

ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2005

**Comptroller of the Treasury
Department of Audit
Division of County Audit
Nashville, Tennessee**

ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2005

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MAURY COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2005

Scope

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2005.

Results

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

Our audit resulted in 21 findings and recommendations, which we have reviewed with Maury County management. Detailed findings, recommendations, and managements' responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The Transfer Station, Archives, and Memorial Building Offices had administrative weaknesses. An employee at the Transfer Station Office could change records through the computerized accounting system, and her duties were not adequately segregated. All offices had weaknesses related to receipting and depositing county funds.
 - ◆ In several instances, invoices were paid without documentation that goods had been received or services had been rendered.
 - ◆ Adequate Facilities/Development Tax Fund expenditures exceeded appropriations approved by the County Commission in the General Administration major appropriation category (the legal level of control) by \$95,769.
 - ◆ Capital asset records were not properly maintained. Numerous capital assets had not been recorded properly and depreciated in accordance with generally accepted accounting principles.
 - ◆ Contributions to the Maury County Rural Fire Department were neither made in compliance with state statute nor charged to the appropriate expenditure account.
 - ◆ The county's cellular telephones and credit cards were not used in compliance with policies established for the county.
 - ◆ The office did not document compliance with the Davis-Bacon Act for a construction project.
 - ◆ The office did not have formal policies and procedures for computer operations.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$60,826 at June 30, 2005.
 - ◆ Reimbursements to the School Federal Projects Fund for some projects were not requested on a timely basis, while excessive amounts were requested on other projects.
 - ◆ The office had numerous accounting deficiencies. Fund cash was not reconciled with the county trustee; accounting records were not closed timely; reserves were not documented properly; and revenues, trustee's commissions, receivables, general journal entries, and payroll deduction accounts were not accurately posted.
 - ◆ Capital asset records were not properly maintained. Several capital assets had not been accurately recorded and depreciated in accordance with generally accepted accounting principles. Assets had not been consistently classified by function. In addition, the School Department did not maintain documentation to support the disposal of surplus equipment.
 - ◆ The office did not document its decision to reject the lowest quote for auditorium seating, and several invoices were paid without documentation that goods had been received or services had been rendered.
 - ◆ Total appropriations exceeded estimated available funds in the General Purpose School Fund, and expenditures exceeded appropriations at the major appropriation categories level of control (the legal level of control) of the General Purpose School Fund and the Central Cafeteria Fund. In addition, General Purpose School Fund expenditures exceeded appropriations approved by the Board of Education in 25 payroll accounts by \$306,451, several budget amendments posted to accounting records had not been approved by the Board of Education or County Commission, some budget amendments posted decreased line-item appropriations to negative balances, and the School Federal Projects budget was overstated by material amounts which limited the budget's usefulness as a management tool.
 - ◆ The office used an unauthorized signature stamp to affix signatures on checks for the chairman of the Board of Education and the director of schools.
 - ◆ The office did not have formal policies and procedures for computer operations.
-

OFFICE OF TRUSTEE

- ◆ The trustee paid checks that exceeded available funds.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Drug fines had not been properly paid to the county trustee.
 - ◆ General Sessions Court Part II actual bank deposits did not agree with deposit listings, general journal entries were not explained, and monthly bank reconciliation errors were not corrected on the cash journal.
-

OTHER FINDINGS

- ◆ The former director of human resources received unauthorized severance pay.
- ◆ Duties were not segregated adequately among the employees at the Transfer Station, Archives, and Memorial Building Offices.

INTRODUCTORY SECTION

Maury County Officials

June 30, 2005

Jim Bailey, County Mayor
Van Boshers, Road Superintendent
Edward Hickman, Director of Schools
Steve Konz, Trustee
Jimmy Dooley, Assessor of Property
Nancy Thompson, County Clerk
Kathy Kelly, Circuit and General Sessions Courts Clerk
Cheryl Church, Clerk and Master
John Fleming, Register
Enoch George, Sheriff
Debbie Rutherford, Director of Human Resources

Board of County Commissioners:

Vernon Brooks, Chairman	Joe Roberson
Sarah Anderson	Joe Duncan
Joe Scott	Mack Whiteside
Tom Primm	Glenda Bolton
Walter Harlan	Dwight Vandiver
Eugene Richardson	Bobby Harris
June Beckum	Joe Reischman
Bob Duncan	John Davis
Wayne Hickman	Jerry Erwin
Andy Jackson	Cindy Williams
Gerald Adkison	

Board of Education:

Lonnie Daniels, Chairman	Greg Ladd
William Muehlbauer	Ricky Sims
Chet Rhodes	Judy Vick
Talvin Barner	Richard Thompson
Hoyt Gardner	Vince Springer
Whitney Seaton	

Budget Committee:

Jim Bailey, Ex-Officio	Mack Whiteside
Tom Primm	John Davis, Jr.
Bobby Harris	Joe Reischman
Andy Jackson	

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
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DIVISION OF COUNTY AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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INDEPENDENT AUDITOR'S REPORT

January 13, 2006

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Maury County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Maury County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Maury Regional Hospital's financial statements, which represent 98 percent and 99 percent, respectively, of the assets and revenues of the business-type activities. The hospital is also a major fund. Also, we did not audit the discretely presented Maury County Board of Public Utilities Water System's financial statements, which represent 16 percent and nine percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Additionally, we did not audit the discretely presented Maury County Emergency Communications District's financial statements, which represent one percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Maury Regional Hospital, the discretely presented Maury County Board of Public Utilities Water System, and the discretely presented Maury County Emergency Communications District, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 13, 2006, on our consideration of Maury County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Maury County has implemented Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures which modifies the county's disclosures for custodial credit risk and adds disclosures about other types of risk.

The management's discussion and analysis on pages 15 through 24 and the budgetary comparison information on pages 95 through 99 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

miscellaneous schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and is positioned above the typed name.

John G. Morgan
Comptroller of the Treasury

JGM/sb

Management's Discussion and Analysis

As management for Maury County, Tennessee, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2005. This discussion and analysis focuses on the primary government only and does not include discussion of discretely presented component units. The activity of Maury Regional Hospital, an enterprise fund of the primary government, is reflected in business-type activities throughout the following discussion and analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the county exceeded its liabilities at the close of the most recent fiscal year by \$186,585 (net assets). Of this amount, \$39,845 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$1,891.
- As of the close of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$20,035, an increase of \$3,694 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$4,864, or 31 percent of total General Fund expenditures.
- The county's total debt increased by \$19,788 (38 percent) during the current fiscal year. The key factors in this increase was the issuance of \$28,278 of new debt, offset by the payment of \$8,622 for debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are composed of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The statement of activities presents information illustrating the changes in the government's net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, finance, administration of justice, public safety, public health and welfare, social, cultural, and recreational services, agriculture and natural resources, highways/public works, education, and debt service on long-term debt. The business-type activities of the county include a regional hospital and a solid waste disposal facility. The government-wide financial statements can be found on Exhibits A and B of this report.

