

ANNUAL FINANCIAL REPORT
CHEATHAM COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

CHEATHAM COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Cheatham County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Cheatham County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The payroll tax bank account was not reconciled with the general ledger.
-

OFFICES OF TRUSTEE AND COUNTY CLERK

- ◆ Officials did not require depositories to adequately collateralize funds.
-

OFFICE OF SHERIFF

- ◆ Discrepancies in the Cheatham County Sheriff Department's drug operations are currently being investigated.

INTRODUCTORY SECTION

Cheatham County Officials

June 30, 2015

Officials

David McCullough, County Mayor
Carl Cothern, Road Superintendent
Dr. Stan Curtis, Director of Schools
Betty Balthrop, Assessor of Property
Dorothy Jones, Trustee
Teresa Gupton, County Clerk
Julie Hibbs, Circuit and General Sessions Courts Clerk
Pam Jenkins, Clerk and Master
Patrick Smith, Register of Deeds
Mike Breedlove, Sheriff
Tara Patterson, Director of Accounts and Budgets

Board of County Commissioners

Donnie Jordan, Chairman
Betty Ramsey
Shanon Pickard
Ann Jarreau
Gary Binkley
Dale McCarver

Jimmy Hedgepath
Tim Williamson
Dr. Connie Mayo
Diana Pike Lovell
Walter Weakley
Eugene Evans

Board of Education

Brian Chase, Chairman
David Bibee
Kimberly Messer

Dan Moore
James Gupton
John Louallen

Audit Committee

Zach Clayton, Chairman
Kerry McCarver
Darwin Newton
Jordan Tupper
Charles Edens

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Cheatham County Emergency Communications District, which represent 1.7 percent, 2.3 percent, and .95 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cheatham County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally

accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cheatham County, Tennessee, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Cheatham County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of Cheatham County by \$210,465 and the discretely presented Cheatham County School Department's net position by \$7,536,605 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

We also draw attention to Note VI.H. to the financial statements, which describes a restatement decreasing the beginning net position of the discretely presented Cheatham County Emergency Communications District by \$56,297 on the Government-wide Statement of Activities. This restatement was necessary to correct an understatement of accumulated depreciation in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 schedule of changes in the county's net pension liability and related ratios, schedules of county and schools contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 81 - 87 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.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Cheatham County School Department (a

discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, 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 is fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2016, on our consideration of Cheatham County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cheatham County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 17, 2016

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Cheatham County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Cheatham County School Department	Cheatham County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 7,335	\$ 1,000	\$ 548,117
Investments	0	0	9,686
Equity in Pooled Cash and Investments	19,534,636	9,354,645	0
Accounts Receivable	2,777,715	121,125	0
Allowance for Uncollectibles	(1,724,517)	0	0
Due from Other Governments	834,354	610,005	0
Due from Component Units	3,779,644	0	0
Property Taxes Receivable	13,287,014	7,980,945	0
Allowance for Uncollectible Property Taxes	(298,204)	(191,894)	0
Cash Shortage	10,914	0	0
Net Pension Asset - Agent Plan	1,131,395	1,345,932	0
Net Pension Asset - Cost-sharing Plan	0	91,040	0
Prepaid Expenses	0	0	25,328
Capital Assets:			
Assets Not Depreciated:			
Land	3,103,501	781,997	2,958
Intangibles	346,104	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	5,390,096	53,487,443	26,522
Other Capital Assets	2,057,435	4,420,217	731,562
Infrastructure	1,036,350	0	0
Total Assets	<u>\$ 51,273,772</u>	<u>\$ 78,002,455</u>	<u>\$ 1,344,173</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 71,995	\$ 0	\$ 0
Pension Changes in Experience	0	221,023	0
Pension Contributions After Measurement Date	494,419	2,113,390	0
Total Deferred Outflows of Resources	<u>\$ 566,414</u>	<u>\$ 2,334,413</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 333,751	\$ 86,822	\$ 57,484
Due to Primary Government	0	3,779,644	0
Payroll Deductions Payable	15	18,116	0
Due to Litigants, Heirs, and Others	40,219	0	0
Accrued Interest Payable	54,432	0	0
Noncurrent Liabilities:			
Due Within One Year	4,032,774	3,776	0
Due in More Than One Year	15,981,958	6,051,996	0
Total Liabilities	<u>\$ 20,443,149</u>	<u>\$ 9,940,354</u>	<u>\$ 57,484</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 12,679,142	\$ 7,575,388	\$ 0
Pension Changes in Experience	217,904	259,224	0
Pension Changes in Investment Earnings	1,023,594	8,718,812	0
Pension Other Deferrals	0	16,365	0
Total Deferred Inflows of Resources	<u>\$ 13,920,640</u>	<u>\$ 16,569,789</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Cheatham County School Department	Cheatham County Emergency Communications District
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 8,091,674	\$ 58,689,657	\$ 761,042
Restricted for:			
Capital Projects	141,849	57,675	0
Central Cafeteria	0	634,363	0
Federal Projects	0	13,691	0
Debt Service	9,910,812	0	0
Highway/Public Works	3,857,123	0	0
Solid Waste/Sanitation	699,418	0	0
Drug Control	202,659	0	0
Jail, Workhouse, or Courthouse	536,643	0	0
Education	0	1,437,489	0
Other Purposes	1,368,951	0	0
Unrestricted	(7,332,732)	(7,006,150)	525,647
Total Net Position	<u>\$ 17,476,397</u>	<u>\$ 53,826,725</u>	<u>\$ 1,286,689</u>

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

Exhibit B

Cheatham County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units		
						Cheatham County School Department	Cheatham County Emergency Communications District	
Primary Government:								
Governmental Activities:								
General Government	\$ 3,649,926	\$ 735,533	\$ 15,692	\$ 0	\$ (2,898,701)	\$ 0	\$ 0	
Finance	1,391,843	1,079,192	9,325	0	(303,326)	0	0	
Administration of Justice	1,520,990	731,965	18,135	0	(770,890)	0	0	
Public Safety	6,588,466	496,779	106,393	0	(5,985,294)	0	0	
Public Health and Welfare	3,526,881	1,114,019	35,389	0	(2,377,473)	0	0	
Social, Cultural, and Recreational Services	355,732	20,560	2,287	0	(332,885)	0	0	
Agriculture and Natural Resources	137,437	749	0	0	(136,688)	0	0	
Highways/Public Works	2,814,961	1,734	1,665,879	132,852	(1,014,496)	0	0	
Education	672,471	0	0	0	(672,471)			
Interest on Long-term Debt	464,059	0	0	0	(464,059)			
Other Debt Service	35,720	0	0	0	(35,720)	0	0	
Total Primary Government	\$ 21,158,486	\$ 4,180,531	\$ 1,853,100	\$ 132,852	\$ (14,992,003)	\$ 0	\$ 0	
Component Units:								
Cheatham County School Department	\$ 53,088,549	\$ 2,189,226	\$ 4,708,705	\$ 890,295	\$ 0	\$ (45,300,323)	\$ 0	
Cheatham County Emergency Communications District	498,263	415,027	0	0	0	0	(83,236)	
Total Component Units	\$ 53,586,812	\$ 2,604,253	\$ 4,708,705	\$ 890,295	\$ 0	\$ (45,300,323)	\$ (83,236)	

(Continued)

Exhibit B

Cheatham County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Government Total Governmental Activities	Cheatham County School Department	Cheatham County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 10,630,672	\$ 8,564,207	\$ 0
Property Taxes Levied for Debt Service					1,793,504	0	0
Local Option Sales Tax					1,677,799	2,091,149	0
Wheel Tax					1,681,023	416,189	0
Adequate Facilities/Development Tax					30,038	0	0
Wholesale Beer Tax					310,518	0	0
Fire Tax					942,252	0	0
Business Tax					237,702	0	0
Mixed Drink Tax					0	10,410	0
Litigation Tax					133,692	0	0
Interstate Telecommunications Tax					0	3,744	0
Payments in-Lieu-of Taxes					0	34,122	0
Hotel/Motel Tax					55,241	0	0
Other Local Taxes					4,201	0	0
Grants and Contributions Not Restricted to Specific Programs					1,318,377	33,387,311	90,807
Unrestricted Investment Earnings					103,438	628	267
Pension Income					100,362	200,198	0
Miscellaneous					36,360	27,487	0
Total General Revenues					<u>\$ 19,055,179</u>	<u>\$ 44,735,445</u>	<u>\$ 91,074</u>
Change in Net Position					\$ 4,063,176	\$ (564,878)	\$ 7,838
Net Position, July 1, 2014					13,623,686	61,928,208	1,335,148
Restatement (See Note I.D.8.)					(210,465)	(7,536,605)	0
Prior-period Adjustment (See Note VI.H.)					0	0	(56,297)
Net Position, June 30, 2015					<u>\$ 17,476,397</u>	<u>\$ 53,826,725</u>	<u>\$ 1,286,689</u>

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

Exhibit C-1

Cheatham County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 650	\$ 0	\$ 0	\$ 6,685	\$ 7,335
Equity in Pooled Cash and Investments	5,403,039	2,015,657	8,959,993	3,155,947	19,534,636
Accounts Receivable	2,554,495	44,729	128,411	50,080	2,777,715
Allowance for Uncollectibles	(1,724,517)	0	0	0	(1,724,517)
Due from Other Governments	201,706	305,499	316,369	10,780	834,354
Due from Other Funds	15,536	0	445,526	0	461,062
Property Taxes Receivable	9,521,898	550,714	1,389,269	1,825,133	13,287,014
Allowance for Uncollectible Property Taxes	(212,827)	(12,953)	(32,675)	(39,749)	(298,204)
Cash Shortage	0	10,914	0	0	10,914
Total Assets	<u>\$ 15,759,980</u>	<u>\$ 2,914,560</u>	<u>\$ 11,206,893</u>	<u>\$ 5,008,876</u>	<u>\$ 34,890,309</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 278,974	\$ 18,461	\$ 0	\$ 36,316	\$ 333,751
Payroll Deductions Payable	15	0	0	0	15
Due to Other Funds	445,526	0	0	15,536	461,062
Due to Litigants, Heirs, and Others	0	0	0	40,219	40,219
Total Liabilities	<u>\$ 724,515</u>	<u>\$ 18,461</u>	<u>\$ 0</u>	<u>\$ 92,071</u>	<u>\$ 835,047</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,089,045	\$ 523,643	\$ 1,320,977	\$ 1,745,477	\$ 12,679,142
Deferred Delinquent Property Taxes	190,320	12,215	30,900	34,508	267,943
Other Deferred/Unavailable Revenue	308,955	168,311	159,880	0	637,146
Total Deferred Inflows of Resources	<u>\$ 9,588,320</u>	<u>\$ 704,169</u>	<u>\$ 1,511,757</u>	<u>\$ 1,779,985</u>	<u>\$ 13,584,231</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 28,381	\$ 0	\$ 0	\$ 0	\$ 28,381
Restricted for Finance	10,488	0	0	0	10,488
Restricted for Administration of Justice	150,357	0	0	0	150,357
Restricted for Public Safety	563,731	0	0	202,659	766,390
Restricted for Public Health and Welfare	21,242	0	0	910,659	931,901
Restricted for Highways/Public Works	0	2,191,930	0	0	2,191,930
Restricted for Capital Outlay	0	0	0	134,042	134,042
Restricted for Debt Service	0	0	9,695,136	1,858,783	11,553,919
Committed:					
Committed for General Government	127,304	0	0	30,677	157,981
Committed for Finance	40,876	0	0	0	40,876
Committed for Public Safety	212,731	0	0	0	212,731
Committed for Social, Cultural, and Recreational Services	52,270	0	0	0	52,270
Committed for Other Operations	2,917	0	0	0	2,917
Assigned:					
Assigned for General Government	137,261	0	0	0	137,261
Assigned for Public Health and Welfare	75,447	0	0	0	75,447
Assigned for Social, Cultural, and Recreational Services	9,735	0	0	0	9,735
Assigned for Agriculture and Natural Resources	2,472	0	0	0	2,472
Assigned for Capital Projects	720,259	0	0	0	720,259
Unassigned	3,291,674	0	0	0	3,291,674
Total Fund Balances	\$ 5,447,145	\$ 2,191,930	\$ 9,695,136	\$ 3,136,820	\$ 20,471,031
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,759,980	\$ 2,914,560	\$ 11,206,893	\$ 5,008,876	\$ 34,890,309

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

Cheatham County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 20,471,031
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,103,501	
Add: intangibles	346,104	
Add: buildings and improvements net of accumulated depreciation	5,390,096	
Add: other capital assets net of accumulated depreciation	2,057,435	
Add: infrastructure net of accumulated depreciation	<u>1,036,350</u>	11,933,486
(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	\$ (8,319,500)	
Less: notes payable	(3,678,283)	
Less: other loans payable	(6,934,569)	
Add: contributions due from component unit for debt retirement	3,779,644	
Less: compensated absences payable	(860,895)	
Less: landfill closure/postclosure costs	(221,485)	
Add: deferred amount on refunding	71,995	
Less: accrued interest on bonds, notes, and capital leases	<u>(54,432)</u>	(16,217,525)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	494,419	
Less: deferred inflows of resources related to pensions	<u>(1,241,498)</u>	(747,079)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds		1,131,395
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>905,089</u>
Net position of governmental activities (Exhibit A)		<u>\$ 17,476,397</u>

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

Exhibit C-3

Cheatham County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,380,628	\$ 993,614	\$ 4,410,959	\$ 1,846,289	\$ 17,631,490
Licenses and Permits	414,635	0	0	0	414,635
Fines, Forfeitures, and Penalties	177,783	0	0	44,047	221,830
Charges for Current Services	1,132,573	0	0	193,559	1,326,132
Other Local Revenues	234,262	10,527	174,747	38,535	458,071
Fees Received From County Officials	1,706,068	0	0	0	1,706,068
State of Tennessee	918,229	1,767,245	27,584	47,814	2,760,872
Federal Government	93,991	0	0	0	93,991
Other Governments and Citizens Groups	458,395	0	438,348	0	896,743
Total Revenues	\$ 15,516,564	\$ 2,771,386	\$ 5,051,638	\$ 2,170,244	\$ 25,509,832
<u>Expenditures</u>					
Current:					
General Government	\$ 1,608,178	\$ 0	\$ 57,906	\$ 132,089	\$ 1,798,173
Finance	1,285,574	0	0	0	1,285,574
Administration of Justice	1,396,681	0	0	4,000	1,400,681
Public Safety	5,848,762	0	0	153,123	6,001,885
Public Health and Welfare	2,326,570	0	0	904,380	3,230,950
Social, Cultural, and Recreational Services	315,562	0	0	0	315,562
Agriculture and Natural Resources	130,639	0	0	0	130,639
Other Operations	2,347,158	0	0	34,394	2,381,552
Highways	0	2,759,928	0	0	2,759,928
Debt Service:					
Principal on Debt	0	0	3,072,769	874,954	3,947,723
Interest on Debt	0	0	314,722	122,297	437,019
Other Debt Service	0	0	32,619	3,101	35,720

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 722,991	\$ 0	\$ 0	\$ 1,086,431	\$ 1,809,422
Total Expenditures	\$ 15,982,115	\$ 2,759,928	\$ 3,478,016	\$ 3,314,769	\$ 25,534,828
Excess (Deficiency) of Revenues Over Expenditures	\$ (465,551)	\$ 11,458	\$ 1,573,622	\$ (1,144,525)	\$ (24,996)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 672,471	\$ 672,471
Insurance Recovery	0	0	0	1,141	1,141
Transfers In	56,847	0	2,770	160,188	219,805
Transfers Out	(162,958)	0	0	(56,847)	(219,805)
Total Other Financing Sources (Uses)	\$ (106,111)	\$ 0	\$ 2,770	\$ 776,953	\$ 673,612
Net Change in Fund Balances	\$ (571,662)	\$ 11,458	\$ 1,576,392	\$ (367,572)	\$ 648,616
Fund Balance, July 1, 2014	6,018,807	2,180,472	8,118,744	3,504,392	19,822,415
Fund Balance, June 30, 2015	\$ 5,447,145	\$ 2,191,930	\$ 9,695,136	\$ 3,136,820	\$ 20,471,031

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

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, 2015

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)		\$	648,616
(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	\$	997,714	
Less: current-year depreciation expense		<u>(948,562)</u>	49,152
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$	(886,426)	
Add: deferred delinquent property taxes and other deferred June 30, 2015		<u>905,089</u>	18,663
(3) 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 position. Also, governmental funds report the effect of 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 notes	\$	1,078,315	
Add: principal payments on bonds		1,438,000	
Add: principal payments on other loans		1,431,408	
Less: note proceeds		(672,471)	
Less: debt service contributions for principal to primary government		(408,336)	
Less: change in deferred amount on refunding debt		<u>(32,723)</u>	2,834,193
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	5,683	
Change in landfill closure/postclosure care costs		(3,381)	
Change in compensated absences payable		(84,531)	
Change in net pension liability/asset		1,341,860	
Change in deferred outflows of resources related to pensions		494,419	
Change in deferred inflows of resources related to pensions		<u>(1,241,498)</u>	512,552
Change in net position of governmental activities (Exhibit B)			<u>\$ 4,063,176</u>

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

Exhibit C-5

Cheatham County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,380,628	\$ 0	\$ 0	\$ 10,380,628	\$ 9,907,961	\$ 9,921,961	\$ 458,667
Licenses and Permits	414,635	0	0	414,635	277,000	277,000	137,635
Fines, Forfeitures, and Penalties	177,783	0	0	177,783	149,800	153,603	24,180
Charges for Current Services	1,132,573	0	0	1,132,573	1,076,884	1,086,884	45,689
Other Local Revenues	234,262	0	0	234,262	138,200	196,333	37,929
Fees Received From County Officials	1,706,068	0	0	1,706,068	1,760,000	1,760,000	(53,932)
State of Tennessee	918,229	0	0	918,229	639,380	697,912	220,317
Federal Government	93,991	0	0	93,991	64,000	75,598	18,393
Other Governments and Citizens Groups	458,395	0	0	458,395	575,908	575,908	(117,513)
Total Revenues	\$ 15,516,564	\$ 0	\$ 0	\$ 15,516,564	\$ 14,589,133	\$ 14,745,199	\$ 771,365
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 115,303	\$ 0	\$ 0	\$ 115,303	\$ 108,362	\$ 116,180	\$ 877
Beer Board	0	0	0	0	0	500	500
County Mayor/Executive	201,388	(4,159)	0	197,229	197,795	206,791	9,562
Personnel Office	70,950	0	0	70,950	77,813	71,526	576
Election Commission	209,803	(182)	456	210,077	229,390	213,694	3,617
Register of Deeds	173,443	(3,471)	8,840	178,812	202,737	186,134	7,322
Building	212,402	0	2,099	214,501	234,668	221,954	7,453
County Buildings	624,889	(4,211)	2,346	623,024	558,871	627,701	4,677
Preservation of Records	0	0	0	0	0	3,000	3,000
<u>Finance</u>							
Accounting and Budgeting	318,926	(5,937)	5,596	318,585	340,710	322,020	3,435
Property Assessor's Office	260,226	0	24,288	284,514	317,349	300,013	15,499
Reappraisal Program	49,113	0	0	49,113	55,105	49,222	109
County Trustee's Office	237,455	0	0	237,455	276,934	238,501	1,046
County Clerk's Office	419,854	(8,768)	10,304	421,390	455,073	424,157	2,767
<u>Administration of Justice</u>							
Circuit Court	398,204	(695)	10,998	408,507	459,468	418,219	9,712

