department	J-1	109-111
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Cheatham County School Department	J-2	112-113
Schedule of Notes Receivable	J-3	114
Schedule of Transfers – Primary Government and Discretely Presented Cheatham County School Department	J-4	115
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Cheatham County School Department	J-5	116
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	117-126
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Cheatham County School Department	J-7	127-128
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	129-150
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Cheatham County School Department	J-9	151-164
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	165
SINGLE AUDIT SECTION		166
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		167-169
Auditor's 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		170-172
Schedule of Expenditures of Federal Awards and State Grants		173-174
Schedule of Audit Findings Not Corrected		175
Schedule of Findings and Questioned Costs		176-194
Auditee Reporting Responsibilities		195

Audit Highlights

Annual Financial Report
Cheatham County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2011.

Results

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

Our audit resulted in 16 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

- Fund equity was not classified properly.
- A tax anticipation note was not retired in compliance with state statutes.
- The General Fund had a deficit unassigned fund balance at June 30, 2011.
- The office had deficiencies in budget operations.
- The office had accounting deficiencies.
- Deficiencies were noted in the collection of funds at remote collection sites.
- 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.

OFFICE OF ROAD SUPERINTENDENT

- Competitive bids were not solicited for the purchase of de-icing salt.
- Deficiencies were noted in the maintenance of capital asset records and the submission of an insurance claim.

OFFICE OF DIRECTOR OF SCHOOLS

- The office had deficiencies in purchasing procedures.

OFFICES OF CLERK AND MASTER AND REGISTER

- Multiple employees operated from the same cash drawer.

OFFICE OF SHERIFF

- The office did not give the State Department of Human Services blind vendors priority for the commissary operation.
- Deficiencies were noted in the maintenance of commissary records.
- The office had numerous accounting deficiencies.

BEST PRACTICES

The Division of County 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.

INTRODUCTORY SECTION

Cheatham County Officials
June 30, 2011

Officials

David McCullough, County Mayor
Jerry Carney, Road Superintendent
Dr. Timothy Webb, 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

David McCullough, County Mayor, Chairman
Betty Ramsey
Doris Sanders
Ann Jarreau
Rob Myers
Dale McCarver
Jimmy Hedgepath
David Davidson
LuAnn Engelman
Donnie Jordan
Walter Weakley
John Haines
John-Paul Wood, Jr.

Board of Education

Dianne Proffitt, Chairman
Michelle Collins
Greg Horton
Tammie Lavender
Tim Williamson
William Johnson

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

March 5, 2012

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, 2011, 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 .1 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, 2011, and the respective changes in financial position thereof, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2012, on our consideration of Cheatham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

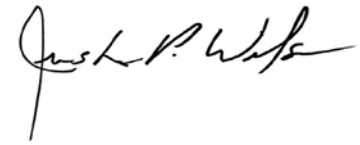
As described in Note V.C., Cheatham County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

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 68 through 75 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,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Basic Financial Statements

Exhibit A

Cheatham County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Government	Component Units		
	Governmental Activities	Cheatham County School Department	Cheatham County Emergency Communications District	Cheatham County Water and Waste Water Authority
ASSETS				
Cash	$ 13,201	$ 1,000	$ 159,128	$ 396,675
Investments	0	0	109,618	0
Equity in Pooled Cash and Investments	17,770,990	5,167,669	0	0
Accounts Receivable	2,504,526	126,397	20,243	19,719
Allowance for Uncollectibles	(1,453,594)	0	0	0
Due from Other Governments	728,264	3,013,309	15,575	0
Property Taxes Receivable	11,386,218	7,973,853	0	0
Allowance for Uncollectible Property Taxes	(481,008)	(336,853)	0	0
Cash Shortage	30,564	0	0	0
Interest Receivable	0	0	123	0
Prepaid Expenses	0	0	20,458	0
Deferred Charges - Debt Issuance Costs	139,444	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	3,876,890	781,997	0	0
Construction in Progress	0	4,761,450	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,844,233	50,741,036	0	0
Other Capital Assets	1,260,020	4,182,219	451,004	179,631
Infrastructure	2,113,085	0	0	0
Total Assets	$ 43,732,833	$ 76,412,077	$ 776,149	$ 596,025
LIABILITIES				
Accounts Payable	$ 665,230	$ 1,733,639	$ 53,756	$ 0
Accrued Payroll	997	176,054	0	0
Payroll Deductions Payable	56,022	0	0	0
Accrued Interest Payable	22,075	0	0	0
Contracts Payable	0	124,731	0	0
Due to Component Units	3,343	0	0	0
Due to Litigants, Heirs, and Others	25,236	0	0	0
Deferred Revenue - Current Property Taxes	10,577,837	7,407,738	0	0
Noncurrent Liabilities:				
Due Within One Year	5,044,704	100,788	0	0
Due in More Than One Year (net of deferred amount on refunding)	24,315,425	6,068,842	0	0
Total Liabilities	$ 40,710,869	$ 15,611,792	$ 53,756	$ 0
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 10,641,913	$ 58,551,394	$ 0	$ 0
Invested in Capital Assets	0	0	451,003	179,631
Restricted for:				
Capital Projects	429,396	0	0	0
Central Cafeteria	0	604,969	0	0
School Federal Projects	0	2,766	0	0
Debt Service	14,401,019	0	0	0
Highway/Public Works	1,632,120	0	0	0
Solid Waste/Sanitation	748,262	0	0	0
Drug Control	506,343	0	0	0
Jail, Workhouse, or Courthouse	467,222	0	0	0
Automation Purposes	162,673	0	0	0
Other Purposes	88,335	17,228	0	0
Unrestricted	(26,055,319)	1,623,928	271,390	416,394
Total Net Assets	$ 3,021,964	$ 60,800,285	$ 722,393	$ 596,025

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Component Units: Cheatham County School Department	Component Units: Cheatham County Emergency Communications District	Component Units: Cheatham County Water and Waste Water Authority
Primary Government:								
Governmental Activities:								
General Government	$ 2,789,197	$ 632,376	$ 19,723	$ 0	$ (2,137,098)	$ 0	$ 0	$ 0
Finance	1,209,061	994,188	0	0	(214,873)	0	0	0
Administration of Justice	1,469,943	1,058,124	49,628	0	(362,191)	0	0	0
Public Safety	4,950,077	347,697	253,513	0	(4,348,867)	0	0	0
Public Health and Welfare	2,951,329	966,860	332,272	14,500	(1,637,697)	0	0	0
Social, Cultural, and Recreational Services	415,511	22,536	21,000	0	(371,975)	0	0	0
Agriculture and Natural Resources	1,044,293	0	0	0	(1,044,293)	0	0	0
Other Operations	377,336	0	85,504	0	(291,832)	0	0	0
Highways/Public Works	3,266,558	0	1,947,379	72,856	(1,246,323)	0	0	0
Education	4,092,013	0	0	0	(4,092,013)	0	0	0
Interest on Long-term Debt	661,333	0	0	0	(661,333)	0	0	0
Other Debt Service	82,910	0	0	0	(82,910)	0	0	0
Total Primary Government	$ 23,309,561	$ 4,021,781	$ 2,709,019	$ 87,356	$ (16,491,405)	$ 0	$ 0	$ 0
Component Units:								
Cheatham County School Department	$ 53,612,760	$ 2,562,608	$ 6,657,947	$ 4,142,013	$ 0	$ (40,250,192)	$ 0	$ 0
Cheatham County Emergency Communications District	514,473	291,655	167,203	0	0	0	(55,615)	0
Cheatham County Water and Waste Water Authority	120,567	67,476	0	0	0	0	0	(53,091)
Total Component Units	$ 54,247,800	$ 2,921,739	$ 6,825,150	$ 4,142,013	$ 0	$ (40,250,192)	$ (55,615)	$ (53,091)

(Continued)

Exhibit B

Cheatham County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Component Units: Cheatham County School Department	Component Units: Cheatham County Emergency Communications District	Component Units: Cheatham County Water and Waste Water Authority
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 9,367,465	$ 8,209,215	$ 0	$ 0
Property Taxes Levied for Debt Service					2,377,751	0	0	0
Local Option Sales Tax					1,351,292	1,689,116	0	0
Wheel Tax					1,628,037	407,505	0	0
Adequate Facilities/Development Tax					273,808	0	0	0
Wholesale Beer Tax					289,939	0	0	0
Fire Tax					244,907	0	0	0
Business Tax					204,860	0	0	0
Litigation Tax					140,818	0	0	0
Other Local Taxes					38,140	2,429	0	0
Grants and Contributions Not Restricted to Specific Programs					568,398	32,060,722	26,600	0
Unrestricted Investment Earnings					157,604	1,365	1,812	3,866
Miscellaneous					262,365	75,244	0	0
Total General Revenues					$ 16,905,384	$ 42,445,596	$ 28,412	$ 3,866
Change in Net Assets					$ 413,979	$ 2,195,404	$ (27,203)	$ (49,225)
Net Assets, July 1, 2010					2,607,985	58,604,881	749,596	645,250
Net Assets, June 30, 2011					$ 3,021,964	$ 60,800,285	$ 722,393	$ 596,025

Exhibit C-1

Cheatham County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 500	$ 0	$ 0	$ 12,701	$ 13,201
Equity in Pooled Cash and Investments	3,558,424	2,416,446	7,876,312	3,919,808	17,770,990
Accounts Receivable	2,301,073	45,016	131,243	27,194	2,504,526
Allowance for Uncollectibles	(1,453,594)	0	0	0	(1,453,594)
Due from Other Governments	170,039	288,811	252,170	17,244	728,264
Due from Other Funds	399,886	0	4,103,750	0	4,503,636
Property Taxes Receivable	7,495,127	522,304	2,054,394	1,314,393	11,386,218
Allowance for Uncollectible Property Taxes	(320,029)	(22,065)	(86,787)	(52,127)	(481,008)
Cash Shortage	0	30,564	0	0	30,564
Total Assets	$ 12,151,426	$ 3,281,076	$ 14,331,082	$ 5,239,213	$ 35,002,797
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 166,445	$ 435,861	$ 1,750	$ 61,174	$ 665,230
Accrued Payroll	918	79	0	0	997
Payroll Deductions Payable	55,406	0	0	616	56,022
Due to Other Funds	4,103,750	399,886	0	0	4,503,636
Due to Component Units	3,343	0	0	0	3,343
Due to Litigants, Heirs, and Others	0	0	0	25,236	25,236
Deferred Revenue - Current Property Taxes	6,954,847	485,222	1,908,539	1,229,229	10,577,837
Deferred Revenue - Delinquent Property Taxes	204,177	13,921	54,751	30,623	303,472
Other Deferred Revenues	433,406	171,083	136,252	0	740,741
Total Liabilities	$ 11,922,292	$ 1,506,052	$ 2,101,292	$ 1,346,878	$ 16,876,514
Fund Balances					
Restricted:					
Restricted for General Government	$ 27,998	$ 0	$ 0	$ 0	$ 27,998
Restricted for Finance	34,177	0	0	0	34,177
Restricted for Administration of Justice	542,379	0	0	0	542,379
Restricted for Public Safety	80,561	0	0	506,343	586,904
Restricted for Public Health and Welfare	21,195	0	0	725,061	746,256
Restricted for Agriculture and Natural Resources	11,920	0	0	0	11,920
Restricted for Highways/Public Works	0	1,618,199	0	0	1,618,199
Restricted for Capital Outlay	0	0	0	428,469	428,469
Restricted for Debt Service	0	0	12,229,790	1,996,733	14,226,523
Committed:					
Committed for General Government	129,638	0	0	49,785	179,423
Committed for Finance	1,064	0	0	0	1,064
Committed for Public Safety	113,673	0	0	0	113,673
Committed for Public Health and Welfare	558,645	0	0	0	558,645
Committed for Social, Cultural, and Recreational Services	108,666	0	0	0	108,666

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)					
Fund Balances (Cont.)					
Committed (Cont.):					
Committed for Capital Outlay	$ 0	$ 0	$ 0	$ 75,250	$ 75,250
Assigned:					
Assigned for General Government	3,738	0	0	0	3,738
Assigned for Finance	6,798	0	0	0	6,798
Assigned for Administration of Justice	5,006	0	0	0	5,006
Assigned for Public Safety	13,823	0	0	0	13,823
Assigned for Public Health and Welfare	6,334	0	0	0	6,334
Assigned for Social, Cultural, and Recreational Services	4,330	0	0	0	4,330
Assigned for Highways/Public Works	0	156,825	0	0	156,825
Assigned for Capital Outlay	0	0	0	110,694	110,694
Unassigned	(1,440,811)	0	0	0	(1,440,811)
Total Fund Balances	$ 229,134	$ 1,775,024	$ 12,229,790	$ 3,892,335	$ 18,126,283
Total Liabilities and Fund Balances	$ 12,151,426	$ 3,281,076	$ 14,331,082	$ 5,239,213	$ 35,002,797

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, 2011

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)			$ 18,126,283
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	3,876,890	
Add: buildings and improvements net of accumulated depreciation		5,844,233	
Add: other capital assets net of accumulated depreciation		1,260,020	
Add: infrastructure net of accumulated depreciation		2,113,085	13,094,228
(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	$	(13,711,500)	
Less: notes payable		(1,794,322)	
Less: capital leases payable		(121,932)	
Less: other loans payable		(12,810,318)	
Less: compensated absences payable		(789,317)	
Less: landfill closure/postclosure costs		(205,932)	
Less: other postemployment benefits liability		(159,595)	
Add: deferred amount on refunding		232,787	
Add: deferred charges - debt issuance costs		139,444	
Less: accrued interest on bonds, notes, and capital leases		(22,075)	(29,242,760)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			1,044,213
Net assets of governmental activities (Exhibit A)			$ 3,021,964

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, 2011

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 8,713,356	$ 947,197	$ 4,868,535	$ 0	$ 1,405,589	$ 15,934,677
Licenses and Permits	290,174	0	0	0	0	290,174
Fines, Forfeitures, and Penalties	142,154	0	0	0	373,665	515,819
Charges for Current Services	814,625	0	0	0	337,202	1,151,827
Other Local Revenues	219,095	22,461	13,398	0	38,536	293,490
Fees Received from County Officials	1,620,577	0	0	0	0	1,620,577
State of Tennessee	678,367	1,729,524	65,404	0	42,856	2,516,151
Federal Government	297,581	305,062	0	0	0	602,643
Other Governments and Citizens Groups	374,242	0	0	0	0	374,242
Total Revenues	$ 13,150,171	$ 3,004,244	$ 4,947,337	$ 0	$ 2,197,848	$ 23,299,600
Expenditures						
Current:						
General Government	$ 1,348,967	$ 0	$ 70,875	$ 0	$ 168,006	$ 1,587,848
Finance	1,112,857	0	0	0	0	1,112,857
Administration of Justice	1,356,933	0	0	0	0	1,356,933
Public Safety	4,269,004	0	0	0	73,205	4,342,209
Public Health and Welfare	1,942,338	0	0	0	944,174	2,886,512
Social, Cultural, and Recreational Services	375,117	0	0	0	0	375,117
Agriculture and Natural Resources	1,035,957	0	0	0	0	1,035,957
Other Operations	1,964,023	0	0	0	11,712	1,975,735
Highways	0	2,893,383	0	0	0	2,893,383
Debt Service:						
Principal on Debt	0	62,436	4,400,244	0	228,000	4,690,680
Interest on Debt	0	6,948	572,553	0	17,101	596,602
Other Debt Service	0	0	74,257	0	26,678	100,935
Capital Projects	2,570,272	0	0	4,092,013	753,369	7,415,654
Total Expenditures	$ 15,975,468	$ 2,962,767	$ 5,117,929	$ 4,092,013	$ 2,222,245	$ 30,370,422
Excess (Deficiency) of Revenues Over Expenditures	$ (2,825,297)	$ 41,477	$ (170,592)	$ (4,092,013)	$ (24,397)	$ (7,070,822)

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Education Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Notes Issued	$ 0	$ 0	$ 0	$ 1,794,322	$ 0	$ 1,794,322
Other Loans Issued	2,575,000	0	0	2,297,691	0	4,872,691
Insurance Recovery	28,890	197,340	0	0	0	226,230
Transfers In	0	0	103,750	0	0	103,750
Transfers Out	(103,750)	0	0	0	0	(103,750)
Total Other Financing Sources (Uses)	$ 2,500,140	$ 197,340	$ 103,750	$ 4,092,013	$ 0	$ 6,893,243
Net Change in Fund Balances	$ (325,157)	$ 238,817	$ (66,842)	$ 0	$ (24,397)	$ (177,579)
Fund Balance, July 1, 2010	554,291	1,536,207	12,296,632	0	3,916,732	18,303,862
Fund Balance, June 30, 2011	$ 229,134	$ 1,775,024	$ 12,229,790	$ 0	$ 3,892,335	$ 18,126,283

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, 2011

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)			$ (177,579)
(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		$ 3,556,241	
Less: current-year depreciation expense		(1,002,614)	2,553,627
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: capital asset donation			14,500
(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, 2010		$ (861,003)	
Add: deferred delinquent property taxes and other deferred June 30, 2011		1,044,213	183,210
(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		$ 62,436	
Add: principal payments on notes		67,390	
Add: principal payments on bonds		1,209,000	
Add: principal payments on other loans		3,242,206	
Add: principal payments on line of credit		109,648	
Add: debt issuance costs on debt issued during the year		18,025	
Less: note proceeds		(1,794,322)	
Less: other loan proceeds		(4,872,691)	
Less: change in deferred amount on refunding debt		(51,033)	
Less: change in deferred debt issuance costs		(15,812)	(2,025,153)
(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		$ 2,114	
Change in landfill closure/postclosure care costs		(2,039)	
Change in other postemployment benefits liability		(76,698)	
Change in compensated absences payable		(58,003)	(134,626)
Change in net assets of governmental activities (Exhibit B)			$ 413,979

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, 2011

	Agency Funds
ASSETS	
Cash	$ 1,179,388
Accounts Receivable	1,998
Due from Other Governments	367,465
Total Assets	$ 1,548,851
LIABILITIES	
Due to Other Taxing Units	$ 367,465
Due to Litigants, Heirs, and Others	1,181,386
Total Liabilities	$ 1,548,851

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

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 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 this organization does not extend beyond making the appointments. During the year ended June 30, 2011, the county did not appropriate any operating subsidies to the Cheatham County Industrial Development Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Cheatham County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Cheatham County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Cheatham County issues most debt for the discretely presented Cheatham County School Department. Net debt issues of $4,092,013 were contributed by the county to the School Department during the year ended June 30, 2011.

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 the retirement of bonds, notes, a line of credit, and other loans for the construction and renovation of the county's schools.

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

Additionally, Cheatham County reports the following fund type:

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

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

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.

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.

Notes payable from the General Fund to the Education Debt Service Fund are included in restricted fund balance in the Education Debt Service Fund. These notes are reflected as Due to/from Other Funds in the financial statements of this report.

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 $5,000 or more for the

primary government (infrastructure $50,000), $10,000 or more for the School Department, and an estimated useful life exceeding five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
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 earned but unused vacation (with the exception of the Offices of County Clerk, Trustee, and Register that do not allow the accumulation of unused vacation) and sick pay benefits. There is no liability for unpaid accumulated sick leave (with the exception of the Road Department) since Cheatham County does not have a policy to pay any amounts when employees separate from service with the government.

School Department employees may accumulate limited amounts of earned but unused vacation benefits. The general policy of the School Department permits the unlimited accumulation of unused sick leave days. 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, 2011, Cheatham County had $25,969,140 in outstanding debt for capital purposes of the discretely presented Cheatham County School Department. The debt is a liability of Cheatham County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Cheatham County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report 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.

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's Budget Committee and the Board of Education are authorized bodies to make assignments.

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 School Department's Education Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year end.

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

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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, County Mayor/Executive, Personnel Office, Election Commission, 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, 2011, Cheatham County and the Cheatham County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Fund:		
Highway/Public Works	Asphalt	$ 42,000
"	Hot Mix	74,771
Nonmajor Fund:		
Other Capital Projects	Ambulance Remount	81,988
School Department:		
Major Fund:		
General Purpose School	Installation of Wireless Services	251,499
"	Paving Parking Lots	254,940
Nonmajor Fund:		
Education Capital Projects	Roofs	978,688

B. Fund Deficit

The General Fund had a deficit unassigned fund balance of $1,440,811 at June 30, 2011. This deficit unassigned fund balance resulted from recognizing a payable for a tax anticipation note of $2,000,000 that was not paid back by 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, was sentenced, and ordered to pay restitution totaling $68,211.11 to the Highway Department. An unpaid cash shortage of $30,563.75 existed at June 30, 2011.

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the General Capital Projects Fund by $6,774. Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the following funds:

Funds/Category	Amount Overspent
Primary Government	
General:	
General Sessions Court	$ 12,199
Juvenile Court	5,874
Discretely Presented School Department	
General Purpose School:	
Support Services - Transportation	7,917

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

E. Appropriations Exceeded Available Funding

The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding available funding by $485,459.