The government-wide financial statements include not only the county itself (known as the primary government), but also a legally separate school department, a legally separate water system, and a legally separate emergency communications district for which the county is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the General Debt Service Fund, both of which are considered to be major funds. Data from the

other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 and D-1 of this report.

Proprietary funds. The county maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its solid waste department and its regional hospital. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its central maintenance garage and its employee prescription drug program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste department and the regional hospital. The internal service funds are presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in Exhibits E-1, E-2, and E-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in Exhibit F of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the county's major special revenue fund's budgetary statement (General Fund). Required supplementary information can be found after the basic financial statements section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules are Exhibits H-1 through M-14 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$186,585 at the close of the most recent fiscal year. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Maury County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the county. As of June 30, 2005, the county had outstanding debt totaling \$30,919 for capital purposes for the Maury County Board of Education, but the capital assets are reported in the financial statements of the Maury County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net assets.

By far the largest portion of the county's net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MAURY COUNTY'S Net Assets

	Governmental activities		Business-type activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Current and other Assets	\$ 34,712	\$ 31,308	\$ 85,573	\$ 73,656	\$ 120,285	\$ 104,964
Capital Assets	46,523	44,606	125,480	126,488	172,003	171,094
Total Assets	<u>\$ 81,235</u>	<u>\$ 75,914</u>	<u>\$ 211,053</u>	<u>\$ 200,144</u>	<u>\$ 292,288</u>	<u>\$ 276,058</u>
Long-term Liabilities	\$ 42,112	\$ 30,757	\$ 31,688	\$ 23,254	\$ 73,800	\$ 54,011
Other Liabilities	13,561	13,740	18,342	19,832	31,903	33,572
Total Liabilities	<u>\$ 55,673</u>	<u>\$ 44,497</u>	<u>\$ 50,030</u>	<u>\$ 43,086</u>	<u>\$ 105,703</u>	<u>\$ 87,583</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 36,814	\$ 35,727	\$ 94,447	\$ 103,904	\$ 131,261	\$ 139,631
Restricted	15,479	12,547	0	0	15,479	12,547
Unrestricted	(26,732)	(16,857)	66,576	53,154	39,844	36,297
Total Net Assets	<u>\$ 25,561</u>	<u>\$ 31,417</u>	<u>\$ 161,023</u>	<u>\$ 157,058</u>	<u>\$ 186,584</u>	<u>\$ 188,475</u>

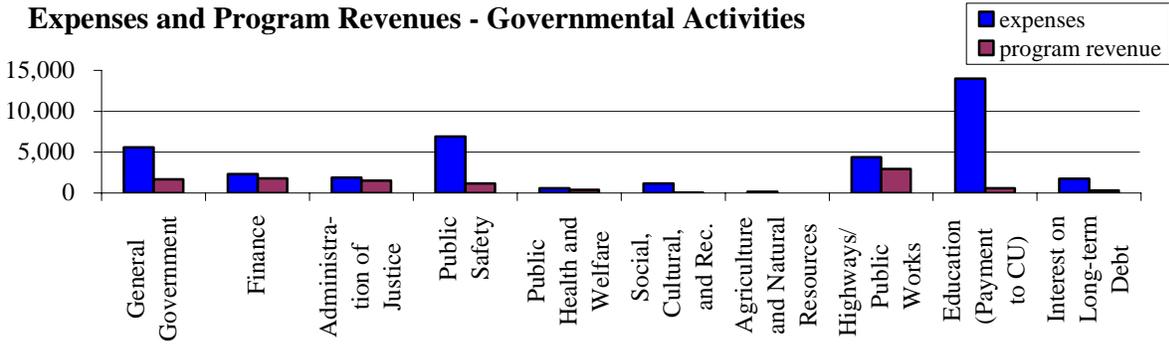
An additional portion of the county's net assets (eight percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$39,644) may be used to meet the government's ongoing obligations to citizens and creditors.