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 162,369	\$ 0	\$ 0	\$ 162,369	\$ 156,434	\$ 167,407	\$ 5,038
Chancery Court	245,365	0	0	245,365	275,294	247,497	2,132
Juvenile Court	311,107	(3,796)	418	307,729	335,087	312,544	4,815
District Attorney General	18,000	0	0	18,000	18,000	18,000	0
Probation Services	133,940	(212)	0	133,728	170,628	135,980	2,252
Courtroom Security	127,696	(8,253)	1,200	120,643	182,139	121,935	1,292
<u>Public Safety</u>							
Sheriff's Department	2,367,951	(8,472)	12,788	2,372,267	2,567,519	2,423,193	50,926
Jail	1,641,760	(2,000)	4,921	1,644,681	1,584,277	1,658,393	13,712
Rural Fire Protection	880,326	0	0	880,326	855,526	880,326	0
Other Emergency Management	283,712	(148,568)	0	135,144	138,932	135,325	181
County Coroner/Medical Examiner	80,000	0	0	80,000	70,650	80,650	650
Other Public Safety	595,013	0	0	595,013	778,507	595,330	317
<u>Public Health and Welfare</u>							
Local Health Center	55,810	(9,642)	3,160	49,328	43,970	60,095	10,767
Rabies and Animal Control	210,673	(782)	9,925	219,816	222,069	236,078	16,262
Ambulance/Emergency Medical Services	1,959,865	(49,415)	15,901	1,926,351	2,002,643	1,936,623	10,272
Other Local Health Services	32,569	0	0	32,569	39,017	33,425	856
General Welfare Assistance	24,898	0	0	24,898	33,198	33,198	8,300
Sanitation Education/Information	42,755	0	0	42,755	46,553	46,553	3,798
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	91,081	0	0	91,081	90,000	91,081	0
Libraries	224,481	(3,818)	5,175	225,838	221,737	226,546	708
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	88,337	0	0	88,337	99,399	91,262	2,925
Soil Conservation	42,302	0	0	42,302	52,381	42,637	335
<u>Other Operations</u>							
Other Economic and Community Development	68,887	0	0	68,887	75,174	68,887	0
Veterans' Services	35,570	(78)	188	35,680	33,839	38,239	2,559

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Other Charges	\$ 224,893	\$ 0	\$ 0	\$ 224,893	\$ 215,000	\$ 227,000	\$ 2,107
Contributions to Other Agencies	365,111	0	0	365,111	355,214	369,214	4,103
Employee Benefits	1,362,797	0	0	1,362,797	19,000	1,364,278	1,481
Miscellaneous	289,900	0	0	289,900	306,193	290,098	198
<u>Capital Projects</u>							
Public Safety Projects	344,021	(254,194)	18,658	108,485	0	108,868	383
Public Utility Projects	378,970	0	0	378,970	0	378,970	0
Total Expenditures	\$ 15,982,115	\$ (516,653)	\$ 137,261	\$ 15,602,723	\$ 14,502,655	\$ 15,819,244	\$ 216,521
Excess (Deficiency) of Revenues Over Expenditures	\$ (465,551)	\$ 516,653	\$ (137,261)	\$ (86,159)	\$ 86,478	\$ (1,074,045)	\$ 987,886
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 1,500	\$ (1,500)
Transfers In	56,847	0	0	56,847	0	0	56,847
Transfers Out	(162,958)	0	0	(162,958)	(40,200)	(200,388)	37,430
Total Other Financing Sources	\$ (106,111)	\$ 0	\$ 0	\$ (106,111)	\$ (38,700)	\$ (198,888)	\$ 92,777
Net Change in Fund Balance	\$ (571,662)	\$ 516,653	\$ (137,261)	\$ (192,270)	\$ 47,778	\$ (1,272,933)	\$ 1,080,663
Fund Balance, July 1, 2014	6,018,807	(516,653)	0	5,502,154	5,502,135	5,502,135	19
Fund Balance, June 30, 2015	\$ 5,447,145	\$ 0	\$ (137,261)	\$ 5,309,884	\$ 5,549,913	\$ 4,229,202	\$ 1,080,682

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

Exhibit C-6

Cheatham County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 993,614	\$ 0	\$ 0	\$ 993,614	\$ 964,090	\$ 964,090	\$ 29,524
Other Local Revenues	10,527	0	0	10,527	5,150	9,891	636
State of Tennessee	1,767,245	0	0	1,767,245	2,207,035	2,207,035	(439,790)
Total Revenues	\$ 2,771,386	\$ 0	\$ 0	\$ 2,771,386	\$ 3,176,275	\$ 3,181,016	\$ (409,630)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 187,412	\$ 0	\$ 0	\$ 187,412	\$ 184,246	\$ 190,678	\$ 3,266
Highway and Bridge Maintenance	1,438,449	(15,467)	94,085	1,517,067	1,952,051	1,961,424	444,357
Operation and Maintenance of Equipment	399,029	(18,800)	4,571	384,800	457,391	440,348	55,548
Other Charges	120,543	0	0	120,543	119,350	123,828	3,285
Employee Benefits	422,555	0	0	422,555	439,600	439,600	17,045
Capital Outlay	191,940	(180,440)	0	11,500	10,100	11,600	100
Total Expenditures	\$ 2,759,928	\$ (214,707)	\$ 98,656	\$ 2,643,877	\$ 3,162,738	\$ 3,167,478	\$ 523,601
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,458	\$ 214,707	\$ (98,656)	\$ 127,509	\$ 13,537	\$ 13,538	\$ 113,971
Net Change in Fund Balance	\$ 11,458	\$ 214,707	\$ (98,656)	\$ 127,509	\$ 13,537	\$ 13,538	\$ 113,971
Fund Balance, July 1, 2014	2,180,472	(214,707)	0	1,965,765	1,987,164	1,987,164	(21,399)
Fund Balance, June 30, 2015	\$ 2,191,930	\$ 0	\$ (98,656)	\$ 2,093,274	\$ 2,000,701	\$ 2,000,702	\$ 92,572

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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,665,080
Due from Other Governments	<u>449,350</u>
Total Assets	<u><u>\$ 2,114,430</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 449,350
Due to Litigants, Heirs, and Others	<u>1,665,080</u>
Total Liabilities	<u><u>\$ 2,114,430</u></u>

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

CHEATHAM COUNTY, TENNESSEE

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CHEATHAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 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 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 can be obtained from its administrative office at the following address:

Administrative Office:

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

Related Organizations – The Cheatham County Water and Waste Water Authority and Cheatham County Industrial Development Board are related organizations of Cheatham County. The county’s officials are responsible for appointing the members of the boards, but the county’s accountability for the organizations does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

Cheatham County issues all debt for the discretely presented Cheatham County School Department. Net debt issues totaling \$672,471 were contributed by the county to the School Department during the year ended June 30, 2015.

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, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Cheatham County has no proprietary funds to report.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

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

Cheatham County reports the following major governmental funds:

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

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

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

Additionally, Cheatham County reports the following fund types:

Capital Projects Funds – These funds account for 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.

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.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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.

2. Receivables and Payables

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

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

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 inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred charge on refunding, pension changes in experience, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

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

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

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

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between

the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Position and Fund Balance

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2015, Cheatham County had \$15,090,540 in outstanding debt for capital purposes of the discretely presented Cheatham County School Department. This 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 position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other

funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

8. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Cheatham County's beginning net position by \$210,465 and decreasing the Cheatham County School Department's beginning net position by \$7,536,605, has been recognized on the Statement of Activities.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Cheatham County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Cheatham County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Cheatham County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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 Position

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 Position.

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 Position.

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 position 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 position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Cash Shortage –Prior Year

The audit of Cheatham County for the 2007-08 year reported a cash shortage of \$68,281.11 in the Highway Department. Our investigation revealed that from February 5, 2007, through December 18, 2007, the Highway Department bookkeeper fraudulently issued 16 vendor checks totaling \$68,281.11 for personal use. On August 15, 2008, the bookkeeper was found guilty of theft of \$60,000 or more, sentenced, and ordered to pay restitution totaling \$68,211.11 to the Highway Department. An unpaid cash shortage of \$10,914 existed as of June 30, 2015.

C. The County Had Deposits Exposed to Custodial Credit Risk

The trustee and county clerk did not require depositories holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2015, deposits exceeded FDIC coverage and collateral securities pledged by \$297,816 in the Trustee's Office and \$244,905 in the County Clerk's Office. Section 5-8-201, *Tennessee Code Annotated*, requires any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Cheatham County's deposits may not be returned to it. Cheatham County does not have a formal policy that limits custodial credit risk for deposits. Separate disclosures concerning bank balances of pooled deposits cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee. As of June 30, 2015, bank balances of \$542,721 were exposed to custodial credit risk as uninsured and uncollateralized. Of the \$542,721 exposed to custodial credit risk, \$297,816 was in the pooled bank balances and \$244,905 was in the nonpooled bank balances. Uninsured and uncollateralized deposits are a violation of state statutes.

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, 2015, Cheatham County had the following investments carried at fair value. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Cheatham County and the discretely presented Cheatham County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3-139	\$ 7,264,446

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, 2015, Cheatham County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 3,103,501	\$ 0	\$ 0	\$ 3,103,501
Intangibles	346,104	0		346,104
Total Capital Assets Not Depreciated	<u>\$ 3,449,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,449,605</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,115,327	\$ 0	\$ 0	\$ 12,115,327
Other Capital Assets Infrastructure	7,651,971 16,808,514	997,714 0	(190,755) 0	8,458,930 16,808,514
Total Capital Assets Depreciated	<u>\$ 36,575,812</u>	<u>\$ 997,714</u>	<u>\$ (190,755)</u>	<u>\$ 37,382,771</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,426,037	\$ 299,194	\$ 0	\$ 6,725,231
Other Capital Assets Infrastructure	6,141,984 15,573,062	450,266 199,102	(190,755) 0	6,401,495 15,772,164
Total Accumulated Depreciation	<u>\$ 28,141,083</u>	<u>\$ 948,562</u>	<u>\$ (190,755)</u>	<u>\$ 28,898,890</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,434,729</u>	<u>\$ 49,152</u>	<u>\$ 0</u>	<u>\$ 8,483,881</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,884,334</u>	<u>\$ 49,152</u>	<u>\$ 0</u>	<u>\$ 11,933,486</u>

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

Governmental Activities:

General Government	\$ 188,035
Public Safety	192,979
Public Health and Welfare	257,346
Social, Cultural, and Recreational Services	32,795
Highway/Public Works	<u>277,407</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 948,562</u></u>

Discretely Presented Cheatham County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 781,997	\$ 0	\$ 0	\$ 781,997
Construction in Progress	1,229,920	0	(1,229,920)	0
Total Capital Assets Not Depreciated	<u>\$ 2,011,917</u>	<u>\$ 0</u>	<u>\$ (1,229,920)</u>	<u>\$ 781,997</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 96,921,093	\$ 1,229,920	\$ 0	\$ 98,151,013
Other Capital Assets	6,718,311	698,650	0	7,416,961
Total Capital Assets Depreciated	<u>\$ 103,639,404</u>	<u>\$ 1,928,570</u>	<u>\$ 0</u>	<u>\$ 105,567,974</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 42,394,692	\$ 2,268,878	\$ 0	\$ 44,663,570
Other Capital Assets	2,444,325	552,419	0	2,996,744
Total Accumulated Depreciation	<u>\$ 44,839,017</u>	<u>\$ 2,821,297</u>	<u>\$ 0</u>	<u>\$ 47,660,314</u>
Total Capital Assets Depreciated, Net	<u>\$ 58,800,387</u>	<u>\$ (892,727)</u>	<u>\$ 0</u>	<u>\$ 57,907,660</u>
Governmental Activities Capital Assets, Net	<u>\$ 60,812,304</u>	<u>\$ (892,727)</u>	<u>\$ (1,229,920)</u>	<u>\$ 58,689,657</u>

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

Governmental Activities:

Support Services	\$ 2,817,661
Operation of Non-instructional Services	<u>3,636</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,821,297</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 15,536
Education Debt Service	General	445,526
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,501

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

Due to/from Primary Government and Component Units:

The amount reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position includes a long-term receivable of \$3,779,644 for debt issued by the primary government, the principal of which is being contributed by the School Department. The amount of the receivable not expected to be received within one year is \$3,368,236.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Education Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 2,770	\$ 160,188
Nonmajor governmental fund	56,847	0	0
Total	\$ 56,847	\$ 2,770	\$ 160,188

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Cheatham County issues general obligation bonds, capital outlay notes, and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 13 years for bonds, up to 12 years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes, and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds -				
Refunding	1.97 to 3.14 %	6-1-22	\$ 12,699,500	\$ 8,319,500
Capital Outlay Notes	variable	6-1-25	4,193,471	3,678,283
Other Loans	variable	5-1-24	16,907,569	6,934,569

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 and \$2,262,948 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, 2015, the variable interest rate was .28 percent on the \$7,040,703 loan and .27 percent on the \$2,262,948 loan; and other fees based on the outstanding loan principal on each loan totaled approximately 1.2 percent (letter of credit); .08 percent (remarketing); and \$60 per month (trustee).

Also, during a prior year, Cheatham County entered into a loan agreement with the Tennessee Municipal Bond Fund – City of Clarksville Public Building Authority. This loan agreement provided the authority to make \$2,575,000 available for loan to Cheatham County for the purchase of land. The loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee and debt remarketing) in connection with this loan. At June 30, 2015, the variable interest rate was approximately 1.11 percent; and other fees based on the outstanding loan principal totaled approximately .15 percent (administrative fee); and \$100 per month per loan (trustee).

In a prior year, Cheatham County entered into a loan agreement with the Tennessee Energy Efficient Schools Council. This loan agreement provided for the authority to make \$5,028,918 available for loan to the discretely presented Cheatham County School Department for energy efficiency upgrades. This loan is repayable at a .75 percent rate of interest over 13 years.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,500,000	\$ 217,609	\$ 1,717,609
2017	1,558,000	180,637	1,738,637
2018	1,637,210	142,628	1,779,838
2019	1,768,000	102,580	1,870,580
2020	724,000	59,258	783,258
2021-2022	1,132,290	49,377	1,181,667
Total	\$ 8,319,500	\$ 752,089	\$ 9,071,589

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 880,812	\$ 119,684	\$ 1,000,496
2017	238,000	85,429	323,429
2018	917,471	80,701	998,172
2019	252,000	44,316	296,316
2020	258,000	37,097	295,097
2021-2025	1,132,000	73,610	1,205,610
Total	\$ 3,678,283	\$ 440,837	\$ 4,119,120

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,479,783	\$ 42,686	\$ 33,560	\$ 1,556,029
2017	1,529,747	33,184	24,537	1,587,468
2018	1,142,379	23,412	13,873	1,179,664
2019	667,320	18,258	4,595	690,173
2020	423,936	14,412	0	438,348
2021-2024	1,691,404	25,467	0	1,716,871
Total	\$ 6,934,569	\$ 157,419	\$ 76,565	\$ 7,168,553

There is \$1,858,783 available in the General Debt Service Fund and \$9,695,136 in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$484, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
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Other Loans Payable

Contributions from the General Purpose School Fund

Energy Efficient Schools Initiative	\$ 3,779,644
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Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities	Bonds	Notes	Other Loans
Balance, July 1, 2014	\$ 9,757,500	\$ 4,084,127	\$ 8,365,977
Additions	0	672,471	0
Reductions	(1,438,000)	(1,078,315)	(1,431,408)
Balance, June 30, 2015	<u>\$ 8,319,500</u>	<u>\$ 3,678,283</u>	<u>\$ 6,934,569</u>
Balance Due Within One Year	<u>\$ 1,500,000</u>	<u>\$ 880,812</u>	<u>\$ 1,479,783</u>

	Compensated Absences		Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2014	\$ 776,364	\$	218,104
Additions	961,010		3,381
Reductions	(876,479)		0
Balance, June 30, 2015	<u>\$ 860,895</u>	<u>\$</u>	<u>221,485</u>
Balance Due Within One Year	<u>\$ 172,179</u>	<u>\$</u>	<u>0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 20,014,732
Less: Due Within One Year	<u>(4,032,774)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 15,981,958</u>

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

Discretely Presented Cheatham County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Cheatham County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 11,629	\$ 5,328,736
Additions	15,103	1,218,490
Reductions	(11,629)	(506,557)
Balance, June 30, 2015	<u>\$ 15,103</u>	<u>\$ 6,040,669</u>
Balance Due Within One Year	<u>\$ 3,776</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 6,055,772
Less: Due Within One Year	<u>(3,776)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,051,996</u>

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

E. 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, 2015, were \$157,850 and \$22,525, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Cheatham County

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

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

In November 2013, Cheatham County switched from the Local Government Group Insurance Fund, 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, to commercial insurance for its employee health and accident plan. Settled claims did not exceed this commercial coverage during the year. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

Discretely Presented Cheatham County School Department

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

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Events

On July 20, 2015, the County Commission approved the issuance of a capital outlay note not to exceed \$450,000 for a new fire station.

On September 21, 2015, the County Commission approved the issuance of a capital outlay note not to exceed \$511,000 for various paving projects.

On November 16, 2015, the County Commission approved the issuance of a capital outlay note not to exceed \$73,000 for the Pegram Elementary paving project.

On November 24, 2015, Cheatham County issued capital outlay notes for \$667,600 for HVAC replacement at Harpeth High School and Pleasant View Elementary School, \$210,000 for an ambulance, and \$244,880 for Highway 49 intersection project.

On December 21, 2015, the County Commission approved the issuance of a capital outlay note not to exceed \$699,840 for special education school buses.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2014, Delores Moulton left the Office of Register of Deeds and was succeeded by Patrick Smith, and John Holder left the Office of Sheriff and was succeeded by Mike Breedlove.

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require Cheatham County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$221,485 reported as landfill closure and postclosure care liability at June 30, 2015, 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 \$856,408 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 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Cheatham County Joint Economic and Community Development Board is a joint venture between Cheatham County and the cities of Ashland City, Kingston Springs, Pegram, and Pleasant View. The board comprises the county mayor, city mayors, and thirteen additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Cheatham County paid expenses of \$68,887 on behalf of and contributed \$124,198 to the Cheatham

County Joint Economic and Community Development Board during the 2014-15 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 did not appropriate any funds to the operations of the DTF during the year ended June 30, 2015.