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, 2011, Cheatham County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	$ 4,228,217

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, 2011, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

The Education Debt Service Fund had a note receivable of $2,000,000 on June 30, 2011, from financing expenditures paid from the General Fund related to the May 2010 floods. The Education Debt Service Fund had a note receivable of $2,000,000 on June 30, 2011 related to a tax anticipation note to the General Fund that was not paid back by June 30. These interfund notes are presented as Due to/from Other Funds in the financial statements of this report.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	$ 1,292,118	$ 2,584,772	$ 3,876,890
Total Capital Assets Not Depreciated	$ 1,292,118	$ 2,584,772	$ 3,876,890
Capital Assets Depreciated:			
Buildings and Improvements	$ 10,810,236	$ 609,330	$ 11,419,566
Infrastructure	16,851,143	0	16,851,143
Other Capital Assets	6,180,252	376,639	6,556,891
Total Capital Assets Depreciated	$ 33,841,631	$ 985,969	$ 34,827,600
Less Accumulated Depreciation for:			
Buildings and Improvements	$ 5,294,754	$ 280,579	$ 5,575,333
Infrastructure	14,445,068	292,990	14,738,058
Other Capital Assets	4,867,826	429,045	5,296,871
Total Accumulated Depreciation	$ 24,607,648	$ 1,002,614	$ 25,610,262
Total Capital Assets Depreciated, Net	$ 9,233,983	$ (16,645)	$ 9,217,338
Governmental Activities Capital Assets, Net	$ 10,526,101	$ 2,568,127	$ 13,094,228

There were no capital asset decreases during the year ended June 30, 2011. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	$ 186,562
Public Safety	334,056
Public Health and Welfare	60,825
Social, Cultural, and Recreational Services	32,795
Highway/Public Works	388,376
Total Depreciation Expense - Governmental Activities	$ 1,002,614

Discretely Presented Cheatham County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	$ 781,997	$ 0	$ 0	$ 781,997
Construction in Progress	9,736,079	4,770,266	(9,744,895)	4,761,450
Total Capital Assets Not Depreciated	$ 10,518,076	$ 4,770,266	$ (9,744,895)	$ 5,543,447
Capital Assets Depreciated:				
Buildings and Improvements	$ 76,613,747	$ 9,793,495	$ 0	$ 86,407,242
Other Capital Assets	5,735,316	746,410	(283,210)	6,198,516
Total Capital Assets Depreciated	$ 82,349,063	$ 10,539,905	$ (283,210)	$ 92,605,758
Less Accumulated Depreciation for:				
Buildings and Improvements	$ 33,684,254	$ 1,981,952	$ 0	$ 35,666,206
Other Capital Assets	1,928,343	360,124	(272,170)	2,016,297
Total Accumulated Depreciation	$ 35,612,597	$ 2,342,076	$ (272,170)	$ 37,682,503
Total Capital Assets Depreciated, Net	$ 46,736,466	$ 8,197,829	$ (11,040)	$ 54,923,255
Governmental Activities Capital Assets, Net	$ 57,254,542	$ 12,968,095	$ (9,755,935)	$ 60,466,702

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

Governmental Activities:

Support Services	$ 2,342,076
Total Depreciation Expense - Governmental Activities	$ 2,342,076

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Highway/Public Works	$ 399,886
Education Debt Service	General	103,750
"	"	4,000,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	125,352
Nonmajor governmental	General Purpose School	682

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 plus interfund notes receivable.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Component Unit:	Primary Government:	
Emergency Communications District	General	$ 3,343

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In Education Debt Service Fund
General Fund	$ 103,750

Discretely Presented Cheatham County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 98,682
Total	$ 98,682

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.

E. 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:

Asset		Governmental Activities
Other Capital Assets - Tractor	$	67,232
Less: Accumulated Depreciation		(23,170)
Other Capital Assets - Paver		243,259
Less: Accumulated Depreciation		(75,978)
Total Book Value	$	211,343

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30		Amount
2012	$	69,388
2013		57,815
Total Minimum Lease Payments	$	127,203
Less: Amount Representing Interest		(5,271)
Present Value of Minimum Lease Payments	$	121,932

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

F. Long-term Debt

Primary Government

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

The county issues general obligation bonds, a line of credit, 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, the line of credit, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, the line of credit, and other loans outstanding were issued for original terms of up to 15 years for bonds, up to three years for notes, up to three years for the line of credit, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, and other

loans included in long-term debt as of June 30, 2011, 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, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds - Refunding	2 to 4 %	$ 17,499,500	$ 13,711,500
Capital Outlay Notes	4.5	1,794,322	1,794,322
Other Loans	variable	23,981,159	12,810,318
Capital Leases	4.34 to 4.87	310,491	121,932

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, 2011, the variable interest rate was .37 percent on the $7,040,703 and $2,262,948 loans, .27 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 .3 percent on the $9,820,000 loan (letter of credit); .08 percent (remarketing); and $60 per month per loan (trustee).

During the 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 county pays a monthly administrative and trustee fee in connection with these loans. At June 30, 2011, the rate of the administrative fee was .15 percent and the trustee fee was $100 per month.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2012	$ 1,264,000	$ 472,294	$ 1,736,294
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
2017-2021	6,400,800	641,282	7,042,082
2022	418,700	13,330	432,030
Total	$ 13,711,500	$ 2,578,401	$ 16,289,901

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2012	$ 0	$ 80,745	$ 80,745
2013	0	80,745	80,745
2014	1,794,322	80,745	1,875,067
Total	$ 1,794,322	$ 242,235	$ 2,036,557

Year Ending June 30	Other Loans Principal	Other Loans Interest	Other Loans Other Fees	Other Loans Total
2012	$ 3,557,564	$ 33,957	$ 38,463	$ 3,629,984
2013	2,480,865	25,961	28,942	2,535,768
2014	2,593,892	19,198	21,876	2,634,966
2015	1,023,072	12,500	14,183	1,049,755
2016	1,068,375	9,667	11,530	1,089,572
2017-2019	2,086,550	11,206	15,651	2,113,407
Total	$ 12,810,318	$ 112,489	$ 130,645	$ 13,053,452

There is $1,996,733 available in the General Debt Service and $12,229,790 in the Education Debt Service funds to service long-term debt. Bonded debt per capita totaled $351, based on the 2010 federal census. Debt per capita, including bonds, notes, other loans, and capital leases totaled $727, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities	Bonds	Notes	Other Loans
Balance, July 1, 2010	$ 14,920,500	$ 67,390	$ 11,179,833
Additions	0	1,794,322	4,872,691
Deductions	(1,209,000)	(67,390)	(3,242,206)
Balance, June 30, 2011	$ 13,711,500	$ 1,794,322	$ 12,810,318
Balance Due Within One Year	$ 1,264,000	$ 0	$ 3,557,564

	Capital Leases	Line of Credit	Compensated Absences
Balance, July 1, 2010	$ 184,368	$ 109,648	$ 731,314
Additions	0	0	808,290
Deductions	(62,436)	(109,648)	(750,287)
Balance, June 30, 2011	$ 121,932	$ 0	$ 789,317
Balance Due Within One Year	$ 65,277	$ 0	$ 157,863

	Other Postemployment Benefits	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2010	$ 82,897	$ 203,893
Additions	96,197	2,039
Deductions	(19,499)	0
Balance, June 30, 2011	$ 159,595	$ 205,932
Balance Due Within One Year	$ 0	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$ 29,592,916
Less: Due Within One Year	(5,044,704)
Less: Deferred Amount on Refunding	(232,787)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 24,315,425

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

During 2010-2011, 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 $5,002,361 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 60 days after the project is completed.

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2012	$ 99,972	$ 9,036	$ 109,008
2013	400,641	35,391	436,032
2014	403,656	32,376	436,032
2015	406,689	29,343	436,032
2016	409,752	26,280	436,032
2017	194,598	10,904	205,502
Total	$ 1,915,308	$ 143,330	$ 2,058,638

There is $3,403,403 available in the General Purpose School Fund to service long-term debt. Debt per capita totaled $49, 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, 2011, was as follows:

Governmental Activities	Other Loans	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	$ 0	$ 4,111	$ 3,715,637
Additions	1,915,308	3,263	1,138,829
Deductions	0	(4,111)	(603,407)
Balance, June 30, 2011	$ 1,915,308	$ 3,263	$ 4,251,059
Balance Due Within One Year	$ 99,972	$ 816	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$ 6,169,630
Less: Due Within One Year	(100,788)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 6,068,842

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

G. 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, 2011, were $137,278 and $13,749, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

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. This note was not retired by June 30 as required by state statute and is reflected in the General Fund as Due to Other Funds and Due from Other Funds in the Education Debt Service Fund.

Short-term debt activity for the year ended June 30, 2011, was as follows:

Fund	Balance 7-1-10	Issued	Paid	Balance 6-30-11
General	$ 0	$ 2,000,000	$ 0	$ 2,000,000

V. OTHER INFORMATION

A. Risk Management

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

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

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

B. Risk Financing Activities

Cheatham County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the

LOGIC board of directors made a second assessment of its members. Cheatham County's share of this second assessment totaled $134,170.

C. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Cheatham County and the Cheatham County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

D. Subsequent Events

On July 29, 2010, the Education Debt Service Fund issued a tax anticipation note of $2,000,000 to the General Fund to provide temporary operating funds.

On December 22, 2010, Cheatham County issued $2,575,000 in other loans for the purchase of land.

E. 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.

F. Changes in Administration

On August 31, 2010, William Orange left the Office of County Mayor and was succeeded by David McCullough, and W.J. Hall left the Office of County Clerk and was succeeded by Teresa Gupton.

On November 29, 2010, Dr. Timothy Webb became the director of schools, succeeding interim director Dianne Williams.

G. 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 $205,932 reported as landfill closure and postclosure care liability at June 30, 2011, 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 $796,271 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 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

H. 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 $64,238 on behalf of and contributed $105,955 to the Cheatham County Joint Economic and Community Development Board during the 2010-11 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, 2011.

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

I. 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, 2011. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

J. 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 contribue five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, 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, 2011, the county's annual pension cost of $837,295 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 salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	$837,295	100%	$0
6-30-10	712,002	100	0
6-30-09	711,000	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 87.31 percent funded. The actuarial accrued liability for benefits was $27 million, and the actuarial value of assets was $23 million, resulting in an unfunded actuarial accrued liability (UAAL) of $3 million. The covered payroll (annual payroll of active employees covered by the plan) was $14 million, and the ratio of the UAAL to the covered payroll was 24.99 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

SCHOOL TEACHERS

Plan Description

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary 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, 2011, 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, 2011, 2010, and 2009, were $2,004,410, $1,390,227, and $1,406,017, 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.

K. Other Postemployment Benefits (OPEB)

Plan Description

Cheatham County and the Cheatham County 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. In previous fiscal years, prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan was changed, and as a result all members now 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://tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for School Department retirees ranges from ten to 55 percent based on the years of service. Cheatham County and the School

Department recognized expenditures of $19,499 and $603,407, respectively, for postemployment benefits during the year ended June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Insurance Plan	Local Government Group Insurance Plan
ARC	$ 1,130,000	$ 96,000
Interest on the NPO	167,204	3,730
Adjustment to the ARC	(158,375)	(3,533)
Annual OPEB cost	$ 1,138,829	$ 96,197
Amount of contribution	(603,407)	(19,499)
Increase/decrease in NPO	$ 535,422	$ 76,698
Net OPEB obligation, 7-1-10	3,715,637	82,897
Net OPEB obligation, 6-30-11	$ 4,251,059	$ 159,595

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	$ 2,006,907	21%	$ 3,176,945
6-30-10	"	1,128,549	52	3,715,637
6-30-11	"	1,138,829	53	4,251,059
6-30-09	Local Government Group	30,511	84	9,349
6-30-10	"	93,023	21	82,897
6-30-11	"	96,197	20	159,595

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Education Group Insurance Plan	Local Government Group Insurance Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	$ 8,808,000	$ 652,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 8,808,000	$ 652,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 28,327,000	$ 8,212,100
UAAL as a % of covered payroll	31%	8%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare costs trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

L. 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.

M. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by Chapter 250, Private Acts of 1933, as amended, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated* (*TCA*). Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Chapter 250, Private Acts of 1933, as amended, provides for the establishment of a Purchasing Commission whose responsibility is to establish guidelines for bid requirements and purchasing procedures and to keep a record of all purchases. The County Purchasing Law of 1983 and the Uniform Road Law both provide for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids. In January 1987, the County Commission adopted a resolution requiring department heads to 1) authorize all purchases exceeding $50 and 2) obtain purchase orders issued by the director of accounts and budgets.

Office of Director of Schools

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

VI. OTHER 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 and proprietary fund of Cheatham County. The Cheatham County Emergency Communications 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, 2011:

Checking - Prime Trust Bank	$ 81,577
Money Market - Prime Trust Bank	77,551
Certificates of Deposit - Prime Trust Bank	100,000
Local Government Investment Pool	9,618
Total	$ 268,746

At June 30, 2011, the carrying amount of the Cheatham County Emergency Communications District's cash deposits was $268,746. 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, 2011. 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, 2011:

Assets	Cost	Depreciation Expense	Accumulated Depreciation
Communications Equipment	$ 1,047,993	$ 19,696	$ 624,290
Office Equipment	11,439	0	11,439
Vehicles	40,927	5,206	13,627
Total	$ 1,100,359	$ 24,902	$ 649,356

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

Assets	Balance 7-1-10	Additions	Balance 6-30-11
Communications Equipment	$ 1,047,993	$ 0	$ 1,047,993
Office Equipment	11,439	0	11,439
Vehicles	9,427	31,500	40,927
Total	$ 1,068,859	$ 31,500	$ 1,100,359

E. Accounts Receivable and Due from State ECB

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

Accounts Receivable		
Bell South	$	12,503
Town of Kingston Springs		2,400
Other Emergency Phone Service Charges		5,340
Subtotal	$	20,243
Due from State ECB		
State of Tennessee		15,575
Total	$	35,818

F. Contracts with Government Agencies

The Cheatham County Emergency Communications District pays the Cheatham County government for contract labor. The district had no employees of its own at June 30, 2011.

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.

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 and proprietary fund 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 County Commission approval before the issuance of debt. The County Commission does not have authority to change the Cheatham County Water and Waste Water Authority's rates without board of director's approval.

1. Summary of Significant Accounting Policies

a. Capital Assets and Depreciation

Capital assets are recorded at cost and depreciated over their useful lives of 40 years using the straight-line method. Construction period interest is capitalized. All capital expenditures under $1,000 are expensed. Of the $1,014,090 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.

b. Basis of Accounting

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

c. Measurement Focus

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

d. Use of Estimates

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

e. Cash and Cash Equivalents

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

f. Major Sources of Revenue

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

B. Cash and Cash Investments

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

The following is a schedule of bank accounts at June 30, 2011:

Checking - Community B&T	$	8,631
Money Market - Community B&T		388,044
Total	$	396,675

At June 30, 2011, the carrying amount of the Cheatham County Water and Waste Water Authority's cash deposits was $396,675. The authority's deposit accounts are covered up to $250,000 by the FDIC. Any amounts over $250,000 are covered by the government collateralization pool of which Community Bank & Trust is a member. The authority is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

C. Bonding

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

D. Capital Assets

The following is a schedule of equipment, current year depreciation expense, and accumulated depreciation at June 30, 2011:

Assets	Cost	Depreciation Expense	Accumulated Depreciation
Depreciable			
Water Sewage Plant	1,014,090	25,352	834,459
Total Assets	$ 1,014,090	$ 25,352	$ 834,459

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

	Balance 7-1-10	Increases	Balance 6-30-11
Assets			
Water Sewer Plant	$ 1,014,090	$ 0	$ 1,014,090
Total Assets	$ 1,014,090	$ 0	$ 1,014,090
Accumulated Depreciation			
Water Sewer Plant	$ 809,107	$ 25,352	$ 834,459
Total Accumulated Depreciation	$ 809,107	$ 25,352	$ 834,459
Net Capital Assets			
Water Sewer Plant	$ 204,983	$ (25,352)	$ 179,631
Total Net Capital Assets	$ 204,983	$ (25,352)	$ 179,631

E. Accounts Receivable

Accounts receivable consist of the following for sewer charges:

City of Ashland City	$ 14,484
Various Companies	5,235
Total	$ 19,719

Required Supplementary Information

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 8,713,356	$ 0	$ 0	$ 8,713,356	$ 8,742,739	$ 8,742,739	$ (29,383)
Licenses and Permits	290,174	0	0	290,174	311,000	311,000	(20,826)
Fines, Forfeitures, and Penalties	142,154	0	0	142,154	136,125	136,125	6,029
Charges for Current Services	814,625	0	0	814,625	954,632	977,132	(162,507)
Other Local Revenues	219,095	0	0	219,095	217,500	240,797	(21,702)
Fees Received from County Officials	1,620,577	0	0	1,620,577	1,645,000	1,645,000	(24,423)
State of Tennessee	678,367	0	0	678,367	551,942	569,942	108,425
Federal Government	297,581	0	0	297,581	64,000	64,000	233,581
Other Governments and Citizens Groups	374,242	0	0	374,242	339,830	348,430	25,812
Total Revenues	$ 13,150,171	$ 0	$ 0	$ 13,150,171	$ 12,962,768	$ 13,035,165	$ 115,006
Expenditures							
General Government							
County Commission	$ 101,945	$ 0	$ 0	$ 101,945	$ 101,042	$ 105,042	$ 3,097
County Mayor/Executive	174,936	(700)	0	174,236	203,736	184,511	10,275
Personnel Office	66,750	0	0	66,750	66,369	67,519	769
Election Commission	153,270	(237)	0	153,033	164,453	157,453	4,420
Register of Deeds	169,706	(230)	1,728	171,204	174,769	174,769	3,565
Building	205,298	(823)	0	204,475	189,606	204,907	432
County Buildings	477,062	(1,930)	2,010	477,142	492,125	480,968	3,826
Finance							
Accounting and Budgeting	267,477	0	6,343	273,820	289,003	276,401	2,581
Property Assessor's Office	251,324	0	455	251,779	254,082	254,082	2,303
Reappraisal Program	41,905	0	0	41,905	46,263	43,263	1,358
County Trustee's Office	213,523	(14,369)	0	199,154	204,301	204,301	5,147

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
County Clerk's Office	$ 338,628	$ (94)	$ 0	$ 338,534	$ 345,912	$ 344,090	$ 5,556
Administration of Justice							
Circuit Court	394,780	(1,760)	4,153	397,173	408,348	411,943	14,770
General Sessions Court	158,899	0	0	158,899	145,229	146,700	(12,199)
Chancery Court	221,689	0	184	221,873	226,338	226,338	4,465
Juvenile Court	286,274	0	499	286,773	282,370	280,899	(5,874)
Probation Services	149,343	(650)	0	148,693	152,983	152,982	4,289
Courtroom Security	145,948	0	170	146,118	175,728	154,159	8,041
Public Safety							
Sheriff's Department	1,928,444	(2,312)	12,183	1,938,315	2,144,142	1,967,507	29,192
Jail	1,321,469	(1,500)	1,500	1,321,469	1,443,319	1,339,258	17,789
Rural Fire Protection	257,389	0	0	257,389	257,389	257,389	0
Other Emergency Management	112,049	0	140	112,189	117,512	112,335	146
County Coroner/Medical Examiner	70,350	0	0	70,350	60,650	70,650	300
Other Public Safety	579,303	0	0	579,303	714,222	581,201	1,898
Public Health and Welfare							
Local Health Center	30,579	(10,295)	0	20,284	27,235	22,735	2,451
Rabies and Animal Control	162,876	(1,263)	5,003	166,616	197,126	181,420	14,804
Ambulance/Emergency Medical Services	1,636,483	(3,865)	1,331	1,633,949	1,660,702	1,650,192	16,243
Other Local Health Services	35,996	0	0	35,996	36,755	36,755	759
General Welfare Assistance	33,198	0	0	33,198	33,198	33,198	0
Sanitation Education/Information	43,206	0	0	43,206	43,341	43,531	325
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	73,647	0	0	73,647	76,000	73,647	0

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Libraries	$ 212,136	$ (3,710)	$ 4,330	$ 212,756	$ 206,466	$ 213,335	$ 579
Parks and Fair Boards	89,334	0	0	89,334	0	89,334	0
Agriculture and Natural Resources							
Agriculture Extension Service	96,957	0	0	96,957	105,633	109,876	12,919
Soil Conservation	35,857	0	0	35,857	47,696	36,618	761
Flood Control	903,143	(1,000)	0	902,143	0	909,850	7,707
Other Operations							
Other Economic and Community Development	64,238	0	0	64,238	69,702	64,525	287
Veterans' Services	0	0	0	0	1,844	0	0
Other Charges	186,237	0	0	186,237	170,000	195,000	8,763
Contributions to Other Agencies	628,455	0	0	628,455	654,455	654,455	26,000
Employee Benefits	820,638	0	0	820,638	47,510	913,436	92,798
Miscellaneous	264,455	0	0	264,455	272,497	272,497	8,042
Capital Projects							
Public Health and Welfare Projects	2,570,272	0	0	2,570,272	0	2,575,000	4,728
Total Expenditures	$ 15,975,468	$ (44,738)	$ 40,029	$ 15,970,759	$ 12,310,051	$ 16,274,071	$ 303,312
Excess (Deficiency) of Revenues Over Expenditures	$ (2,825,297)	$ 44,738	$ (40,029)	$ (2,820,588)	$ 652,717	$ (3,238,906)	$ 418,318
Other Financing Sources (Uses)							
Other Loans Issued	$ 2,575,000	$ 0	$ 0	$ 2,575,000	$ 0	$ 2,575,000	$ 0
Insurance Recovery	28,890	0	0	28,890	1,500	26,539	2,351
Transfers Out	(103,750)	0	0	(103,750)	(233,750)	(233,750)	130,000
Total Other Financing Sources (Uses)	$ 2,500,140	$ 0	$ 0	$ 2,500,140	$ (232,250)	$ 2,367,789	$ 132,351
Net Change in Fund Balance	$ (325,157)	$ 44,738	$ (40,029)	$ (320,448)	$ 420,467	$ (871,117)	$ 550,669
Fund Balance, July 1, 2010	554,291	(44,738)	0	509,553	385,658	385,658	123,895
Fund Balance, June 30, 2011	$ 229,134	$ 0	$ (40,029)	$ 189,105	$ 806,125	$ (485,459)	$ 674,564