MAURY COUNTY'S Changes in Net Assets

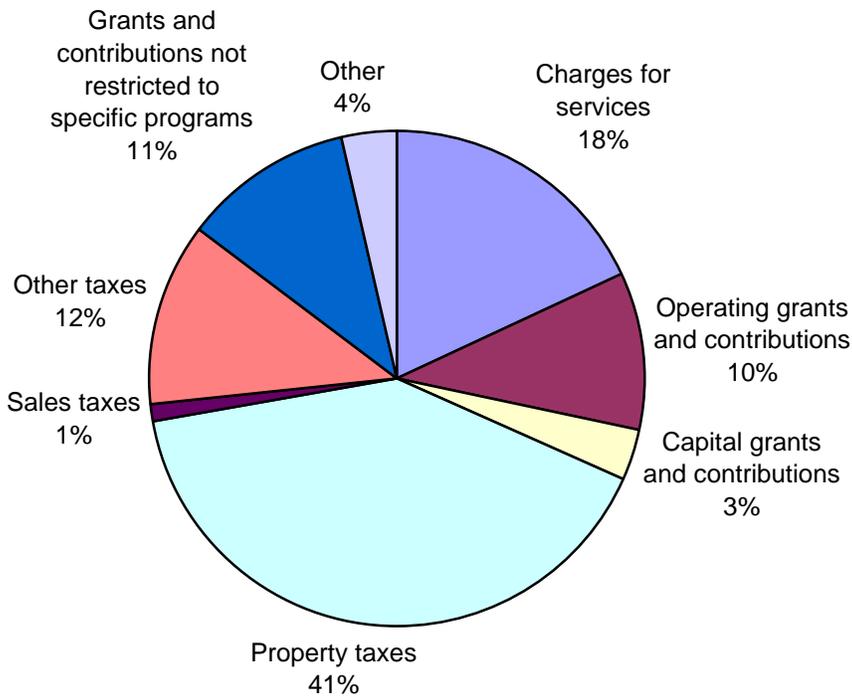
	Governmental activities		Business-type activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,972	\$ 5,380	\$ 229,427	\$ 221,208	\$ 235,399	\$ 226,588
Operating Grants and Contributions	3,396	3,567	0	0	3,396	3,567
Capital Grants and Contributions	1,113	5,672	0	0	1,113	5,672
General Revenues:					0	0
Property Taxes	13,360	12,229	2,081	626	15,441	12,855
Other Taxes	4,355	4,914	0	0	4,355	4,914
Grants and Contributions not restricted to specific programs	3,699	3,320	260	124	3,959	3,444
Other	1,167	832	307	579	1,474	1,411
Total Revenues	\$ 33,062	\$ 35,914	\$ 232,075	\$ 222,537	\$ 265,137	\$ 258,451
Expenses:						
General Government	\$ 5,577	6,262	\$ 0	\$ 0	\$ 5,577	\$ 6,262
Finance	2,339	2,280	0	0	2,339	2,280
Administration of Justice	1,887	1,765	0	0	1,887	1,765
Public Safety	6,930	7,005	0	0	6,930	7,005
Public Health and Welfare	565	420	0	0	565	420
Social, Cultural and Recreational Services	1,178	1,082	0	0	1,178	1,082
Agriculture & Natural Resources	137	117	0	0	137	117
Highway/Public Works	4,396	4,470	0	0	4,396	4,470
Education(Payment to CU)	13,991	1,642	0	0	13,991	1,642
Interest on Long-term Debt	1,750	861	0	0	1,750	861
Other Debt Service	168	269	0	0	168	269
Maury Regional Hospital	0	0	221,635	213,731	221,635	213,731
Solid Waste Disposal	0	0	2,153	2,123	2,153	2,123
Total Expenses	\$ 38,918	\$ 26,173	\$ 223,788	\$ 215,854	\$ 262,706	\$ 242,027
Increase in Net Assets	\$ (5,856)	9,741	\$ 8,287	6,683	\$ 2,431	\$ 16,424
Prior Period Adjustment	0	0	(4,322)	0	(4,322)	0
Net assets - July 1, 2004	31,417	21,676	157,058	150,375	188,475	172,051
Net assets - June 30, 2005	\$ 25,561	\$ 31,417	\$ 161,023	\$ 157,058	\$ 186,584	\$ 188,475

Governmental activities. Governmental activities decreased the county's net assets by \$5,859, thereby accounting for none of the total growth in the net assets of the county. Key elements of the decrease were as follows:

Expenses and Program Revenues - Governmental Activities

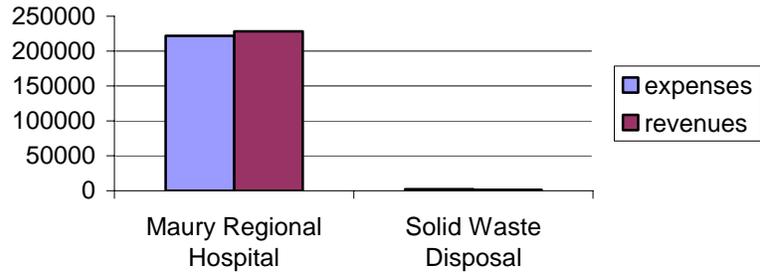


Revenues by Source - Governmental Activities

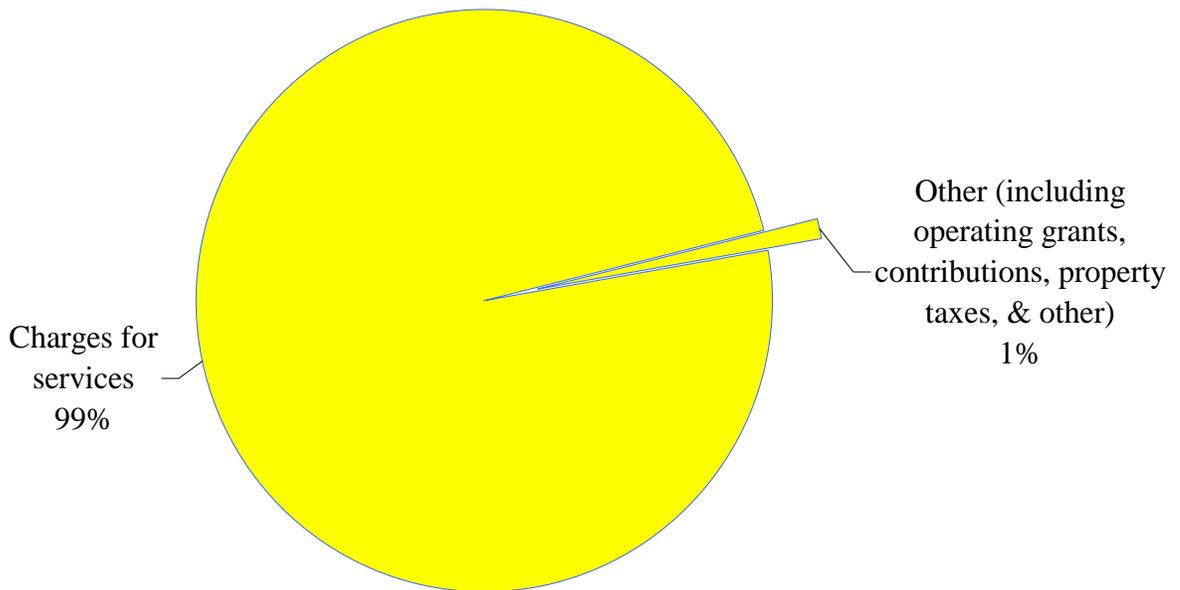


Business-type activities. Business-type activities increased the county’s net assets by \$8,288, accounting for 100 percent of the total growth in the government’s net assets.

Expenses and Program Revenues – Business-type Activities



Revenue by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$20,035, an increase of \$3,694 in comparison with the prior year. Most of this total amount (\$14,092) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not readily available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$1,069), and (2) for a variety of other restricted purposes (\$4,874).

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,864 while total fund balance was \$5,116. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31 percent of total General Fund expenditures, while total fund balance represents 32 percent of that same amount.

The fund balance of the county's General Fund increased by \$312 during the current fiscal year.

The General Debt Service Fund has a total fund balance of \$7,205, all of which is reserved for the payment of debt service.