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

Administrative Offices:

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

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

H. Jointly Governed Organization

The Cheatham County Rail Authority was created by the county in conjunction with Metropolitan Davidson County. The Cheatham County Rail Authority's board includes seven members. Five members are appointed by the Cheatham County Commission, and two members are appointed by Metropolitan Davidson County. Cheatham County did not appropriate any funds to the authority for the year ended June 30, 2015. Funding sources for the Cheatham County Rail Authority are grants, freight service fees, interest, and private contributions.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Cheatham County and non-certified employees of the discretely presented Cheatham County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 45.67 percent and the non-certified employees of the discretely presented School Department comprise 54.33 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	225
Inactive Employees Entitled to But Not Yet Receiving Benefits	445
Active Employees	427
Total	1,097

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Cheatham County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Cheatham County were \$789,869 based on a rate of 5.8 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Cheatham County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Cheatham County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market International Equity	6.26	17
Emerging Market International Equity	6.40	5
Private Equity and Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Cheatham County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 32,142,081	\$ 30,919,887	\$ 1,222,194
Changes for the year:			
Service Cost	\$ 994,390	\$ 0	\$ 994,390
Interest	2,433,946	0	2,433,946
Differences Between Expected and Actual Experience	(596,410)	0	(596,410)
Contributions-Employer	0	761,356	(761,356)
Contributions-Employees	0	664,687	(664,687)
Net Investment Income	0	5,122,155	(5,122,155)
Benefit Payments, Including Refunds of Employee Contributions	(1,367,699)	(1,367,699)	0
Administrative Expense	0	(16,751)	16,751
Other Changes	0	0	0
Net Changes	\$ 1,464,227	\$ 5,163,748	\$ (3,699,521)
Balance, June 30, 2014	\$ 33,606,308	\$ 36,083,635	\$ (2,477,327)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	45.67%	\$ 15,348,001	\$ 16,479,396	\$ (1,131,395)
School Department	54.33%	18,258,307	19,604,239	(1,345,932)
Total		\$ 33,606,308	\$ 36,083,635	\$ (2,477,327)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Cheatham County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Cheatham County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 2,041,826 \$ (2,477,327) \$ (6,202,324)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Cheatham County recognized pension income of \$219,754.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Cheatham County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 477,128
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,241,283
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	789,869	N/A
Total	<u>\$ 789,869</u>	<u>\$ 2,718,411</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 494,419	\$ 1,241,498
School Department	<u>295,450</u>	<u>1,476,913</u>
Total	<u>\$ 789,869</u>	<u>\$ 2,718,411</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (679,603)
2017	(679,603)
2018	(679,603)
2019	(679,603)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Cheatham County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Cheatham County and non-certified employees of the discretely presented Cheatham County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 45.67 percent and the non-certified employees of the discretely presented School Department comprise 54.33 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cheatham County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are

defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEAs if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$75,998, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Cheatham County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Cheatham County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 75,998	N/A

The Cheatham County School Department's employer contributions of \$75,998 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers with membership in the TCRS before July 1, 2014, of the Cheatham County School Department are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent

COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEAs if the required employer contributions are not remitted. Employer contributions by the Cheatham County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,741,942, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Cheatham County School Department reported an asset of \$91,040 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Cheatham County School Department's proportion of the net pension asset was based on the Cheatham County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Cheatham County School Department's proportion was .560263 percent. The proportion measured as of June 30, 2013, was .561423 percent.

Pension Income. For the year ended June 30, 2015, the Cheatham County School Department recognized a pension income of \$80,806.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Cheatham County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 221,023	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,501,123
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	16,365
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,741,942</u>	<u>N/A</u>
Total	<u>\$ 1,962,965</u>	<u>\$ 7,517,488</u>

The Cheatham County School Department's employer contributions of \$1,741,942 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,841,171)
2017	(1,841,171)
2018	(1,841,171)
2019	(1,841,171)
2020	34,110
Thereafter	34,110

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Cheatham County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Cheatham County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
---	------------------------	-------------------------------------	------------------------

Net Pension Liability \$ 15,354,939 \$ (91,040) \$ (12,878,636)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

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 two deferred compensation plans, one established pursuant to IRC Section 403(b) and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Sections 403(b) and 401(k) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 401(k) establish participation, contribution, and withdrawal provisions for the plan.

J. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Cheatham County switched from the state-administered Local Government Group Insurance Plan to a commercial healthcare plan in November 2013. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program. This effectively terminates any current or future postemployment benefits liability of the county government.

Discretely Presented School Department

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Cheatham County School Department recognized expenditures of \$506,557 for postemployment benefits during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Insurance Plan</u>
ARC	\$ 1,213,000
Interest on the NOPEBO	213,149
Adjustment to the ARC	(207,659)
Annual OPEB cost	\$ 1,218,490
Amount of contribution	(506,557)
Increase/decrease in NOPEBO	\$ 711,933
Net OPEB obligation, 7-1-14	<u>5,328,736</u>
Net OPEB obligation, 6-30-15	<u>\$ 6,040,669</u>

Fiscal Year Ending Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13 Local Education Group	\$ 820,041	70 %	\$ 4,706,146
6-30-14 "	1,175,849	47	5,328,736
6-30-15 "	1,218,490	42	6,040,669

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

(dollars in thousands)

	Local Education Group Insurance Plan
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 9,530
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,530
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 27,935
UAAL as a % of covered payroll	34%

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, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of

administrative expenses) and an annual health care costs trend rate of seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2007.

K. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

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

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

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

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 addresses and information. It is a component unit of Cheatham County. The Cheatham County Emergency Communications District is run by a Board of Directors, which is appointed by Cheatham County. The district must file a budget with Cheatham County each year. Any bond issued by the district is subject to approval by Cheatham County.

1. **Summary of Significant Accounting Policies**

The Cheatham County Emergency Communications District presents its financial statements on the accrual basis of accounting and economic resources measurement focus. 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. Nonoperating revenues consist of interest income, contributions from other governments, and grants and reimbursements from the State of Tennessee.

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).

The following is a schedule of bank accounts at June 30, 2015:

Checking - Prime Trust Bank	\$ 368,215
Money Market - Prime Trust Bank	179,902
Local Government Investment Pool	<u>9,686</u>
Total	<u><u>\$ 557,803</u></u>

At June 30, 2015, the carrying amount of the district's cash deposits was \$557,803. 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

The 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, 2015. There have been no losses or settlements that exceeded this coverage during the past three years.

D. Capital Assets

The following is a schedule of capital assets, current-year depreciation expense, and accumulated depreciation at June 30, 2015:

<u>Assets</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
<u>Non-Depreciable</u>			
Land	\$ 2,958	\$ 0	\$ 0
<u>Depreciable</u>			
Other Capital Assets	1,068,028	95,200	309,944
Total	<u>\$ 1,070,986</u>	<u>\$ 95,200</u>	<u>\$ 309,944</u>

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

<u>Assets</u>	<u>Balance 7-1-14</u>	<u>Additions</u>	<u>Reclass</u>	<u>Balance 6-30-15</u>
<u>Non-Depreciable</u>				
Land	\$ 2,958	\$ 0	\$ 0	\$ 2,958
Construction in Progress	0	0	0	0
<u>Depreciable</u>				
Other Capital Assets	1,054,788	13,240	0	1,068,028
Total	<u>\$ 1,057,746</u>	<u>\$ 13,240</u>	<u>\$ 0</u>	<u>\$ 1,070,986</u>

E. Contracts with Government Agencies

The district pays the Cheatham County government for contract labor. The district had no employees of its own at June 30, 2015.

F. Compensated Absences

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

G. Budgetary Information

The district must file a budget with Cheatham County each year, which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the adopted budget is required at the line-item level.

H. Prior-period Adjustment

A prior-period adjustment of \$56,297 was made to correct an understatement of accumulated depreciation in a prior year.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Cheatham County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 994,390
Interest	2,433,946
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(596,410)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,367,699)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,464,227
Total Pension Liability (Asset), Beginning	<u>32,142,081</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 33,606,308</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 761,356
Contributions - Employee	664,687
Net Investment Income	5,122,155
Benefit Payments, Including Refunds of Employee Contributions	(1,367,699)
Administrative Expense	<u>(16,751)</u>
Net Change in Plan Fiduciary Net Position	\$ 5,163,748
Plan Fiduciary Net Position, Beginning	<u>30,919,887</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 36,083,635</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (2,477,327)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.37%
Covered Employee Payroll	\$ 13,264,064
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	18.68%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-2

Cheatham County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 761,356	\$ 789,869
Less Contributions in Relation to the Actuarially Determined Contribution	(761,356)	(789,869)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 13,264,064	 \$ 11,444,154
 Contributions as a Percentage of Covered Employee Payroll	 5.74%	 6.90%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-3

Cheatham County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Cheatham County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 47,499
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(75,998)</u>
Contribution Deficiency (Excess)	<u>\$ (28,499)</u>
Covered Employee Payroll	\$ 1,899,954
Contributions as a Percentage of Covered Employee Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Cheatham County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Cheatham County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,952,735	\$ 1,741,942
Less Contributions in Relation to the Actuarially Determined Contribution	(1,952,735)	(1,741,942)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 21,990,227	\$ 24,363,448
Contributions as a Percentage of Covered Employee Payroll	8.88%	7.15%

Note: ten years of data will be presented when available.

Exhibit E-5

Cheatham County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Cheatham County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.560263%
School Department's Proportionate Share of the Net Pension Asset	\$ 91,040
Covered Employee Payroll	\$ 21,990,227
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Cheatham County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Cheatham County School Department
June 30, 2015

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>DISCRETELY PRESENTED CHEATHAM COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	\$ 0	\$ 8,808	\$ 8,808	0 %	\$ 28,327	31 %
"	7-1-11	0	6,070	6,070	0	30,150	20
"	7-1-13	0	9,530	9,530	0	27,935	34

CHEATHAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	2 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**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 of deeds, 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.

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

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

Exhibit F-1

Cheatham County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 300	\$ 0	\$ 6,385	\$ 0	\$ 6,685
Equity in Pooled Cash and Investments	12,717	926,665	222,377	0	19,065	1,180,824
Accounts Receivable	678	8,510	2,066	33,834	0	45,088
Due from Other Governments	0	436	0	0	0	436
Property Taxes Receivable	0	873,800	0	0	0	873,800
Allowance for Uncollectible Property Taxes	0	(20,552)	0	0	0	(20,552)
Total Assets	<u>\$ 13,395</u>	<u>\$ 1,789,159</u>	<u>\$ 224,443</u>	<u>\$ 40,219</u>	<u>\$ 19,065</u>	<u>\$ 2,086,281</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 28,285	\$ 6,248	\$ 0	\$ 1,783	\$ 36,316
Due to Other Funds	0	0	15,536	0	0	15,536
Due to Litigants, Heirs, and Others	0	0	0	40,219	0	40,219
Total Liabilities	<u>\$ 0</u>	<u>\$ 28,285</u>	<u>\$ 21,784</u>	<u>\$ 40,219</u>	<u>\$ 1,783</u>	<u>\$ 92,071</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 830,847	\$ 0	\$ 0	\$ 0	\$ 830,847
Deferred Delinquent Property Taxes	0	19,368	0	0	0	19,368
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 850,215</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 850,215</u>

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 202,659	\$ 0	\$ 0	\$ 202,659
Restricted for Public Health and Welfare	0	910,659	0	0	0	910,659
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	13,395	0	0	0	17,282	30,677
Total Fund Balances	\$ 13,395	\$ 910,659	\$ 202,659	\$ 0	\$ 17,282	\$ 1,143,995
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,395	\$ 1,789,159	\$ 224,443	\$ 40,219	\$ 19,065	\$ 2,086,281

(Continued)

Exhibit F-1

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

	Debt Service		Capital Projects Funds		Total Nonmajor Governmental Funds
	Fund General Debt Service	General Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	6,685
Equity in Pooled Cash and Investments	1,844,502	59,977	70,644	130,621	3,155,947
Accounts Receivable	2,975	2	2,015	2,017	50,080
Due from Other Governments	10,168	0	176	176	10,780
Property Taxes Receivable	330,429	56,515	564,389	620,904	1,825,133
Allowance for Uncollectible Property Taxes	(7,772)	(660)	(10,765)	(11,425)	(39,749)
Total Assets	\$ 2,180,302	\$ 115,834	\$ 626,459	\$ 742,293	\$ 5,008,876
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	36,316
Due to Other Funds	0	0	0	0	15,536
Due to Litigants, Heirs, and Others	0	0	0	0	40,219
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	92,071
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 314,186	\$ 55,855	\$ 544,589	\$ 600,444	\$ 1,745,477
Deferred Delinquent Property Taxes	7,333	0	7,807	7,807	34,508
Total Deferred Inflows of Resources	\$ 321,519	\$ 55,855	\$ 552,396	\$ 608,251	\$ 1,779,985

(Continued)

Exhibit F-1

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

	Debt Service		Capital Projects Funds			Total Nonmajor Governmental Funds
	Fund			Total		
	General Debt Service	General Capital Projects	Other Capital Projects			
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	202,659
Restricted for Public Health and Welfare	0	0	0	0	0	910,659
Restricted for Capital Outlay	0	59,979	74,063	134,042	0	134,042
Restricted for Debt Service	1,858,783	0	0	0	0	1,858,783
Committed:						
Committed for General Government	0	0	0	0	0	30,677
Total Fund Balances	<u>\$ 1,858,783</u>	<u>\$ 59,979</u>	<u>\$ 74,063</u>	<u>\$ 134,042</u>	<u>\$ 0</u>	<u>\$ 3,136,820</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,180,302</u>	<u>\$ 115,834</u>	<u>\$ 626,459</u>	<u>\$ 742,293</u>	<u>\$ 0</u>	<u>\$ 5,008,876</u>

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, 2015

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	Total
<u>Revenues</u>						
Local Taxes	\$ 8,036	\$ 908,232	\$ 0	\$ 0	\$ 0	\$ 916,268
Fines, Forfeitures, and Penalties	0	0	44,047	0	0	44,047
Charges for Current Services	0	135,726	0	4,000	53,833	193,559
Other Local Revenues	0	16,973	15,741	0	0	32,714
State of Tennessee	0	25,730	0	0	0	25,730
Total Revenues	\$ 8,036	\$ 1,086,661	\$ 59,788	\$ 4,000	\$ 53,833	\$ 1,212,318
<u>Expenditures</u>						
Current:						
General Government	\$ 34,115	\$ 19,654	\$ 517	\$ 0	\$ 61,478	\$ 115,764
Administration of Justice	0	0	0	4,000	0	4,000
Public Safety	0	0	153,123	0	0	153,123
Public Health and Welfare	0	904,380	0	0	0	904,380
Other Operations	0	34,394	0	0	0	34,394
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 34,115	\$ 958,428	\$ 153,640	\$ 4,000	\$ 61,478	\$ 1,211,661
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,079)	\$ 128,233	\$ (93,852)	\$ 0	\$ (7,645)	\$ 657

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Insurance Recovery	0	1,141	0	0	0	1,141
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(56,847)	0	0	(56,847)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 0</u>	<u>\$ 1,141</u>	<u>\$ (56,847)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(55,706)</u>
Net Change in Fund Balances	\$ (26,079)	\$ 129,374	\$ (150,699)	\$ 0	\$ (7,645)	(55,049)
Fund Balance, July 1, 2014	39,474	781,285	353,358	0	24,927	1,199,044
Fund Balance, June 30, 2015	\$ 13,395	\$ 910,659	\$ 202,659	\$ 0	\$ 17,282	\$ 1,143,995

(Continued)

Exhibit F-2

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

	Debt Service		Capital Projects Funds			Total	Total Nonmajor Governmental Funds
	Fund General Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects			
<u>Revenues</u>							
Local Taxes	\$ 568,416	\$ 16	\$ 0	\$ 361,589	\$ 361,605	\$	1,846,289
Fines, Forfeitures, and Penalties	0	0	0	0	0		44,047
Charges for Current Services	0	0	0	0	0		193,559
Other Local Revenues	0	0	0	5,821	5,821		38,535
State of Tennessee	10,485	0	0	11,599	11,599		47,814
Total Revenues	<u>\$ 578,901</u>	<u>\$ 16</u>	<u>\$ 0</u>	<u>\$ 379,009</u>	<u>\$ 379,025</u>	<u>\$</u>	<u>2,170,244</u>
<u>Expenditures</u>							
Current:							
General Government	\$ 9,050	\$ 0	\$ 0	\$ 7,275	\$ 7,275	\$	132,089
Administration of Justice	0	0	0	0	0		4,000
Public Safety	0	0	0	0	0		153,123
Public Health and Welfare	0	0	0	0	0		904,380
Other Operations	0	0	0	0	0		34,394
Debt Service:							
Principal on Debt	874,954	0	0	0	0		874,954
Interest on Debt	122,297	0	0	0	0		122,297
Other Debt Service	3,101	0	0	0	0		3,101
Capital Projects	0	0	672,471	413,960	1,086,431		1,086,431
Total Expenditures	<u>\$ 1,009,402</u>	<u>\$ 0</u>	<u>\$ 672,471</u>	<u>\$ 421,235</u>	<u>\$ 1,093,706</u>	<u>\$</u>	<u>3,314,769</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>\$ (430,501)</u>	<u>\$ 16</u>	<u>\$ (672,471)</u>	<u>\$ (42,226)</u>	<u>\$ (714,681)</u>	<u>\$</u>	<u>(1,144,525)</u>

(Continued)

Exhibit F-2

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

	Debt Service		Capital Projects Funds			Total	Total Nonmajor Governmental Funds
	Fund	General	Education	Other			
	General	Capital	Capital	Capital			
	Debt	Projects	Projects	Projects	Total		
	Service						
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 672,471	\$ 0	\$ 672,471	\$	672,471
Insurance Recovery	0	0	0	0	0		1,141
Transfers In	160,188	0	0	0	0		160,188
Transfers Out	0	0	0	0	0		(56,847)
Total Other Financing Sources (Uses)	\$ 160,188	\$ 0	\$ 672,471	\$ 0	\$ 672,471	\$	776,953
Net Change in Fund Balances	\$ (270,313)	\$ 16	\$ 0	\$ (42,226)	\$ (42,210)	\$	(367,572)
Fund Balance, July 1, 2014	2,129,096	59,963	0	116,289	176,252		3,504,392
Fund Balance, June 30, 2015	\$ 1,858,783	\$ 59,979	\$ 0	\$ 74,063	\$ 134,042	\$	3,136,820

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,036	\$ 10,000	\$ 10,000	\$ (1,964)
Total Revenues	\$ 8,036	\$ 10,000	\$ 10,000	\$ (1,964)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 34,036	\$ 9,850	\$ 34,036	\$ 0
Other General Administration	79	150	150	71
Total Expenditures	\$ 34,115	\$ 10,000	\$ 34,186	\$ 71
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,079)	\$ 0	\$ (24,186)	\$ (1,893)
Net Change in Fund Balance	\$ (26,079)	\$ 0	\$ (24,186)	\$ (1,893)
Fund Balance, July 1, 2014	39,474	37,975	37,975	1,499
Fund Balance, June 30, 2015	\$ 13,395	\$ 37,975	\$ 13,789	\$ (394)

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 908,232	\$ 0	\$ 0	\$ 908,232	\$ 875,553	\$ 875,553	\$ 32,679
Charges for Current Services	135,726	0	0	135,726	185,000	185,000	(49,274)
Other Local Revenues	16,973	0	0	16,973	20,025	20,025	(3,052)
State of Tennessee	25,730	0	0	25,730	31,600	31,600	(5,870)
Total Revenues	\$ 1,086,661	\$ 0	\$ 0	\$ 1,086,661	\$ 1,112,178	\$ 1,112,178	\$ (25,517)
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 19,654	\$ 0	\$ 0	\$ 19,654	\$ 25,000	\$ 25,000	\$ 5,346
<u>Public Health and Welfare</u>							
Sanitation Management	200,926	0	0	200,926	231,542	212,661	11,735
Convenience Centers	661,150	(1,671)	940	660,419	734,557	794,861	134,442
Landfill Operation and Maintenance	42,304	0	4,274	46,578	66,232	67,374	20,796
<u>Other Operations</u>							
Employee Benefits	34,394	0	0	34,394	25,294	46,655	12,261
Miscellaneous	0	0	0	0	10,000	10,000	10,000
Total Expenditures	\$ 958,428	\$ (1,671)	\$ 5,214	\$ 961,971	\$ 1,092,625	\$ 1,156,551	\$ 194,580
Excess (Deficiency) of Revenues Over Expenditures	\$ 128,233	\$ 1,671	\$ (5,214)	\$ 124,690	\$ 19,553	\$ (44,373)	\$ 169,063
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,141	\$ 0	\$ 0	\$ 1,141	\$ 0	\$ 1,141	\$ 0
Total Other Financing Sources	\$ 1,141	\$ 0	\$ 0	\$ 1,141	\$ 0	\$ 1,141	\$ 0
Net Change in Fund Balance	\$ 129,374	\$ 1,671	\$ (5,214)	\$ 125,831	\$ 19,553	\$ (43,232)	\$ 169,063
Fund Balance, July 1, 2014	781,285	(1,671)	0	779,614	814,586	814,586	(34,972)
Fund Balance, June 30, 2015	\$ 910,659	\$ 0	\$ (5,214)	\$ 905,445	\$ 834,139	\$ 771,354	\$ 134,091