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 947,197	$ 0	$ 0	$ 947,197	$ 901,575	$ 916,575	$ 30,622
Other Local Revenues	22,461	0	0	22,461	3,600	3,600	18,861
State of Tennessee	1,729,524	0	0	1,729,524	1,803,000	1,803,000	(73,476)
Federal Government	305,062	0	0	305,062	0	159,866	145,196
Total Revenues	$ 3,004,244	$ 0	$ 0	$ 3,004,244	$ 2,708,175	$ 2,883,041	$ 121,203
Expenditures							
Highways							
Administration	$ 189,244	$ (146)	$ 665	$ 189,763	$ 169,160	$ 192,828	$ 3,065
Highway and Bridge Maintenance	1,753,682	(15,798)	130,037	1,867,921	1,638,555	2,113,911	245,990
Operation and Maintenance of Equipment	476,054	(2,681)	2,423	475,796	324,488	488,969	13,173
Other Charges	141,133	0	23,700	164,833	112,350	167,269	2,436
Employee Benefits	325,820	0	0	325,820	367,400	367,400	41,580
Capital Outlay	7,450	0	0	7,450	15,000	15,000	7,550
Principal on Debt							
Highways and Streets	62,436	0	0	62,436	62,450	62,450	14
Interest on Debt							
Highways and Streets	6,948	0	0	6,948	6,975	6,975	27
Total Expenditures	$ 2,962,767	$ (18,625)	$ 156,825	$ 3,100,967	$ 2,696,378	$ 3,414,802	$ 313,835
Excess (Deficiency) of Revenues Over Expenditures	$ 41,477	$ 18,625	$ (156,825)	$ (96,723)	$ 11,797	$ (531,761)	$ 435,038
Other Financing Sources (Uses)							
Insurance Recovery	$ 197,340	$ 0	$ 0	$ 197,340	$ 0	$ 118,788	$ 78,552
Total Other Financing Sources (Uses)	$ 197,340	$ 0	$ 0	$ 197,340	$ 0	$ 118,788	$ 78,552
Net Change in Fund Balance	$ 238,817	$ 18,625	$ (156,825)	$ 100,617	$ 11,797	$ (412,973)	$ 513,590
Fund Balance, July 1, 2010	1,536,207	(18,625)	0	1,517,582	1,689,035	1,689,035	(171,453)
Fund Balance, June 30, 2011	$ 1,775,024	$ 0	$ (156,825)	$ 1,618,199	$ 1,700,832	$ 1,276,062	$ 342,137

Exhibit E-3

Cheatham County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Cheatham County School Department
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	$ 23,452	$ 26,861	$ 3,409	87.31 %	$ 13,639	24.99 %
7-1-07	21,619	22,978	1,359	94.09	11,035	12.32

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

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, 2011

(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)
PRIMARY GOVERNMENT							
Local Government Group	7-1-07	$ 0	$ 202	$ 202	0 %	$ 8,098	2 %
"	7-1-09	0	612	612	0	8,212	7
"	7-1-10	0	652	652	0	8,212	8
DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-07	0	14,514	14,514	0	22,030	66
"	7-1-09	0	8,760	8,760	0	28,327	31
"	7-1-10	0	8,808	8,808	0	28,327	31

CHEATHAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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, County Mayor/Executive, Personnel Office, Election Commission, 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, 2011, Cheatham County reported the following significant encumbrances in the Highway/Public Works Fund:

Description	Amount
Asphalt	$ 42,000
Hot Mix	74,771

B. FUND BALANCE DEFICIT

The General Fund had a deficit unassigned fund balance of $1,440,811 at June 30, 2011. This deficit unassigned fund balance resulted from recognizing a liability for a tax anticipation note of $2,000,000 that was not repaid by June 30 as required by state statute.

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, was sentenced, and ordered to pay restitution totaling $68,211.11 to the Highway Department. An unpaid cash shortage of $30,563.75 existed at June 30, 2011.

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):

Major Category	Amount Overspent
General Sessions Court	$ 12,199
Juvenile Court	5,874

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

E. APPROPRIATIONS EXCEEDING AVAILABLE FUNDING

The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding available funding by $485,459.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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.

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

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

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

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.

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

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

Exhibit F-1

Cheatham County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
ASSETS						
Cash	$ 0	$ 150	$ 0	$ 12,551	$ 0	$ 12,701
Equity in Pooled Cash and Investments	19,370	760,000	504,102	0	43,338	1,326,810
Accounts Receivable	666	5,290	2,241	12,685	0	20,882
Due from Other Governments	0	3,330	0	0	0	3,330
Property Taxes Receivable	0	771,311	0	0	0	771,311
Allowance for Uncollectible Property Taxes	0	(34,624)	0	0	0	(34,624)
Total Assets	$ 20,036	$ 1,505,457	$ 506,343	$ 25,236	$ 43,338	$ 2,100,410
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 0	$ 44,920	$ 0	$ 0	$ 13,589	$ 58,509
Payroll Deductions Payable	0	616	0	0	0	616
Due to Litigants, Heirs, and Others	0	0	0	25,236	0	25,236
Deferred Revenue - Current Property Taxes	0	711,659	0	0	0	711,659
Deferred Revenue - Delinquent Property Taxes	0	23,201	0	0	0	23,201
Total Liabilities	$ 0	$ 780,396	$ 0	$ 25,236	$ 13,589	$ 819,221
Fund Balances						
Restricted:						
Restricted for Public Safety	$ 0	$ 0	$ 506,343	$ 0	$ 0	$ 506,343
Restricted for Public Health and Welfare	0	725,061	0	0	0	725,061
Restricted for Capital Outlay	0	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0	0
Committed:						
Committed for General Government	20,036	0	0	0	29,749	49,785
Committed for Capital Outlay	0	0	0	0	0	0
Assigned:						
Assigned for Capital Outlay	0	0	0	0	0	0
Total Fund Balances	$ 20,036	$ 725,061	$ 506,343	$ 0	$ 29,749	$ 1,281,189
Total Liabilities and Fund Balances	$ 20,036	$ 1,505,457	$ 506,343	$ 25,236	$ 43,338	$ 2,100,410

(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	Other Capital Projects	Total	
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 12,701
Equity in Pooled Cash and Investments	1,983,856	74,645	534,497	609,142	3,919,808
Accounts Receivable	1,189	531	4,592	5,123	27,194
Due from Other Governments	13,914	0	0	0	17,244
Property Taxes Receivable	506,507	1,755	34,820	36,575	1,314,393
Allowance for Uncollectible Property Taxes	(15,278)	(754)	(1,471)	(2,225)	(52,127)
Total Assets	$ 2,490,188	$ 76,177	$ 572,438	$ 648,615	$ 5,239,213
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 2,665	$ 0	$ 0	$ 0	$ 61,174
Payroll Deductions Payable	0	0	0	0	616
Due to Litigants, Heirs, and Others	0	0	0	0	25,236
Deferred Revenue - Current Property Taxes	485,222	0	32,348	32,348	1,229,229
Deferred Revenue - Delinquent Property Taxes	5,568	927	927	1,854	30,623
Total Liabilities	$ 493,455	$ 927	$ 33,275	$ 34,202	$ 1,346,878
Fund Balances					
Restricted:					
Restricted for Public Safety	$ 0	$ 0	$ 0	$ 0	$ 506,343
Restricted for Public Health and Welfare	0	0	0	0	725,061
Restricted for Capital Outlay	0	0	428,469	428,469	428,469
Restricted for Debt Service	1,996,733	0	0	0	1,996,733
Committed:					
Committed for General Government	0	0	0	0	49,785
Committed for Capital Outlay	0	75,250	0	75,250	75,250
Assigned:					
Assigned for Capital Outlay	0	0	110,694	110,694	110,694
Total Fund Balances	$ 1,996,733	$ 75,250	$ 539,163	$ 614,413	$ 3,892,335
Total Liabilities and Fund Balances	$ 2,490,188	$ 76,177	$ 572,438	$ 648,615	$ 5,239,213

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, 2011

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Total
Revenues					
Local Taxes	$ 8,229	$ 900,396	$ 0	$ 0	$ 908,625
Fines, Forfeitures, and Penalties	0	0	373,665	0	373,665
Charges for Current Services	0	205,166	0	132,036	337,202
Other Local Revenues	0	35,641	0	0	35,641
State of Tennessee	0	32,702	0	0	32,702
Total Revenues	$ 8,229	$ 1,173,905	$ 373,665	$ 132,036	$ 1,687,835
Expenditures					
Current:					
General Government	$ 4,678	$ 20,453	$ 3,735	$ 130,899	$ 159,765
Public Safety	0	0	73,205	0	73,205
Public Health and Welfare	0	944,174	0	0	944,174
Other Operations	0	11,712	0	0	11,712
Debt Service:					
Principal on Debt	0	0	0	0	0
Interest on Debt	0	0	0	0	0
Other Debt Service	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	$ 4,678	$ 976,339	$ 76,940	$ 130,899	$ 1,188,856
Excess (Deficiency) of Revenues Over Expenditures	$ 3,551	$ 197,566	$ 296,725	$ 1,137	$ 498,979
Net Change in Fund Balances	$ 3,551	$ 197,566	$ 296,725	$ 1,137	$ 498,979
Fund Balance, July 1, 2010	16,485	527,495	209,618	28,612	782,210
Fund Balance, June 30, 2011	$ 20,036	$ 725,061	$ 506,343	$ 29,749	$ 1,281,189

(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	Other Capital Projects	Total	
Revenues					
Local Taxes	$ 404,984	$ 40,068	$ 51,912	$ 91,980	$ 1,405,589
Fines, Forfeitures, and Penalties	0	0	0	0	373,665
Charges for Current Services	0	0	0	0	337,202
Other Local Revenues	0	0	2,895	2,895	38,536
State of Tennessee	5,667	1,417	3,070	4,487	42,856
Total Revenues	$ 410,651	$ 41,485	$ 57,877	$ 99,362	$ 2,197,848
Expenditures					
Current:					
General Government	$ 6,388	$ 800	$ 1,053	$ 1,853	$ 168,006
Public Safety	0	0	0	0	73,205
Public Health and Welfare	0	0	0	0	944,174
Other Operations	0	0	0	0	11,712
Debt Service:					
Principal on Debt	228,000	0	0	0	228,000
Interest on Debt	17,101	0	0	0	17,101
Other Debt Service	26,678	0	0	0	26,678
Capital Projects	131,247	469,600	152,522	622,122	753,369
Total Expenditures	$ 409,414	$ 470,400	$ 153,575	$ 623,975	$ 2,222,245
Excess (Deficiency) of Revenues Over Expenditures	$ 1,237	$ (428,915)	$ (95,698)	$ (524,613)	$ (24,397)
Net Change in Fund Balances	$ 1,237	$ (428,915)	$ (95,698)	$ (524,613)	$ (24,397)
Fund Balance, July 1, 2010	1,995,496	504,165	634,861	1,139,026	3,916,732
Fund Balance, June 30, 2011	$ 1,996,733	$ 75,250	$ 539,163	$ 614,413	$ 3,892,335

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 8,229	$ 10,000	$ 10,000	$ (1,771)
Total Revenues	$ 8,229	$ 10,000	$ 10,000	$ (1,771)
Expenditures				
General Government				
County Buildings	$ 4,595	$ 9,650	$ 9,650	$ 5,055
Other General Administration	83	350	350	267
Total Expenditures	$ 4,678	$ 10,000	$ 10,000	$ 5,322
Excess (Deficiency) of Revenues Over Expenditures	$ 3,551	$ 0	$ 0	$ 3,551
Net Change in Fund Balance	$ 3,551	$ 0	$ 0	$ 3,551
Fund Balance, July 1, 2010	16,485	16,485	16,485	0
Fund Balance, June 30, 2011	$ 20,036	$ 16,485	$ 16,485	$ 3,551

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 900,396	$ 0	$ 900,396	$ 882,125	$ 882,125	$ 18,271
Charges for Current Services	205,166	0	205,166	180,000	180,000	25,166
Other Local Revenues	35,641	0	35,641	25,025	25,025	10,616
State of Tennessee	32,702	0	32,702	33,500	33,500	(798)
Total Revenues	$ 1,173,905	$ 0	$ 1,173,905	$ 1,120,650	$ 1,120,650	$ 53,255
Expenditures						
General Government						
Other General Administration	$ 20,453	$ 0	$ 20,453	$ 25,000	$ 25,000	$ 4,547
Public Health and Welfare						
Sanitation Management	170,506	0	170,506	179,853	179,853	9,347
Convenience Centers	716,348	(5,760)	710,588	849,557	833,465	122,877
Landfill Operation and Maintenance	57,320	(3,178)	54,142	52,800	65,650	11,508
Other Operations						
Employee Benefits	1,712	0	1,712	0	3,242	1,530
Miscellaneous	10,000	0	10,000	10,000	10,000	0
Total Expenditures	$ 976,339	$ (8,938)	$ 967,401	$ 1,117,210	$ 1,117,210	$ 149,809
Excess (Deficiency) of Revenues Over Expenditures	$ 197,566	$ 8,938	$ 206,504	$ 3,440	$ 3,440	$ 203,064
Net Change in Fund Balance	$ 197,566	$ 8,938	$ 206,504	$ 3,440	$ 3,440	$ 203,064
Fund Balance, July 1, 2010	527,495	(8,938)	518,557	530,272	530,272	(11,715)
Fund Balance, June 30, 2011	$ 725,061	$ 0	$ 725,061	$ 533,712	$ 533,712	$ 191,349

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 373,665	$ 25,000	$ 25,000	$ 348,665
Total Revenues	$ 373,665	$ 25,000	$ 25,000	$ 348,665
Expenditures				
General Government				
Other General Administration	$ 3,735	$ 1,000	$ 4,500	$ 765
Public Safety				
Drug Enforcement	73,205	22,500	77,590	4,385
Total Expenditures	$ 76,940	$ 23,500	$ 82,090	$ 5,150
Excess (Deficiency) of Revenues Over Expenditures	$ 296,725	$ 1,500	$ (57,090)	$ 353,815
Net Change in Fund Balance	$ 296,725	$ 1,500	$ (57,090)	$ 353,815
Fund Balance, July 1, 2010	209,618	167,210	167,210	42,408
Fund Balance, June 30, 2011	$ 506,343	$ 168,710	$ 110,120	$ 396,223

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 132,036	$ 22,400	$ 144,000	$ (11,964)
Total Revenues	$ 132,036	$ 22,400	$ 144,000	$ (11,964)
Expenditures				
General Government				
Other General Administration	$ 130,899	$ 22,400	$ 144,000	$ 13,101
Total Expenditures	$ 130,899	$ 22,400	$ 144,000	$ 13,101
Excess (Deficiency) of Revenues Over Expenditures	$ 1,137	$ 0	$ 0	$ 1,137
Net Change in Fund Balance	$ 1,137	$ 0	$ 0	$ 1,137
Fund Balance, July 1, 2010	28,612	32,996	32,996	(4,384)
Fund Balance, June 30, 2011	$ 29,749	$ 32,996	$ 32,996	$ (3,247)

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 404,984	$ 391,900	$ 391,900	$ 13,084
State of Tennessee	5,667	5,500	5,500	167
Total Revenues	$ 410,651	$ 397,400	$ 397,400	$ 13,251
Expenditures				
General Government				
Other General Administration	$ 6,388	$ 8,500	$ 8,500	$ 2,112
Principal on Debt				
General Government	228,000	228,000	228,000	0
Interest on Debt				
General Government	17,101	56,908	48,622	31,521
Other Debt Service				
General Government	26,678	2,600	28,911	2,233
Capital Projects				
General Administration Projects	131,247	0	131,247	0
Total Expenditures	$ 409,414	$ 296,008	$ 445,280	$ 35,866
Excess (Deficiency) of Revenues Over Expenditures	$ 1,237	$ 101,392	$ (47,880)	$ 49,117
Net Change in Fund Balance	$ 1,237	$ 101,392	$ (47,880)	$ 49,117
Fund Balance, July 1, 2010	1,995,496	2,095,727	2,095,727	(100,231)
Fund Balance, June 30, 2011	$ 1,996,733	$ 2,197,119	$ 2,047,847	$ (51,114)

Exhibit F-8

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 40,068	$ 43,275	$ 43,275	$ (3,207)
State of Tennessee	1,417	4,500	4,500	(3,083)
Total Revenues	$ 41,485	$ 47,775	$ 47,775	$ (6,290)
Expenditures				
General Government				
Other General Administration	$ 800	$ 3,500	$ 3,500	$ 2,700
Capital Projects				
Other General Government Projects	469,600	413,728	460,126	(9,474)
Total Expenditures	$ 470,400	$ 417,228	$ 463,626	$ (6,774)
Excess (Deficiency) of Revenues Over Expenditures	$ (428,915)	$ (369,453)	$ (415,851)	$ (13,064)
Net Change in Fund Balance	$ (428,915)	$ (369,453)	$ (415,851)	$ (13,064)
Fund Balance, July 1, 2010	504,165	503,779	503,779	386
Fund Balance, June 30, 2011	$ 75,250	$ 134,326	$ 87,928	$ (12,678)

Exhibit F-9

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 51,912	$ 0	$ 51,912	$ 56,025	$ 56,025	$ (4,113)
Other Local Revenues	2,895	0	2,895	0	0	2,895
State of Tennessee	3,070	0	3,070	9,000	9,000	(5,930)
Total Revenues	$ 57,877	$ 0	$ 57,877	$ 65,025	$ 65,025	$ (7,148)
Expenditures						
General Government						
Other General Administration	$ 1,053	$ 0	$ 1,053	$ 8,500	$ 8,500	$ 7,447
Capital Projects						
Other General Government Projects	152,522	110,694	263,216	270,000	287,553	24,337
Total Expenditures	$ 153,575	$ 110,694	$ 264,269	$ 278,500	$ 296,053	$ 31,784
Excess (Deficiency) of Revenues Over Expenditures	$ (95,698)	$ (110,694)	$ (206,392)	$ (213,475)	$ (231,028)	$ 24,636
Net Change in Fund Balance	$ (95,698)	$ (110,694)	$ (206,392)	$ (213,475)	$ (231,028)	$ 24,636
Fund Balance, July 1, 2010	634,861	0	634,861	644,995	644,995	(10,134)
Fund Balance, June 30, 2011	$ 539,163	$ (110,694)	$ 428,469	$ 431,520	$ 413,967	$ 14,502

Major Governmental Fund

Education Debt Service Fund

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.

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,868,535	$ 4,755,475	$ 4,755,475	$ 113,060
Other Local Revenues	13,398	0	0	13,398
State of Tennessee	65,404	85,000	85,000	(19,596)
Total Revenues	$ 4,947,337	$ 4,840,475	$ 4,840,475	$ 106,862
Expenditures				
General Government				
Other General Administration	$ 70,875	$ 110,000	$ 110,000	$ 39,125
Principal on Debt				
Education	4,400,244	4,290,596	4,400,244	0
Interest on Debt				
Education	572,553	1,136,781	1,136,781	564,228
Other Debt Service				
Education	74,257	75,450	75,450	1,193
Total Expenditures	$ 5,117,929	$ 5,612,827	$ 5,722,475	$ 604,546
Excess (Deficiency) of Revenues Over Expenditures	$ (170,592)	$ (772,352)	$ (882,000)	$ 711,408
Other Financing Sources (Uses)				
Capital Leases Issued	$ 0	$ 233,750	$ 130,000	$ (130,000)
Transfers In	103,750	0	103,750	0
Total Other Financing Sources (Uses)	$ 103,750	$ 233,750	$ 233,750	$ (130,000)
Net Change in Fund Balance	$ (66,842)	$ (538,602)	$ (648,250)	$ 581,408
Fund Balance, July 1, 2010	12,296,632	10,039,843	10,039,843	2,256,789
Fund Balance, June 30, 2011	$ 12,229,790	$ 9,501,241	$ 9,391,593	$ 2,838,197

Fiduciary Funds

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.

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, 2011

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 1,179,388	$ 1,179,388
Accounts Receivable	0	1,998	1,998
Due from Other Governments	367,465	0	367,465
Total Assets	$ 367,465	$ 1,181,386	$ 1,548,851
LIABILITIES			
Due to Other Taxing Units	$ 367,465	$ 0	$ 367,465
Due to Litigants, Heirs, and Others	0	1,181,386	1,181,386
Total Liabilities	$ 367,465	$ 1,181,386	$ 1,548,851

Exhibit H-2

Cheatham County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 2,160,518	$ 2,160,518	$ 0
Due from Other Governments	364,657	367,465	364,657	367,465
Total Assets	$ 364,657	$ 2,527,983	$ 2,525,175	$ 367,465
Liabilities				
Due to Other Taxing Units	$ 364,657	$ 2,527,983	$ 2,525,175	$ 367,465
Total Liabilities	$ 364,657	$ 2,527,983	$ 2,525,175	$ 367,465
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,283,980	$ 7,542,665	$ 7,647,257	$ 1,179,388
Accounts Receivable	0	1,998	0	1,998
Total Assets	$ 1,283,980	$ 7,544,663	$ 7,647,257	$ 1,181,386
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,283,980	$ 7,544,663	$ 7,647,257	$ 1,181,386
Total Liabilities	$ 1,283,980	$ 7,544,663	$ 7,647,257	$ 1,181,386
Totals - All Agency Funds				
Assets				
Cash	$ 1,283,980	$ 7,542,665	$ 7,647,257	$ 1,179,388
Equity in Pooled Cash and Investments	0	2,160,518	2,160,518	0
Accounts Receivable	0	1,998	0	1,998
Due from Other Governments	364,657	367,465	364,657	367,465
Total Assets	$ 1,648,637	$ 10,072,646	$ 10,172,432	$ 1,548,851
Liabilities				
Due to Other Taxing Units	$ 364,657	$ 2,527,983	$ 2,525,175	$ 367,465
Due to Litigants, Heirs, and Others	1,283,980	7,544,663	7,647,257	1,181,386
Total Liabilities	$ 1,648,637	$ 10,072,646	$ 10,172,432	$ 1,548,851

Cheatham County School Department

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.