Proprietary funds. The county's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Disposal Fund at the end of the year amounted to \$2,877. The increase in net assets for 2004-05 was \$1,358. Other factors concerning the finances of this fund have already been addressed in the discussion of the county's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. The net effect of the amendments (a \$1,067 increase in appropriations) was primarily a result of the receipt of federal and state grant awards and is summarized as follows:

General Administration	\$	(1)
Finance		77
Administration of Justice		57
Public Safety		852
Public Health & Welfare		0
Social, Cultural, and Recreational Services		3
Agriculture & Natural Resources		3
Other Operations		76
Total	\$	<u>1,067</u>

For the fiscal year, revenues exceeded budgetary estimates, and expenditures were less than budgetary estimates. As a result, the anticipated and budgeted draw upon existing fund balance was minimal.

Capital Asset and Debt Administration

Capital assets. The county's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounted to \$172,003 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

County's Capital Assets

As of June 30, 2005

(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Land	\$ 7,108	\$ 7,101	\$ 6,109	\$ 6,109	\$ 13,217	\$ 13,210
Buildings and Improvements	18,197	18,113	90,908	92,228	109,105	110,341
Other Fixed Assets	2,076	16,807	23,691	24,648	25,767	41,455
Infrastructure	17,775	1,542	0	0	17,775	1,542
Construction in Progress	1,367	1,044	4,772	3,503	6,139	4,547
Total	<u>\$ 46,523</u>	<u>\$ 44,607</u>	<u>\$ 125,480</u>	<u>\$ 126,488</u>	<u>\$ 172,003</u>	<u>\$ 171,095</u>

Long-term debt. At the end of the current fiscal year, the county had total bonded debt outstanding of \$67,195, notes payable of \$2,622, and other loans payable of \$1,422. All debt is backed by the full faith and credit of the county. Of the amount outstanding for governmental activities, \$30,919 reflects the balance of borrowings for education capital projects for the Maury County Board of Education. Of the amount outstanding for business-type activities, \$31,033 reflects the balance of borrowings for capital projects of the regional hospital.

County's Outstanding Debt
As of June 30, 2004

	Governmental activities		Business-type activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
General Obligation Bonds	\$ 38,540	\$ 25,831	\$ 28,655	\$ 19,281	\$ 67,195	\$ 45,112
Notes Payable	1,666	3,036	956	1,292	2,622	4,328
Other Loans Payable	0	0	1,422	2,011	1,422	2,011
Total	\$ 40,206	\$ 28,867	\$ 31,033	\$ 22,584	\$ 71,239	\$ 51,451

For the fiscal year ended, the county's total debt increased by \$19,788 (38 percent). Debt service payments of \$8,622 were made while the county issued new debt for equipment and public works projects as follows:

- The county issued bonds in the amount of \$16,000 for the construction of a new health department building and to expand three schools, Culleoka Unit School, Santa Fe Unit School, and Hampshire Unit School.

The county maintains an "A1" bond rating from Moody's for general obligation debt. Additional information on the county's long-term debt can be found in Exhibits M-1 and M-2 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the county is currently six percent, which is an increase from a rate of 4.6 percent a year ago. This compares favorably to the state's average unemployment rate of 6.2 percent and the national average rate of 5.8 percent.
- The county experienced limited commercial and industrial growth during the year.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$4,864. It is intended that the use of available fund balance will avoid the need to raise taxes or charges for this fund during the 2007 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Accounts & Budgets at One Public Square, Columbia, Tennessee 38401 or budgetoffice@maurycounty-tn.gov.

BASIC FINANCIAL STATEMENTS

Maury County, Tennessee
Statement of Net Assets
June 30, 2005

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	School Department	Board of Public Utilities Water System	Emergency Communi- cations District
ASSETS						
Cash	\$ 210,081	\$ 22,529,329	\$ 22,739,410	\$ 9,908	\$ 4,507,712	\$ 579,749
Equity in Pool Cash and Investments	19,497,784	1,813,248	21,311,032	10,146,308	0	0
Cash with Clerks, Register, and Sheriff	0	164,258	164,258	0	0	0
Accounts Receivable	80,269	72,964,885	73,045,154	132,582	119,722	53,572
Allowance for Uncollectibles	0	(20,110,469)	(20,110,469)	0	0	0
Property Taxes Receivable	13,693,885	1,447,321	15,141,206	17,033,858	0	0
Allowance for Uncollectible Property Taxes	(450,339)	(47,597)	(497,936)	(560,178)	0	0
Accrued Interest Receivable	0	12,852	12,852	0	16,397	0
Due from Other Governments	1,138,338	9,396	1,147,734	2,587,508	0	0
Due from Primary Government	0	0	0	12,000	0	0
Prepaid Items	130,279	2,590,865	2,721,144	162,693	117	0
Notes Receivable - Long-term	12,568	0	12,568	0	0	0
Deferred Charges - Debt Issuance Costs	399,356	0	399,356	0	0	0
Inventories	0	2,137,197	2,137,197	0	0	0
Other	0	2,061,363	2,061,363	0	0	0
Restricted Assets:						
Customer Deposits	0	0	0	0	31,065	0
Capital Assets:						
Assets Not Depreciated:						
Land	7,108,375	6,108,868	13,217,243	2,432,200	80,888	0
Construction in Progress	1,366,756	4,772,078	6,138,834	7,627,362	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	18,196,633	90,908,260	109,104,893	59,548,975	148,983	60,872
Other Capital Assets	2,076,159	23,690,811	25,766,970	2,121,347	14,554,053	101,172
Infrastructure	17,774,640	0	17,774,640	0	0	0
Total Assets	\$ 81,234,784	\$ 211,052,665	\$ 292,287,449	\$ 101,254,563	\$ 19,458,937	\$ 795,365
LIABILITIES						
Accounts Payable	\$ 72,791	\$ 9,749,266	\$ 9,822,057	\$ 0	\$ 5,902	\$ 7,338
Accrued Payroll	0	1,616,746	1,616,746	5,479	11,243	18,305
Payroll Deductions Payable	128,900	4,978	133,878	2,222	0	0
Contracts Payable	34,169	0	34,169	1,116,910	10,377	0
Compensated Absences Payable	0	3,146,469	3,146,469	0	0	0
Retainage Payable	5,642	0	5,642	121,791	51,047	0
Claims and Judgments Payable	20,161	2,667,422	2,687,583	0	0	0
Cash Overdraft	0	0	0	60,826	0	0
Other Deferred Revenue	0	132,690	132,690	0	0	0
Accrued Interest Payable	423,167	318,155	741,322	0	0	0
Due to Component Unit	12,000	0	12,000	0	0	0
Other Accrued Liabilities	0	1,242	1,242	0	21,149	0
Customer Deposits Payable	0	0	0	0	31,065	0
Due to Joint Ventures	0	704,802	704,802	0	0	0
Deferred Revenue - Current Property Taxes	12,864,360	0	12,864,360	16,002,008	0	0
Noncurrent Liabilities:						
Due Within One Year	4,832,378	4,545,323	9,377,701	700,696	11,940	0
Due In More Than One Year (Net of Deferred Amount on Refunding)	37,279,772	27,142,247	64,422,019	2,802,782	0	0
Total Liabilities	\$ 55,673,340	\$ 50,029,340	\$ 105,702,680	\$ 20,812,714	\$ 142,723	\$ 25,643
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	\$ 36,814,288	\$ 92,820,998	\$ 129,635,286	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	1,625,925	1,625,925	71,729,884	14,783,924	162,044
Restricted for:						
Capital Projects	4,612,932	0	4,612,932	6,945,905	0	0
Debt Service	7,401,866	0	7,401,866	0	0	0
Other Purposes	3,463,946	0	3,463,946	1,375,832	0	0
Unrestricted	(26,731,588)	66,576,402	39,844,814	390,228	4,532,290	607,678
Total Net Assets	\$ 25,561,444	\$ 161,023,325	\$ 186,584,769	\$ 80,441,849	\$ 19,316,214	\$ 769,722