Exhibit F-5

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 44,047	\$ 0	\$ 0	\$ 44,047	\$ 85,000	\$ 85,315	\$ (41,268)
Other Local Revenues	15,741	0	0	15,741	0	15,640	101
Total Revenues	<u>\$ 59,788</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,788</u>	<u>\$ 85,000</u>	<u>\$ 100,955</u>	<u>\$ (41,167)</u>
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 517	\$ 0	\$ 0	\$ 517	\$ 1,500	\$ 1,500	\$ 983
<u>Public Safety</u>							
Special Patrols	80,409	0	5,150	85,559	99,349	91,400	5,841
Drug Enforcement	72,714	(43,140)	807	30,381	24,000	59,955	29,574
Total Expenditures	<u>\$ 153,640</u>	<u>\$ (43,140)</u>	<u>\$ 5,957</u>	<u>\$ 116,457</u>	<u>\$ 124,849</u>	<u>\$ 152,855</u>	<u>\$ 36,398</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (93,852)</u>	<u>\$ 43,140</u>	<u>\$ (5,957)</u>	<u>\$ (56,669)</u>	<u>\$ (39,849)</u>	<u>\$ (51,900)</u>	<u>\$ (4,769)</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (56,847)	\$ 0	\$ 0	\$ (56,847)	\$ 0	\$ (56,549)	\$ (298)
Total Other Financing Sources	<u>\$ (56,847)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (56,847)</u>	<u>\$ 0</u>	<u>\$ (56,549)</u>	<u>\$ (298)</u>
Net Change in Fund Balance	\$ (150,699)	\$ 43,140	\$ (5,957)	\$ (113,516)	\$ (39,849)	\$ (108,449)	\$ (5,067)
Fund Balance, July 1, 2014	<u>353,358</u>	<u>(43,140)</u>	<u>0</u>	<u>310,218</u>	<u>297,123</u>	<u>297,123</u>	<u>13,095</u>
Fund Balance, June 30, 2015	<u><u>\$ 202,659</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (5,957)</u></u>	<u><u>\$ 196,702</u></u>	<u><u>\$ 257,274</u></u>	<u><u>\$ 188,674</u></u>	<u><u>\$ 8,028</u></u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 53,833	\$ 100,000	\$ 100,000	\$ (46,167)
Total Revenues	\$ 53,833	\$ 100,000	\$ 100,000	\$ (46,167)
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 61,478	\$ 100,000	\$ 100,000	\$ 38,522
Total Expenditures	\$ 61,478	\$ 100,000	\$ 100,000	\$ 38,522
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,645)	\$ 0	\$ 0	\$ (7,645)
Net Change in Fund Balance	\$ (7,645)	\$ 0	\$ 0	\$ (7,645)
Fund Balance, July 1, 2014	24,927	21,933	21,933	2,994
Fund Balance, June 30, 2015	\$ 17,282	\$ 21,933	\$ 21,933	\$ (4,651)

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 568,416	\$ 506,704	\$ 506,704	\$ 61,712
State of Tennessee	10,485	3,000	3,000	7,485
Total Revenues	<u>\$ 578,901</u>	<u>\$ 509,704</u>	<u>\$ 509,704</u>	<u>\$ 69,197</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 9,050	\$ 10,000	\$ 10,000	\$ 950
<u>Principal on Debt</u>				
General Government	874,954	746,527	1,000,481	125,527
<u>Interest on Debt</u>				
General Government	122,297	111,854	141,510	19,213
<u>Other Debt Service</u>				
General Government	3,101	6,000	6,000	2,899
Total Expenditures	<u>\$ 1,009,402</u>	<u>\$ 874,381</u>	<u>\$ 1,157,991</u>	<u>\$ 148,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (430,501)</u>	<u>\$ (364,677)</u>	<u>\$ (648,287)</u>	<u>\$ 217,786</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 160,188	\$ 0	\$ 160,188	\$ 0
Total Other Financing Sources	<u>\$ 160,188</u>	<u>\$ 0</u>	<u>\$ 160,188</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (270,313)	\$ (364,677)	\$ (488,099)	\$ 217,786
Fund Balance, July 1, 2014	<u>2,129,096</u>	<u>1,933,371</u>	<u>1,933,371</u>	<u>195,725</u>
Fund Balance, June 30, 2015	<u>\$ 1,858,783</u>	<u>\$ 1,568,694</u>	<u>\$ 1,445,272</u>	<u>\$ 413,511</u>

Exhibit F-8

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 361,589	\$ 0	\$ 0	\$ 361,589	\$ 335,178	\$ 341,178	\$ 20,411
Other Local Revenues	5,821	0	0	5,821	0	5,821	0
State of Tennessee	11,599	0	0	11,599	500	500	11,099
Total Revenues	<u>\$ 379,009</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 379,009</u>	<u>\$ 335,678</u>	<u>\$ 347,499</u>	<u>\$ 31,510</u>
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 7,275	\$ 0	\$ 0	\$ 7,275	\$ 1,500	\$ 7,500	\$ 225
<u>Capital Projects</u>							
Other General Government Projects	413,960	(24,311)	8,799	398,448	394,000	399,821	1,373
Total Expenditures	<u>\$ 421,235</u>	<u>\$ (24,311)</u>	<u>\$ 8,799</u>	<u>\$ 405,723</u>	<u>\$ 395,500</u>	<u>\$ 407,321</u>	<u>\$ 1,598</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,226)	\$ 24,311	\$ (8,799)	\$ (26,714)	\$ (59,822)	\$ (59,822)	\$ 33,108
Net Change in Fund Balance	\$ (42,226)	\$ 24,311	\$ (8,799)	\$ (26,714)	\$ (59,822)	\$ (59,822)	\$ 33,108
Fund Balance, July 1, 2014	116,289	(24,311)	0	91,978	62,002	62,002	29,976
Fund Balance, June 30, 2015	<u>\$ 74,063</u>	<u>\$ 0</u>	<u>\$ (8,799)</u>	<u>\$ 65,264</u>	<u>\$ 2,180</u>	<u>\$ 2,180</u>	<u>\$ 63,084</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,410,959	\$ 3,872,815	\$ 3,872,815	\$ 538,144
Other Local Revenues	174,747	0	0	174,747
State of Tennessee	27,584	50,000	50,000	(22,416)
Other Governments and Citizens Groups	438,348	0	438,348	0
Total Revenues	<u>\$ 5,051,638</u>	<u>\$ 3,922,815</u>	<u>\$ 4,361,163</u>	<u>\$ 690,475</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 57,906	\$ 100,000	\$ 100,000	\$ 42,094
<u>Principal on Debt</u>				
Education	3,072,769	2,064,072	3,072,769	0
<u>Interest on Debt</u>				
Education	314,722	495,057	525,069	210,347
<u>Other Debt Service</u>				
Education	32,619	73,300	73,300	40,681
Total Expenditures	<u>\$ 3,478,016</u>	<u>\$ 2,732,429</u>	<u>\$ 3,771,138</u>	<u>\$ 293,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,573,622</u>	<u>\$ 1,190,386</u>	<u>\$ 590,025</u>	<u>\$ 983,597</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 40,200	\$ 40,200	\$ (40,200)
Transfers In	2,770	0	0	2,770
Total Other Financing Sources	<u>\$ 2,770</u>	<u>\$ 40,200</u>	<u>\$ 40,200</u>	<u>\$ (37,430)</u>
Net Change in Fund Balance	\$ 1,576,392	\$ 1,230,586	\$ 630,225	\$ 946,167
Fund Balance, July 1, 2014	<u>8,118,744</u>	<u>8,383,768</u>	<u>8,383,768</u>	<u>(265,024)</u>
Fund Balance, June 30, 2015	<u>\$ 9,695,136</u>	<u>\$ 9,614,354</u>	<u>\$ 9,013,993</u>	<u>\$ 681,143</u>

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 of deeds, 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
June 30, 2015

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,665,080	\$ 1,665,080
Due from Other Governments	449,350	0	449,350
Total Assets	<u>\$ 449,350</u>	<u>\$ 1,665,080</u>	<u>\$ 2,114,430</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 449,350	\$ 0	\$ 449,350
Due to Litigants, Heirs, and Others	0	1,665,080	1,665,080
Total Liabilities	<u>\$ 449,350</u>	<u>\$ 1,665,080</u>	<u>\$ 2,114,430</u>

Exhibit H-2

Cheatham County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,512,060	\$ 2,512,060	\$ 0
Due from Other Governments	410,679	449,350	410,679	449,350
Total Assets	\$ 410,679	\$ 2,961,410	\$ 2,922,739	\$ 449,350
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 410,679	\$ 2,961,410	\$ 2,922,739	\$ 449,350
Total Liabilities	\$ 410,679	\$ 2,961,410	\$ 2,922,739	\$ 449,350
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,056,888	\$ 8,049,078	\$ 8,440,886	\$ 1,665,080
Total Assets	\$ 2,056,888	\$ 8,049,078	\$ 8,440,886	\$ 1,665,080
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,056,888	\$ 8,049,078	\$ 8,440,886	\$ 1,665,080
Total Liabilities	\$ 2,056,888	\$ 8,049,078	\$ 8,440,886	\$ 1,665,080
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,056,888	\$ 8,049,078	\$ 8,440,886	\$ 1,665,080
Equity in Pooled Cash and Investments	0	2,512,060	2,512,060	0
Due from Other Governments	410,679	449,350	410,679	449,350
Total Assets	\$ 2,467,567	\$ 11,010,488	\$ 11,363,625	\$ 2,114,430
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 410,679	\$ 2,961,410	\$ 2,922,739	\$ 449,350
Due to Litigants, Heirs, and Others	2,056,888	8,049,078	8,440,886	1,665,080
Total Liabilities	\$ 2,467,567	\$ 11,010,488	\$ 11,363,625	\$ 2,114,430

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 28,400,835	\$ 3,834	\$ 1,842,235	\$ 0	\$ (26,554,766)
Support Services	19,744,572	176,592	167,389	890,295	(18,510,296)
Operation of Non-instructional Services	4,943,142	2,008,800	2,699,081	0	(235,261)
Total Governmental Activities	\$ 53,088,549	\$ 2,189,226	\$ 4,708,705	\$ 890,295	\$ (45,300,323)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,564,207
Local Option Sales Tax					2,091,149
Wheel Tax					416,189
Mixed Drink Tax					10,410
Payments in-Lieu-of Taxes					34,122
Interstate Telecommunications Tax					3,744
Grants and Contributions Not Restricted to Specific Programs					33,387,311
Unrestricted Investment Earnings					628
Pension Income					200,198
Miscellaneous					27,487
Total General Revenues					\$ 44,735,445
Change in Net Position					\$ (564,878)
Net Position, July 1, 2014					61,928,208
Restatement (See Note I.D.8.)					(7,536,605)
Net Position, June 30, 2015					\$ 53,826,725

Exhibit I-2

Cheatham County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,000	\$ 1,000
Equity in Pooled Cash and Investments	8,562,964	791,681	9,354,645
Accounts Receivable	103,686	17,439	121,125
Due from Other Governments	559,339	50,666	610,005
Due from Other Funds	3,501	0	3,501
Property Taxes Receivable	7,980,945	0	7,980,945
Allowance for Uncollectible Property Taxes	(191,893)	0	(191,893)
Total Assets	<u>\$ 17,018,542</u>	<u>\$ 860,786</u>	<u>\$ 17,879,328</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 86,623	\$ 199	\$ 86,822
Payroll Deductions Payable	16,759	1,357	18,116
Due to Other Funds	0	3,501	3,501
Total Liabilities	<u>\$ 103,382</u>	<u>\$ 5,057</u>	<u>\$ 108,439</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 7,575,388	\$ 0	\$ 7,575,388
Deferred Delinquent Property Taxes	184,827	0	184,827
Other Deferred/Unavailable Revenue	203,400	0	203,400
Total Deferred Inflows of Resources	<u>\$ 7,963,615</u>	<u>\$ 0</u>	<u>\$ 7,963,615</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 518	\$ 13,691	\$ 14,209
Restricted for Operation of Non-instructional Services	0	634,363	634,363
Restricted for Capital Projects	0	57,675	57,675
Committed:			
Committed for Education	0	150,000	150,000
Assigned:			
Assigned for Education	1,819,511	0	1,819,511
Unassigned	7,131,516	0	7,131,516
Total Fund Balances	<u>\$ 8,951,545</u>	<u>\$ 855,729</u>	<u>\$ 9,807,274</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,018,542</u>	<u>\$ 860,786</u>	<u>\$ 17,879,328</u>

Exhibit I-3

Cheatham County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Cheatham County School Department
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 9,807,274
(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: buildings and improvements net of accumulated depreciation	53,487,443	
Add: other capital assets net of accumulated depreciation	<u>4,420,217</u>	58,689,657
(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	\$ (6,040,669)	
Less: contributions due on primary government debt for other loans	(3,779,644)	
Less: compensated absences payable	<u>(15,103)</u>	(9,835,416)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 2,334,413	
Less: deferred inflows of resources related to pensions	<u>(8,994,401)</u>	(6,659,988)
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		1,436,971
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>388,227</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 53,826,725</u></u>

Exhibit I-4

Cheatham County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 11,144,239	\$ 0	\$ 11,144,239
Licenses and Permits	3,097	0	3,097
Charges for Current Services	1,237,478	864,204	2,101,682
Other Local Revenues	129,799	11,094	140,893
State of Tennessee	33,260,420	31,244	33,291,664
Federal Government	316,290	4,665,117	4,981,407
Other Governments and Citizens Groups	672,471	0	672,471
Total Revenues	\$ 46,763,794	\$ 5,571,659	\$ 52,335,453
<u>Expenditures</u>			
Current:			
Instruction	\$ 27,680,735	\$ 1,342,343	\$ 29,023,078
Support Services	16,165,147	1,138,269	17,303,416
Operation of Non-instructional Services	1,667,423	3,355,312	5,022,735
Capital Outlay	843,555	0	843,555
Debt Service:			
Other Debt Service	612,835	0	612,835
Capital Projects	0	53,608	53,608
Total Expenditures	\$ 46,969,695	\$ 5,889,532	\$ 52,859,227
Excess (Deficiency) of Revenues Over Expenditures	\$ (205,901)	\$ (317,873)	\$ (523,774)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 87,006	\$ 0	\$ 87,006
Total Other Financing Sources (Uses)	\$ 87,006	\$ 0	\$ 87,006
Net Change in Fund Balances	\$ (118,895)	\$ (317,873)	\$ (436,768)
Fund Balance, July 1, 2014	9,070,440	1,173,602	10,244,042
Fund Balance, June 30, 2015	\$ 8,951,545	\$ 855,729	\$ 9,807,274

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, 2015

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)		\$	(436,768)
(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	\$	698,650	
Less: current-year depreciation expense		<u>(2,821,297)</u>	(2,122,647)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$	(400,207)	
Add: deferred delinquent property taxes and other deferred June 30, 2015		<u>388,227</u>	(11,980)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal payments on loans for primary government			408,336
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(3,474)	
Change in other postemployment benefits liability		(711,933)	
Change in pension liability/asset		8,973,576	
Change in deferred outflows of resources related to pensions		2,334,413	
Change in deferred inflows of resources related to pensions		<u>(8,994,401)</u>	<u>1,598,181</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (564,878)</u>

Exhibit I-6

Cheatham County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cheatham County School Department
June 30, 2015

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000
Equity in Pooled Cash and Investments	104,490	629,516	734,006	57,675	791,681
Accounts Receivable	16,591	848	17,439	0	17,439
Due from Other Governments	46,443	4,223	50,666	0	50,666
Total Assets	\$ 167,524	\$ 635,587	\$ 803,111	\$ 57,675	\$ 860,786
<u>LIABILITIES</u>					
Accounts Payable	\$ 199	\$ 0	\$ 199	\$ 0	\$ 199
Payroll Deductions Payable	133	1,224	1,357	0	1,357
Due to Other Funds	3,501	0	3,501	0	3,501
Total Liabilities	\$ 3,833	\$ 1,224	\$ 5,057	\$ 0	\$ 5,057
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 13,691	\$ 0	\$ 13,691	\$ 0	\$ 13,691
Restricted for Operation of Non-instructional Services	0	634,363	634,363	0	634,363
Restricted for Capital Projects	0	0	0	57,675	57,675
Committed:					
Committed for Education	150,000	0	150,000	0	150,000
Total Fund Balances	\$ 163,691	\$ 634,363	\$ 798,054	\$ 57,675	\$ 855,729
Total Liabilities and Fund Balances	\$ 167,524	\$ 635,587	\$ 803,111	\$ 57,675	\$ 860,786

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, 2015

	Special Revenue Funds			Capital	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 864,204	\$ 864,204	\$ 0	\$ 864,204
Other Local Revenues	0	11,094	11,094	0	11,094
State of Tennessee	0	31,244	31,244	0	31,244
Federal Government	2,494,303	2,170,814	4,665,117	0	4,665,117
Total Revenues	<u>\$ 2,494,303</u>	<u>\$ 3,077,356</u>	<u>\$ 5,571,659</u>	<u>\$ 0</u>	<u>\$ 5,571,659</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,342,343	\$ 0	\$ 1,342,343	\$ 0	\$ 1,342,343
Support Services	1,138,269	0	1,138,269	0	1,138,269
Operation of Non-Instructional Services	0	3,355,312	3,355,312	0	3,355,312
Capital Projects	0	0	0	53,608	53,608
Total Expenditures	<u>\$ 2,480,612</u>	<u>\$ 3,355,312</u>	<u>\$ 5,835,924</u>	<u>\$ 53,608</u>	<u>\$ 5,889,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,691</u>	<u>\$ (277,956)</u>	<u>\$ (264,265)</u>	<u>\$ (53,608)</u>	<u>\$ (317,873)</u>
Net Change in Fund Balances	\$ 13,691	\$ (277,956)	\$ (264,265)	\$ (53,608)	\$ (317,873)
Fund Balance, July 1, 2014	<u>150,000</u>	<u>912,319</u>	<u>1,062,319</u>	<u>111,283</u>	<u>1,173,602</u>
Fund Balance, June 30, 2015	<u>\$ 163,691</u>	<u>\$ 634,363</u>	<u>\$ 798,054</u>	<u>\$ 57,675</u>	<u>\$ 855,729</u>