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 31,597,527	$ 72,011	$ 3,330,979	$ 0	$ (28,194,537)
Support Services	17,419,938	93,649	1,042,670	4,142,013	(12,141,606)
Operation of Non-Instructional Services	4,595,295	2,396,948	2,284,298	0	85,951
Total Governmental Activities	$ 53,612,760	$ 2,562,608	$ 6,657,947	$ 4,142,013	$ (40,250,192)

General Revenues:	
Taxes:	
Property Taxes Levied for General Purposes	$ 8,209,215
Local Option Sales Tax	1,689,116
Wheel Tax	407,505
Other Local Taxes	2,429
Grants and Contributions Not Restricted to Specific Programs	32,060,722
Unrestricted Investment Earnings	1,365
Miscellaneous	75,244
Total General Revenues	$ 42,445,596
Change in Net Assets	$ 2,195,404
Net Assets, July 1, 2010	58,604,881
Net Assets, June 30, 2011	$ 60,800,285

Exhibit I-2

Cheatham County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2011

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS			
Cash	$ 0	$ 1,000	$ 1,000
Equity in Pooled Cash and Investments	3,434,978	1,732,691	5,167,669
Accounts Receivable	123,978	2,419	126,397
Due from Other Governments	2,766,651	246,658	3,013,309
Due from Other Funds	125,352	682	126,034
Property Taxes Receivable	7,973,853	0	7,973,853
Allowance for Uncollectible Property Taxes	(336,853)	0	(336,853)
Total Assets	$ 14,087,959	$ 1,983,450	$ 16,071,409
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 1,599,532	$ 134,107	$ 1,733,639
Accrued Payroll	134,618	41,436	176,054
Contracts Payable	0	124,731	124,731
Due to Other Funds	682	125,352	126,034
Deferred Revenue - Current Property Taxes	7,407,738	0	7,407,738
Deferred Revenue - Delinquent Property Taxes	212,524	0	212,524
Other Deferred Revenues	220,812	0	220,812
Total Liabilities	$ 9,575,906	$ 425,626	$ 10,001,532
Fund Balances			
Restricted:			
Restricted for Education	$ 17,228	$ 607,735	$ 624,963
Committed:			
Committed for Education	0	50,000	50,000
Committed for Capital Outlay	0	900,089	900,089
Assigned:			
Assigned for Education	1,091,422	0	1,091,422
Unassigned	3,403,403	0	3,403,403
Total Fund Balances	$ 4,512,053	$ 1,557,824	$ 6,069,877
Total Liabilities and Fund Balances	$ 14,087,959	$ 1,983,450	$ 16,071,409

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, 2011

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)			$ 6,069,877
(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	4,761,450	
	Add: buildings and improvements net of accumulated depreciation	50,741,036	
	Add: other capital assets net of accumulated depreciation	4,182,219	60,466,702
(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	$ (4,251,059)	
	Less: other loans payable	(1,915,308)	
	Less: compensated absences payable	(3,263)	(6,169,630)
(3)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		433,336
Net assets of governmental activities (Exhibit A)			$ 60,800,285

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, 2011

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 10,301,863	$ 0	$ 10,301,863
Licenses and Permits	3,202	0	3,202
Charges for Current Services	1,186,958	1,331,345	2,518,303
Other Local Revenues	190,253	11,817	202,070
State of Tennessee	31,964,786	30,525	31,995,311
Federal Government	684,379	5,875,169	6,559,548
Other Governments and Citizens Groups	538,742	3,553,271	4,092,013
Total Revenues	$ 44,870,183	$ 10,802,127	$ 55,672,310
Expenditures			
Current:			
Instruction	$ 27,984,310	$ 2,856,325	$ 30,840,635
Support Services	14,996,110	1,157,873	16,153,983
Operation of Non-Instructional Services	1,491,959	3,237,269	4,729,228
Capital Outlay	3,347,050	0	3,347,050
Capital Projects	0	2,653,182	2,653,182
Total Expenditures	$ 47,819,429	$ 9,904,649	$ 57,724,078
Excess (Deficiency) of Revenues Over Expenditures	$ (2,949,246)	$ 897,478	$ (2,051,768)
Other Financing Sources (Uses)			
Other Loans Issued	$ 1,915,308	$ 0	$ 1,915,308
Insurance Recovery	1,257,437	166,317	1,423,754
Transfers In	98,682	0	98,682
Transfers Out	0	(98,682)	(98,682)
Total Other Financing Sources (Uses)	$ 3,271,427	$ 67,635	$ 3,339,062
Net Change in Fund Balances	$ 322,181	$ 965,113	$ 1,287,294
Fund Balance, July 1, 2010	4,189,872	592,711	4,782,583
Fund Balance, June 30, 2011	$ 4,512,053	$ 1,557,824	$ 6,069,877

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, 2011

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)			$ 1,287,294
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 5,565,276	
	Less: current-year depreciation expense	(2,342,076)	3,223,200
(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		(11,040)
(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, 2010	$ (287,504)	
	Add: deferred delinquent property taxes and other deferred June 30, 2011	433,336	145,832
(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		(1,915,308)
(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	$ 848	
	Change in other postemployment benefits liability	(535,422)	(534,574)
Change in net assets of governmental activities (Exhibit B)			$ 2,195,404

Exhibit I-6

Cheatham County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2011

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 1,000	$ 1,000	$ 0	$ 1,000
Equity in Pooled Cash and Investments	124,395	582,101	706,496	1,026,195	1,732,691
Accounts Receivable	0	2,419	2,419	0	2,419
Due from Other Governments	227,891	18,767	246,658	0	246,658
Due from Other Funds	0	682	682	0	682
Total Assets	$ 352,286	$ 604,969	$ 957,255	$ 1,026,195	$ 1,983,450
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 132,732	$ 0	$ 132,732	$ 1,375	$ 134,107
Accrued Payroll	41,436	0	41,436	0	41,436
Contracts Payable	0	0	0	124,731	124,731
Due to Other Funds	125,352	0	125,352	0	125,352
Total Liabilities	$ 299,520	$ 0	$ 299,520	$ 126,106	$ 425,626
Fund Balances					
Restricted:					
Restricted for Education	$ 2,766	$ 604,969	$ 607,735	$ 0	$ 607,735
Committed:					
Committed for Education	50,000	0	50,000	0	50,000
Committed for Capital Outlay	0	0	0	900,089	900,089
Total Fund Balances	$ 52,766	$ 604,969	$ 657,735	$ 900,089	$ 1,557,824
Total Liabilities and Fund Balances	$ 352,286	$ 604,969	$ 957,255	$ 1,026,195	$ 1,983,450

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, 2011

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
Revenues					
Charges for Current Services	$ 0	$ 1,331,345	$ 1,331,345	$ 0	$ 1,331,345
Other Local Revenues	0	11,817	11,817	0	11,817
State of Tennessee	0	30,525	30,525	0	30,525
Federal Government	4,101,355	1,773,814	5,875,169	0	5,875,169
Other Governments and Citizens Groups	0	0	0	3,553,271	3,553,271
Total Revenues	$ 4,101,355	$ 3,147,501	$ 7,248,856	$ 3,553,271	$ 10,802,127
Expenditures					
Current:					
Instruction	$ 2,856,325	$ 0	$ 2,856,325	$ 0	$ 2,856,325
Support Services	1,157,873	0	1,157,873	0	1,157,873
Operation of Non-Instructional Services	0	3,237,269	3,237,269	0	3,237,269
Capital Projects	0	0	0	2,653,182	2,653,182
Total Expenditures	$ 4,014,198	$ 3,237,269	$ 7,251,467	$ 2,653,182	$ 9,904,649
Excess (Deficiency) of Revenues Over Expenditures	$ 87,157	$ (89,768)	$ (2,611)	$ 900,089	$ 897,478
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 166,317	$ 166,317	$ 0	$ 166,317
Transfers Out	(98,682)	0	(98,682)	0	(98,682)
Total Other Financing Sources (Uses)	$ (98,682)	$ 166,317	$ 67,635	$ 0	$ 67,635
Net Change in Fund Balances	$ (11,525)	$ 76,549	$ 65,024	$ 900,089	$ 965,113
Fund Balance, July 1, 2010	64,291	528,420	592,711	0	592,711
Fund Balance, June 30, 2011	$ 52,766	$ 604,969	$ 657,735	$ 900,089	$ 1,557,824

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 10,301,863	$ 0	$ 0	$ 10,301,863	$ 10,124,415	$ 10,124,415	$ 177,448
Licenses and Permits	3,202	0	0	3,202	3,250	3,250	(48)
Charges for Current Services	1,186,958	0	0	1,186,958	1,161,669	1,161,669	25,289
Other Local Revenues	190,253	0	0	190,253	148,453	270,473	(80,220)
State of Tennessee	31,964,786	0	0	31,964,786	31,811,476	32,143,301	(178,515)
Federal Government	684,379	0	0	684,379	579,913	820,250	(135,871)
Other Governments and Citizens Groups	538,742	0	0	538,742	0	538,742	0
Total Revenues	$ 44,870,183	$ 0	$ 0	$ 44,870,183	$ 43,829,176	$ 45,062,100	$ (191,917)
Expenditures							
Instruction							
Regular Instruction Program	$ 23,628,272	$ (30,825)	$ 18,802	$ 23,616,249	$ 24,048,513	$ 24,293,331	$ 677,082
Alternative Instruction Program	78,994	0	0	78,994	99,519	89,293	10,299
Special Education Program	2,972,223	(32,023)	0	2,940,200	2,901,510	3,000,953	60,753
Vocational Education Program	1,233,378	0	2,512	1,235,890	1,328,280	1,312,437	76,547
Adult Education Program	71,443	0	0	71,443	117,116	117,116	45,673
Support Services							
Attendance	98,921	0	0	98,921	100,124	100,124	1,203
Health Services	283,139	0	825	283,964	300,437	303,982	20,018
Other Student Support	1,566,485	0	0	1,566,485	1,584,228	1,596,053	29,568
Regular Instruction Program	1,613,721	0	0	1,613,721	1,512,093	1,641,486	27,765
Alternative Instruction Program	44,260	0	0	44,260	43,795	45,434	1,174
Special Education Program	332,705	(7,000)	0	325,705	321,803	331,473	5,768
Vocational Education Program	17,114	0	0	17,114	17,300	17,300	186

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Adult Programs	$ 75,319	$ 0	$ 0	$ 75,319	$ 76,521	$ 78,445	$ 3,126
Other Programs	151,027	0	0	151,027	0	151,027	0
Board of Education	779,863	0	3,000	782,863	739,152	799,152	16,289
Director of Schools	315,324	0	0	315,324	318,196	331,575	16,251
Office of the Principal	2,267,831	0	0	2,267,831	2,305,694	2,355,085	87,254
Fiscal Services	314,490	0	0	314,490	324,588	324,949	10,459
Operation of Plant	3,344,575	0	0	3,344,575	3,408,884	3,404,753	60,178
Maintenance of Plant	1,026,942	(26,248)	56,291	1,056,985	972,739	1,092,759	35,774
Transportation	2,764,394	(23,079)	2,082	2,743,397	1,977,261	2,735,480	(7,917)
Operation of Non-Instructional Services							
Community Services	986,203	0	0	986,203	1,034,445	1,078,511	92,308
Early Childhood Education	505,756	(22,183)	0	483,573	483,696	483,696	123
Capital Outlay							
Regular Capital Outlay	3,347,050	(79,815)	735,015	4,002,250	2,399,086	7,527,179	3,524,929
Total Expenditures	$ 47,819,429	$ (221,173)	$ 818,527	$ 48,416,783	$ 46,414,980	$ 53,211,593	$ 4,794,810
Excess (Deficiency) of Revenues Over Expenditures	$ (2,949,246)	$ 221,173	$ (818,527)	$ (3,546,600)	$ (2,585,804)	$ (8,149,493)	$ 4,602,893
Other Financing Sources (Uses)							
Notes Issued	$ 0	$ 0	$ 0	$ 0	$ 34,225	$ 0	$ 0
Other Loans Issued	1,915,308	0	0	1,915,308	0	5,002,361	(3,087,053)
Insurance Recovery	1,257,437	0	0	1,257,437	901,906	1,440,726	(183,289)

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Transfers In	$ 98,682	$ 0	$ 0	$ 98,682	$ 125,285	$ 125,285	$ (26,603)
Total Other Financing Sources (Uses)	$ 3,271,427	$ 0	$ 0	$ 3,271,427	$ 1,061,416	$ 6,568,372	$ (3,296,945)
Net Change in Fund Balance	$ 322,181	$ 221,173	$ (818,527)	$ (275,173)	$ (1,524,388)	$ (1,581,121)	$ 1,305,948
Fund Balance, July 1, 2010	4,189,872	(221,173)	0	3,968,699	3,948,061	3,948,061	20,638
Fund Balance, June 30, 2011	$ 4,512,053	$ 0	$ (818,527)	$ 3,693,526	$ 2,423,673	$ 2,366,940	$ 1,326,586

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 4,101,355	$ 0	$ 0	$ 4,101,355	$ 6,488,752	$ 6,483,065	$ (2,381,710)
Total Revenues	$ 4,101,355	$ 0	$ 0	$ 4,101,355	$ 6,488,752	$ 6,483,065	$ (2,381,710)
Expenditures							
Instruction							
Regular Instruction Program	$ 1,234,006	$ (7,500)	$ 0	$ 1,226,506	$ 1,718,786	$ 1,835,169	$ 608,663
Alternative Instruction Program	992	0	0	992	992	992	0
Special Education Program	1,502,041	0	0	1,502,041	2,080,623	2,188,945	686,904
Vocational Education Program	119,286	(68)	2,766	121,984	120,518	122,013	29
Support Services							
Other Student Support	100,706	(6,453)	0	94,253	110,871	107,551	13,298
Regular Instruction Program	497,335	0	0	497,335	1,146,559	1,128,811	631,476
Special Education Program	538,092	0	0	538,092	679,754	577,250	39,158
Vocational Education Program	1,317	0	0	1,317	1,000	1,317	0
Office of the Principal	2,654	0	0	2,654	360,051	360,051	357,397
Transportation	17,769	0	0	17,769	135,387	27,988	10,219
Total Expenditures	$ 4,014,198	$ (14,021)	$ 2,766	$ 4,002,943	$ 6,354,541	$ 6,350,087	$ 2,347,144
Excess (Deficiency) of Revenues Over Expenditures	$ 87,157	$ 14,021	$ (2,766)	$ 98,412	$ 134,211	$ 132,978	$ (34,566)
Other Financing Sources (Uses)							
Transfers Out	$ (98,682)	$ 0	$ 0	$ (98,682)	$ (134,481)	$ (133,248)	$ 34,566
Total Other Financing Sources (Uses)	$ (98,682)	$ 0	$ 0	$ (98,682)	$ (134,481)	$ (133,248)	$ 34,566
Net Change in Fund Balance	$ (11,525)	$ 14,021	$ (2,766)	$ (270)	$ (270)	$ (270)	$ 0
Fund Balance, July 1, 2010	64,291	(14,021)	0	50,270	270	270	50,000
Fund Balance, June 30, 2011	$ 52,766	$ 0	$ (2,766)	$ 50,000	$ 0	$ 0	$ 50,000

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 1,331,345	$ 1,502,500	$ 1,502,500	$ (171,155)
Other Local Revenues	11,817	13,750	13,750	(1,933)
State of Tennessee	30,525	32,500	32,500	(1,975)
Federal Government	1,773,814	1,631,845	1,803,207	(29,393)
Total Revenues	$ 3,147,501	$ 3,180,595	$ 3,351,957	$ (204,456)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 3,237,269	$ 3,341,402	$ 3,542,940	$ 305,671
Total Expenditures	$ 3,237,269	$ 3,341,402	$ 3,542,940	$ 305,671
Excess (Deficiency) of Revenues Over Expenditures	$ (89,768)	$ (160,807)	$ (190,983)	$ 101,215
Other Financing Sources (Uses)				
Insurance Recovery	$ 166,317	$ 138,842	$ 166,318	$ (1)
Total Other Financing Sources (Uses)	$ 166,317	$ 138,842	$ 166,318	$ (1)
Net Change in Fund Balance	$ 76,549	$ (21,965)	$ (24,665)	$ 101,214
Fund Balance, July 1, 2010	528,420	528,420	528,420	0
Fund Balance, June 30, 2011	$ 604,969	$ 506,455	$ 503,755	$ 101,214

MISCELLANEOUS SCHEDULES

Exhibit J-1

Cheatham County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Line of Credit, Other Loans, and Bonds
Primary Government and Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-11
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through Education Debt Service Fund								
School Bus	$ 67,390	4.5%	6-21-10	6-21-11	$ 67,390	$ 0	$ 67,390	$ 0
School Roofs	1,087,159	4.5	6-24-11	6-24-14	0	1,087,159	0	1,087,159
School Roofs	168,421	4.5	6-28-11	6-28-14	0	168,421	0	168,421
School Buses	504,517	4.5	6-28-11	6-28-14	0	504,517	0	504,517
School Bus	34,225	4.5	6-24-11	6-24-14	0	34,225	0	34,225
Total Notes Payable					$ 67,390	$ 1,794,322	$ 67,390	$ 1,794,322
CAPITAL LEASES PAYABLE								
Payable through Highway/Public Works Fund								
Tractor/Mower	67,232	4.87	4-15-08	4-15-13	$ 40,089	$ 0	$ 13,525	$ 26,564
Paver	243,259	4.34	4-17-08	4-25-13	144,279	0	48,911	95,368
Total Capital Leases Payable					$ 184,368	$ 0	$ 62,436	$ 121,932
LINE OF CREDIT								
Payable through Education Debt Service Fund								
Old Clarksville Highway/Highway 49 Intersection	109,648	Variable	9-19-07	10-1-10	$ 109,648	$ 0	$ 109,648	$ 0
Total Line of Credit					$ 109,648	$ 0	$ 109,648	$ 0

(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, Line of Credit, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-11
PRIMARY GOVERNMENT (CONT.)								
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
A.O. Smith Property	$ 2,575,000	Variable	12-22-10	5-25-17	$ 0	$ 2,575,000	$ 228,000	$ 2,347,000
Total Payable through General Debt Service Fund					$ 0	$ 2,575,000	$ 228,000	$ 2,347,000
Payable through Education Debt Service Fund								
Public Works Projects	7,040,703	Variable	11-1-1999	5-25-19	$ 3,812,109	$ 0	$ 387,037	$ 3,425,072
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	1,352,907	0	128,034	1,224,873
Public Works Projects	(1)	Variable	6-28-07	5-25-14	6,014,817	8,817	1,399,000	4,624,634
ADA Compliance Projects	(2)	Variable	8-11-10	5-25-13	0	2,288,874	1,100,135	1,188,739
Total Payable through Education Debt Service Fund					$ 11,179,833	$ 2,297,691	$ 3,014,206	$ 10,463,318
Total Other Loans Payable					$ 11,179,833	$ 4,872,691	$ 3,242,206	$ 12,810,318
BONDS PAYABLE								
Payable through Education Debt Service Fund								
Refunding	9,605,000	2 to 4 %	9-15-04	6-1-19	$ 7,940,000	$ 0	$ 725,000	$ 7,215,000
Refunding	7,894,500	3.14	4-29-09	6-1-22	6,980,500	0	484,000	6,496,500
Total Payable through Education Debt Service Fund					$ 14,920,500	$ 0	$ 1,209,000	$ 13,711,500
Total Bonds Payable					$ 14,920,500	$ 0	$ 1,209,000	$ 13,711,500

(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, Line of Credit, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-11
DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT								
OTHER LOANS PAYABLE								
Payable through General Purpose School Fund								
Energy Efficient Schools Initiative	(3)	0.75 %	5-31-11	6-30-17	$ 0	$ 1,915,308	$ 0	$ 1,915,308
Total Other Loans Payable					$ 0	$ 1,915,308	$ 0	$ 1,915,308

(1) Total amount approved was $9,820,000, of which $6,366 remains available for draws as of June 30, 2011.
(2) Total amount approved was $3,921,135, of which $1,632,261 remains available for draws as of June 30, 2011.
(3) Total amount approved was $5,002,361, of which $3,087,053 remains available for draws as of June 30, 2011.