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

Exhibit B

Maury County, Tennessee
Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	School Department	Board of Public Utilities Water System	Emergency Communications District	
Primary Government:											
Governmental Activities:											
General Government	\$ 5,576,597	\$ 1,314,926	\$ 28,698	\$ 315,251	\$ (3,917,722)	\$ 0	\$ (3,917,722)	\$ 0	\$ 0	\$ 0	
Finance	2,338,625	1,756,893	44,241	0	(537,491)	0	(537,491)	0	0	0	
Administration of Justice	1,886,890	1,482,449	24,560	0	(379,881)	0	(379,881)	0	0	0	
Public Safety	6,930,019	779,422	210,410	188,762	(5,751,425)	0	(5,751,425)	0	0	0	
Public Health and Welfare	564,883	0	374,298	20,549	(170,036)	0	(170,036)	0	0	0	
Social, Cultural and Rec Services	1,177,833	43,066	15,242	0	(1,119,525)	0	(1,119,525)	0	0	0	
Agriculture & Natural Resources	137,006	0	0	0	(137,006)	0	(137,006)	0	0	0	
Highways/Public Works	4,396,253	78	2,374,247	588,877	(1,433,051)	0	(1,433,051)	0	0	0	
Education	13,990,616	595,554	0	0	(13,395,062)	0	(13,395,062)	0	0	0	
Interest on Long-term Debt	1,752,780	0	324,775	0	(1,428,005)	0	(1,428,005)	0	0	0	
Other Debt Service	168,137	0	0	0	(168,137)	0	(168,137)	0	0	0	
Total Governmental Activities	\$ 38,919,639	\$ 5,972,388	\$ 3,396,471	\$ 1,113,439	\$ (28,437,341)	\$ 0	\$ (28,437,341)	\$ 0	\$ 0	\$ 0	
Business-type Activities:											
Maury Regional Hospital	\$ 221,634,474	\$ 228,102,848	\$ 0	\$ 0	\$ 0	\$ 6,468,374	\$ 6,468,374	\$ 0	\$ 0	\$ 0	
Solid Waste Disposal	2,152,730	1,323,799	0	0	0	(828,931)	(828,931)	0	0	0	
Total Business-type Activities	\$ 223,787,204	\$ 229,426,647	\$ 0	\$ 0	\$ 0	\$ 5,639,443	\$ 5,639,443	\$ 0	\$ 0	\$ 0	
Total Primary Government	\$ 262,706,843	\$ 235,399,035	\$ 3,396,471	\$ 1,113,439	\$ (28,437,341)	\$ 5,639,443	\$ (22,797,898)	\$ 0	\$ 0	\$ 0	
Component Units:											
School Department	\$ 77,360,030	\$ 2,741,859	\$ 7,779,510	\$ 13,590,915	\$ 0	\$ 0	\$ 0	\$ (53,247,746)	\$ 0	\$ 0	
Board of Public Utilities Water System	1,744,556	2,457,407	0	0	0	0	0	0	712,851	0	
Emergency Communications District	760,707	864,351	0	0	0	0	0	0	0	103,644	
Total Component Units	\$ 79,865,293	\$ 6,063,617	\$ 7,779,510	\$ 13,590,915	\$ 0	\$ 0	\$ 0	\$ (53,247,746)	\$ 712,851	\$ 103,644	

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	School Department	Board of Public Utilities Water System	Emergency Communi- cations District
General Revenues:										
Taxes:										
Property taxes levied for general purposes					\$ 9,462,255	\$ 2,081,075	\$ 11,543,330	\$ 17,024,459	\$ 0	\$ 0
Property taxes levied for debt service					3,897,367	0	3,897,367	0	0	0
Local option sales tax					406,882	0	406,882	8,752,369	0	0
Other local taxes					3,948,272	0	3,948,272	15,057	0	0
Grants & contributions not restricted for specific programs					3,699,262	259,965	3,959,227	37,812,992	0	20,000
Unrestricted investment earnings					628,981	106,406	735,387	66,122	66,739	6,189
Miscellaneous					538,412	200,865	739,277	76,901	0	0
Total General Revenues					<u>\$ 22,581,431</u>	<u>\$ 2,648,311</u>	<u>\$ 25,229,742</u>	<u>\$ 63,747,900</u>	<u>\$ 66,739</u>	<u>\$ 26,189</u>
Change in net assets					\$ (5,855,910)	\$ 8,287,754	\$ 2,431,844	\$ 10,500,154	\$ 779,590	\$ 129,833
Prior Period Adjustment					0	(4,322,489)	(4,322,489)	0	0	0
Net assets, July 1, 2004					<u>31,417,354</u>	<u>157,058,060</u>	<u>188,475,414</u>	<u>69,941,695</u>	<u>18,536,624</u>	<u>639,889</u>
Net assets, June 30, 2005					<u>\$ 25,561,444</u>	<u>\$ 161,023,325</u>	<u>\$ 186,584,769</u>	<u>\$ 80,441,849</u>	<u>\$ 19,316,214</u>	<u>\$ 769,722</u>