Exhibit I-8

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cheatham County School Department
General Purpose School Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 11,144,239	\$ 0	\$ 11,144,239	\$ 10,541,120	\$ 10,541,120	\$ 603,119
Licenses and Permits	3,097	0	3,097	3,157	3,157	(60)
Charges for Current Services	1,237,478	0	1,237,478	1,201,294	1,201,294	36,184
Other Local Revenues	129,799	0	129,799	82,711	82,711	47,088
State of Tennessee	33,260,420	0	33,260,420	32,871,023	33,067,823	192,597
Federal Government	316,290	0	316,290	413,571	1,046,774	(730,484)
Other Governments and Citizens Groups	672,471	0	672,471	0	722,471	(50,000)
Total Revenues	\$ 46,763,794	\$ 0	\$ 46,763,794	\$ 45,112,876	\$ 46,665,350	\$ 98,444
Expenditures						
Instruction						
Regular Instruction Program	\$ 22,815,016	\$ (575)	\$ 22,814,441	\$ 23,643,575	\$ 24,979,229	\$ 2,164,788
Alternative Instruction Program	134,237	0	134,237	172,830	175,947	41,710
Special Education Program	3,626,057	0	3,626,057	3,472,442	3,669,807	43,750
Vocational Education Program	1,020,205	0	1,020,205	1,159,570	1,182,563	162,358
Adult Education Program	85,220	0	85,220	86,452	88,080	2,860
Support Services						
Attendance	55,874	0	55,874	58,293	61,613	5,739
Health Services	471,052	(10,997)	460,055	457,602	964,442	504,387
Other Student Support	1,358,221	(16,829)	1,341,392	1,387,349	1,374,911	33,519
Regular Instruction Program	1,581,905	(1,819)	1,580,086	1,512,047	1,617,666	37,580
Alternative Instruction Program	33,984	0	33,984	39,754	40,627	6,643
Special Education Program	520,243	0	520,243	527,536	541,195	20,952
Vocational Education Program	78,382	0	78,382	78,134	79,789	1,407
Adult Programs	34,490	0	34,490	41,289	41,872	7,382

(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 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Other Programs	\$ 180,375	\$ 0	\$ 180,375	\$ 0	\$ 180,375	\$ 0
Board of Education	773,267	(1,034)	772,233	811,300	826,696	54,463
Director of Schools	271,975	(1,761)	270,214	295,552	278,753	8,539
Office of the Principal	2,445,010	(6,784)	2,438,226	2,439,778	2,486,937	48,711
Fiscal Services	506,817	(1,894)	504,923	376,701	640,660	135,737
Human Services/Personnel	100,814	0	100,814	105,600	117,693	16,879
Operation of Plant	3,216,548	0	3,216,548	3,397,574	3,359,574	143,026
Maintenance of Plant	1,538,080	(3,252)	1,534,828	1,264,112	1,556,895	22,067
Transportation	2,998,110	(138,525)	2,859,585	2,021,986	3,039,117	179,532
<u>Operation of Non-Instructional Services</u>						
Community Services	1,170,399	(9,500)	1,160,899	1,277,693	1,342,481	181,582
Early Childhood Education	497,024	0	497,024	497,023	497,024	0
<u>Capital Outlay</u>						
Regular Capital Outlay	843,555	(781,885)	61,670	129,000	129,000	67,330
<u>Principal on Debt</u>						
Education	0	0	0	405,288	0	0
<u>Interest on Debt</u>						
Education	0	0	0	33,060	3,048	3,048
<u>Other Debt Service</u>						
Education	612,835	0	612,835	0	612,835	0
Total Expenditures	\$ 46,969,695	\$ (974,855)	\$ 45,994,840	\$ 45,691,540	\$ 49,888,829	\$ 3,893,989
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (205,901)	\$ 974,855	\$ 768,954	\$ (578,664)	\$ (3,223,479)	\$ 3,992,433

(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 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0
Insurance Recovery	87,006	0	87,006	75,000	75,000	12,006
Transfers In	0	0	0	20,000	20,000	(20,000)
Total Other Financing Sources	\$ 87,006	\$ 0	\$ 87,006	\$ 145,000	\$ 95,000	\$ (7,994)
Net Change in Fund Balance	\$ (118,895)	\$ 974,855	\$ 855,960	\$ (433,664)	\$ (3,128,479)	\$ 3,984,439
Fund Balance, July 1, 2014	9,070,440	(974,855)	8,095,585	7,794,091	7,794,091	301,494
Fund Balance, June 30, 2015	\$ 8,951,545	\$ 0	\$ 8,951,545	\$ 7,360,427	\$ 4,665,612	\$ 4,285,933

Exhibit I-9

Cheatham County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cheatham County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,494,303	\$ 2,450,909	\$ 2,684,588	\$ (190,285)
Total Revenues	\$ 2,494,303	\$ 2,450,909	\$ 2,684,588	\$ (190,285)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 339,668	\$ 274,399	\$ 422,015	\$ 82,347
Special Education Program	937,520	1,012,479	1,007,231	69,711
Vocational Education Program	65,155	62,191	65,155	0
<u>Support Services</u>				
Other Student Support	447,804	447,527	467,139	19,335
Regular Instruction Program	413,861	427,395	530,485	116,624
Special Education Program	261,261	231,365	277,236	15,975
Vocational Education Program	1,553	3,843	1,553	0
Transportation	13,790	15,200	20,163	6,373
Total Expenditures	\$ 2,480,612	\$ 2,474,399	\$ 2,790,977	\$ 310,365
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,691	\$ (23,490)	\$ (106,389)	\$ 120,080
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (10,675)	\$ (8,741)	\$ 8,741
Total Other Financing Sources	\$ 0	\$ (10,675)	\$ (8,741)	\$ 8,741
Net Change in Fund Balance	\$ 13,691	\$ (34,165)	\$ (115,130)	\$ 128,821
Fund Balance, July 1, 2014	150,000	150,000	150,000	0
Fund Balance, June 30, 2015	\$ 163,691	\$ 115,835	\$ 34,870	\$ 128,821

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 864,204	\$ 1,489,976	\$ 1,489,976	\$ (625,772)
Other Local Revenues	11,094	3,500	7,476	3,618
State of Tennessee	31,244	35,600	35,600	(4,356)
Federal Government	2,170,814	2,124,600	2,124,600	46,214
Total Revenues	<u>\$ 3,077,356</u>	<u>\$ 3,653,676</u>	<u>\$ 3,657,652</u>	<u>\$ (580,296)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,355,312	\$ 3,653,648	\$ 3,653,648	\$ 298,336
Total Expenditures	<u>\$ 3,355,312</u>	<u>\$ 3,653,648</u>	<u>\$ 3,653,648</u>	<u>\$ 298,336</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (277,956)</u>	<u>\$ 28</u>	<u>\$ 4,004</u>	<u>\$ (281,960)</u>
Net Change in Fund Balance	\$ (277,956)	\$ 28	\$ 4,004	\$ (281,960)
Fund Balance, July 1, 2014	<u>912,319</u>	<u>911,507</u>	<u>911,507</u>	<u>812</u>
Fund Balance, June 30, 2015	<u>\$ 634,363</u>	<u>\$ 911,535</u>	<u>\$ 915,511</u>	<u>\$ (281,148)</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Cheatham County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/ or Matured During Period	Outstanding 6-30-15
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Sewer System	\$ 966,000	3.04	% 8-29-12	8-1-24	\$ 900,000	\$ 0	\$ 70,000	\$ 830,000
Tucker Empson Roof	650,000	4.5625	12-15-12	12-15-15	650,000	0	0	650,000
Waterlines	910,000	2.68	6-19-13	6-1-25	845,000	0	227,188	617,812
Fire Station and Equipment	995,000	2.79	8-29-13	8-1-23	995,000	0	87,000	908,000
EMS Vehicles	93,766	Variable	6-25-14	5-21-15	93,766	0	93,766	0
Total Payable through General Debt Service Fund					<u>\$ 3,483,766</u>	<u>\$ 0</u>	<u>\$ 477,954</u>	<u>\$ 3,005,812</u>
<u>Payable through Education Debt Service Fund</u>								
School Buses	600,361	4.5	6-25-14	5-21-15	\$ 600,361	\$ 0	\$ 600,361	\$ 0
School Buses	672,471	4.0	6-29-15	6-29-18	0	672,471	0	672,471
Total Payable through Education Debt Service Fund					<u>\$ 600,361</u>	<u>\$ 672,471</u>	<u>\$ 600,361</u>	<u>\$ 672,471</u>
Total Notes Payable					<u>\$ 4,084,127</u>	<u>\$ 672,471</u>	<u>\$ 1,078,315</u>	<u>\$ 3,678,283</u>

(Continued)

Exhibit J-1

Cheatham County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7-1-14</u>	<u>Issued During Period</u>	<u>Paid and/ or Matured During Period</u>	<u>Outstanding 6-30-15</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
A.O. Smith Property	\$ 2,575,000	Variable	12-22-10	5-25-17	\$ 1,233,000	\$ 0	\$ 397,000	\$ 836,000
Total Payable through General Debt Service Fund					<u>\$ 1,233,000</u>	<u>\$ 0</u>	<u>\$ 397,000</u>	<u>\$ 836,000</u>
<u>Payable through Education Debt Service Fund</u>								
Public Works Projects	7,040,703	Variable	11-1-1999	5-25-19	\$ 2,143,932	\$ 0	\$ 470,446	\$ 1,673,486
Public Works Projects	2,262,948	Variable	6-14-00	5-25-19	801,065	0	155,626	645,439
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>								
Energy Efficient Schools Initiative	5,028,918	.75	%	5-31-11	5-1-24	4,187,980	0	408,336
Total Payable through Education Debt Service Fund					<u>\$ 7,132,977</u>	<u>\$ 0</u>	<u>\$ 1,034,408</u>	<u>\$ 6,098,569</u>
Total Other Loans Payable					<u>\$ 8,365,977</u>	<u>\$ 0</u>	<u>\$ 1,431,408</u>	<u>\$ 6,934,569</u>
<u>BONDS PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
Refunding	7,894,500	3.14		4-29-09	6-1-22	\$ 4,952,500	\$ 0	\$ 558,000
Refunding	4,805,000	1.97		5-30-14	6-1-19	4,805,000	0	880,000
Total Payable through Education Debt Service Fund					<u>\$ 9,757,500</u>	<u>\$ 0</u>	<u>\$ 1,438,000</u>	<u>\$ 8,319,500</u>
Total Bonds Payable					<u>\$ 9,757,500</u>	<u>\$ 0</u>	<u>\$ 1,438,000</u>	<u>\$ 8,319,500</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 880,812	\$ 119,684	\$ 1,000,496
2017	238,000	85,429	323,429
2018	917,471	80,701	998,172
2019	252,000	44,316	296,316
2020	258,000	37,097	295,097
2021	266,000	29,693	295,693
2022	274,000	22,075	296,075
2023	281,000	14,228	295,228
2024	216,000	6,170	222,170
2025	95,000	1,444	96,444
Total	<u>\$ 3,678,283</u>	<u>\$ 440,837</u>	<u>\$ 4,119,120</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,479,783	\$ 42,686	\$ 33,560	\$ 1,556,029
2017	1,529,747	33,184	24,537	1,587,468
2018	1,142,379	23,412	13,873	1,179,664
2019	667,320	18,258	4,595	690,173
2020	423,936	14,412	0	438,348
2021	427,128	11,220	0	438,348
2022	430,344	8,004	0	438,348
2023	433,584	4,764	0	438,348
2024	400,348	1,479	0	401,827
Total	<u>\$ 6,934,569</u>	<u>\$ 157,419</u>	<u>\$ 76,565</u>	<u>\$ 7,168,553</u>

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,500,000	\$ 217,609	\$ 1,717,609
2017	1,558,000	180,637	1,738,637
2018	1,637,210	142,628	1,779,838
2019	1,768,000	102,580	1,870,580
2020	724,000	59,258	783,258
2021	713,590	36,047	749,637
2022	418,700	13,330	432,030
Total	\$ 8,319,500	\$ 752,089	\$ 9,071,589

Exhibit J-3

Cheatham County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Cheatham County School Department

For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Development Tax	\$ 2,770
General	General Debt Service	To close projects	160,188
Drug Control	General	DICE Officer Salary Reimbursement	<u>56,847</u>
Total Transfers Primary Government			<u>\$ 219,805</u>

Exhibit J-4

Cheatham County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 81,153	\$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	80,263	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	123,454 (1)	(2)	
Trustee	Section 8-24-102, <i>TCA</i>	70,263	1,600,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263	10,000	Western Surety Company
Director of Accounts and Budgets	County Commission	79,179 (3)	100,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	70,263 (4)	100,000	"
Register of Deeds:				
Delores Moulton (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	13,512	25,000	"
Patrick Smith (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	56,751	100,000	"
Sheriff:				
John Holder (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	14,863 (5)	50,000	"
Mike Breedlove (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	62,427	100,000	"
<u>Employee Bonds</u>				
General Employee Blanket Bond			150,000	Local Government Property and Casualty Fund
School Employee Blanket Bond			150,000	Tennessee Risk Management Trust
Director of Emergency Medical Services and Coroner			25,000	RLI Insurance Company
Emergency Management Coordinator			10,000	"

- (1) Includes a \$1,000 CEO supplement and \$10,000 performance incentive bonus.
- (2) Covered under the school employee blanket bond.
- (3) Includes \$8,916 for serving as purchasing director.
- (4) Does not include special commissioner fees totaling \$4,000.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,335,530	\$ 0	\$ 848,682	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	238,291	0	24,719	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	143,608	0	14,616	0	0	0
Interest and Penalty	98,645	0	9,533	0	0	0
Pickup Taxes	10,782	0	1,308	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	68,466	0	7,341	0	0	0
Payments in-Lieu-of Taxes - Other	4,614	0	470	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,162	0	0	0	0	0
Hotel/Motel Tax	55,241	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	93,474	8,036	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	32,182	0	0	0	0	0
Business Tax	19,708	0	0	0	0	0
Adequate Facilities/Development Tax	4,155	0	0	0	0	0
Other County Local Option Taxes	942,252	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	12,799	0	1,563	0	0	0
Wholesale Beer Tax	310,518	0	0	0	0	0
Beer Privilege Tax	1,667	0	0	0	0	0
Interstate Telecommunications Tax	2,534	0	0	0	0	0
Total Local Taxes	\$ 10,380,628	\$ 8,036	\$ 908,232	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 4,660	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	2,290	0	0	0	0	0
Cable TV Franchise	211,035	0	0	0	0	0
<u>Permits</u>						
Beer Permits	250	0	0	0	0	0
Building Permits	189,762	0	0	0	0	0
Other Permits	6,638	0	0	0	0	0
Total Licenses and Permits	<u>\$ 414,635</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 16,010	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,824	0	0	0	0	0
Data Entry Fee - Circuit Court	2,528	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	25,107	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	67,537	0	0	0	0	0
Game and Fish Fines	295	0	0	0	0	0
Jail Fees	30,132	0	0	0	0	0
Judicial Commissioner Fees	106	0	0	0	0	0
DUI Treatment Fines	8,053	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,263	0	0	0	0	0
Courtroom Security Fee	40	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 722	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Chancery Court</u>						
Officers Costs	90	0	0	0	0	0
Data Entry Fee - Chancery Court	4,632	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	0	0	0	21,907	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	20,632	0	0
Data Entry Fee - Other Courts	93	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	3,303	0	0	1,508	0	0
Total Fines, Forfeitures, and Penalties	\$ 177,783	\$ 0	\$ 0	\$ 44,047	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	53,833
Tipping Fees	0	0	128,253	0	0	0
Surcharge - Waste Tire Disposal	0	0	7,473	0	0	0
Patient Charges	919,900	0	0	0	0	0
Other General Service Charges	29,699	0	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	2,470	0	0	0	0	0
Copy Fees	3,178	0	0	0	0	0
Library Fees	6,103	0	0	0	0	0
Archives and Records Management Fee	14,457	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	46,373	0	0	0	0	0
Constitutional Officers' Fees and Commissions	23,266	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	4,000	0
Data Processing Fee - Register	16,875	0	0	0	0	0
Probation Fees	47,310	0	0	0	0	0
Data Processing Fee - Sheriff	5,248	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,800	0	0	0	0	0
Data Processing Fee - County Clerk	9,594	0	0	0	0	0
Total Charges for Current Services	\$ 1,132,573	\$ 0	\$ 135,726	\$ 0	\$ 4,000	\$ 53,833
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 103,417	\$ 0	\$ 14	\$ 0	\$ 0	\$ 0
Lease/Rentals	52,808	0	0	0	0	0
Commissary Sales	3,205	0	0	0	0	0
Sale of Maps	2,100	0	0	0	0	0
Sale of Recycled Materials	0	0	16,959	0	0	0
Sale of Animals/Livestock	749	0	0	0	0	0
Miscellaneous Refunds	23,620	0	0	0	0	0
Expenditure Credits	1,864	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	1,557	0	0	0	0	0
Contributions and Gifts	34,414	0	0	15,741	0	0
Performance Bond Forfeitures	1,425	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 9,103	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 234,262	\$ 0	\$ 16,973	\$ 15,741	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 396,537	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	297,640	0	0	0	0	0
Clerk and Master	150,712	0	0	0	0	0
Register	187,955	0	0	0	0	0
Sheriff	23,429	0	0	0	0	0
Trustee	649,795	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,706,068	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 18,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	40,800	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	36,500	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	796	0	0	0	0	0
Income Tax	90,250	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Unemployment Compensation
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 9,325	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	45,781	0	0	0	0	0
State Revenue Sharing - T.V.A.	240,340	0	25,730	0	0	0
Prisoner Transportation	1,762	0	0	0	0	0
Contracted Prisoner Boarding	363,673	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	2,287	0	0	0	0	0
Other State Revenues	35,361	0	0	0	0	0
Total State of Tennessee	\$ 918,229	\$ 0	\$ 25,730	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 32,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	1,500	0	0	0	0	0
Other Federal through State	29,241	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	30,400	0	0	0	0	0
Total Federal Government	\$ 93,991	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 458,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 458,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 15,516,564	\$ 8,036	\$ 1,086,661	\$ 59,788	\$ 4,000	\$ 53,833

(Continued)

Exhibit J-5

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
	Highway / Public Works					
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 534,875	\$ 320,922	\$ 1,349,227	\$ 0	\$ 342,331	\$ 11,731,567
Trustee's Collections - Prior Year	15,168	9,786	32,202	12	10,518	330,696
Circuit Clerk/Clerk and Master Collections - Prior Years	10,056	10,056	39,556	0	1,341	219,233
Interest and Penalty	6,205	5,059	19,171	4	2,493	141,110
Pickup Taxes	911	640	305	0	667	14,613
Payments in-Lieu-of Taxes - Local Utilities	4,755	3,011	8,326	0	3,244	95,143
Payments in-Lieu-of Taxes - Other	296	177	732	0	192	6,481
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	1,674,501	0	0	1,680,663
Hotel/Motel Tax	0	0	0	0	0	55,241
Wheel Tax	420,256	0	1,260,767	0	0	1,681,023
Litigation Tax - General	0	0	0	0	0	101,510
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	32,182
Business Tax	0	217,994	0	0	0	237,702
Adequate Facilities/Development Tax	0	0	25,883	0	0	30,038
Other County Local Option Taxes	0	0	0	0	0	942,252
<u>Statutory Local Taxes</u>						
Bank Excise Tax	1,092	771	289	0	803	17,317
Wholesale Beer Tax	0	0	0	0	0	310,518
Beer Privilege Tax	0	0	0	0	0	1,667
Interstate Telecommunications Tax	0	0	0	0	0	2,534
Total Local Taxes	\$ 993,614	\$ 568,416	\$ 4,410,959	\$ 16	\$ 361,589	\$ 17,631,490

(Continued)