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	$ 0	$ 80,745	$ 80,745
2013	0	80,745	80,745
2014	1,794,322	80,745	1,875,067
Total	$ 1,794,322	$ 242,235	$ 2,036,557

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2012	$ 65,277	$ 4,111	$ 69,388
2013	56,655	1,160	57,815
Total	$ 121,932	$ 5,271	$ 127,203

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	$ 3,557,564	$ 33,957	$ 38,463	$ 3,629,984
2013	2,480,865	25,961	28,942	2,535,768
2014	2,593,892	19,198	21,876	2,634,966
2015	1,023,072	12,500	14,183	1,049,755
2016	1,068,375	9,667	11,530	1,089,572
2017	1,115,243	6,701	8,753	1,130,697
2018	724,755	3,594	4,646	732,995
2019	246,552	911	2,252	249,715
Total	$ 12,810,318	$ 112,489	$ 130,645	$ 13,053,452

(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	Bonds Interest	Bonds Total
2012	$ 1,264,000	$ 472,294	$ 1,736,294
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	$ 13,711,500	$ 2,578,401	$ 16,289,901

DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Other Loans Principal	Other Loans Interest	Other Loans Total
2012	$ 99,972	$ 9,036	$ 109,008
2013	400,641	35,391	436,032
2014	403,656	32,376	436,032
2015	406,689	29,343	436,032
2016	409,752	26,280	436,032
2017	194,598	10,904	205,502
Total	$ 1,915,308	$ 143,330	$ 2,058,638

Exhibit J-3

Cheatham County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2011

Description	Debtor	Original Amount of Note	Date of Issue	Balance 6-30-11
Education Debt Service Fund				
May 2010 flood clean-up	General Fund	$ 2,000,000	6-30-10	$ 2,000,000
Revenue Anticipation Note	"	2,000,000	7-29-10	2,000,000
Total Notes Receivable				$ 4,000,000

Exhibit J-4

Cheatham County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2011

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Education Debt Service	Development tax	$ 103,750
DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 7,401
"	"	Reimbursement for salaries	91,281
Total Transfers Discretely Presented Cheatham County School Department			$ 98,682

Exhibit J-5

Cheatham County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
William Orange (7-1-10 through 8-31-10)	Section 8-24-102, *TCA*	$ 15,341	$ 50,000	RLI Insurance Company
David McCullough (9-1-10 through 6-30-11)	Section 8-24-102, *TCA*	58,525	50,000	"
Road Superintendent	Section 8-24-102, *TCA*	70,350	100,000	Western Surety Company
Director of Schools:				
Dianne Williams (7-1-10 through 11-28-10)	State Board of Education and Local Board of Education	38,325 (1)	(2)	
Dr. Timothy Webb (11-29-10 through 6-30-11)	State Board of Education and Local Board of Education	61,250	(2)	
Trustee	Section 8-24-102, *TCA*	63,954	1,662,300	RLI Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	63,954	10,000	Western Surety Company
Director of Accounts and Budgets	County Commission	74,410 (3)	25,000	RLI Insurance Company
County Clerk:				
W.J. Hall (7-1-10 through 8-31-10)	Section 8-24-102, *TCA*	13,283	50,000	"
Teresa Gupton (9-1-10 through 6-30-11)	Section 8-24-102, *TCA*	50,671	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	63,954	50,000	"
Clerk and Master	Section 8-24-102, *TCA*	63,954	50,000	"
Register	Section 8-24-102, *TCA*	63,954	25,000	"
Sheriff	Section 8-24-102, *TCA*	70,350 (4)	50,000	"
Employee Bonds				
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 $500 bonus awarded by the Board of Education for serving as interim director.
(2) Covered under the School Employee Blanket Bond.
(3) Includes $10,456 for serving as purchasing director.
(4) Does not include a law enforcement training supplement of $600.

Exhibit J-6

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2011

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 7,424,568	$ 0	$ 843,700	$ 0	$ 0	$ 506,213
Trustee's Collections - Prior Year	183,615	0	25,548	0	0	15,329
Circuit/Clerk & Master Collections - Prior Years	70,687	0	10,909	0	0	6,516
Interest and Penalty	73,003	0	10,504	0	0	6,287
Payments in-Lieu-of Taxes - Local Utilities	58,518	0	6,775	0	0	4,065
Payments in-Lieu-of Taxes - Other	4,530	0	518	0	0	311
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	36,528	0	0	0	0	0
Wheel Tax	0	0	0	0	0	407,011
Litigation Tax - General	98,633	8,229	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	33,956	0	0	0	0	0
Business Tax	15,741	0	0	0	0	0
Adequate Facilities/Development Tax	155,625	0	0	0	0	0
Other County Local Option Taxes	244,907	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	21,494	0	2,442	0	0	1,465
Wholesale Beer Tax	289,939	0	0	0	0	0
Interstate Telecommunications Tax	1,612	0	0	0	0	0
Total Local Taxes	$ 8,713,356	$ 8,229	$ 900,396	$ 0	$ 0	$ 947,197
Licenses and Permits						
Licenses						
Animal Registration	$ 12,603	$ 0	$ 0	$ 0	$ 0	$ 0
Animal Vaccination	4,285	0	0	0	0	0
Cable TV Franchise	157,599	0	0	0	0	0
Permits						
Beer Permits	2,250	0	0	0	0	0
Building Permits	108,412	0	0	0	0	0
Other Permits	5,025	0	0	0	0	0
Total Licenses and Permits	$ 290,174	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-6

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 5,784	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	4,093	0	0	0	0	0
Data Entry Fee - Circuit Court	1,566	0	0	0	0	0
General Sessions Court						
Fines	23,770	0	0	0	0	0
Fines for Littering	60	0	0	0	0	0
Officers Costs	65,823	0	0	0	0	0
Game and Fish Fines	169	0	0	0	0	0
Jail Fees	20,297	0	0	0	0	0
Judicial Commissioner Fees	646	0	0	0	0	0
DUI Treatment Fines	7,003	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,161	0	0	0	0	0
Courtroom Security Fee	139	0	0	0	0	0
Juvenile Court						
Fines	1,546	0	0	0	0	0
Drug Control Fines	834	0	0	0	0	0
Chancery Court						
Officers Costs	556	0	0	0	0	0
Data Entry Fee - Chancery Court	2,369	0	0	0	0	0
Other Courts - In-county						
Drug Control Fines	0	0	0	23,641	0	0
DUI Treatment Fines	140	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	350,024	0	0
Data Entry Fee - Other Courts	174	0	0	0	0	0
Courtroom Security Fee	24	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	1,000	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 142,154	$ 0	$ 0	$ 373,665	$ 0	$ 0

(Continued)

Exhibit J-6

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

	General	Special Revenue Funds				
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	$ 0	$ 0	$ 0	$ 0	$ 132,036	$ 0
Tipping Fees	0	0	205,166	0	0	0
Patient Charges	588,388	0	0	0	0	0
Work Release Charges for Board	3,710	0	0	0	0	0
Other General Service Charges	13,587	0	0	0	0	0
Fees						
Engineer Review Fees	20,104	0	0	0	0	0
Copy Fees	1,030	0	0	0	0	0
Library Fees	8,554	0	0	0	0	0
Archives and Records Management Fee - County Clerk	13,982	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	32,219	0	0	0	0	0
Data Processing Fee - Register	13,600	0	0	0	0	0
Probation Fees	80,533	0	0	0	0	0
Data Processing Fee - Sheriff	5,238	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	7,050	0	0	0	0	0
Data Processing Fee - County Clerk	26,530	0	0	0	0	0
Total Charges for Current Services	$ 814,625	$ 0	$ 205,166	$ 0	$ 132,036	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 157,534	$ 0	$ 16	$ 0	$ 0	$ 54
Lease/Rentals	28,899	0	0	0	0	0
Commissary Sales	10,766	0	0	0	0	0
Sale of Recycled Materials	0	0	35,625	0	0	2,809
Miscellaneous Refunds	3,567	0	0	0	0	19,598
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	0
Contributions and Gifts	15,949	0	0	0	0	0

(Continued)

Exhibit J-6

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

	General	Special Revenue Funds				
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Unemployment Compensation	Highway / Public Works
Other Local Revenues (Cont.)						
Other Local Revenues						
Other Local Revenues	$ 2,380	$ 0	$ 0	$ 0	$ 0	$ 0
Total Other Local Revenues	$ 219,095	$ 0	$ 35,641	$ 0	$ 0	$ 22,461
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 371,054	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	301,607	0	0	0	0	0
Clerk and Master	147,877	0	0	0	0	0
Register	178,346	0	0	0	0	0
Sheriff	25,089	0	0	0	0	0
Trustee	596,604	0	0	0	0	0
Total Fees Received from County Officials	$ 1,620,577	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,090	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	0	0	9,090	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	18,000	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	29,617	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	72,856
Litter Program	29,282	0	0	0	0	0
Other State Revenues						
Flood Control	4,271	0	0	0	0	0
Income Tax	72,483	0	0	0	0	0
Beer Tax	46,157	0	0	0	0	0
Alcoholic Beverage Tax	11,423	0	0	0	0	0
State Revenue Sharing - T.V.A.	197,429	0	23,612	0	0	14,167

(Continued)

Exhibit J-6

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	Unemployment Compensation	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Prisoner Transportation	$ 1,807	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Prisoner Boarding	241,465	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,613,659
Petroleum Special Tax	0	0	0	0	0	28,842
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	2,179	0	0	0	0	0
Total State of Tennessee	$ 678,367	$ 0	$ 32,702	$ 0	$ 0	$ 1,729,524
Federal Government						
Federal Through State						
Disaster Relief	$ 270,214	$ 0	$ 0	$ 0	$ 0	$ 265,492
Other Federal through State	6,506	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	20,861	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	39,570
Total Federal Government	$ 297,581	$ 0	$ 0	$ 0	$ 0	$ 305,062
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 374,242	$ 0	$ 0	$ 0	$ 0	$ 0
Total Other Governments and Citizens Groups	$ 374,242	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 13,150,171	$ 8,229	$ 1,173,905	$ 373,665	$ 132,036	$ 3,004,244

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 202,481	$ 1,991,136	$ 33,753	$ 33,757	$ 11,035,608
Trustee's Collections - Prior Year	6,145	99,209	2,949	9,565	342,360
Circuit/Clerk & Master Collections - Prior Years	2,459	40,977	1,597	4,245	137,390
Interest and Penalty	2,444	38,706	1,327	3,719	135,990
Payments in-Lieu-of Taxes - Local Utilities	1,626	17,038	322	502	88,846
Payments in-Lieu-of Taxes - Other	124	1,245	22	26	6,776
County Local Option Taxes					
Local Option Sales Tax	0	1,335,251	0	0	1,335,251
Hotel/Motel Tax	0	0	0	0	36,528
Wheel Tax	0	1,221,026	0	0	1,628,037
Litigation Tax - General	0	0	0	0	106,862
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	33,956
Business Tax	189,119	0	0	0	204,860
Adequate Facilities/Development Tax	0	118,183	0	0	273,808
Other County Local Option Taxes	0	0	0	0	244,907
Statutory Local Taxes					
Bank Excise Tax	586	5,764	98	98	31,947
Wholesale Beer Tax	0	0	0	0	289,939
Interstate Telecommunications Tax	0	0	0	0	1,612
Total Local Taxes	$ 404,984	$ 4,868,535	$ 40,068	$ 51,912	$ 15,934,677
Licenses and Permits					
Licenses					
Animal Registration	$ 0	$ 0	$ 0	$ 0	$ 12,603
Animal Vaccination	0	0	0	0	4,285
Cable TV Franchise	0	0	0	0	157,599
Permits					
Beer Permits	0	0	0	0	2,250
Building Permits	0	0	0	0	108,412
Other Permits	0	0	0	0	5,025
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 290,174

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 5,784
Officers Costs	0	0	0	0	4,093
Data Entry Fee - Circuit Court	0	0	0	0	1,566
General Sessions Court					
Fines	0	0	0	0	23,770
Fines for Littering	0	0	0	0	60
Officers Costs	0	0	0	0	65,823
Game and Fish Fines	0	0	0	0	169
Jail Fees	0	0	0	0	20,297
Judicial Commissioner Fees	0	0	0	0	646
DUI Treatment Fines	0	0	0	0	7,003
Data Entry Fee - General Sessions Court	0	0	0	0	6,161
Courtroom Security Fee	0	0	0	0	139
Juvenile Court					
Fines	0	0	0	0	1,546
Drug Control Fines	0	0	0	0	834
Chancery Court					
Officers Costs	0	0	0	0	556
Data Entry Fee - Chancery Court	0	0	0	0	2,369
Other Courts - In-county					
Drug Control Fines	0	0	0	0	23,641
DUI Treatment Fines	0	0	0	0	140
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	0	0	0	0	350,024
Data Entry Fee - Other Courts	0	0	0	0	174
Courtroom Security Fee	0	0	0	0	24
Other Fines, Forfeitures, and Penalties					
Other Fines, Forfeitures, and Penalties	0	0	0	0	1,000
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 515,819

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
Charges for Current Services					
General Service Charges					
Self-Insurance Premiums/Contributions	$ 0	$ 0	$ 0	$ 0	$ 132,036
Tipping Fees	0	0	0	0	205,166
Patient Charges	0	0	0	0	588,388
Work Release Charges for Board	0	0	0	0	3,710
Other General Service Charges	0	0	0	0	13,587
Fees					
Engineer Review Fees	0	0	0	0	20,104
Copy Fees	0	0	0	0	1,030
Library Fees	0	0	0	0	8,554
Archives and Records Management Fee - County Clerk	0	0	0	0	13,982
Greenbelt Late Application Fee	0	0	0	0	100
Telephone Commissions	0	0	0	0	32,219
Data Processing Fee - Register	0	0	0	0	13,600
Probation Fees	0	0	0	0	80,533
Data Processing Fee - Sheriff	0	0	0	0	5,238
Sexual Offender Registration Fees - Sheriff	0	0	0	0	7,050
Data Processing Fee - County Clerk	0	0	0	0	26,530
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 1,151,827
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 157,604
Lease/Rentals	0	0	0	0	28,899
Commissary Sales	0	0	0	0	10,766
Sale of Recycled Materials	0	0	0	0	38,434
Miscellaneous Refunds	0	0	0	2,895	26,060
Nonrecurring Items					
Sale of Equipment	0	13,398	0	0	13,398
Contributions and Gifts	0	0	0	0	15,949

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
Other Local Revenues (Cont.)					
Other Local Revenues					
Other Local Revenues	$ 0	$ 0	$ 0	$ 0	$ 2,380
Total Other Local Revenues	$ 0	$ 13,398	$ 0	$ 2,895	$ 293,490
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 371,054
Circuit Court Clerk	0	0	0	0	301,607
Clerk and Master	0	0	0	0	147,877
Register	0	0	0	0	178,346
Sheriff	0	0	0	0	25,089
Trustee	0	0	0	0	596,604
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 1,620,577
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 9,090
Solid Waste Grants	0	0	0	0	9,090
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	18,000
Health and Welfare Grants					
Health Department Programs	0	0	0	0	29,617
Public Works Grants					
State Aid Program	0	0	0	0	72,856
Litter Program	0	0	0	0	29,282
Other State Revenues					
Flood Control	0	0	0	0	4,271
Income Tax	0	0	0	0	72,483
Beer Tax	0	0	0	0	46,157
Alcoholic Beverage Tax	0	0	0	0	11,423
State Revenue Sharing - T.V.A.	5,667	65,404	1,417	3,070	310,766

(Continued)

Exhibit J-6

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Prisoner Transportation	$ 0	$ 0	$ 0	$ 0	$ 1,807
Contracted Prisoner Boarding	0	0	0	0	241,465
Gasoline and Motor Fuel Tax	0	0	0	0	1,613,659
Petroleum Special Tax	0	0	0	0	28,842
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	2,179
Total State of Tennessee	$ 5,667	$ 65,404	$ 1,417	$ 3,070	$ 2,516,151
Federal Government					
Federal Through State					
Disaster Relief	$ 0	$ 0	$ 0	$ 0	$ 535,706
Other Federal through State	0	0	0	0	6,506
Direct Federal Revenue					
Police Service (Lake Area)	0	0	0	0	20,861
Other Direct Federal Revenue	0	0	0	0	39,570
Total Federal Government	$ 0	$ 0	$ 0	$ 0	$ 602,643
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 0	$ 0	$ 374,242
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 374,242
Total	$ 410,651	$ 4,947,337	$ 41,485	$ 57,877	$ 23,299,600

Exhibit J-7

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 7,745,058	$ 0	$ 0	$ 0	$ 7,745,058
Trustee's Collections - Prior Year	208,652	0	0	0	208,652
Circuit/Clerk & Master Collections - Prior Years	90,443	0	0	0	90,443
Interest and Penalty	89,779	0	0	0	89,779
Payments in-Lieu-of Taxes - Local Utilities	61,825	0	0	0	61,825
Payments in-Lieu-of Taxes - Other	4,736	0	0	0	4,736
County Local Option Taxes					
Local Option Sales Tax	1,669,063	0	0	0	1,669,063
Wheel Tax	407,505	0	0	0	407,505
Statutory Local Taxes					
Bank Excise Tax	22,373	0	0	0	22,373
Interstate Telecommunications Tax	2,429	0	0	0	2,429
Total Local Taxes	$ 10,301,863	$ 0	$ 0	$ 0	$ 10,301,863
Licenses and Permits					
Licenses					
Marriage Licenses	$ 3,202	$ 0	$ 0	$ 0	$ 3,202
Total Licenses and Permits	$ 3,202	$ 0	$ 0	$ 0	$ 3,202
Charges for Current Services					
Education Charges					
Tuition - Regular Day Students	$ 717	$ 0	$ 0	$ 0	$ 717
Tuition - Summer School	500	0	0	0	500
Lunch Payments - Children	0	0	755,126	0	755,126
Lunch Payments - Adults	0	0	43,292	0	43,292
Income from Breakfast	0	0	94,571	0	94,571
A la carte Sales	0	0	390,592	0	390,592
Receipts from Individual Schools	120,138	0	0	0	120,138
Community Service Fees - Children	1,065,603	0	0	0	1,065,603
Other Charges for Services					
Other Charges for Services	0	0	47,764	0	47,764
Total Charges for Current Services	$ 1,186,958	$ 0	$ 1,331,345	$ 0	$ 2,518,303
Other Local Revenues					
Recurring Items					
Investment Income	$ 934	$ 0	$ 431	$ 0	$ 1,365
Refund of Telecommunication & Internet Fees (E-Rate)	20,291	0	0	0	20,291
Commodity Rebates	0	0	10,826	0	10,826
Miscellaneous Refunds	71,358	0	189	0	71,547
Nonrecurring Items					
Damages Recovered from Individuals	2,849	0	0	0	2,849
Contributions and Gifts	71,178	0	0	0	71,178
Other Local Revenues					
Other Local Revenues	23,643	0	371	0	24,014
Total Other Local Revenues	$ 190,253	$ 0	$ 11,817	$ 0	$ 202,070

(Continued)

Exhibit J-7

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
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 151,027	$ 0	$ 0	$ 0	$ 151,027
State Education Funds					
Basic Education Program	27,546,560	0	0	0	27,546,560
Basic Education Program - ARRA	3,117,440	0	0	0	3,117,440
Early Childhood Education	483,696	0	0	0	483,696
School Food Service	0	0	30,525	0	30,525
Other State Education Funds	17,386	0	0	0	17,386
Coordinated School Health - ARRA	105,000	0	0	0	105,000
Internet Connectivity - ARRA	20,512	0	0	0	20,512
Career Ladder Program	203,980	0	0	0	203,980
Career Ladder - Extended Contract - ARRA	64,916	0	0	0	64,916
Other State Revenues					
State Revenue Sharing - T.V.A.	214,157	0	0	0	214,157
Safe Schools - ARRA	40,112	0	0	0	40,112
Total State of Tennessee	$ 31,964,786	$ 0	$ 30,525	$ 0	$ 31,995,311
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,174,293	$ 0	$ 1,174,293
USDA - Commodities	0	0	171,362	0	171,362
Breakfast	0	0	404,137	0	404,137
USDA - Other	0	0	20,285	0	20,285
Adult Education State Grant Program	67,842	0	0	0	67,842
Vocational Education - Basic Grants to States	0	79,263	0	0	79,263
Other Vocational	0	49,226	0	0	49,226
Title I Grants to Local Education Agencies	0	939,402	0	0	939,402
Special Education - Grants to States	125,510	2,112,810	0	0	2,238,320
Special Education Preschool Grants	21,491	31,940	0	0	53,431
English Language Acquisition Grants	0	7,126	0	0	7,126
Safe and Drug-free Schools - State Grants	0	6,969	0	0	6,969
Eisenhower Professional Development State Grants	0	257,378	0	0	257,378
Disaster Relief	56,017	0	3,737	0	59,754
Race-to-the-Top - ARRA	0	119,305	0	0	119,305
Other Federal through State	43,790	497,936	0	0	541,726
Direct Federal Revenue					
Other Direct Federal Revenue	369,729	0	0	0	369,729
Total Federal Government	$ 684,379	$ 4,101,355	$ 1,773,814	$ 0	$ 6,559,548
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 538,742	$ 0	$ 0	$ 3,553,271	$ 4,092,013
Total Other Governments and Citizens Groups	$ 538,742	$ 0	$ 0	$ 3,553,271	$ 4,092,013
Total	$ 44,870,183	$ 4,101,355	$ 3,147,501	$ 3,553,271	$ 55,672,310