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

Exhibit C-1

Maury County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2005

	Major Funds		Nonmajor	Total
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 210,081	\$ 210,081
Equity in Pooled Cash and Investments	4,876,812	7,188,520	7,301,733	19,367,065
Accounts Receivable	59,208	0	5,330	64,538
Due from Other Governments	575,853	204	562,281	1,138,338
Due from Other Funds	51,894	0	0	51,894
Property Taxes Receivable	8,015,933	3,896,634	1,781,318	13,693,885
Allowance for Uncollectible Property Taxes	(263,614)	(128,145)	(58,580)	(450,339)
Prepaid Items	104,139	0	22,695	126,834
Notes Receivable - Current	0	0	3,600	3,600
Notes Receivable - Long-Term	0	0	8,968	8,968
Total Assets	\$ 13,420,225	\$ 10,957,213	\$ 9,837,426	\$ 34,214,864
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 13,226	\$ 0	\$ 59,543	\$ 72,769
Payroll Deductions Payable	98,829	0	21,515	120,344
Contracts Payable	0	0	34,169	34,169
Retainage Payable	0	0	5,642	5,642
Due to Other Funds	0	0	51,894	51,894
Due to Component Units	0	0	12,000	12,000
Due to State of Tennessee	4,383	0	868	5,251
Deferred Revenue - Current Property Taxes	7,530,357	3,660,590	1,673,413	12,864,360
Deferred Revenue - Delinquent Property Taxes	188,575	91,125	41,657	321,357
Other Deferred Revenues	468,532	0	223,496	692,028
Total Liabilities	\$ 8,303,902	\$ 3,751,715	\$ 2,124,197	\$ 14,179,814
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 129,303	\$ 0	\$ 939,712	\$ 1,069,015
Reserved for Litter Enforcement Awards	2,767	0	0	2,767
Reserved for Drug Court	28,353	0	0	28,353
Reserved for Sexual Offender Registration	1,080	0	0	1,080
Reserved for Courthouse and Jail Maintenance	0	1,831,504	0	1,831,504
Reserved for Computer System - Register	41,684	0	0	41,684
Reserved for Automation Purposes - Circuit Court	3,664	0	0	3,664
Reserved for Automation Purposes - General Sessions Court	33,122	0	0	33,122
Reserved for Automation Purposes - Chancery Court	3,952	0	0	3,952
Reserved for Automation Purposes - Sheriff	8,593	0	0	8,593
Reserved for Long-Term Notes Receivable	0	0	8,968	8,968
Reserved for Capital Outlay	0	0	2,910,142	2,910,142
Unreserved, Reported In:				
General Fund	4,863,805	0	0	4,863,805
Special Revenue Funds	0	0	3,640,984	3,640,984
Debt Service Funds	0	5,373,994	0	5,373,994
Capital Projects Funds	0	0	213,423	213,423
Total Fund Balances	\$ 5,116,323	\$ 7,205,498	\$ 7,713,229	\$ 20,035,050
Total Liabilities and Fund Balances	\$ 13,420,225	\$ 10,957,213	\$ 9,837,426	\$ 34,214,864

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

Exhibit C-2

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)	\$ 20,035,050
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	46,434,118
(2) The internal service funds are used by management to charge the costs of a central maintenance garage and a prescription drug plan to applicable profit due business-type funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	214,852
(3) Long-term liabilities are not due in the current period and therefore are not reported in the funds.	(42,135,961)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>1,013,385</u>
Net assets of governmental activities (Exhibit A)	<u><u>\$ 25,561,444</u></u>

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

Exhibit D-1

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 9,028,564	\$ 6,276,976	\$ 0	\$ 5,198,825	\$ 20,504,365
Licenses and Permits	339,464	0	0	0	339,464
Fines, Forfeitures, and Penalties	370,146	0	0	62,535	432,681
Charges for Current Services	206,141	0	0	670,934	877,075
Other Local Revenues	652,328	651,859	0	68,625	1,372,812
Fees Received from County Officials	2,766,164	0	0	0	2,766,164
State of Tennessee	1,190,815	646,172	0	2,679,523	4,516,510
Federal Government	171,564	204	0	406,567	578,335
Other Governments and Citizens Groups	188,886	0	0	510,020	698,906
Total Revenues	\$ 14,914,072	\$ 7,575,211	\$ 0	\$ 9,597,029	\$ 32,086,312
<u>Expenditures</u>					
Current:					
General Government	\$ 2,818,080	\$ 0	\$ 0	\$ 0	\$ 2,818,080
Finance	1,688,163	0	0	587,089	2,275,252
Administration of Justice	1,602,693	0	0	241,094	1,843,787
Public Safety	7,071,582	0	0	109,650	7,181,232
Public Health and Welfare	541,803	0	0	0	541,803
Social, Cultural, and Recreational Services	1,009,196	0	0	0	1,009,196
Agricultural and Natural Resources	131,103	0	0	0	131,103
Other Operations	972,528	0	0	509,348	1,481,876
Highways	0	0	0	5,113,522	5,113,522
Debt Service:					
Principal	0	4,660,475	0	0	4,660,475
Interest	0	1,551,123	0	0	1,551,123
Other Debt Service	0	114,231	0	0	114,231
Capital Projects	0	0	13,528,153	2,246,573	15,774,726
Total Expenditures	\$ 15,835,148	\$ 6,325,829	\$ 13,528,153	\$ 8,807,276	\$ 44,496,406
Excess (Deficiency) of Revenues Over Expenditures	\$ (921,076)	\$ 1,249,382	\$ (13,528,153)	\$ 789,753	\$ (12,410,094)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 13,413,357	\$ 2,586,643	\$ 16,000,000
Premiums on Debt Issued	0	0	114,796	22,143	136,939
Transfers In	1,236,980	0	0	3,600	1,240,580
Transfers Out	(3,600)	0	0	(1,270,230)	(1,273,830)
Total Other Financing Sources (Uses)	\$ 1,233,380	\$ 0	\$ 13,528,153	\$ 1,342,156	\$ 16,103,689
Net Change in Fund Balances	\$ 312,304	\$ 1,249,382	\$ 0	\$ 2,131,909	\$ 3,693,595
Fund Balance, July 1, 2004	4,804,019	5,956,116	0	5,581,320	16,341,455
Fund Balance, June 30, 2005	\$ 5,116,323	\$ 7,205,498	\$ 0	\$ 7,713,229	\$ 20,035,050