Exhibit J-5

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
	Highway / Public Works					
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,660
Animal Vaccination	0	0	0	0	0	2,290
Cable TV Franchise	0	0	0	0	0	211,035
<u>Permits</u>						
Beer Permits	0	0	0	0	0	250
Building Permits	0	0	0	0	0	189,762
Other Permits	0	0	0	0	0	6,638
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	414,635
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,010
Officers Costs	0	0	0	0	0	7,824
Data Entry Fee - Circuit Court	0	0	0	0	0	2,528
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	25,107
Fines for Littering	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	67,537
Game and Fish Fines	0	0	0	0	0	295
Jail Fees	0	0	0	0	0	30,132
Judicial Commissioner Fees	0	0	0	0	0	106
DUI Treatment Fines	0	0	0	0	0	8,053
Data Entry Fee - General Sessions Court	0	0	0	0	0	11,263
Courtroom Security Fee	0	0	0	0	0	40

(Continued)

Exhibit J-5

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
	Highway / Public Works					
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	722
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	90
Data Entry Fee - Chancery Court	0	0	0	0	0	4,632
<u>Other Courts - In-county</u>						
Drug Control Fines	0	0	0	0	0	21,907
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	20,632
Data Entry Fee - Other Courts	0	0	0	0	0	93
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	4,811
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	221,830
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	53,833
Tipping Fees	0	0	0	0	0	128,253
Surcharge - Waste Tire Disposal	0	0	0	0	0	7,473
Patient Charges	0	0	0	0	0	919,900
Other General Service Charges	0	0	0	0	0	29,699
<u>Fees</u>						
Engineer Review Fees	0	0	0	0	0	2,470
Copy Fees	0	0	0	0	0	3,178
Library Fees	0	0	0	0	0	6,103
Archives and Records Management Fee	0	0	0	0	0	14,457

(Continued)

Exhibit J-5

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	General	Education	General	Other	
	Highway / Public Works	Debt Service	Debt Service	Capital Projects	Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	300
Telephone Commissions	0	0	0	0	0	46,373
Constitutional Officers' Fees and Commissions	0	0	0	0	0	23,266
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	4,000
Data Processing Fee - Register	0	0	0	0	0	16,875
Probation Fees	0	0	0	0	0	47,310
Data Processing Fee - Sheriff	0	0	0	0	0	5,248
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	7,800
Data Processing Fee - County Clerk	0	0	0	0	0	9,594
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,326,132
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 7	\$ 0	\$ 0	\$ 0	\$ 0	103,438
Lease/Rentals	0	0	0	0	0	52,808
Commissary Sales	0	0	0	0	0	3,205
Sale of Maps	0	0	0	0	0	2,100
Sale of Recycled Materials	1,734	0	0	0	0	18,693
Sale of Animals/Livestock	0	0	0	0	0	749
Miscellaneous Refunds	8,786	0	260	0	0	32,666
Expenditure Credits	0	0	0	0	0	1,864
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	5,821	7,378
Contributions and Gifts	0	0	174,487	0	0	224,642
Performance Bond Forfeitures	0	0	0	0	0	1,425

(Continued)

Exhibit J-5

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
	Highway / Public Works					
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,103
Total Other Local Revenues	\$ 10,527	\$ 0	\$ 174,747	\$ 0	\$ 5,821	458,071
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	396,537
Circuit Court Clerk	0	0	0	0	0	297,640
Clerk and Master	0	0	0	0	0	150,712
Register	0	0	0	0	0	187,955
Sheriff	0	0	0	0	0	23,429
Trustee	0	0	0	0	0	649,795
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,706,068
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	18,135
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	40,800
<u>Public Works Grants</u>						
Bridge Program	96,352	0	0	0	0	96,352
Litter Program	0	0	0	0	0	36,500
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	796
Income Tax	0	0	0	0	0	90,250
Beer Tax	0	0	0	0	0	18,055

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,325
Alcoholic Beverage Tax	0	0	0	0	0	45,781
State Revenue Sharing - T.V.A.	16,563	10,485	27,584	0	11,599	332,301
Prisoner Transportation	0	0	0	0	0	1,762
Contracted Prisoner Boarding	0	0	0	0	0	363,673
Gasoline and Motor Fuel Tax	1,626,114	0	0	0	0	1,626,114
Petroleum Special Tax	28,216	0	0	0	0	28,216
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	2,287
Other State Revenues	0	0	0	0	0	35,361
Total State of Tennessee	\$ 1,767,245	\$ 10,485	\$ 27,584	\$ 0	\$ 11,599	\$ 2,760,872
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	32,850
Homeland Security Grants	0	0	0	0	0	1,500
Other Federal through State	0	0	0	0	0	29,241
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	0	0	0	0	0	30,400
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	93,991
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 438,348	\$ 0	\$ 0	896,743
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 438,348	\$ 0	\$ 0	896,743
Total	\$ 2,771,386	\$ 578,901	\$ 5,051,638	\$ 16	\$ 379,009	\$ 25,509,832

Exhibit J-6

Cheatham County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 8,094,467	\$ 0	\$ 0	\$ 8,094,467
Trustee's Collections - Prior Year	231,556	0	0	231,556
Circuit Clerk/Clerk and Master Collections - Prior Years	147,487	0	0	147,487
Interest and Penalty	92,170	0	0	92,170
Pickup Taxes	10,477	0	0	10,477
Payments in-Lieu-of Taxes - Local Utilities	33,804	0	0	33,804
Payments in-Lieu-of Taxes - Other	318	0	0	318
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,091,179	0	0	2,091,179
Wheel Tax	416,189	0	0	416,189
Mixed Drink Tax	10,410	0	0	10,410
<u>Statutory Local Taxes</u>				
Bank Excise Tax	12,438	0	0	12,438
Interstate Telecommunications Tax	3,744	0	0	3,744
Total Local Taxes	\$ 11,144,239	\$ 0	\$ 0	\$ 11,144,239
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,097	\$ 0	\$ 0	\$ 3,097
Total Licenses and Permits	\$ 3,097	\$ 0	\$ 0	\$ 3,097
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 2,734	\$ 0	\$ 0	\$ 2,734

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Tuition - Summer School	\$ 1,100	\$ 0	\$ 0	\$ 1,100
Lunch Payments - Children	0	0	427,273	427,273
Lunch Payments - Adults	0	0	47,107	47,107
Income from Breakfast	0	0	50,248	50,248
A la Carte Sales	0	0	296,225	296,225
Receipts from Individual Schools	89,048	0	0	89,048
Community Service Fees - Children	1,144,596	0	0	1,144,596
Other Charges for Services	0	0	43,351	43,351
Total Charges for Current Services	\$ 1,237,478	\$ 0	\$ 864,204	\$ 2,101,682
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 190	\$ 0	\$ 438	\$ 628
Commodity Rebates	0	0	3,680	3,680
Miscellaneous Refunds	14,713	0	6,976	21,689
<u>Nonrecurring Items</u>				
Sale of Equipment	550	0	0	550
Damages Recovered from Individuals	1,568	0	0	1,568
Contributions and Gifts	25,234	0	0	25,234
<u>Other Local Revenues</u>				
Other Local Revenues	87,544	0	0	87,544
Total Other Local Revenues	\$ 129,799	\$ 0	\$ 11,094	\$ 140,893

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 180,375	\$ 0	\$ 0	\$ 180,375
<u>State Education Funds</u>				
Basic Education Program	31,988,308	0	0	31,988,308
Early Childhood Education	497,023	0	0	497,023
School Food Service	0	0	31,244	31,244
Other State Education Funds	11,771	0	0	11,771
Career Ladder Program	108,325	0	0	108,325
Career Ladder - Extended Contract	29,470	0	0	29,470
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	231,808	0	0	231,808
Other State Grants	213,340	0	0	213,340
Total State of Tennessee	\$ 33,260,420	\$ 0	\$ 31,244	\$ 33,291,664
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,430,932	\$ 1,430,932
USDA - Commodities	0	0	170,753	170,753
Breakfast	0	0	517,805	517,805
USDA - Other	0	0	51,324	51,324
Vocational Education - Basic Grants to States	0	79,209	0	79,209
Title I Grants to Local Education Agencies	0	934,280	0	934,280
Special Education - Grants to States	133,203	1,183,898	0	1,317,101
Special Education Preschool Grants	0	27,522	0	27,522
Eisenhower Professional Development State Grants	0	158,102	0	158,102

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Race to the Top - ARRA	\$ 0	\$ 111,292	\$ 0	\$ 111,292
Other Federal through State	146,523	0	0	146,523
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	36,564	0	0	36,564
Total Federal Government	<u>\$ 316,290</u>	<u>\$ 2,494,303</u>	<u>\$ 2,170,814</u>	<u>\$ 4,981,407</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 672,471	\$ 0	\$ 0	\$ 672,471
Total Other Governments and Citizens Groups	<u>\$ 672,471</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 672,471</u>
Total	<u>\$ 46,763,794</u>	<u>\$ 2,494,303</u>	<u>\$ 3,077,356</u>	<u>\$ 52,335,453</u>

Exhibit J-7

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Other Salaries and Wages	\$	9,336	
Board and Committee Members Fees		64,922	
Social Security		5,627	
Audit Services		17,732	
Dues and Memberships		1,550	
Legal Services		15,698	
Other Supplies and Materials		438	
Total County Commission			\$ 115,303

County Mayor/Executive

County Official/Administrative Officer	\$	81,153	
Secretary(ies)		40,135	
Social Security		9,230	
State Retirement		7,035	
Communication		7,647	
Dues and Memberships		13,637	
Legal Services		9,942	
Maintenance and Repair Services - Office Equipment		725	
Maintenance and Repair Services - Vehicles		975	
Travel		2,338	
Gasoline		699	
Office Supplies		3,419	
Other Charges		3,500	
Building Improvements		1,377	
Motor Vehicles		19,576	
Total County Mayor/Executive			201,388

Personnel Office

Supervisor/Director	\$	58,736	
Social Security		4,493	
State Retirement		3,407	
Contracts with Private Agencies		3,835	
Dues and Memberships		75	
Office Supplies		178	
Office Equipment		226	
Total Personnel Office			70,950

Election Commission

County Official/Administrative Officer	\$	63,237	
Attendants		58,101	
Board and Committee Members Fees		3,135	
Election Workers		30,324	
In-service Training		975	
Other Per Diem and Fees		640	
Social Security		9,410	
State Retirement		6,385	
Advertising		12,395	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Communication	\$	2,502	
Dues and Memberships		150	
Maintenance and Repair Services - Equipment		15,616	
Postal Charges		2,800	
Printing, Stationery, and Forms		1,014	
Travel		374	
Office Supplies		1,497	
Data Processing Equipment		117	
Office Equipment		1,131	
Total Election Commission			\$ 209,803

Register of Deeds

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		53,164	
Part-time Personnel		7,110	
In-service Training		300	
Social Security		9,836	
State Retirement		6,531	
Communication		1,631	
Data Processing Services		13,631	
Dues and Memberships		837	
Legal Services		332	
Maintenance and Repair Services - Equipment		90	
Maintenance and Repair Services - Office Equipment		266	
Travel		689	
Office Supplies		2,001	
Office Equipment		6,762	
Total Register of Deeds			173,443

Building

County Official/Administrative Officer	\$	57,549	
Investigator(s)		51,856	
Secretary(ies)		34,003	
Board and Committee Members Fees		1,925	
In-service Training		1,846	
Social Security		10,868	
State Retirement		7,536	
Communication		3,290	
Consultants		12,126	
Data Processing Services		8,058	
Dues and Memberships		220	
Legal Services		9,258	
Maintenance and Repair Services - Equipment		3,757	
Maintenance and Repair Services - Vehicles		1,281	
Printing, Stationery, and Forms		750	
Gasoline		2,616	
Library Books/Media		2,898	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Office Supplies	\$	892	
Office Equipment		1,673	
Total Building			\$ 212,402

County Buildings

Assistant(s)	\$	26,003	
Supervisor/Director		42,786	
Custodial Personnel		44,884	
Maintenance Personnel		16,293	
In-service Training		69	
Social Security		9,664	
State Retirement		5,886	
Maintenance and Repair Services - Buildings		66,040	
Maintenance and Repair Services - Office Equipment		2,964	
Maintenance and Repair Services - Vehicles		1,375	
Pest Control		3,788	
Rentals		504	
Custodial Supplies		13,557	
Diesel Fuel		503	
Electricity		191,411	
Fertilizer, Lime, and Seed		5,269	
Gasoline		4,145	
Natural Gas		35,508	
Propane Gas		6,803	
Tires and Tubes		340	
Water and Sewer		82,812	
Other Supplies and Materials		908	
Building Improvements		10,000	
Maintenance Equipment		2,640	
Other Equipment		50,737	
Total County Buildings			624,889

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	70,263	
Assistant(s)		57,289	
Data Processing Personnel		30,567	
Salary Supplements		8,916	
Clerical Personnel		38,272	
In-service Training		1,110	
Social Security		15,434	
State Retirement		11,908	
Advertising		15,323	
Data Processing Services		12,703	
Dues and Memberships		75	
Maintenance and Repair Services - Equipment		399	
Postal Charges		34,873	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Printing, Stationery, and Forms	\$	2,879	
Travel		2,269	
Office Supplies		3,631	
Building Improvements		10,118	
Office Equipment		2,897	
Total Accounting and Budgeting			\$ 318,926

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		43,387	
Assessment Personnel		78,969	
Part-time Personnel		10,325	
Board and Committee Members Fees		2,890	
Social Security		14,497	
State Retirement		11,172	
Communication		1,616	
Contracts with Private Agencies		8,125	
Data Processing Services		15,615	
Dues and Memberships		1,050	
Legal Services		35	
Maintenance and Repair Services - Office Equipment		192	
Maintenance and Repair Services - Vehicles		37	
Printing, Stationery, and Forms		113	
Gasoline		1,309	
Office Supplies		535	
Office Equipment		96	
Total Property Assessor's Office			260,226

Reappraisal Program

Deputy(ies)	\$	43,387	
Social Security		3,209	
State Retirement		2,517	
Total Reappraisal Program			49,113

County Trustee's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		104,776	
Part-time Personnel		8,142	
In-service Training		875	
Social Security		12,292	
State Retirement		10,152	
Communication		1,781	
Data Processing Services		9,723	
Dues and Memberships		647	
Legal Services		1,035	
Maintenance and Repair Services - Office Equipment		215	
Printing, Stationery, and Forms		12,370	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Travel	\$	1,588	
Office Supplies		3,296	
Office Equipment		300	
Total County Trustee's Office			\$ 237,455

County Clerk's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		168,806	
Internal Audit Personnel		31,523	
Part-time Personnel		28,510	
Other Salaries and Wages		11,000	
In-service Training		400	
Social Security		21,995	
State Retirement		13,613	
Communication		4,738	
Data Processing Services		29,304	
Dues and Memberships		1,482	
Legal Services		805	
Maintenance and Repair Services - Office Equipment		895	
Printing, Stationery, and Forms		4,721	
Travel		1,710	
Office Supplies		6,552	
Office Equipment		23,537	
Total County Clerk's Office			419,854

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		249,681	
Part-time Personnel		2,537	
Jury and Witness Expense		7,628	
Social Security		24,276	
State Retirement		17,883	
Communication		2,069	
Contracts with Government Agencies		3,000	
Data Processing Services		11,092	
Maintenance and Repair Services - Office Equipment		1,424	
Office Supplies		5,535	
Office Equipment		2,816	
Total Circuit Court			398,204

General Sessions Court

Judge(s)	\$	102,767	
Salary Supplements		17,181	
Social Security		7,709	
State Retirement		5,872	
Data Processing Services		27,005	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Dues and Memberships	\$	585	
Travel		938	
Other Charges		195	
Office Equipment		117	
Total General Sessions Court			\$ 162,369

Chancery Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		130,307	
Social Security		14,402	
State Retirement		11,633	
Communication		2,147	
Data Processing Services		7,575	
Dues and Memberships		692	
Maintenance and Repair Services - Office Equipment		570	
Office Supplies		3,150	
Furniture and Fixtures		1,825	
Office Equipment		2,801	
Total Chancery Court			245,365

Juvenile Court

Judge(s)	\$	48,063	
Probation Officer(s)		106,691	
Social Workers		51,443	
Salary Supplements		17,695	
Secretary(ies)		29,707	
Other Salaries and Wages		8,210	
Social Security		19,098	
State Retirement		13,174	
Communication		3,823	
Contracts with Government Agencies		500	
Data Processing Services		3,872	
Dues and Memberships		1,270	
Legal Services		52	
Maintenance and Repair Services - Office Equipment		1,101	
Travel		2,614	
Drugs and Medical Supplies		89	
Gasoline		552	
Library Books/Media		45	
Office Supplies		2,998	
Office Equipment		110	
Total Juvenile Court			311,107

District Attorney General

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services

Probation Officer(s)	\$	83,857	
Attendants		25,797	
In-service Training		300	
Social Security		8,364	
State Retirement		5,564	
Communication		1,837	
Maintenance and Repair Services - Office Equipment		643	
Printing, Stationery, and Forms		1,029	
Drugs and Medical Supplies		3,918	
Office Supplies		2,631	
Total Probation Services			\$ 133,940

Courtroom Security

Supervisor/Director	\$	11,803	
Guards		36,907	
Part-time Personnel		56,560	
Social Security		8,733	
State Retirement		2,825	
Uniforms		1,104	
Law Enforcement Equipment		1,511	
Other Equipment		8,253	
Total Courtroom Security			127,696

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,290	
Assistant(s)		36,568	
Supervisor/Director		66,213	
Deputy(ies)		957,130	
Detective(s)		51,915	
Investigator(s)		135,125	
Lieutenant(s)		31,424	
Sergeant(s)		165,446	
Clerical Personnel		61,735	
Overtime Pay		2,350	
Other Salaries and Wages		42,193	
In-service Training		11,141	
Social Security		120,880	
State Retirement		90,160	
Communication		28,389	
Data Processing Services		240	
Dues and Memberships		2,300	
Legal Services		13,816	
Maintenance and Repair Services - Equipment		8,549	
Maintenance and Repair Services - Office Equipment		25,447	
Maintenance and Repair Services - Vehicles		32,311	
Travel		6,310	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Gasoline	\$	125,570	
Instructional Supplies and Materials		8,408	
Law Enforcement Supplies		6,048	
Office Supplies		9,178	
Tires and Tubes		13,742	
Uniforms		51,446	
Other Supplies and Materials		1,604	
Liability Insurance		57,080	
Vehicle and Equipment Insurance		16,000	
Workers' Compensation Insurance		31,545	
Other Charges		5,420	
Law Enforcement Equipment		50,175	
Office Equipment		19,328	
Other Equipment		5,475	
Total Sheriff's Department			\$ 2,367,951

Jail

Supervisor/Director	\$	51,915	
Sergeant(s)		164,658	
Foremen		59,595	
Guards		672,079	
Clerical Personnel		28,848	
Social Security		71,280	
State Retirement		52,261	
Consultants		12,796	
Maintenance and Repair Services - Equipment		5,345	
Medical and Dental Services		353,176	
Custodial Supplies		21,219	
Food Supplies		112,555	
Law Enforcement Supplies		460	
Prisoners Clothing		10,306	
Uniforms		2,654	
Other Supplies and Materials		2,594	
Other Equipment		20,019	
Total Jail			1,641,760

Rural Fire Protection

Remittance of Revenue Collected	\$	880,326	
Total Rural Fire Protection			880,326