Exhibit J-8

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund				
General Government				
County Commission				
Other Salaries and Wages	$	4,762		
Board and Committee Members Fees		59,093		
Social Security		4,855		
Audit Services		10,774		
Dues and Memberships		1,550		
Legal Services		20,259		
Other Supplies and Materials		652		
Total County Commission			$	101,945
County Mayor/Executive				
County Official/Administrative Officer	$	73,866		
Secretary(ies)		33,373		
Social Security		7,640		
State Retirement		6,424		
Communication		13,087		
Consultants		492		
Dues and Memberships		11,967		
Legal Services		19,797		
Maintenance and Repair Services - Office Equipment		154		
Maintenance and Repair Services - Vehicles		1,136		
Travel		686		
Gasoline		1,385		
Office Supplies		2,185		
Other Charges		1,222		
Office Equipment		1,522		
Total County Mayor/Executive				174,936
Personnel Office				
Supervisor/Director	$	55,112		
Social Security		4,040		
State Retirement		3,301		
Contracts with Private Agencies		2,575		
Office Supplies		348		
Office Equipment		1,374		
Total Personnel Office				66,750
Election Commission				
County Official/Administrative Officer	$	57,559		
Attendants		26,992		
Board and Committee Members Fees		3,465		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
Election Workers	$	29,182		
In-Service Training		975		
Other Per Diem and Fees		385		
Social Security		6,198		
State Retirement		5,065		
Advertising		4,954		
Communication		1,599		
Dues and Memberships		150		
Maintenance and Repair Services - Equipment		12,426		
Printing, Stationery, and Forms		1,199		
Travel		2,090		
Office Supplies		1,031		
Total Election Commission			$	153,270
Register of Deeds				
County Official/Administrative Officer	$	63,954		
Deputy(ies)		56,929		
Part-time Personnel		8,925		
In-Service Training		300		
Social Security		9,451		
State Retirement		7,241		
Communication		2,492		
Data Processing Services		13,119		
Dues and Memberships		834		
Maintenance and Repair Services - Equipment		150		
Maintenance and Repair Services - Office Equipment		750		
Travel		595		
Office Supplies		4,966		
Total Register of Deeds				169,706
Building				
County Official/Administrative Officer	$	51,895		
Investigator(s)		38,803		
Secretary(ies)		28,304		
Board and Committee Members Fees		2,300		
In-Service Training		910		
Social Security		8,963		
State Retirement		6,897		
Communication		3,366		
Consultants		20,991		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
General Government (Cont.)				
Building (Cont.)				
Data Processing Services	$	453		
Dues and Memberships		295		
Engineering Services		18,426		
Legal Services		13,926		
Maintenance and Repair Services - Equipment		1,692		
Maintenance and Repair Services - Vehicles		719		
Printing, Stationery, and Forms		529		
Gasoline		2,531		
Library Books/Media		1,746		
Office Supplies		950		
Office Equipment		1,602		
Total Building			$	205,298
County Buildings				
Assistant(s)	$	25,354		
Supervisor/Director		39,637		
Custodial Personnel		45,087		
Social Security		7,625		
State Retirement		5,750		
Maintenance and Repair Services - Buildings		48,674		
Maintenance and Repair Services - Office Equipment		124		
Maintenance and Repair Services - Vehicles		458		
Pest Control		6,036		
Custodial Supplies		8,090		
Diesel Fuel		603		
Electricity		184,132		
Fertilizer, Lime, and Seed		1,800		
Gasoline		5,822		
Natural Gas		26,078		
Propane Gas		14,951		
Tires and Tubes		325		
Water and Sewer		52,198		
Other Supplies and Materials		2,423		
Maintenance Equipment		1,895		
Total County Buildings				477,062
Finance				
Accounting and Budgeting				
County Official/Administrative Officer	$	63,954		
Assistant(s)		47,814		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Finance (Cont.)				
Accounting and Budgeting (Cont.)				
Data Processing Personnel	$	4,850		
Salary Supplements		10,456		
Clerical Personnel		35,910		
In-Service Training		250		
Social Security		12,243		
State Retirement		9,472		
Advertising		14,920		
Data Processing Services		11,636		
Postal Charges		40,746		
Printing, Stationery, and Forms		1,425		
Travel		119		
Office Supplies		2,245		
Office Equipment		11,437		
Total Accounting and Budgeting			$	267,477
Property Assessor's Office				
County Official/Administrative Officer	$	63,954		
Deputy(ies)		40,710		
Assessment Personnel		70,013		
Part-time Personnel		11,342		
Board and Committee Members Fees		4,420		
Social Security		13,249		
State Retirement		10,463		
Communication		1,386		
Contracts with Private Agencies		11,210		
Data Processing Services		19,890		
Dues and Memberships		1,043		
Maintenance and Repair Services - Office Equipment		123		
Maintenance and Repair Services - Vehicles		476		
Printing, Stationery, and Forms		213		
Gasoline		2,504		
Office Supplies		328		
Total Property Assessor's Office				251,324
Reappraisal Program				
Deputy(ies)	$	37,070		
Social Security		2,615		
State Retirement		2,220		
Total Reappraisal Program				41,905

(Continued)

Exhibit J-8

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	$	63,954		
Deputy(ies)		84,109		
Part-time Personnel		7,749		
In-Service Training		1,385		
Social Security		10,404		
State Retirement		8,131		
Communication		2,765		
Data Processing Services		16,036		
Dues and Memberships		609		
Maintenance and Repair Services - Office Equipment		353		
Travel		899		
Office Supplies		3,398		
Data Processing Equipment		208		
Office Equipment		13,523		
Total County Trustee's Office			$	213,523
County Clerk's Office				
County Official/Administrative Officer	$	63,954		
Deputy(ies)		143,128		
Internal Audit Personnel		26,175		
Part-time Personnel		26,031		
Other Salaries and Wages		10,500		
In-Service Training		1,435		
Social Security		18,730		
State Retirement		12,846		
Communication		2,892		
Data Processing Services		13,788		
Dues and Memberships		684		
Maintenance and Repair Services - Office Equipment		1,778		
Printing, Stationery, and Forms		3,615		
Travel		1,223		
Office Supplies		2,937		
Office Equipment		8,912		
Total County Clerk's Office				338,628
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	63,954		
Deputy(ies)		239,875		
Part-time Personnel		3,202		

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court (Cont.)				
Jury and Witness Expense	$	7,833		
Social Security		22,394		
State Retirement		15,419		
Communication		1,037		
Contracts with Government Agencies		3,250		
Data Processing Services		8,689		
Dues and Memberships		599		
Maintenance and Repair Services - Office Equipment		1,591		
Office Supplies		7,855		
Office Equipment		1,082		
Total Circuit Court			$	376,780
General Sessions Court				
Judge(s)	$	97,027		
Deputy(ies)		38,356		
Social Security		9,008		
State Retirement		8,109		
Communication		2,113		
Data Processing Services		2,996		
Dues and Memberships		785		
Legal Services		188		
Travel		267		
Library Books/Media		50		
Total General Sessions Court				158,899
Chancery Court				
County Official/Administrative Officer	$	63,954		
Deputy(ies)		117,963		
Part-time Personnel		1,007		
Social Security		12,649		
State Retirement		10,716		
Communication		1,583		
Data Processing Services		8,213		
Dues and Memberships		654		
Legal Notices, Recording, and Court Costs		120		
Maintenance and Repair Services - Office Equipment		560		
Office Supplies		4,052		
Furniture and Fixtures		218		
Total Chancery Court				221,689

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Juvenile Court				
Judge(s)	$	45,379		
Probation Officer(s)		87,385		
Social Workers		48,766		
Salary Supplements		17,695		
Secretary(ies)		32,711		
Other Salaries and Wages		8,210		
Social Security		17,518		
State Retirement		12,351		
Communication		3,359		
Contracts with Government Agencies		250		
Data Processing Services		1,800		
Dues and Memberships		880		
Maintenance and Repair Services - Office Equipment		1,724		
Travel		2,165		
Remittance of Revenue Collected		775		
Drugs and Medical Supplies		1,453		
Gasoline		1,818		
Library Books/Media		36		
Office Supplies		1,979		
Office Equipment		20		
Total Juvenile Court			$	286,274
District Attorney General				
Contributions	$	18,000		
Total District Attorney General				18,000
Probation Services				
Probation Officer(s)	$	89,773		
Attendants		26,992		
Part-time Personnel		2,823		
In-Service Training		338		
Social Security		8,791		
State Retirement		5,701		
Communication		1,583		
Maintenance and Repair Services - Office Equipment		2,826		
Printing, Stationery, and Forms		674		
Travel		741		
Remittance of Revenue Collected		5,212		
Drugs and Medical Supplies		2,918		
Office Supplies		971		
Total Probation Services				149,343

(Continued)

Exhibit J-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Courtroom Security		
Supervisor/Director	$ 48,712	
Guards	32,553	
Part-time Personnel	47,506	
Social Security	9,591	
State Retirement	3,796	
Uniforms	1,681	
Law Enforcement Equipment	2,109	
Total Courtroom Security		$ 145,948
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 70,350	
Assistant(s)	34,312	
Supervisor/Director	56,713	
Deputy(ies)	780,452	
Detective(s)	48,712	
Investigator(s)	126,933	
Sergeant(s)	163,663	
Clerical Personnel	85,137	
Overtime Pay	3,168	
Other Salaries and Wages	35,880	
In-Service Training	464	
Social Security	101,513	
State Retirement	79,482	
Communication	37,962	
Dues and Memberships	2,300	
Legal Services	7,387	
Maintenance and Repair Services - Equipment	2,870	
Maintenance and Repair Services - Office Equipment	22,300	
Maintenance and Repair Services - Vehicles	23,817	
Travel	5,939	
Gasoline	134,113	
Instructional Supplies and Materials	5,996	
Law Enforcement Supplies	6,263	
Office Supplies	7,322	
Tires and Tubes	5,316	
Uniforms	2,124	
Other Supplies and Materials	556	
Liability Insurance	23,291	
Vehicle and Equipment Insurance	14,308	

(Continued)

Exhibit J-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Workers' Compensation Insurance	$ 20,122	
Other Charges	6,006	
Data Processing Equipment	4,200	
Law Enforcement Equipment	9,271	
Office Equipment	202	
Total Sheriff's Department		$ 1,928,444
Jail		
Supervisor/Director	$ 48,712	
Sergeant(s)	150,158	
Foremen	65,422	
Guards	634,474	
Clerical Personnel	32,711	
Board and Committee Members Fees	75	
Social Security	66,016	
State Retirement	54,071	
Maintenance and Repair Services - Equipment	7,776	
Medical and Dental Services	148,891	
Custodial Supplies	18,954	
Food Supplies	90,014	
Law Enforcement Supplies	710	
Prisoners Clothing	2,528	
Other Supplies and Materials	916	
Other Equipment	41	
Total Jail		1,321,469
Rural Fire Protection		
Remittance of Revenue Collected	$ 257,389	
Total Rural Fire Protection		257,389
Other Emergency Management		
Assistant(s)	$ 39,596	
Supervisor/Director	45,511	
In-Service Training	315	
Social Security	6,301	
State Retirement	5,098	
Communication	2,607	
Maintenance and Repair Services - Equipment	145	
Maintenance and Repair Services - Vehicles	2,524	
Diesel Fuel	348	

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
Other Emergency Management (Cont.)				
Gasoline	$	3,341		
Instructional Supplies and Materials		100		
Office Supplies		1,130		
Other Supplies and Materials		1,506		
Other Charges		1,959		
Communication Equipment		161		
Other Equipment		1,407		
Total Other Emergency Management			$	112,049
County Coroner/Medical Examiner				
County Official/Administrative Officer	$	70,350		
Total County Coroner/Medical Examiner				70,350
Other Public Safety				
Assistant(s)	$	37,012		
Supervisor/Director		51,750		
Assessment Personnel		57,631		
Dispatchers/Radio Operators		356,332		
Part-time Personnel		11,009		
Social Security		36,018		
State Retirement		29,551		
Total Other Public Safety				579,303
Public Health and Welfare				
Local Health Center				
Clerical Personnel	$	4,050		
Social Security		310		
Communication		1,765		
Dues and Memberships		200		
Janitorial Services		9,900		
Postal Charges		678		
Travel		604		
Custodial Supplies		849		
Drugs and Medical Supplies		361		
Office Supplies		334		
Other Supplies and Materials		11,528		
Total Local Health Center				30,579
Rabies and Animal Control				
Supervisor/Director	$	37,695		

(Continued)

Exhibit J-8

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.)		
Deputy(ies)	$ 44,080	
Attendants	19,604	
In-Service Training	1,433	
Social Security	7,372	
State Retirement	2,697	
Communication	2,521	
Maintenance and Repair Services - Equipment	527	
Maintenance and Repair Services - Office Equipment	114	
Maintenance and Repair Services - Vehicles	3,415	
Printing, Stationery, and Forms	36	
Veterinary Services	14,123	
Animal Food and Supplies	6,613	
Custodial Supplies	2,736	
Drugs and Medical Supplies	10,889	
Gasoline	7,147	
Office Supplies	666	
Uniforms	566	
Office Equipment	442	
Other Equipment	200	
Total Rabies and Animal Control		$ 162,876
Ambulance/Emergency Medical Services		
Assistant(s)	$ 24,056	
Supervisor/Director	55,185	
Clerical Personnel	23,317	
Attendants	942,534	
Part-time Personnel	122,805	
In-Service Training	2,479	
Social Security	84,910	
State Retirement	60,969	
Communication	12,669	
Consultants	3,257	
Contracts with Private Agencies	4,124	
Dues and Memberships	250	
Licenses	2,250	
Maintenance and Repair Services - Equipment	3,315	
Maintenance and Repair Services - Office Equipment	213	
Maintenance and Repair Services - Vehicles	24,248	
Rentals	12,600	
Travel	199	

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Ambulance/Emergency Medical Services (Cont.)				
Remittance of Revenue Collected	$	70,565		
Disposal Fees		11,854		
Custodial Supplies		632		
Drugs and Medical Supplies		75,057		
Gasoline		54,239		
Office Supplies		3,024		
Tires and Tubes		5,033		
Uniforms		9,601		
Other Supplies and Materials		174		
Liability Insurance		2,800		
Vehicle and Equipment Insurance		5,937		
Workers' Compensation Insurance		17,800		
Office Equipment		387		
Total Ambulance/Emergency Medical Services			$	1,636,483
Other Local Health Services				
Secretary(ies)	$	31,111		
Social Security		2,337		
State Retirement		1,864		
Communication		684		
Total Other Local Health Services				35,996
General Welfare Assistance				
Contracts with Government Agencies	$	33,198		
Total General Welfare Assistance				33,198
Sanitation Education/Information				
Foremen	$	26,312		
Social Security		2,013		
State Retirement		1,576		
Maintenance and Repair Services - Vehicles		1,649		
Gasoline		4,315		
Instructional Supplies and Materials		6,000		
Other Supplies and Materials		1,341		
Total Sanitation Education/Information				43,206
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Matching Share	$	73,647		
Total Senior Citizens Assistance				73,647

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Libraries				
Supervisor/Director	$	59,474		
Part-time Personnel		75,646		
In-Service Training		566		
Social Security		10,032		
State Retirement		3,563		
Communication		3,755		
Dues and Memberships		940		
Maintenance and Repair Services - Equipment		989		
Travel		921		
Library Books/Media		35,399		
Office Supplies		12,109		
Office Equipment		8,742		
Total Libraries			$	212,136
Parks and Fair Boards				
Contributions	$	89,334		
Total Parks and Fair Boards				89,334
Agriculture and Natural Resources				
Agriculture Extension Service				
Salary Supplements	$	46,746		
Educational Assistants		29,441		
Board and Committee Members Fees		175		
In-Service Training		150		
Social Security		5,418		
State Retirement		8,077		
Employee and Dependent Insurance		197		
Communication		3,086		
Travel		856		
Office Equipment		2,811		
Total Agriculture Extension Service				96,957
Soil Conservation				
Secretary(ies)	$	29,441		
In-Service Training		241		
Social Security		1,732		
State Retirement		1,764		
Dues and Memberships		690		
Travel		1,641		
Office Supplies		348		
Total Soil Conservation				35,857

(Continued)

Exhibit J-8

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

General Fund (Cont.)				
Agriculture and Natural Resources (Cont.)				
Flood Control				
Other Salaries and Wages	$	20,702		
Communication		3,081		
Contracts with Other Public Agencies		11,568		
Legal Services		4,637		
Other Contracted Services		793,261		
Other Charges		21,394		
Motor Vehicles		48,500		
Total Flood Control			$	903,143
Other Operations				
Other Economic and Community Development				
Supervisor/Director	$	56,713		
Social Security		4,128		
State Retirement		3,397		
Total Other Economic and Community Development				64,238
Other Charges				
Trustee's Commission	$	186,237		
Total Other Charges				186,237
Contributions to Other Agencies				
Contributions	$	628,455		
Total Contributions to Other Agencies				628,455
Employee Benefits				
Life Insurance	$	8,840		
Medical Insurance		811,798		
Total Employee Benefits				820,638
Miscellaneous				
Longevity Pay	$	112,093		
Social Security		360		
State Retirement		282		
Disability Insurance		24,136		
Unemployment Compensation		15,000		
Boiler Insurance		1,368		
Building and Contents Insurance		41,740		
Liability Insurance		27,922		
Premiums on Corporate Surety Bonds		7,012		
Vehicle and Equipment Insurance		5,548		

(Continued)

Exhibit J-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous (Cont.)			
Workers' Compensation Insurance	$ 28,994		
Total Miscellaneous		$ 264,455	
Capital Projects			
Public Health and Welfare Projects			
Land	$ 2,570,272		
Total Public Health and Welfare Projects		2,570,272	
Total General Fund			$ 15,975,468
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Building Improvements	$ 4,595		
Total County Buildings		$ 4,595	
Other General Administration			
Trustee's Commission	$ 83		
Total Other General Administration		83	
Total Courthouse and Jail Maintenance Fund			4,678
Solid Waste/Sanitation Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 20,453		
Total Other General Administration		$ 20,453	
Public Health and Welfare			
Sanitation Management			
Supervisor/Director	$ 46,560		
Equipment Operators	43,869		
Truck Drivers	17,827		
Clerical Personnel	22,370		
Social Security	9,864		
State Retirement	5,195		
Communication	1,830		
Legal Services	550		
Electricity	6,665		
Instructional Supplies and Materials	400		

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Sanitation Management (Cont.)			
Office Supplies	$ 134		
Water and Sewer	2,242		
Vehicle and Equipment Insurance	6,000		
Workers' Compensation Insurance	7,000		
Total Sanitation Management		$ 170,506	
Convenience Centers			
Laborers	$ 64,206		
Social Security	4,912		
Communication	2,714		
Contracts with Government Agencies	559,704		
Contracts with Private Agencies	32,984		
Maintenance and Repair Services - Equipment	5,726		
Rentals	2,700		
Diesel Fuel	28,615		
Electricity	3,629		
Equipment and Machinery Parts	2,289		
Lubricants	388		
Tires and Tubes	7,978		
Other Equipment	503		
Total Convenience Centers		716,348	
Landfill Operation and Maintenance			
Contracts with Private Agencies	$ 5,102		
Evaluation and Testing	26,850		
Maintenance Agreements	432		
Maintenance and Repair Services - Equipment	18,142		
Crushed Stone	4,478		
Equipment and Machinery Parts	1,340		
Other Supplies and Materials	489		
Other Equipment	487		
Total Landfill Operation and Maintenance		57,320	
Other Operations			
Employee Benefits			
Medical Insurance	$ 1,712		
Total Employee Benefits		1,712	
Miscellaneous			
Unemployment Compensation	$ 10,000		
Total Miscellaneous		10,000	
Total Solid Waste/Sanitation Fund			$ 976,339

(Continued)

Exhibit J-8

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

Drug Control Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 3,735		
Total Other General Administration		$ 3,735	
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 6,000		
Maintenance and Repair Services - Equipment	2,327		
Veterinary Services	465		
Law Enforcement Supplies	1,140		
Other Supplies and Materials	1,824		
Law Enforcement Equipment	4,359		
Motor Vehicles	57,090		
Total Drug Enforcement		73,205	
Total Drug Control Fund			$ 76,940
Unemployment Compensation Fund			
General Government			
Other General Administration			
Unemployment Compensation	$ 130,899		
Total Other General Administration		$ 130,899	
Total Unemployment Compensation Fund			130,899
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 70,350		
Assistant(s)	31,759		
Clerical Personnel	47,322		
Advertising	414		
Contracts with Private Agencies	3,850		
Data Processing Services	197		
Dues and Memberships	2,715		
Legal Services	229		
Licenses	362		
Printing, Stationery, and Forms	998		
Rentals	84		
Travel	774		
Custodial Supplies	2,337		

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Data Processing Supplies	$ 116	
Office Supplies	550	
Other Supplies and Materials	1,699	
Furniture and Fixtures	20,691	
Office Equipment	4,797	
Total Administration		$ 189,244
Highway and Bridge Maintenance		
Foremen	$ 157,125	
Equipment Operators - Heavy	437,745	
Truck Drivers	206,086	
Laborers	34,963	
Other Contracted Services	589,213	
Asphalt - Cold Mix	2,997	
Asphalt - Hot Mix	163,192	
Asphalt - Liquid	49,944	
Concrete	39	
Crushed Stone	48,916	
Other Road Supplies	299	
Pipe - Metal	18,312	
Road Signs	5,663	
Salt	36,274	
Wood Products	190	
Other Supplies and Materials	2,724	
Total Highway and Bridge Maintenance		1,753,682
Operation and Maintenance of Equipment		
Foremen	$ 45,191	
Mechanic(s)	116,465	
Rentals	1,454	
Diesel Fuel	83,534	
Equipment Parts - Light	32,905	
Equipment and Machinery Parts	43,632	
Garage Supplies	7,700	
Gasoline	116,858	
Lubricants	6,783	
Propane Gas	1,445	
Small Tools	694	
Tires and Tubes	14,393	
Uniforms	5,000	
Total Operation and Maintenance of Equipment		476,054

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges			
Communication	$ 4,480		
Maintenance and Repair Services - Buildings	31,519		
Maintenance and Repair Services - Equipment	5,402		
Electricity	7,753		
Natural Gas	2,135		
Water and Sewer	430		
Trustee's Commission	31,414		
Vehicle and Equipment Insurance	30,000		
Workers' Compensation Insurance	28,000		
Total Other Charges		$ 141,133	
Employee Benefits			
Longevity Pay	$ 25,200		
Social Security	84,684		
State Retirement	68,120		
Life Insurance	1,169		
Medical Insurance	142,346		
Disability Insurance	4,301		
Total Employee Benefits		325,820	
Capital Outlay			
Other Equipment	$ 7,450		
Total Capital Outlay		7,450	
Principal on Debt			
Highways and Streets			
Principal on Capital Leases	$ 62,436		
Total Highways and Streets		62,436	
Interest on Debt			
Highways and Streets			
Interest on Capital Leases	$ 6,948		
Total Highways and Streets		6,948	
Total Highway/Public Works Fund			$ 2,962,767
General Debt Service Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 6,388		
Total Other General Administration		$ 6,388	