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

Exhibit D-2

Maury 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, 2005

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

Net change in fund balances - total governmental funds (Exhibit D-1)	\$ 3,693,595
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays exceeded depreciation in the current period.	1,761,704
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) was to increase net assets.	161,568
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(150,639)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(11,182,381)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(115,958)
(6) The internal service funds are used by management to charge the costs of a central maintenance garage and a prescription drug plan to applicable profit due business-type funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	<u>(23,799)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ (5,855,910)</u>

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

Exhibit E-1

Maury County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Fund	Fund		
	Maury Regional Hospital	Solid Waste Disposal		
ASSETS				
Current Assets:				
Cash	\$ 22,529,329	\$ 0	\$ 22,529,329	\$ 0
Equity in Pooled Cash and Investments	0	1,813,248	1,813,248	130,719
Cash with Clerks, Register, and Sheriff	0	164,258	164,258	0
Accounts Receivable	72,804,149	160,736	72,964,885	15,731
Allowance for Uncollectible Accounts	(20,110,469)	0	(20,110,469)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	1,399,724	1,399,724	0
Due from Other Governments	0	9,396	9,396	0
Accrued Interest Receivable	12,852	0	12,852	0
Inventories	2,137,197	0	2,137,197	0
Prepaid Items	2,585,717	5,148	2,590,865	3,445
Other	2,061,363	0	2,061,363	0
Total Current Assets	\$ 82,020,138	\$ 3,552,510	\$ 85,572,648	\$ 149,895
Noncurrent Assets:				
Capital Assets (Net of Accumulated Depreciation):				
Land	\$ 5,290,501	\$ 818,367	\$ 6,108,868	\$ 25,000
Buildings and Improvements	90,388,071	520,189	90,908,260	61,920
Machinery and Equipment	23,403,442	287,369	23,690,811	1,525
Construction in Progress	4,772,078	0	4,772,078	0
Total Noncurrent Assets	\$ 123,854,092	\$ 1,625,925	\$ 125,480,017	\$ 88,445
Total Assets	\$ 205,874,230	\$ 5,178,435	\$ 211,052,665	\$ 238,340
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 9,749,266	\$ 0	\$ 9,749,266	\$ 22
Accrued Payroll	1,616,746	0	1,616,746	0
Payroll Deductions Payable	0	4,978	4,978	3,305
Compensated Absences Payable	3,132,108	14,361	3,146,469	0
Claims and Judgments Payable	2,667,422	0	2,667,422	20,161
Other Deferred Revenue	132,690	0	132,690	0
Accrued Liability for Landfill Closure/Postclosure Care Cost	0	32,724	32,724	0
Accrued Interest Payable	318,155	0	318,155	0
Due to State of Tennessee	0	1,242	1,242	0
Due to Joint Ventures	704,802	0	704,802	0
Current Portion of Long-term Debt	4,512,599	0	4,512,599	0
Total Current Liabilities	\$ 22,833,788	\$ 53,305	\$ 22,887,093	\$ 23,488
Noncurrent Liabilities:				
Accrued Liability for Landfill Closure/Postclosure Care Cost	\$ 0	\$ 621,752	\$ 621,752	\$ 0
Bonds and Other Long-term Debt	26,520,495	0	26,520,495	0
Total Noncurrent Liabilities	\$ 26,520,495	\$ 621,752	\$ 27,142,247	\$ 0
Total Liabilities	\$ 49,354,283	\$ 675,057	\$ 50,029,340	\$ 23,488
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 92,820,998	\$ 0	\$ 92,820,998	\$ 0
Invested in Capital Assets	0	1,625,925	1,625,925	88,445
Unrestricted	63,698,949	2,877,453	66,576,402	126,407
Total Net Assets	\$ 156,519,947	\$ 4,503,378	\$ 161,023,325	\$ 214,852

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

Exhibit E-2

Maury County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2005

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
<u>Operating Revenues</u>				
Charges for Current Services	\$ 223,461,997	\$ 1,151,689	\$ 224,613,686	\$ 1,721,184
Loss from Rental Operation	(61,337)	0	(61,337)	0
Other Local Revenues	4,702,188	172,110	4,874,298	1,594
Total Operating Revenues	<u>\$ 228,102,848</u>	<u>\$ 1,323,799</u>	<u>\$ 229,426,647</u>	<u>\$ 1,722,778</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 127,429,224	\$ 0	\$ 127,429,224	\$ 0
Other General Administration	0	0	0	1,415,493
Other Operations	0	0	0	357,049
Fees and Professional Services	15,473,081	0	15,473,081	0
Insurance	2,224,348	0	2,224,348	0
Supplies and Other Expenses	63,073,239	0	63,073,239	0
Waste Pickup	0	50,227	50,227	0
Convenience Centers	0	656,010	656,010	0
Landfill Operation and Maintenance	0	1,290,751	1,290,751	0
Interest Expense	865,304	0	865,304	0
Depreciation and Amortization Expense	12,569,278	155,742	12,725,020	7,285
Total Operating Expenses	<u>\$ 221,634,474</u>	<u>\$ 2,152,730</u>	<u>\$ 223,787,204</u>	<u>\$ 1,779,827</u>
Operating Income (Loss)	<u>\$ 6,468,374</u>	<u>\$ (828,931)</u>	<u>\$ 5,639,443</u>	<u>\$ (57,049)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 2,081,075	\$ 2,081,075	\$ 0
General Government Grants	163,910	96,055	259,965	0
Other Local Revenues	0	9,983	9,983	0
Unrestricted Gifts	104,235	0	104,235	0
Interest Income	106,406	0	106,406	0
Minority Interest in Loss of Family Health Group	150,134	0	150,134	0
Minority Interest in Loss of Ambulatory Surgery Center	(44,389)	0	(44,389)	0
Loss on Disposal of Equipment	(19,098)	0	(19,098)	0
Total Nonoperating Revenues (Expenses)	<u>\$ 461,198</u>	<u>\$ 2,187,113</u>	<u>\$ 2,648,311</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 6,929,572	\$ 1,358,182	\$ 8,287,754	\$ (57,049)
Transfers In (Out)	0	0	0	33,250
Change in Net Assets	\$ 6,929,572	\$ 1,358,182	\$ 8,287,754	\$ (23,799)
Prior Period Adjustment	(4,322,489)	0	(4,322,489)	0
Net Assets, July 1, 2004	153,912,864	3,145,196	157,058,060	238,651
Nets Assets, June 30, 2005	<u>\$ 156,519,947</u>	<u>\$ 4,503,378</u>	<u>\$ 161,023,325</u>	<u>\$ 214,852</u>