Other Emergency Management

Assistant(s)	\$	43,387	
Supervisor/Director		48,506	
Salary Supplements		6,000	
In-service Training		420	
Social Security		7,456	
State Retirement		5,678	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Communication	\$	5,855	
Maintenance and Repair Services - Vehicles		1,561	
Travel		792	
Gasoline		3,787	
Instructional Supplies and Materials		15	
Office Supplies		788	
Other Supplies and Materials		3,499	
Other Charges		1,595	
Communication Equipment		149,103	
Other Equipment		5,270	
Total Other Emergency Management			\$ 283,712

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	80,000	
Total County Coroner/Medical Examiner			80,000

Other Public Safety

Assistant(s)	\$	41,563	
Supervisor/Director		38,970	
Assessment Personnel		31,739	
Dispatchers/Radio Operators		406,725	
Part-time Personnel		10,248	
Social Security		39,659	
State Retirement		26,109	
Total Other Public Safety			595,013

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	13,045	
Social Security		998	
Communication		2,549	
Dues and Memberships		200	
Janitorial Services		9,000	
Travel		460	
Custodial Supplies		548	
Office Supplies		411	
Other Supplies and Materials		48	
Other Charges		15,253	
Site Development		13,298	
Total Local Health Center			55,810

Rabies and Animal Control

Supervisor/Director	\$	40,920	
Deputy(ies)		54,091	
Attendants		26,079	
In-service Training		2,690	
Social Security		9,144	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

State Retirement	\$	6,039	
Communication		3,255	
Licenses		150	
Maintenance and Repair Services - Equipment		185	
Maintenance and Repair Services - Office Equipment		38	
Maintenance and Repair Services - Vehicles		5,199	
Veterinary Services		2,245	
Animal Food and Supplies		5,390	
Custodial Supplies		6,079	
Drugs and Medical Supplies		19,017	
Gasoline		7,428	
Office Supplies		2,076	
Uniforms		2,439	
Office Equipment		2,536	
Other Equipment		15,673	
Total Rabies and Animal Control			\$ 210,673

Ambulance/Emergency Medical Services

Assistant(s)	\$	59,317
Supervisor/Director		56,020
Salary Supplements		8,200
Clerical Personnel		28,352
Attendants		1,102,561
Part-time Personnel		86,167
In-service Training		9,318
Social Security		99,460
State Retirement		69,648
Communication		10,824
Consultants		2,600
Contracts with Private Agencies		3,290
Dues and Memberships		100
Licenses		2,268
Maintenance and Repair Services - Equipment		8,234
Maintenance and Repair Services - Office Equipment		761
Maintenance and Repair Services - Vehicles		42,254
Rentals		16,812
Travel		2,856
Remittance of Revenue Collected		57,109
Disposal Fees		3,440
Drugs and Medical Supplies		142,435
Gasoline		47,297
Office Supplies		2,926
Tires and Tubes		3,794
Uniforms		18,111
Other Supplies and Materials		14,149
Liability Insurance		2,800
Vehicle and Equipment Insurance		7,600

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Workers' Compensation Insurance	\$	37,527	
Communication Equipment		287	
Furniture and Fixtures		7,222	
Office Equipment		6,126	
Total Ambulance/Emergency Medical Services			\$ 1,959,865

Other Local Health Services

Secretary(ies)	\$	28,646	
Social Security		2,144	
State Retirement		1,662	
Communication		117	
Total Other Local Health Services			32,569

General Welfare Assistance

Contracts with Government Agencies	\$	24,898	
Total General Welfare Assistance			24,898

Sanitation Education/Information

Foremen	\$	28,042	
Social Security		2,145	
State Retirement		1,627	
Maintenance and Repair Services - Vehicles		71	
Gasoline		3,025	
Instructional Supplies and Materials		7,300	
Other Supplies and Materials		545	
Total Sanitation Education/Information			42,755

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Matching Share	\$	91,081	
Total Senior Citizens Assistance			91,081

Libraries

Supervisor/Director	\$	69,940	
Part-time Personnel		81,272	
In-service Training		380	
Social Security		11,394	
State Retirement		4,057	
Communication		3,514	
Dues and Memberships		860	
Legal Services		105	
Maintenance and Repair Services - Equipment		221	
Travel		1,578	
Library Books/Media		32,980	
Office Supplies		8,552	
Office Equipment		9,628	
Total Libraries			224,481

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	33,633	
Educational Assistants		33,157	
Board and Committee Members Fees		175	
In-service Training		325	
Social Security		4,907	
State Retirement		6,902	
Communication		2,633	
Travel		1,708	
Office Supplies		2,205	
Office Equipment		2,692	
Total Agricultural Extension Service			\$ 88,337

Soil Conservation

Secretary(ies)	\$	33,157	
In-service Training		440	
Social Security		2,207	
State Retirement		1,923	
Dues and Memberships		250	
Travel		2,835	
Other Contracted Services		785	
Office Supplies		705	
Total Soil Conservation			42,302

Other Operations

Other Economic and Community Development

Supervisor/Director	\$	60,720	
Social Security		4,645	
State Retirement		3,522	
Total Other Economic and Community Development			68,887

Veterans' Services

Supervisor/Director	\$	24,175	
Part-time Personnel		3,528	
Social Security		2,119	
Communication		1,738	
Data Processing Services		117	
Dues and Memberships		25	
Maintenance and Repair Services - Office Equipment		526	
Postal Charges		200	
Travel		939	
Office Supplies		851	
Office Equipment		1,352	
Total Veterans' Services			35,570

Other Charges

Trustee's Commission	\$	224,893	
Total Other Charges			224,893

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 365,111	
Total Contributions to Other Agencies		\$ 365,111

Employee Benefits

Life Insurance	\$ 10,950	
Medical Insurance	1,351,847	
Total Employee Benefits		1,362,797

Miscellaneous

Longevity Pay	\$ 113,692	
Disability Insurance	25,783	
Unemployment Compensation	3,300	
Boiler Insurance	1,500	
Building and Contents Insurance	55,326	
Liability Insurance	42,230	
Premiums on Corporate Surety Bonds	7,353	
Vehicle and Equipment Insurance	8,200	
Workers' Compensation Insurance	32,516	
Total Miscellaneous		289,900

Capital Projects

Public Safety Projects

Building Construction	\$ 6,705	
Motor Vehicles	320,238	
Other Equipment	17,078	
Total Public Safety Projects		344,021

Public Utility Projects

Other Construction	\$ 378,970	
Total Public Utility Projects		378,970

Total General Fund		\$ 15,982,115
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Courthouse and Jail Maintenance Fund

General Government

County Buildings

Building Improvements	\$ 34,036	
Total County Buildings		\$ 34,036

Other General Administration

Trustee's Commission	\$ 79	
Total Other General Administration		79

Total Courthouse and Jail Maintenance Fund		34,115
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(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

General Government

Other General Administration

Trustee's Commission	\$ 19,654	
Total Other General Administration		\$ 19,654

Public Health and Welfare

Sanitation Management

Assistant(s)	\$ 32,062	
Supervisor/Director	49,872	
Equipment Operators	35,517	
Truck Drivers	33,201	
Social Security	11,403	
State Retirement	8,738	
Advertising	554	
Communication	2,717	
Dues and Memberships	100	
Electricity	6,254	
Office Supplies	1,266	
Water and Sewer	2,442	
Vehicle and Equipment Insurance	6,800	
Workers' Compensation Insurance	10,000	
Total Sanitation Management		200,926

Convenience Centers

Laborers	\$ 107,271	
In-service Training	670	
Social Security	8,207	
Communication	4,150	
Contracts with Government Agencies	397,113	
Contracts with Private Agencies	11,698	
Maintenance and Repair Services - Equipment	15,560	
Rentals	3,300	
Travel	487	
Diesel Fuel	19,200	
Electricity	5,980	
Equipment and Machinery Parts	7,402	
Lubricants	1,197	
Tires and Tubes	6,102	
Solid Waste Equipment	62,784	
Other Equipment	10,029	
Total Convenience Centers		661,150

Landfill Operation and Maintenance

Contracts with Private Agencies	\$ 2,500	
Evaluation and Testing	23,402	
Maintenance Agreements	510	
Maintenance and Repair Services - Equipment	10,762	
Crushed Stone	3,552	
Equipment and Machinery Parts	347	

(Continued)

Exhibit J-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>			
<u>Public Health and Welfare (Cont.)</u>			
<u>Landfill Operation and Maintenance (Cont.)</u>			
Small Tools	\$	993	
Other Supplies and Materials		<u>238</u>	
Total Landfill Operation and Maintenance			\$ 42,304
<u>Other Operations</u>			
<u>Employee Benefits</u>			
Life Insurance	\$	693	
Medical Insurance		<u>33,701</u>	
Total Employee Benefits			<u>34,394</u>
Total Solid Waste/Sanitation Fund			\$ 958,428
<u>Drug Control Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Trustee's Commission	\$	<u>517</u>	
Total Other General Administration			\$ 517
<u>Public Safety</u>			
<u>Special Patrols</u>			
In-service Training	\$	5,673	
Communication		2,554	
Maintenance and Repair Services - Equipment		130	
Maintenance and Repair Services - Vehicles		4,323	
Gasoline		6,319	
Tires and Tubes		640	
Uniforms		910	
Other Supplies and Materials		1,148	
Law Enforcement Equipment		9,772	
Motor Vehicles		47,880	
Office Equipment		<u>1,060</u>	
Total Special Patrols			80,409
<u>Drug Enforcement</u>			
Confidential Drug Enforcement Payments	\$	3,500	
Maintenance and Repair Services - Equipment		2,976	
Animal Food and Supplies		315	
Law Enforcement Supplies		1,022	
Fencing		494	
Other Supplies and Materials		17,374	
Communication Equipment		43,140	
Law Enforcement Equipment		<u>3,893</u>	
Total Drug Enforcement			<u>72,714</u>
Total Drug Control Fund			153,640

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 4,000	
Total Chancery Court		\$ 4,000

Total Constitutional Officers - Fees Fund		\$ 4,000
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Unemployment Compensation Fund

General Government

Other General Administration

Unemployment Compensation	\$ 61,478	
Total Other General Administration		\$ 61,478

Total Unemployment Compensation Fund		61,478
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 80,263	
Assistant(s)	39,939	
Clerical Personnel	53,459	
Advertising	409	
Contracts with Private Agencies	5,196	
Dues and Memberships	2,715	
Licenses	56	
Printing, Stationery, and Forms	75	
Travel	2,513	
Custodial Supplies	381	
Data Processing Supplies	77	
Office Supplies	156	
Other Supplies and Materials	1,666	
Furniture and Fixtures	20	
Office Equipment	487	
Total Administration		\$ 187,412

Highway and Bridge Maintenance

Foremen	\$ 172,062
Equipment Operators - Heavy	490,909
Truck Drivers	202,559
Laborers	41,364
Overtime Pay	9,293
Other Contracted Services	98,291
Asphalt - Cold Mix	6,440
Asphalt - Hot Mix	240,935
Asphalt - Liquid	109,015
Crushed Stone	34,525
Pipe - Metal	14,978
Road Signs	5,494
Salt	4,225

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Fencing	\$	275	
Other Supplies and Materials		2,856	
Bridge Construction		5,228	
Total Highway and Bridge Maintenance			\$ 1,438,449

Operation and Maintenance of Equipment

Foremen	\$	56,458	
Mechanic(s)		117,895	
Overtime Pay		3,298	
Rentals		1,304	
Diesel Fuel		53,372	
Equipment Parts - Light		22,892	
Equipment and Machinery Parts		64,161	
Garage Supplies		4,163	
Gasoline		38,160	
Lubricants		3,493	
Propane Gas		1	
Small Tools		411	
Tires and Tubes		22,772	
Uniforms		10,649	
Total Operation and Maintenance of Equipment			399,029

Other Charges

Communication	\$	4,535	
Electricity		16,176	
Natural Gas		2,686	
Water and Sewer		160	
Premiums on Corporate Surety Bonds		525	
Trustee's Commission		32,152	
Vehicle and Equipment Insurance		32,500	
Workers' Compensation Insurance		31,809	
Total Other Charges			120,543

Employee Benefits

Longevity Pay	\$	30,400	
Social Security		95,253	
State Retirement		71,968	
Life Insurance		989	
Medical Insurance		219,491	
Disability Insurance		4,454	
Total Employee Benefits			422,555

Capital Outlay

Other Equipment	\$	191,940	
Total Capital Outlay			191,940

Total Highway/Public Works Fund \$ 2,759,928

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>		
<u>General Government</u>		
<u>Other General Administration</u>		
Trustee's Commission	\$ 9,050	
Total Other General Administration		\$ 9,050
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Notes	\$ 477,954	
Principal on Other Loans	397,000	
Total General Government		874,954
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Notes	\$ 109,142	
Interest on Other Loans	13,155	
Total General Government		122,297
<u>Other Debt Service</u>		
<u>General Government</u>		
Other Debt Service	\$ 3,101	
Total General Government		3,101
Total General Debt Service Fund		\$ 1,009,402
<u>Education Debt Service Fund</u>		
<u>General Government</u>		
<u>Other General Administration</u>		
Trustee's Commission	\$ 57,906	
Total Other General Administration		\$ 57,906
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 1,438,000	
Principal on Notes	600,361	
Principal on Other Loans	1,034,408	
Total Education		3,072,769
<u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 252,590	
Interest on Notes	25,590	
Interest on Other Loans	36,542	
Total Education		314,722
<u>Other Debt Service</u>		
<u>Education</u>		
Other Debt Service	\$ 32,619	
Total Education		32,619
Total Education Debt Service Fund		3,478,016

(Continued)

Exhibit J-7

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	672,471	
Total Education Capital Projects			\$ 672,471
Total Education Capital Projects Fund			\$ 672,471
<u>Other Capital Projects Fund</u>			
<u>General Government</u>			
<u>Other General Administration</u>			
Trustee's Commission	\$	7,275	
Total Other General Administration			\$ 7,275
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Motor Vehicles	\$	413,960	
Total Other General Government Projects			413,960
Total Other Capital Projects Fund			421,235
Total Governmental Funds - Primary Government			\$ 25,534,828

Exhibit J-8

Cheatham County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Cheatham County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	14,535,738	
Career Ladder Program		66,030	
Career Ladder Extended Contracts		97,357	
Homebound Teachers		75	
Salary Supplements		289,260	
Educational Assistants		744,538	
Bonus Payments		443,750	
Certified Substitute Teachers		51,270	
Non-certified Substitute Teachers		182,780	
Social Security		958,304	
State Retirement		1,438,714	
Life Insurance		10,983	
Medical Insurance		2,599,998	
Dental Insurance		58,167	
Disability Insurance		46,468	
Employer Medicare		224,501	
Other Fringe Benefits		12,678	
Licenses		114,769	
Tuition		10,951	
Other Contracted Services		195,029	
Data Processing Supplies		44,848	
Instructional Supplies and Materials		198,659	
Textbooks		120,677	
Other Supplies and Materials		9,644	
In Service/Staff Development		3,589	
Fee Waivers		120,416	
Other Charges		5,797	
Regular Instruction Equipment		230,026	
Total Regular Instruction Program			\$ 22,815,016

Alternative Instruction Program

Teachers	\$	92,512	
Educational Assistants		10,247	
Bonus Payments		3,133	
Social Security		5,918	
State Retirement		8,456	
Medical Insurance		10,583	
Dental Insurance		1,567	
Employer Medicare		1,456	
Other Fringe Benefits		365	
Total Alternative Instruction Program			134,237

Special Education Program

Teachers	\$	1,793,906	
Career Ladder Program		11,000	
Educational Assistants		319,510	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	426,323	
Bonus Payments		73,459	
Other Salaries and Wages		60	
Certified Substitute Teachers		420	
Non-certified Substitute Teachers		9,782	
Social Security		147,510	
State Retirement		210,053	
Medical Insurance		385,032	
Dental Insurance		5,471	
Employer Medicare		36,272	
Other Fringe Benefits		1,590	
Contracts with Private Agencies		86,750	
Maintenance and Repair Services - Equipment		886	
Other Contracted Services		16,090	
Instructional Supplies and Materials		1,523	
Other Supplies and Materials		18,772	
Special Education Equipment		81,648	
Total Special Education Program			\$ 3,626,057

Vocational Education Program

Teachers	\$	747,750	
Career Ladder Program		1,000	
Bonus Payments		19,777	
Certified Substitute Teachers		270	
Non-certified Substitute Teachers		1,330	
Social Security		44,941	
State Retirement		69,266	
Medical Insurance		119,087	
Dental Insurance		2,537	
Employer Medicare		10,510	
Other Fringe Benefits		637	
Instructional Supplies and Materials		3,100	
Total Vocational Education Program			1,020,205

Adult Education Program

Teachers	\$	60,669	
Educational Assistants		7,066	
Bonus Payments		1,676	
Social Security		4,191	
State Retirement		5,619	
Medical Insurance		5,019	
Employer Medicare		980	
Total Adult Education Program			85,220

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	28,209	
Career Ladder Program		400	
Secretary(ies)		7,455	
Bonus Payments		911	
Social Security		2,182	
State Retirement		3,094	
Medical Insurance		12,061	
Employer Medicare		510	
Travel		16	
Other Supplies and Materials		166	
In Service/Staff Development		870	
Total Attendance			\$ 55,874

Health Services

Supervisor/Director	\$	56,917	
Medical Personnel		202,740	
Bonus Payments		7,274	
Social Security		14,912	
State Retirement		14,681	
Medical Insurance		50,943	
Dental Insurance		201	
Employer Medicare		3,488	
Other Fringe Benefits		35	
Communication		560	
Maintenance and Repair Services - Equipment		213	
Travel		6,606	
Other Contracted Services		2,591	
Drugs and Medical Supplies		1,606	
Other Supplies and Materials		42,538	
In Service/Staff Development		2,760	
Other Equipment		62,987	
Total Health Services			471,052

Other Student Support

Career Ladder Program	\$	1,600	
Guidance Personnel		816,989	
Bonus Payments		23,818	
Other Salaries and Wages		955	
Social Security		47,090	
State Retirement		73,297	
Medical Insurance		116,975	
Dental Insurance		1,935	
Employer Medicare		11,442	
Other Fringe Benefits		486	
Contracts with Government Agencies		160,000	
Licenses		49,600	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	35	
Other Supplies and Materials		44,809	
In Service/Staff Development		525	
Furniture and Fixtures		8,665	
Total Other Student Support			\$ 1,358,221

Regular Instruction Program

Supervisor/Director	\$	181,946	
Career Ladder Program		7,300	
Librarians		550,928	
Materials Supervisor		19,926	
Secretary(ies)		110,296	
Bonus Payments		29,657	
Other Salaries and Wages		224,249	
Social Security		65,565	
State Retirement		86,796	
Medical Insurance		168,872	
Dental Insurance		2,727	
Employer Medicare		15,334	
Other Fringe Benefits		660	
Dues and Memberships		80	
Licenses		11,714	
Travel		16,089	
Other Contracted Services		27,068	
Data Processing Supplies		8,309	
Library Books/Media		29,974	
In Service/Staff Development		8,476	
Other Charges		854	
Regular Instruction Equipment		14,120	
Other Equipment		965	
Total Regular Instruction Program			1,581,905

Alternative Instruction Program

Supervisor/Director	\$	21,157	
Career Ladder Program		300	
Clerical Personnel		5,591	
Bonus Payments		683	
Social Security		1,636	
State Retirement		2,320	
Medical Insurance		1,770	
Employer Medicare		383	
Other Supplies and Materials		144	
Total Alternative Instruction Program			33,984

Special Education Program

Supervisor/Director	\$	71,435	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$	230,364	
Secretary(ies)		34,512	
Bonus Payments		9,979	
Other Salaries and Wages		43,039	
Social Security		23,320	
State Retirement		32,424	
Medical Insurance		44,356	
Dental Insurance		520	
Employer Medicare		5,454	
Other Fringe Benefits		116	
Licenses		1,230	
Travel		8,615	
Other Contracted Services		5,385	
Data Processing Supplies		2,100	
Other Supplies and Materials		5,482	
In Service/Staff Development		1,912	
Total Special Education Program			\$ 520,243

Vocational Education Program

Supervisor/Director	\$	61,995	
Bonus Payments		1,550	
Social Security		3,935	
State Retirement		5,744	
Medical Insurance		3,514	
Employer Medicare		920	
Other Contracted Services		724	
Total Vocational Education Program			78,382

Adult Programs

Supervisor/Director	\$	21,157	
Career Ladder Program		300	
Clerical Personnel		5,591	
Bonus Payments		683	
Social Security		1,636	
State Retirement		2,320	
Medical Insurance		1,770	
Employer Medicare		383	
Other Contracted Services		650	
Total Adult Programs			34,490

Other Programs

On-behalf Payments to OPEB	\$	180,375	
Total Other Programs			180,375

Board of Education

Bonus Payments	\$	68	
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(Continued)

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.)