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)			
Principal on Debt			
General Government			
Principal on Other Loans	$ 228,000		
Total General Government		$ 228,000	
Interest on Debt			
General Government			
Interest on Other Loans	$ 17,101		
Total General Government		17,101	
Other Debt Service			
General Government			
Bank Charges	$ 1,993		
Fiscal Agent Charges	700		
Legal Services	5,960		
Other Debt Issuance Charges	18,025		
Total General Government		26,678	
Capital Projects			
General Administration Projects			
Other Capital Outlay	$ 131,247		
Total General Administration Projects		131,247	
Total General Debt Service Fund			$ 409,414
Education Debt Service Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 70,875		
Total Other General Administration		$ 70,875	
Principal on Debt			
Education			
Principal on Bonds	$ 1,209,000		
Principal on Notes	67,390		
Principal on Other Loans	3,123,854		
Total Education		4,400,244	
Interest on Debt			
Education			
Interest on Bonds	$ 508,886		
Interest on Notes	3,075		

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)			
Interest on Debt (Cont.)			
Education (Cont.)			
Interest on Other Loans	$ 60,592		
Total Education		$ 572,553	
Other Debt Service			
Education			
Bank Charges	$ 71,882		
Fiscal Agent Charges	950		
Legal Services	1,425		
Total Education		74,257	
Total Education Debt Service Fund			$ 5,117,929
General Capital Projects Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 800		
Total Other General Administration		$ 800	
Capital Projects			
Other General Government Projects			
Building Construction	$ 287,207		
Building Improvements	135,995		
Other Equipment	46,398		
Total Other General Government Projects		469,600	
Total General Capital Projects Fund			470,400
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Contributions	$ 4,092,013		
Total Education Capital Projects		$ 4,092,013	
Total Education Capital Projects Fund			4,092,013
Other Capital Projects Fund			
General Government			
Other General Administration			
Trustee's Commission	$ 1,053		
Total Other General Administration		$ 1,053	

(Continued)

Exhibit J-8

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

Other Capital Projects Fund (Cont.)			
Capital Projects			
Other General Government Projects			
Motor Vehicles	$ 152,522		
Total Other General Government Projects		$ 152,522	
Total Other Capital Projects Fund			$ 153,575
Total Governmental Funds - Primary Government			$ 30,370,422

Exhibit J-9

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2011

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 14,813,046	
Career Ladder Program	110,612	
Career Ladder Extended Contracts	52,640	
Homebound Teachers	83,158	
Educational Assistants	980,037	
Certified Substitute Teachers	19,849	
Non-certified Substitute Teachers	197,084	
Social Security	949,816	
State Retirement	1,396,817	
Life Insurance	17,832	
Medical Insurance	3,029,658	
Dental Insurance	18,911	
Disability Insurance	67,331	
Employer Medicare	223,657	
Other Fringe Benefits	913	
Maintenance and Repair Services - Equipment	46,866	
Tuition	936	
Other Contracted Services	215,941	
Instructional Supplies and Materials	164,975	
Textbooks	647,996	
Other Supplies and Materials	26,542	
Fee Waivers	126,612	
Other Charges	2,358	
Regular Instruction Equipment	434,685	
Total Regular Instruction Program		$ 23,628,272
Alternative Instruction Program		
Teachers	$ 32,899	
Educational Assistants	34,585	
Social Security	4,120	
State Retirement	4,945	
Medical Insurance	1,054	
Employer Medicare	964	
Instructional Supplies and Materials	427	
Total Alternative Instruction Program		78,994
Special Education Program		
Teachers	$ 1,588,450	
Career Ladder Program	14,482	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Homebound Teachers	$ 460	
Educational Assistants	89,795	
Speech Pathologist	276,203	
Certified Substitute Teachers	459	
Non-certified Substitute Teachers	3,996	
Social Security	116,478	
State Retirement	173,717	
Medical Insurance	368,088	
Employer Medicare	27,253	
Contracts with Private Agencies	159,861	
Maintenance and Repair Services - Equipment	1,705	
Other Contracted Services	5,970	
Instructional Supplies and Materials	42,112	
Other Supplies and Materials	32,890	
Special Education Equipment	70,304	
Total Special Education Program		$ 2,972,223
Vocational Education Program		
Teachers	$ 917,116	
Career Ladder Program	7,000	
Certified Substitute Teachers	153	
Non-certified Substitute Teachers	714	
Social Security	55,179	
State Retirement	83,421	
Medical Insurance	147,478	
Dental Insurance	2,799	
Employer Medicare	12,910	
Other Fringe Benefits	297	
Maintenance and Repair Services - Equipment	839	
Instructional Supplies and Materials	5,472	
Total Vocational Education Program		1,233,378
Adult Education Program		
Teachers	$ 53,685	
Social Security	3,328	
State Retirement	4,688	
Dental Insurance	713	
Employer Medicare	778	
Other Contracted Services	6,910	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Adult Education Program (Cont.)				
Instructional Supplies and Materials	$	1,341		
Total Adult Education Program			$	71,443
Support Services				
Attendance				
Supervisor/Director	$	76,713		
Career Ladder Program		1,000		
Social Security		4,794		
State Retirement		7,033		
Medical Insurance		5,677		
Employer Medicare		1,121		
Travel		705		
Other Supplies and Materials		409		
In Service/Staff Development		1,469		
Total Attendance				98,921
Health Services				
Supervisor/Director	$	34,937		
Medical Personnel		104,902		
Other Salaries and Wages		705		
Social Security		8,022		
State Retirement		6,044		
Medical Insurance		39,635		
Employer Medicare		1,876		
Dues and Memberships		130		
Travel		6,085		
Other Contracted Services		2,500		
Drugs and Medical Supplies		4,158		
Other Supplies and Materials		47,527		
In Service/Staff Development		582		
Health Equipment		1,580		
Other Equipment		24,456		
Total Health Services				283,139
Other Student Support				
Career Ladder Program	$	3,500		
Guidance Personnel		809,810		
Social Security		46,451		
State Retirement		71,000		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Other Student Support (Cont.)				
Medical Insurance	$	134,945		
Employer Medicare		11,260		
Contracts with Other Public Agencies		393,619		
Other Contracted Services		466		
Other Supplies and Materials		95,434		
Total Other Student Support			$	1,566,485
Regular Instruction Program				
Supervisor/Director	$	262,661		
Career Ladder Program		18,500		
Career Ladder Extended Contracts		5,000		
Librarians		550,768		
Materials Supervisor		14,875		
Secretary(ies)		40,832		
Other Salaries and Wages		177,398		
Social Security		63,175		
State Retirement		90,084		
Medical Insurance		129,828		
Dental Insurance		1,333		
Employer Medicare		15,688		
Travel		17,790		
Library Books/Media		212,089		
Other Supplies and Materials		4,390		
In Service/Staff Development		6,695		
Other Equipment		2,615		
Total Regular Instruction Program				1,613,721
Alternative Instruction Program				
Supervisor/Director	$	35,099		
Career Ladder Program		500		
Social Security		2,186		
State Retirement		3,225		
Medical Insurance		2,739		
Employer Medicare		511		
Total Alternative Instruction Program				44,260
Special Education Program				
Supervisor/Director	$	73,419		
Career Ladder Program		1,000		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Special Education Program (Cont.)				
Psychological Personnel	$	89,742		
Secretary(ies)		32,771		
Other Salaries and Wages		33,689		
Social Security		14,132		
State Retirement		19,349		
Medical Insurance		34,664		
Employer Medicare		3,305		
Travel		7,938		
Other Contracted Services		3,216		
Other Supplies and Materials		14,644		
In Service/Staff Development		3,385		
Special Education Equipment		1,451		
Total Special Education Program			$	332,705
Vocational Education Program				
Communication	$	2,114		
Other Contracted Services		15,000		
Total Vocational Education Program				17,114
Adult Programs				
Supervisor/Director	$	35,173		
Career Ladder Program		500		
Clerical Personnel		16,556		
Other Salaries and Wages		6,551		
Social Security		3,106		
State Retirement		4,429		
Medical Insurance		6,889		
Employer Medicare		726		
Travel		44		
In Service/Staff Development		1,345		
Total Adult Programs				75,319
Other Programs				
On-Behalf Payments to OPEB	$	151,027		
Total Other Programs				151,027
Board of Education				
Other Salaries and Wages	$	375		
Board and Committee Members Fees		16,200		

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Social Security	$	1,016		
State Retirement		12		
Unemployment Compensation		100,000		
Employer Medicare		240		
Audit Services		8,100		
Dues and Memberships		10,102		
Legal Services		16,527		
Other Contracted Services		1,536		
Other Supplies and Materials		336		
Liability Insurance		63,540		
Trustee's Commission		253,346		
Workers' Compensation Insurance		300,020		
In Service/Staff Development		1,666		
Criminal Investigation of Applicants - TBI		979		
Other Charges		5,868		
Total Board of Education			$	779,863
Director of Schools				
County Official/Administrative Officer	$	99,575		
Assistant(s)		54,315		
Career Ladder Extended Contracts		1,000		
Secretary(ies)		21,891		
Social Security		10,421		
State Retirement		15,147		
Medical Insurance		15,337		
Dental Insurance		192		
Employer Medicare		2,520		
Communication		21,965		
Dues and Memberships		2,638		
Maintenance and Repair Services - Equipment		881		
Postal Charges		9,557		
Travel		2,653		
Other Contracted Services		47,056		
Office Supplies		5,920		
In Service/Staff Development		2,029		
Other Charges		2,227		
Total Director of Schools				315,324

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal		
Principals	$ 803,096	
Career Ladder Program	19,000	
Career Ladder Extended Contracts	8,000	
Assistant Principals	391,050	
Secretary(ies)	465,608	
Social Security	97,607	
State Retirement	138,404	
Medical Insurance	207,603	
Dental Insurance	444	
Employer Medicare	21,921	
Communication	70,190	
Dues and Memberships	6,600	
Other Contracted Services	6,748	
Office Supplies	7,414	
Other Supplies and Materials	1,730	
Other Equipment	22,416	
Total Office of the Principal		$ 2,267,831
Fiscal Services		
Supervisor/Director	$ 63,020	
Accountants/Bookkeepers	174,200	
Social Security	13,108	
State Retirement	14,209	
Medical Insurance	19,973	
Employer Medicare	3,066	
Data Processing Services	7,470	
Dues and Memberships	25	
Maintenance and Repair Services - Equipment	4,772	
Travel	953	
Other Contracted Services	8,720	
Data Processing Supplies	3,992	
Office Supplies	137	
In Service/Staff Development	845	
Total Fiscal Services		314,490
Operation of Plant		
Custodial Personnel	$ 832,333	
Other Salaries and Wages	85,246	
Social Security	54,389	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
State Retirement	$ 41,859	
Medical Insurance	55,904	
Employer Medicare	12,720	
Maintenance and Repair Services - Equipment	1,669	
Disposal Fees	28,796	
Other Contracted Services	1,383	
Custodial Supplies	136,136	
Electricity	1,524,425	
Natural Gas	127,102	
Water and Sewer	232,567	
Other Supplies and Materials	170	
Building and Contents Insurance	195,185	
Plant Operation Equipment	14,691	
Total Operation of Plant		$ 3,344,575
Maintenance of Plant		
Supervisor/Director	$ 52,631	
Secretary(ies)	32,636	
Maintenance Personnel	307,626	
Social Security	23,469	
State Retirement	21,502	
Medical Insurance	28,549	
Dental Insurance	1,294	
Employer Medicare	5,488	
Communication	10,745	
Laundry Service	8,244	
Maintenance and Repair Services - Buildings	84,142	
Maintenance and Repair Services - Equipment	23,189	
Maintenance and Repair Services - Vehicles	7,427	
Pest Control	13,356	
Travel	94	
Disposal Fees	3,273	
Other Contracted Services	36,373	
Equipment and Machinery Parts	104,949	
Gasoline	16,858	
General Construction Materials	98,017	
Other Supplies and Materials	17,315	
Vehicle and Equipment Insurance	5,524	
Other Charges	18,340	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Maintenance Equipment	$ 5,895	
Other Equipment	100,006	
Total Maintenance of Plant		$ 1,026,942
Transportation		
Supervisor/Director	$ 48,819	
Mechanic(s)	128,965	
Bus Drivers	877,570	
Secretary(ies)	33,224	
Other Salaries and Wages	105,564	
In-Service Training	7,018	
Social Security	68,001	
State Retirement	59,253	
Medical Insurance	26,491	
Employer Medicare	17,137	
Communication	8,528	
Contracts with Parents	4,084	
Laundry Service	5,089	
Maintenance and Repair Services - Equipment	8,436	
Maintenance and Repair Services - Vehicles	139,356	
Medical and Dental Services	2,520	
Disposal Fees	391	
Other Contracted Services	26,316	
Crushed Stone	766	
Diesel Fuel	296,960	
Equipment and Machinery Parts	903	
Garage Supplies	5,138	
Gasoline	9,584	
Lubricants	13,283	
Natural Gas	334	
Small Tools	12,534	
Tires and Tubes	35,724	
Vehicle Parts	114,202	
Other Supplies and Materials	14,307	
Vehicle and Equipment Insurance	49,716	
In Service/Staff Development	4,387	
Other Charges	3,088	
Administration Equipment	7,309	
Transportation Equipment	583,032	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Other Equipment	$ 46,365	
Total Transportation		$ 2,764,394
Operation of Non-Instructional Services		
Community Services		
Supervisor/Director	$ 41,044	
Other Salaries and Wages	667,701	
Social Security	41,896	
State Retirement	25,217	
Medical Insurance	24,990	
Dental Insurance	711	
Employer Medicare	9,801	
Communication	5,249	
Travel	3,782	
Food Supplies	55,471	
Other Supplies and Materials	94,576	
In Service/Staff Development	69	
Other Equipment	15,696	
Total Community Services		986,203
Early Childhood Education		
Supervisor/Director	$ 11,574	
Teachers	215,990	
Educational Assistants	63,917	
Other Salaries and Wages	39,419	
Certified Substitute Teachers	153	
Non-certified Substitute Teachers	3,442	
Social Security	19,269	
State Retirement	26,009	
Medical Insurance	43,485	
Dental Insurance	1,294	
Employer Medicare	4,609	
Travel	120	
Food Supplies	5,134	
Instructional Supplies and Materials	21,365	
Other Supplies and Materials	10,908	
In Service/Staff Development	4,522	
Other Charges	6,556	
Other Equipment	27,990	
Total Early Childhood Education		505,756

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)			
Capital Outlay			
Regular Capital Outlay			
Architects	$ 8,700		
Engineering Services	3,000		
Debt Service Contribution to Primary Government	2,895		
Building Improvements	127,348		
Furniture and Fixtures	625,893		
Other Capital Outlay	2,579,214		
Total Regular Capital Outlay		$ 3,347,050	
Total General Purpose School Fund			$ 47,819,429
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 614,993		
Educational Assistants	220,166		
Other Salaries and Wages	15,094		
Non-certified Substitute Teachers	3,471		
Social Security	51,218		
State Retirement	33,446		
Medical Insurance	49,531		
Employer Medicare	11,978		
Other Contracted Services	4,938		
Instructional Supplies and Materials	29,158		
Other Supplies and Materials	21,363		
Regular Instruction Equipment	178,650		
Total Regular Instruction Program		$ 1,234,006	
Alternative Instruction Program			
Other Equipment	$ 992		
Total Alternative Instruction Program		992	
Special Education Program			
Teachers	$ 117,334		
Educational Assistants	640,278		
Speech Pathologist	57,932		
Other Salaries and Wages	79,183		
Non-certified Substitute Teachers	1,173		
Social Security	49,227		
State Retirement	51,572		

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Medical Insurance	$ 103,432	
Employer Medicare	11,844	
Other Contracted Services	173,888	
Instructional Supplies and Materials	111,382	
Other Supplies and Materials	1,205	
Special Education Equipment	103,591	
Total Special Education Program		$ 1,502,041
Vocational Education Program		
Instructional Supplies and Materials	$ 34,279	
Other Supplies and Materials	4,533	
Vocational Instruction Equipment	80,474	
Total Vocational Education Program		119,286
Support Services		
Other Student Support		
Other Salaries and Wages	$ 52,760	
Social Security	3,271	
State Retirement	4,775	
Medical Insurance	5,747	
Employer Medicare	765	
Evaluation and Testing	512	
Travel	3,150	
Other Supplies and Materials	616	
In Service/Staff Development	2,038	
Other Charges	27,072	
Total Other Student Support		100,706
Regular Instruction Program		
Supervisor/Director	$ 43,891	
Secretary(ies)	24,544	
Other Salaries and Wages	98,862	
Social Security	8,837	
State Retirement	12,350	
Medical Insurance	18,116	
Employer Medicare	2,362	
Travel	4,011	
Other Supplies and Materials	654	
In Service/Staff Development	283,104	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Other Equipment	$ 604		
Total Regular Instruction Program		$ 497,335	
Special Education Program			
Psychological Personnel	$ 176,367		
Other Salaries and Wages	200,298		
Social Security	22,609		
State Retirement	34,088		
Medical Insurance	46,758		
Dental Insurance	1,333		
Employer Medicare	5,288		
Other Supplies and Materials	29,420		
In Service/Staff Development	21,931		
Total Special Education Program		538,092	
Vocational Education Program			
Travel	$ 767		
In Service/Staff Development	550		
Total Vocational Education Program		1,317	
Office of the Principal			
Other Salaries and Wages	$ 2,274		
Social Security	141		
State Retirement	206		
Employer Medicare	33		
Total Office of the Principal		2,654	
Transportation			
Bus Drivers	$ 14,543		
In-Service Training	109		
Social Security	908		
State Retirement	878		
Employer Medicare	212		
Diesel Fuel	1,119		
Total Transportation		17,769	
Total School Federal Projects Fund			$ 4,014,198

(Continued)

Exhibit J-9

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

Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 52,134		
Clerical Personnel	62,442		
Cafeteria Personnel	944,020		
Social Security	62,718		
State Retirement	44,094		
Life Insurance	2,039		
Medical Insurance	93,526		
Disability Insurance	2,441		
Unemployment Compensation	7,036		
Employer Medicare	14,775		
Communication	10,145		
Maintenance and Repair Services - Equipment	46,664		
Transportation - Other than Students	35,224		
Travel	3,791		
Other Contracted Services	50,652		
Equipment and Machinery Parts	726		
Food Preparation Supplies	94,221		
Food Supplies	1,236,693		
Office Supplies	11,891		
Uniforms	5,411		
Utilities	100,223		
USDA - Commodities	171,362		
Other Supplies and Materials	1,947		
In Service/Staff Development	8,688		
Other Charges	1,316		
Food Service Equipment	173,090		
Total Food Service		$ 3,237,269	
Total Central Cafeteria Fund			$ 3,237,269
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 400,553		
Legal Services	9,500		
Other Contracted Services	221,809		
Building Improvements	2,021,320		
Total Education Capital Projects		$ 2,653,182	
Total Education Capital Projects Fund			2,653,182
Total Governmental Funds - Cheatham County School Department			$ 57,724,078

Exhibit J-10

Cheatham County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 2,160,518
Total Cash Receipts	$ 2,160,518
Cash Disbursements	
Remittance of Revenues Collected	$ 2,138,913
Trustee's Commission	21,605
Total Cash Disbursements	$ 2,160,518
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2010	0
Cash Balance, June 30, 2011	$ 0

SINGLE AUDIT SECTION

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

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

March 5, 2012

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, 2011, which collectively comprise Cheatham County's basic financial statements and have issued our report thereon dated March 5, 2012. 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

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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.03, 11.05, 11.06(C), 11.07, 11.08, 11.09, 11.11(B,C,D), 11.12(C), 11.13, 11.15, and 11.16. 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.

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 11.01, 11.02, 11.04, 11.06(A,B), 11.10, 11.11(A), 11.12(A,B), and 11.14.

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,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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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

March 5, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Cheatham County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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, 2011.

Internal Control Over Compliance

The management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cheatham County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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, 2011, and have issued our report thereon dated March 5, 2012. 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,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Cheatham County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

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	$ 39,570
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	171,362 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	404,137
National School Lunch Program	10.555	N/A	1,174,293 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	20,285
Total U.S. Department of Agriculture			$ 1,809,647
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	$ 11,512
Total U.S. Department of the Interior			$ 11,512
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	$ 3,805
Total U.S. Department of Justice			$ 3,805
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	$ 2,701
Total U.S. Department of Transportation			$ 2,701
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	$ 369,729
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	67,842
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	738,034
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	215,321
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,345,396
Special Education - Preschool Grants	84.173	N/A	43,147
Special Education - Grants to States, Recovery Act	84.391	N/A	893,093
Special Education - Preschool Grants, Recovery Act	84.392	N/A	10,284
Career and Technical Education - Basic Grants to States	84.048	N/A	125,791
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	7,068
Education Technology Cluster:			
Educational Technology State Grants	84.318	N/A	3,373
Education Technology State Grants, Recovery Act	84.386	N/A	29,038
English Language Acquisition Grant	84.365	N/A	7,126
Improving Teacher Quality State Grants	84.367	N/A	257,378
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	3,117,440
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	230,540
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	119,305
Education Jobs Fund	84.410	N/A	465,526
Total U.S. Department of Education			$ 8,045,431

(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 Health and Human Services:			
Passed-through State Department of Education:			
ARRA-Emergency Contingency Funds for Temporary Assistance for Needy Families (TANF) State Program	93.714	N/A	$ 43,790
Total U.S. Department of Health and Human Services			$ 43,790
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	$ 566,460
Emergency Management Performance Grants	97.042	(2)	29,000
Total U.S. Department of Homeland Security			$ 595,460
Total Expenditure of Federal Awards			$ 10,512,346

State Grants		Contract Number	
Litter Program - State Department of Transportation	N/A	(2)	$ 29,282
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)	29617
Adult Basic Education - State Department of Labor and Workforce Development	N/A	(2)	17,386
Early Childhood Education - State Department of Education	N/A	(2)	483,696
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	9,090
Total State Grants			$ 578,071

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 $1,345,655.