Other Salaries and Wages	\$	400	
Board and Committee Members Fees		15,075	
Social Security		961	
State Retirement		23	
Unemployment Compensation		50,533	
Employer Medicare		225	
Audit Services		5,507	
Dues and Memberships		7,887	
Legal Services		30,453	
Penalties		820	
Other Contracted Services		150	
Office Supplies		20	
Other Supplies and Materials		11	
Judgments		10,000	
Liability Insurance		98,628	
Trustee's Commission		272,551	
Workers' Compensation Insurance		270,461	
In Service/Staff Development		785	
Criminal Investigation of Applicants - TBI		1,181	
Other Charges		7,528	
Total Board of Education	\$		773,267

Director of Schools

County Official/Administrative Officer	\$	123,454	
Secretary(ies)		36,604	
Bonus Payments		907	
Social Security		9,774	
State Retirement		19,436	
Life Insurance		508	
Medical Insurance		18,968	
Dental Insurance		687	
Employer Medicare		2,286	
Other Fringe Benefits		208	
Advertising		3,618	
Communication		21,799	
Dues and Memberships		3,238	
Maintenance and Repair Services - Equipment		1,365	
Postal Charges		6,272	
Travel		6,503	
Other Contracted Services		1,674	
Food Supplies		763	
Office Supplies		7,390	
Other Supplies and Materials		260	
In Service/Staff Development		619	
Other Charges		926	
Administration Equipment		4,716	
Total Director of Schools			271,975

(Continued)

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	\$	868,417	
Career Ladder Program		8,160	
Assistant Principals		362,053	
Secretary(ies)		479,834	
Bonus Payments		46,358	
Social Security		101,746	
State Retirement		141,370	
Medical Insurance		272,122	
Dental Insurance		3,516	
Employer Medicare		23,795	
Other Fringe Benefits		949	
Communication		96,182	
Licenses		4,794	
Travel		2,223	
Food Supplies		4,657	
Office Supplies		12,066	
In Service/Staff Development		3,652	
Other Charges		3,500	
Administration Equipment		7,036	
Other Equipment		2,580	
Total Office of the Principal			\$ 2,445,010

Fiscal Services

Supervisor/Director	\$	75,750	
Accountants/Bookkeepers		166,257	
Bonus Payments		6,490	
Other Salaries and Wages		10,597	
Social Security		15,022	
State Retirement		14,820	
Medical Insurance		30,045	
Dental Insurance		2,247	
Employer Medicare		3,573	
Other Fringe Benefits		556	
Data Processing Services		156,806	
Dues and Memberships		700	
Travel		303	
Other Contracted Services		4,384	
Data Processing Supplies		8,499	
Office Supplies		908	
Other Supplies and Materials		90	
In Service/Staff Development		2,260	
Administration Equipment		7,510	
Total Fiscal Services			506,817

Human Services/Personnel

Supervisor/Director	\$	57,945	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Career Ladder Program	\$	700	
Secretary(ies)		17,196	
Bonus Payments		1,864	
Social Security		4,634	
State Retirement		6,454	
Medical Insurance		5,404	
Employer Medicare		1,084	
Other Contracted Services		3,581	
Office Supplies		25	
Other Supplies and Materials		1,189	
In Service/Staff Development		738	
Total Human Services/Personnel			\$ 100,814

Operation of Plant

Janitorial Services	\$	1,339,284	
Disposal Fees		34,602	
Other Contracted Services		19,252	
Electricity		1,200,469	
Natural Gas		112,389	
Water and Sewer		234,185	
Building and Contents Insurance		276,367	
Total Operation of Plant			3,216,548

Maintenance of Plant

Supervisor/Director	\$	30,300	
Secretary(ies)		33,507	
Bonus Payments		1,591	
Social Security		3,867	
State Retirement		3,791	
Medical Insurance		7,383	
Employer Medicare		905	
Communication		1,831	
Dues and Memberships		165	
Maintenance Agreements		729,730	
Maintenance and Repair Services - Buildings		350,764	
Maintenance and Repair Services - Equipment		33,830	
Maintenance and Repair Services - Vehicles		760	
Pest Control		26,115	
Disposal Fees		2,113	
Permits		1,630	
Other Contracted Services		77,243	
Equipment and Machinery Parts		20,243	
Gasoline		8,602	
General Construction Materials		64,576	
Other Supplies and Materials		7,323	
Vehicle and Equipment Insurance		13,723	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	26,768	
Other Equipment		91,320	
Total Maintenance of Plant			\$ 1,538,080

Transportation

Supervisor/Director	\$	30,300	
Mechanic(s)		145,902	
Bus Drivers		912,321	
Guards		15,340	
Secretary(ies)		33,590	
Bonus Payments		32,372	
Other Salaries and Wages		95,605	
In-service Training		5,171	
Social Security		70,681	
State Retirement		59,206	
Medical Insurance		76,356	
Dental Insurance		1,250	
Employer Medicare		18,034	
Other Fringe Benefits		318	
Communication		5,789	
Contracts with Parents		8,278	
Laundry Service		6,134	
Licenses		605	
Maintenance and Repair Services - Vehicles		106,299	
Medical and Dental Services		3,870	
Travel		128	
Disposal Fees		426	
Other Contracted Services		13,231	
Crushed Stone		432	
Diesel Fuel		248,836	
Gasoline		9,907	
Lubricants		6,600	
Office Supplies		223	
Tires and Tubes		20,576	
Vehicle Parts		130,312	
Other Supplies and Materials		439	
Vehicle and Equipment Insurance		82,340	
In Service/Staff Development		1,209	
Other Charges		2,377	
Transportation Equipment		776,335	
Other Equipment		77,318	
Total Transportation			2,998,110

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	38,032	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Teachers	\$	79,974	
Bus Drivers		23,910	
Secretary(ies)		17,193	
Bonus Payments		18,759	
Other Salaries and Wages		620,831	
Social Security		48,045	
State Retirement		34,341	
Medical Insurance		76,303	
Dental Insurance		6,410	
Employer Medicare		11,339	
Other Fringe Benefits		1,483	
Advertising		1,957	
Communication		7,413	
Dues and Memberships		749	
Maintenance and Repair Services - Equipment		42,210	
Travel		1,444	
Permits		50	
Other Contracted Services		7,415	
Food Supplies		37,989	
Other Supplies and Materials		50,649	
In Service/Staff Development		3,136	
Other Charges		12,373	
Other Equipment		28,394	
Total Community Services			\$ 1,170,399

Early Childhood Education

Supervisor/Director	\$	33,033	
Teachers		221,581	
Secretary(ies)		8,597	
Educational Assistants		68,278	
Bonus Payments		9,371	
Certified Substitute Teachers		240	
Non-certified Substitute Teachers		2,505	
Social Security		19,760	
State Retirement		27,505	
Medical Insurance		56,316	
Dental Insurance		3,849	
Employer Medicare		4,621	
Other Fringe Benefits		858	
Communication		256	
Travel		99	
Food Supplies		7,496	
Instructional Supplies and Materials		5,728	
Other Supplies and Materials		3,628	
In Service/Staff Development		1,328	
Other Charges		3,140	
Other Equipment		18,835	
Total Early Childhood Education			497,024

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	9,857	
Furniture and Fixtures		45,533	
Heating and Air Conditioning Equipment		404,183	
Other Equipment		364,127	
Other Capital Outlay		19,855	
Total Regular Capital Outlay			\$ 843,555

Other Debt Service

Education

Contributions	\$	174,487	
Debt Service Contribution to Primary Government		438,348	
Total Education			<u>612,835</u>

Total General Purpose School Fund \$ 46,969,695

School Federal Projects Fund

Instruction

Regular Instruction Program

Educational Assistants	\$	112,627	
Bonus Payments		3,204	
Other Salaries and Wages		15,500	
Certified Substitute Teachers		635	
Non-certified Substitute Teachers		6,998	
Social Security		7,859	
State Retirement		6,460	
Medical Insurance		27,170	
Dental Insurance		4,212	
Employer Medicare		1,838	
Other Fringe Benefits		1,049	
Instructional Supplies and Materials		65,947	
Other Supplies and Materials		4,725	
Other Charges		84	
Regular Instruction Equipment		81,360	
Total Regular Instruction Program			\$ 339,668

Special Education Program

Teachers	\$	3,000	
Educational Assistants		575,772	
Speech Pathologist		37,318	
Bonus Payments		18,119	
Social Security		36,629	
State Retirement		34,286	
Medical Insurance		145,536	
Dental Insurance		17,510	
Employer Medicare		8,567	
Other Fringe Benefits		3,844	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Contracted Services	\$	55,000	
Instructional Supplies and Materials		1,939	
Total Special Education Program			\$ 937,520

Vocational Education Program

Instructional Supplies and Materials	\$	21,045	
Vocational Instruction Equipment		44,110	
Total Vocational Education Program			65,155

Support Services

Other Student Support

Bonus Payments	\$	9,001	
Other Salaries and Wages		316,726	
Social Security		19,395	
State Retirement		29,310	
Medical Insurance		38,846	
Dental Insurance		1,664	
Employer Medicare		4,536	
Other Fringe Benefits		371	
Communication		451	
Postal Charges		1,810	
Travel		8,873	
Other Supplies and Materials		13,769	
In Service/Staff Development		3,052	
Total Other Student Support			447,804

Regular Instruction Program

Supervisor/Director	\$	59,777	
Secretary(ies)		25,850	
Bonus Payments		5,378	
Other Salaries and Wages		158,002	
Social Security		15,050	
State Retirement		21,652	
Medical Insurance		24,438	
Employer Medicare		3,520	
Travel		868	
Other Supplies and Materials		9,305	
In Service/Staff Development		89,771	
Other Equipment		250	
Total Regular Instruction Program			413,861

Special Education Program

Psychological Personnel	\$	52,769	
Bonus Payments		5,215	
Other Salaries and Wages		127,808	
Social Security		10,954	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

State Retirement	\$	13,931	
Medical Insurance		17,384	
Dental Insurance		1,979	
Employer Medicare		2,562	
Other Fringe Benefits		347	
Other Supplies and Materials		25,818	
In Service/Staff Development		2,494	
Total Special Education Program			\$ 261,261

Vocational Education Program

Supervisor/Director	\$	500	
Social Security		124	
State Retirement		148	
Employer Medicare		29	
Other Supplies and Materials		110	
In Service/Staff Development		642	
Total Vocational Education Program			1,553

Transportation

Bus Drivers	\$	12,427	
Bonus Payments		396	
Social Security		340	
State Retirement		257	
Employer Medicare		186	
Diesel Fuel		184	
Total Transportation			13,790

Total School Federal Projects Fund \$ 2,480,612

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,388	
Clerical Personnel		68,599	
Cafeteria Personnel		1,009,773	
Bonus Payments		29,990	
Social Security		70,107	
State Retirement		35,431	
Life Insurance		1,249	
Medical Insurance		132,028	
Dental Insurance		11,130	
Disability Insurance		1,217	
Employer Medicare		16,528	
Other Fringe Benefits		2,572	
Advertising		659	
Communication		15,710	

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Dues and Memberships	\$	2,774
Licenses		960
Maintenance and Repair Services - Equipment		78,675
Transportation - Other than Students		24,230
Travel		2,372
Other Contracted Services		47,569
Equipment and Machinery Parts		4,247
Food Preparation Supplies		110,345
Food Supplies		1,279,250
Office Supplies		12,838
Uniforms		7,145
Utilities		100,223
USDA - Commodities		170,753
Other Supplies and Materials		1,048
In Service/Staff Development		9,662
Other Charges		4,140
Food Service Equipment		43,700
Total Food Service		<u>\$ 3,355,312</u>
Total Central Cafeteria Fund		\$ 3,355,312
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	53,608
Total Education Capital Projects		<u>\$ 53,608</u>
Total Education Capital Projects Fund		<u>53,608</u>
Total Governmental Funds - Cheatham County School Department		<u>\$ 52,859,227</u>

Exhibit J-9

Cheatham County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,512,060
Total Cash Receipts	<u>\$ 2,512,060</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,485,556
Trustee's Commission	<u>26,504</u>
Total Cash Disbursements	<u>\$ 2,512,060</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, and the related notes to the financial statements, which collectively comprise Cheatham County's basic financial statements, and have issued our report thereon dated February 17, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Cheatham County Emergency Communications District, 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 of the financial statements, we considered Cheatham County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Cheatham County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cheatham County's financial statements are free from 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: 2015-002 and 2015-003.

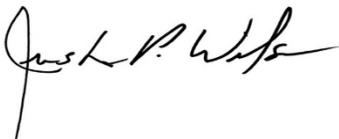
Cheatham County's Responses to Findings

Cheatham County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cheatham County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cheatham County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 17, 2016

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Cheatham County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cheatham County's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cheatham County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Cheatham County's compliance.

Opinion on Each Major Federal Program

In our opinion, Cheatham County complied, in all material respects, with the types of compliance 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, 2015.

Report on Internal Control Over Compliance

Management of Cheatham County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cheatham County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

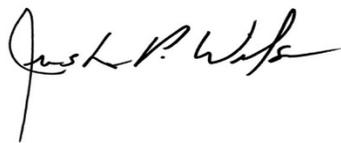
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2015, and the related notes to the financial statements, which collectively comprise Cheatham County's basic financial statements. We issued our report thereon dated February 17, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 17, 2016

JPW/yu

Cheatham County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 170,753 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	517,805
National School Lunch Program	10.555	N/A	1,430,932 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	51,324
Total U.S. Department of Agriculture			<u>\$ 2,170,814</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 6,027
Total U.S. Department of the Interior			<u>\$ 6,027</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 29,241
National Priority Safety Programs	20.616	N/A	9,287
Total U.S. Department of Transportation			<u>\$ 38,528</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 920,589
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,317,101
Special Education - Preschool Grants	84.173	N/A	27,522
Career and Technical Education - Basic Grants to States	84.048	N/A	79,209
Twenty-first Century Community Learning Centers	84.287	N/A	137,236
Improving Teacher Quality State Grants	84.367	N/A	158,102
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	111,292
Total U.S. Department of Education			<u>\$ 2,751,051</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	N/A	\$ 36,564
Total U.S. Department of Health and Human Services			<u>\$ 36,564</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 32,850
Homeland Security Grant Program	97.067	(2)	1,500
Total U.S. Department of Homeland Security			<u>\$ 34,350</u>
Total Expenditure of Federal Awards			<u>\$ 5,037,334</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
ALERT! Arts Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	\$ 3,500
Early Childhood Education - State Department of Education	N/A	(2)	497,023
Safe Schools Act - State Department of Education	N/A	(2)	76,260
Coordinated School Health - State Department of Health	N/A	(2)	105,000
Internet Connectivity Grant - State Department of Education	N/A	(2)	18,998
ACT-EXP - State Department of Education	N/A	(2)	9,582
Litter Program - State Department of Transportation	N/A	(2)	36,500
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(2)	18,000
Disaster Grant - State Department of Military	N/A	(2)	796
Technology Grant - State Library and Archives	N/A	(2)	<u>2,287</u>
			<u>\$ 767,946</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,601,685.

Cheatham County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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, 2014, which have not been corrected.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	175	The payroll tax bank account was not reconciled with the general ledger

CHEATHAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Cheatham County is unmodified.
2. The audit of the financial statements of Cheatham County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Cheatham County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and State Fiscal Stabilization Funds (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Cheatham County did 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 county mayor, director of accounts and budgets, trustee, and county clerk provided written responses to their findings, which 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 2015-001 **THE PAYROLL TAX BANK ACCOUNT WAS NOT RECONCILED WITH THE GENERAL LEDGER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Cheatham County maintains a payroll tax clearing account with a bank to deposit payroll taxes due the Internal Revenue Service (IRS) and notifies the IRS of these deposits so withdrawals can be made from the county's account. The county receives monthly bank statements for this account; however, during the year, these bank statements were not reconciled with the general ledger. Since errors were not identified and corrected, the payroll tax bank account did not reconcile with the general ledger account by \$31,800 at June 30, 2015. This deficiency is a result of management's failure to correct the finding noted in the prior-year report.

RECOMMENDATION

Management should reconcile bank statements with the general ledger monthly and any errors discovered should be corrected promptly.

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

Management has discussed with the payroll clerk the importance of balancing the payroll tax bank account on a monthly basis. Management has plans to meet with the payroll clerk on a monthly basis to ensure the bank account is being balanced.

OFFICES OF TRUSTEE AND COUNTY CLERK

FINDING 2015-002 **OFFICIALS DID NOT REQUIRE DEPOSITORIES TO ADEQUATELY COLLATERALIZE FUNDS**
(Noncompliance Under *Government Auditing Standards*)

The trustee and county clerk did not require depositories holding county funds to pledge sufficient securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2015, deposits exceeded FDIC coverage and collateral securities pledged by \$297,816 in the Trustee's Office and \$244,905 in the County Clerk's Office. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank

that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds. This deficiency is the result of a lack of management oversight. The failure to adequately collateralize funds could result in a loss for the county.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

The audit finding for the year ended June 30, 2015, stated that the deficiency was a lack of management oversight. I do not agree with the statement that it was a lack of management oversight. Heritage Bank maintained pledge balances with a market value slightly more than 100 percent of the deposit balances and the county was never in jeopardy of losing any money. I have talked with the Ashland City branch managers, as well as the Hopkinsville managers, and they have pledged additional securities to ensure that we are pledged to meet state requirements in the future. In the future, I will review the pledge reports more closely and suggested to Heritage to join the collateral pool.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Until my bookkeeper was notified by a state auditor, I was not aware that I needed this. I have contacted the manager of Heritage Bank, Ashland City, and I will be receiving notification by letter that there is collateral security equal to 105 percent of county funds. I have had this account with Heritage Bank since July 2014 and I did not know that I needed a statement of collateral security of funds from the bank in order to be compliant. This will not be a problem in the future.

OFFICE OF SHERIFF

FINDING 2015-003

DISCREPANCIES IN THE CHEATHAM COUNTY SHERIFF DEPARTMENT'S DRUG OPERATIONS ARE CURRENTLY BEING INVESTIGATED

(Noncompliance Under *Government Auditing Standards*)

An investigation is ongoing in the Cheatham County Sheriff Department's drug operations. Findings, if any, resulting from the investigation will be included in a subsequent report.

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Cheatham County.

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. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Cheatham County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

CHEATHAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015

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