Cheatham County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

Finding Number	Page Number	Subject
10.01	174	The General Fund had a deficit in unreserved fund balance
10.04(A)	176	Deficiencies were noted in the collection of funds at remote collection sites

CHEATHAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Cheatham County is unqualified.

2. The audit of the financial statements of Cheatham County disclosed significant deficiencies in internal control. None of these deficiencies were considered to be material weaknesses.

3. The audit disclosed 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 Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); the Education Jobs Fund (CFDA No. 84.410); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.

8. A $315,370 threshold was used to distinguish between Type A and Type B federal programs.

9. Cheatham County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, director of accounts and budgets, director of animal control, road superintendent, director of schools, clerk and master, register, and sheriff 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 11.01 **FUND EQUITY WAS NOT CLASSIFIED PROPERLY**
(Noncompliance Under *Government Auditing Standards*)

The office did not attempt to analyze revenues and expenditures 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 ranking based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance classifications at June 30, 2011, were determined by alternative auditing procedures. The failure to properly classify fund equity was the result of a lack of knowledge of generally accepted accounting principles.

RECOMMENDATION

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

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

The county's fund equity classification, which analyzes revenues and expenditures for fund balance classification, was calculated by CTAS representatives as part of a sample project. The report was completed, but it was never forwarded to the Comptroller's Office for review. Management will ensure that the report is updated and available for auditors for the upcoming audit.

AUDITOR'S COMMENT

Fund balance classifications, as provided by GASB Statement No. 54, should be part of the county's fund records closing process each June 30 to ensure proper financial statement presentation.

FINDING 11.02 **A TAX ANTICIPATION NOTE WAS NOT RETIRED IN COMPLIANCE WITH STATE STATUTES**
(Material Noncompliance Under *Government Auditing Standards*)

During the period under examination, the General Fund borrowed $2,000,000 from the Education Debt Service Fund in the form of a tax anticipation note to provide cash for operations. This note should have been retired by June 30, 2011; however, the entire amount of this note was still outstanding at year end. Section 9-21-801, *Tennessee Code Annotated*, authorizes the County Commission to issue tax anticipation notes with the approval of the state Comptroller's Office provided the notes are retired by the end of the fiscal year issued. This note has been reflected in the financial statements of this report as Due to Other Funds in the General Fund and Due from Other Funds in the Education Debt Service Fund.

RECOMMENDATION

Management should ensure that all tax anticipation notes are retired prior to the end of the fiscal year issued as required by state statute.

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

This was an oversight of the director of accounts and budgets that a tax anticipation note in the General Fund was not repaid to the Education Debt Service Fund by June 30, 2011. This was corrected immediately by the Finance Office. Management will ensure that all notes are paid in a timely manner.

FINDING 11.03 **THE GENERAL FUND HAD A DEFICIT UNASSIGNED FUND BALANCE AT JUNE 30, 2011**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The General Fund had a $1,440,811 deficit unassigned fund balance at June 30, 2011. This deficit resulted from the recognition of a payable for the tax anticipation note of $2,000,000 that was not paid back by June 30 as noted in Finding 11.02.

RECOMMENDATION

Officials should liquidate the deficit unassigned fund balance.

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

Management will ensure that expenditures will be held within approved appropriations, and in the future will make necessary adjustments to prevent the negative unassigned fund balance from reoccurring.

FINDING 11.04 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations:

A. The budget and subsequent amendments submitted to and approved by the County Commission for the General Fund resulted in appropriations exceeding estimated available funding by $485,459. Sound budgetary principles dictate that appropriations be held within estimated available funding.

B. Expenditures exceeded total appropriations in the General Capital Projects Fund by $6,774. Expenditures exceeded appropriations in the following major appropriation categories (the legal level of control) of the General Fund:

Funds/Major Category	Amount Overspent
General:	
General Sessions Court	$ 12,199
Juvenile Court	5,874

C. Salaries exceeded line-item appropriations in the General and Solid Waste/Sanitation funds by amounts ranging from $7 to $11,950.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operations and respective programs or the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations. Expenditures should be held within appropriations approved by the County Commission.

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

A. Management will make certain that expenditures will be held within approved appropriations, and in the future will make necessary adjustments to prevent the budgeted fund deficit from recurring.

B. Expenditures exceeded appropriations in the General Fund's General Sessions and Juvenile Departments as a result of a mandated salary increase for the judge, retroactive to April 2010. The information for the increase was submitted to the county after the June commission meeting.

C. Personnel accounts exceeded line-item appropriations as a result of two employees being paid from the same account code rather than being separated. Henceforth, another personnel line-item will be unused. No employees were overpaid nor were any paid more than what was budgeted from the salary scale. In the future, management will make sure employees are paid from the correct line-item that reflects their job title.

FINDING 11.05 **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 a lack of management oversight.

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 failure to currently reconcile cash accounts with the trustee reports allows errors to remain undiscovered and uncorrected.

B. The accounting records for the year ended June 30, 2011, were not closed until December 2011. 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, 2011, that were posted as late as December 2011. 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 within the fiscal year.

D. In 2009-10, the county opened an Emergency Management Services (EMS) bank account to receive direct deposits from the U.S. Treasury for Medicare and Medicaid payments. The funds were supposed to be transferred to the trustee's operating bank account monthly. The EMS bank account has not

been reconciled with accounting records since its inception, and funds have not been transferred monthly. The failure to regularly reconcile the bank account with accounting records is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Cash accounts should be reconciled with trustee reports monthly. The office should close its accounting records within 60 days following the 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. Bank statements should be reconciled with accounting records, and the funds should be transferred monthly.

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

A. Management has ensured that general ledger cash accounts are now being reconciled with the trustee on a monthly basis. Doing so will ensure errors are discovered and corrected in a timely manner.

B. The director of accounts and budgets was waiting on CTAS to complete the fund balance classification report before closing year-end so that the information could be entered. The representative did not complete the report until December; therefore, the year end did not get closed until then. Management always closes year-end at the beginning of September; with the exception of this year, and will continue to do so in the future.

C. Journal entries for payroll deduction accounts were entered in December when the year-end was being closed. The director of accounts and budgets noticed that they had not been done by payroll; therefore, the entries were done so the year-end could be closed. Management has contacted the software vender to have the parameter changed that limits the number of months that can be open.

D. Management has notified the EMS director that the bank statement will be forwarded to his office for his clerk to balance the statement with patient charges.

FINDING 11.06 **DEFICIENCIES WERE NOTED IN THE COLLECTION OF FUNDS AT REMOTE COLLECTION SITES**
(A. and B. – Noncompliance Under *Government Auditing Standards;* C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

A. The Animal Control and Landfill departments did not always deposit collections with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated* (*TCA*).

B. The Animal Control Department could not locate all of their receipt books for inspection by the auditors. Therefore, we were unable to determine if all funds received at the Cheatham County Animal Shelter were properly receipted and deposited with the county trustee. Section 9-2-103, *TCA*, requires official prenumbered receipts be issued for all collections.

C. 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.

These deficiencies are the result of a lack of management oversight that increases the risk that collections may not be accounted for properly.

RECOMMENDATION

All collections should be deposited with the county trustee within three days of collection. Receipts should be on file for audit inspection. Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – CURRENT ANIMAL CONTROL DIRECTOR

A. Since the last change of directors, the clerk at the Animal Control Department has been given primary responsibility for making sure deposits are made on time. The clerk is also responsible for accepting the money and writing the receipts at the time of collection, leaving the director as the last one to handle money. This change has resulted in virtually all deposits being made on-time and with high accuracy.

B. The Animal Control Department now has a policy to order new pre-stamped, prenumbered receipt books when we start using the last blank receipt book available. All used and new receipt books (except for the one currently in use) are now secured in the director's office in a secured cabinet.

FINDING 11.07 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of the capital asset records revealed the following deficiencies. These deficiencies can be attributed in part to the lack of management oversight.

A. The county did not maintain capital asset control cards as required by the county's policy. These control cards identify the historical cost and location of each asset.

B. Assets were not tagged or otherwise clearly identified as county property. In addition, the records did not contain sufficient information such as the assets' serial number or other form of identification that would allow the asset to be physically inspected and reconciled with the capital asset listing.

C. Capital assets were not classified properly by function when compared with the state mandated County Uniform Chart of Accounts.

D. In the prior year, it was noted that a flooded patrol car was not removed from the capital asset listing. This same patrol car still had not been removed from the listing as of June 30, 2011. Additionally, assets purchased during the year (a $23,700 trailer and a $50,950 fuel system) were not added to the capital asset listing during the year ended June 30, 2011.

E. The capital asset report by function does not reconcile with the capital asset report by type.

F. Right-of-ways were not separated on the capital asset listing as intangibles.

RECOMMENDATION

Management should maintain accurate inventory records for all county-owned assets as required by generally accepted accounting principles and in accordance with the county's capital asset policy. All capital assets should be tagged or otherwise clearly identified as county property. Assets should be classified by function, in accordance with the County Uniform Chart of Accounts. Capital asset reports should reconcile with one another. Right-of-ways should be identified as intangibles on the capital asset listings.

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 allow better record and control of capital assets. Additionally, the 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.

FINDING 11.08 **THE OFFICE HAD PAYROLL DEFICIENCIES**
(Internal Control – Significant Deficiency Under Government Auditing St*andards*)

Our audit disclosed the following payroll deficiencies. These deficiencies can be attributed in part to a lack of management oversight.

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. In some instances, time sheets were not filled out completely. Several part-time Juvenile Court employees submitted signed blank time sheets each pay period. As a result, we were unable to determine how many hours these employees worked.

C. Several Juvenile Court employees were paid a salary that was not based on pay scales maintained in the payroll office, nor was there documentation in the employee files to support the pay rates. As a result, we were unable to determine if these employees were paid appropriately.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly. All time sheets should include the date and hours worked each day and any other additional information needed to properly document time worked. Supporting documentation for pay rates should be maintained in either the payroll office or in employee's personnel files.

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

A. The general ledger payroll liability accounts have now been reconciled for the 2010-2011 fiscal year by the director of accounts and budgets. They are currently being reconciled on a monthly basis by the payroll clerk to ensure errors do not go undiscovered and uncorrected.

B.-C. Management is working with the judge (as the elected official) to ensure his on-call employees fill out their time sheets and show the hours worked. These employees have never submitted hours to the payroll office because they are on call and are paid a per diem.

FINDING 11.09 **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 ability 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.

RECOMMENDATION

Because the software currently used cannot be modified, management should acquire software that has proper internal controls. Proper controls help to ensure the reliability and integrity of the information maintained by the system.

OFFICE OF ROAD SUPERINTENDENT

FINDING 11.10 **COMPETITIVE BIDS WERE NOT SOLICITED FOR THE PURCHASE OF DE-ICING SALT**
(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for the purchase of de-icing salt totaling $36,274. Section 54-7-113, *Tennessee Code Annotated*, requires public advertisement and solicitation of competitive bids on purchases exceeding $10,000. The failure to solicit competitive bids for the de-icing salt was management's decision and could result in the department paying more than the most competitive price.

RECOMMENDATION

Bids should be solicited for purchases exceeding $10,000 as required by statute.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

Competitive bids were not solicited for this isolated purchase of de-icing salt that replaced the inventory lost in the May 2010 flood. The department's standard procedure is to use competitive bidding.

FINDING 11.11 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS AND THE SUBMISSION OF AN INSURANCE CLAIM**

(A. – Noncompliance Under *Government Auditing Standards;* B., C., and D. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

In May 2010, flooding in Middle Tennessee caused extensive damage that affected various departments of Cheatham County government. The Highway Department submitted lists of its damaged property to the Cheatham County Director of Human Resource and Loss Control who forwarded this claim to Alternative Service Concepts, the county's insurance carrier.

On June 24, 2010, our office received allegations that equipment the Highway Department included in their insurance claim for flood damage could not be located by the county's insurance carrier. Our office reviewed the Highway Department's inventory records and two separate inventories performed by the county's insurance carrier. This review resulted in questions regarding eight pieces of missing equipment; therefore, we conducted a more in depth investigation of the insurance claim. Our investigation revealed the following deficiencies. These deficiencies can be attributed in part to a lack of management oversight, and a lack of communication between the Highway Department, the insurance carrier, and the cleanup company.

A. Assets were not tagged or otherwise clearly identified as department property. The County Uniform Road Law, Section 54-7-112, *Tennessee Code Annotated*, requires that all machinery, equipment, and tools be plainly marked as property of the department and that each item be numbered. In addition, the county's capital asset records did not contain sufficient information such as the asset's serial number or other form of identification that would allow the asset to be physically inspected and reconciled with the capital asset record.

B. The county insurance carrier's claim reimbursement accepted by the Highway Department indicated that a Caterpillar Grader 140G was not insured. However, our examination of the county's capital asset records identified this asset as an asset of the Highway Department, which should have been insured. Therefore, since the Highway Department failed to reconcile their inventory of flood damaged equipment with the equipment the insurance carrier agreed to cover, the Highway Department did not receive a reimbursement for the above-noted grader, which was valued at $30,000.

C. The Highway Department prepared an inventory of its flood damaged equipment. On two separate occasions, the county's insurance carrier prepared an inventory of Highway Department equipment that they considered had sustained flood damage. The department prepared inventory and the insurance carriers' final inventory did not agree. We noted items claimed as damaged on the insurance carrier's inventory that were not claimed as damaged on the Highway Department's inventory. Three items noted as damaged on the insurance carrier's inventory were still in use by the

Highway Department. The Highway Department had a copy of the insurance carriers' inventory but failed to reconcile the department's inventory of damaged equipment with the insurance carriers' inventory.

D. Cheatham County contracted with PCC Cleaning & Restoration Company (PCC) for cleanup at the Highway Department. PCC prepared an inventory of items it discarded during the cleanup process; however, the Highway Department did not obtain a copy of the PCC inventory. During our investigation, we obtained a copy of PCC's inventory and attempted to reconcile the PCC inventory with items on the Highway Department's and the insurance carriers' inventories. We identified two items that the insurance carrier noted as missing during their inventory as having been discarded by PCC. PCC's inventory contained 20 pages of inventory items that were either damaged or discarded during their cleanup. Most items noted on PCC's inventory were not on the Highway Department's inventory or the insurance company's inventory. Highway Department personnel had knowledge of PCC's inventory; however, this list was never examined or reviewed for insurance claim purposes by Highway Department management. By failing to reconcile its inventory with PCC's inventory, the Highway Department potentially lost money on some damaged equipment; however, we cannot determine an exact amount.

RECOMMENDATION

All capital assets should be clearly identified as property of the Highway Department as required by state statute. Officials should compile and maintain records that properly account for their capital assets. These records should specifically identify individual capital assets. The Highway Department should reconcile its inventory of damaged equipment, with the insurance carrier's inventory, and PCC's inventory and confirm that an insurance claim was filed on all eligible equipment.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

A. Items marked as not tagged or clearly identified had spray painted numbers that in some cases had faded. All items have been re-tagged. The capital asset record has been updated to reflect serial numbers or model numbers on the ones missing.

B. Our Caterpillar Grader 140G was insured and claimed resulting in reimbursement from the insurance carrier.

C. Items noted as damaged that were still in use by the Highway Department were kept by the department because the items were not totaled. The reimbursement value offered by the insurance carrier was not enough to replace the items. If the items were repaired by the department, the out-of-pocket investment was significantly less. The claims are still being processed and have been reconciled accordingly.

D The referenced "most items" on PCC's inventory list that were not on the insurance carrier's or Highway Department's inventory lists were not scheduled to be on those

lists. The auditor examined lists of equipment. PCC listed operational items such as light bulbs, de-icer, a rubber mat, and so on. These operational items were replaced and reimbursement sought on a separate list. The claim is still open and being processed. Therefore no money has been potentially lost due to lack of reconciliation at this time. Reimbursement is still being received, and lists are still being submitted to the insurance carrier.

AUDITOR'S COMMENT

B. The Highway Department was unaware the Caterpillar Grader 140G was listed as an uninsured item and not covered or claimed until the auditor pointed this out to the department. The Highway Department did not review the settlement; reconcile it against their inventory, or question decisions made by the insurance company.

C. The Highway Department had a file of emails and correspondence from the insurance carrier, but by their own admission, they had not reconciled the inventory, neither had they questioned the claims regarding what was damaged and covered.

D. The Highway Department was unaware of PCC's inventory list until it was brought to their attention by the auditor. Therefore, they could not have reconciled it against the missing items questioned by the insurance carrier's emails and reports. Because these items were labeled as missing, the insurance carrier would not cover them. Items thought to be missing were in PCC's list and should have been accounted for by the Highway Department.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.12 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**
(A. and B. – Noncompliance Under *Government Auditing Standards;* C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in purchasing procedures:

A. Competitive bids were solicited through public advertisement for school bus tires. However, the bid specifications listed a particular brand. Using bid specifications that apply only to a particular brand violates the intent of Section 49-2-203, *Tennessee Code Annotated* (*TCA*). School officials advised that they were specific in listing the bid specifications because they believe one brand to be of superior quality over all others.

B. Competitive bids were not solicited for the purchase of computers ($25,755) or classroom supplies ($56,142). Section 49-2-203, *TCA*, requires public advertisement and solicitation of competitive bids on purchases exceeding $10,000. The failure to solicit competitive bids for computers and classroom

supplies was management's decision and could result in the department paying more than the most competitive price.

C. The office did not issue purchase requisitions for purchases as required by the department's purchasing policies. Purchase requisitions are necessary to control who has authority to make purchases and to document purchasing commitments. The failure to issue purchase requisitions increases the risks of unauthorized purchases.

RECOMMENDATION

The office should develop bid specifications that are not brand specific. Bids should then be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc. Bids should be solicited for purchases exceeding $10,000 as required by statute. The office should improve purchasing procedures by issuing purchase requisitions for all applicable purchases as required by department policies.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Bid specifications will be reviewed by purchasing staff to determine that brand specific requirements are not requested, and that the bidding process is compliant with the board's policies, procedures, and the intent of *TCA*, Section 49-2-203. This includes obtaining bids on all purchases over $10,000. New procedures are being developed and implemented promptly to ensure purchase requisitions are issued for all purchases as required by board policy. Staff involved in the purchasing process will be trained on the new process.

OFFICES OF CLERK AND MASTER AND REGISTER

FINDING 11.13 MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Offices of Clerk and Master and Register. 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 official 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 a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

We immediately corrected this finding when it was brought to our attention.

MANAGEMENT'S RESPONSE – REGISTER

This cash drawer was only for money received from making copies and for making change. It was a practice used for many years to avoid having numerous .25 cent receipts. After talking with the auditors, I strongly agree with them and have immediately implemented a new procedure to have a better control over these funds.

OFFICE OF SHERIFF

FINDING 11.14 **THE OFFICE DID NOT GIVE THE STATE DEPARTMENT OF HUMAN SERVICES BLIND VENDORS PRIORITY FOR THE COMMISSARY OPERATION**
(Noncompliance Under *Government Auditing Standards*)

The county mayor entered into a three-year contract with Swanson Services Corporation in November 2010 for commissary services at the county jail. The state Department of Human Services blind vendors program was not given priority for the commissary operation as required by Section 71-4-501, *Tennessee Code Annotated* (*TCA*). In addition, the commissary contract had not been competitively bid as required by the County Purchasing Law of 1983 and was not approved by the County Commission as required by Section 7-51-904, *TCA*. This deficiency was the result of management's decision.

RECOMMENDATION

The state Department of Human Services should be given priority for the commissary operation as required by state statute. In the absence of the state Department of Human Services running the program, commissary contracts should be competitively bid and approved by the County Commission.

MANAGEMENT'S RESPONSE – SHERIFF

We were unaware that we had to offer the commissary to the blind vendors first. After this contract has expired, we will certainly offer it to the blind vendors, and if we have no response, we will bid it out.

FINDING 11.15 **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF COMMISSARY RECORDS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted in the maintenance of the commissary records. These deficiencies can be attributed to a lack of management oversight.

A. Subsidiary inmate accounts were not reconciled with the inmate control account. At June 30, 2011, the trial balance of subsidiary inmate accounts did not reconcile with the control account by $1,083.

B. The bank statements for the commissary checking account were not properly reconciled with the general ledger for February through June 2011. The failure to regularly reconcile bank accounts with accounting records is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. The commissary bank balance at June 30, 2011, was determined using bank statements and alternative auditing procedures.

C. The software application used by the commissary has the capability of generating various accounting reports; such as, trial balances, general and subsidiary ledgers, and balance sheets. However, these reports were not generated, reviewed, or reconciled because the Sheriff's Department did not have the technical skills to retrieve the reports.

RECOMMENDATION

The Sheriff's Department should generate a trial balance of inmate accounts monthly and reconcile the trial balance with the inmate control account. Bank statements should be reconciled with the general ledger monthly. Accounting reports for commissary activities should be generated and reviewed monthly.

MANAGEMENT'S RESPONSE – SHERIFF

We were unaware that we had to reconcile the bank accounts and generate all the reports that are required. This was our first year for the commissary, and we were keeping the records the best way we could. We are now aware of what needs to done and will take the appropriate steps to make sure that it is corrected.

FINDING 11.16 **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, and an accurate reporting of commissary operations. 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, 2011, 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, deposits, and checks not posted to the cash journal. 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.

MANAGEMENT'S RESPONSE – SHERIFF

We understand what steps we need to take to correct the accounting errors and have already taken steps to correct them.

BEST PRACTICES

The Division of County 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 County 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.

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.

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, 2011

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