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

Exhibit E-3

Maury County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005

	<u>Business-type Activities</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>	
	<u>Maury Regional Hospital</u>	<u>Solid Waste Disposal</u>		
	<u>Central Maintenance/ Garage</u>			
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers and Users	\$ 216,633,253	\$ 1,200,353	\$ 217,833,606	\$ 349,412
Receipts from Interfund Services Provided	0	0	0	1,376,763
Other Cash Receipts (Payments)	5,030,125	172,110	5,202,235	1,594
Payments to Suppliers	(78,833,310)	0	(78,833,310)	0
Payments to Employees	(129,246,151)	0	(129,246,151)	(350,205)
Central Maintenance Garage Activity - Uses	0	0	0	(1,420,449)
Waste Collection and Disposal Activity - Uses	0	(1,998,109)	(1,998,109)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 13,583,917</u>	<u>\$ (625,646)</u>	<u>\$ 12,958,271</u>	<u>\$ (42,885)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Grants Received	\$ 0	\$ 96,055	\$ 96,055	\$ 0
Local Taxes	0	681,351	681,351	0
Contributions	881	9,983	10,864	0
Operating Transfers In	0	0	0	33,250
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 881</u>	<u>\$ 787,389</u>	<u>\$ 788,270</u>	<u>\$ 33,250</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of Capital Assets	\$ (11,867,330)	\$ (123,477)	\$ (11,990,807)	\$ 0
Proceeds from Sale of Equipment	21,338	0	21,338	0
Proceeds from Issuance of Long-term Debt	12,431,939	0	12,431,939	0
Grant Proceeds	163,910	0	163,910	0
Principal Payments on Bonds	(2,628,975)	0	(2,628,975)	0
Interest Paid on Bonds	(807,054)	0	(807,054)	0
Principal Payments on Other Long-term Debt	(1,332,924)	0	(1,332,924)	0
Interest Paid on Other Long-term Debt	(171,608)	0	(171,608)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (4,190,704)</u>	<u>\$ (123,477)</u>	<u>\$ (4,314,181)</u>	<u>\$ 0</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment Income	\$ 123,954	\$ 0	\$ 123,954	\$ 0
Net Cash Provided By (Used In) Investing Activities	<u>\$ 123,954</u>	<u>\$ 0</u>	<u>\$ 123,954</u>	<u>\$ 0</u>
Net increase (decrease) in cash and cash equivalents	\$ 9,518,048	\$ 38,266	9,556,314	\$ (9,635)
Cash and cash equivalents, July 1, 2004	<u>13,011,281</u>	<u>1,939,240</u>	<u>14,950,521</u>	<u>140,354</u>
Cash and cash equivalents, June 30, 2005	<u>\$ 22,529,329</u>	<u>\$ 1,977,506</u>	<u>\$ 24,506,835</u>	<u>\$ 130,719</u>

(Continued)

Exhibit E-3

Maury County, Tennessee
 Statement of Cash Flows
 Proprietary Funds (Cont.)

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance/ Garage
	Major	Nonmajor	Total	
	Fund	Fund		
	Maury Regional Hospital	Solid Waste Disposal		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 6,468,374	\$ (828,931)	\$ 5,639,443	\$ (57,049)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and Amortization Expense	13,122,910	155,742	13,278,652	7,285
Provision for Uncollectible Accounts	8,898,408	0	8,898,408	0
Interest Expense	865,304	0	865,304	0
Capital Assets Contributed to Wayne County in Lieu of Rent	150,000	0	150,000	0
Supplies Contributed by Auxiliary	103,354	0	103,354	0
(Increase) decrease in Accounts Receivable	(15,727,152)	25,503	(15,701,649)	(9,976)
(Increase) decrease in Due from Other Funds	0	0	0	15,106
(Increase) decrease in Due from Other Governments	0	22,954	22,954	0
(Increase) decrease in Inventories	254,140	0	254,140	0
(Increase) decrease in Prepaid Items	1,072,052	207	1,072,259	(139)
(Increase) decrease in Other Assets	(151,446)	0	(151,446)	0
Increase (decrease) in Accounts Payable	357,811	0	357,811	(10,756)
Increase (decrease) in Claims and Judgments Payable	135,442	0	135,442	20,161
Increase (decrease) in Payroll Deductions Payable	0	(124)	(124)	166
Increase (decrease) in Closure/Postclosure Care Costs	0	(15,020)	(15,020)	0
Increase (decrease) in Due to Other Funds	0	(487)	(487)	(7,683)
Increase (decrease) in Due to State of Tennessee	0	149	149	0
Increase (decrease) in Accrued Leave	0	14,361	14,361	0
Increase (decrease) in Accrued Expenses	(1,952,369)	0	(1,952,369)	0
Increase (decrease) in Deferred Revenue	(12,911)	0	(12,911)	0
Net Cash Provided By (Used In) Operating Activities	\$ 13,583,917	\$ (625,646)	\$ 12,958,271	\$ (42,885)

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

Exhibit F

Maury County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,663,859
Investments	35,217
Due from Other Governments	<u>1,328,585</u>
Total Assets	<u>\$ 3,027,661</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,328,585
Due to Litigants, Heirs, and Others	<u>1,699,076</u>
Total Liabilities	<u>\$ 3,027,661</u>

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

MAURY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Maury 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 Maury County:

A. Reporting Entity

Maury County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Maury 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.

Blended Component Units – There are no legally separate component units of Maury County that meet the criteria for being reported as part of the primary government by the blending method.

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

The Maury County Board of Public Utilities Water System provides water supply and distribution lines for county residents outside of the city limits. The county mayor appoints and the County Commission ratifies its governing body. The board's operating budget is subject to the County Commission's approval.

The Maury County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Maury County, and the Maury 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 Maury County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Maury County School Department are included in this report as listed in the table of contents. Complete financial statements of the Maury County Board of Public Utilities Water System and the Maury County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Maury County Board of Public Utilities Water System
1018 South Garden Street
Columbia, TN 38401

Maury County Emergency Communications District
1010 Galloway Street
Columbia, TN 38401

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Maury 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.

Maury County issues all debt for the discretely presented Maury County School Department. Net debt issues (\$13,364,186) were contributed by the county to the School Department during the year ended June 30, 2005.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise and internal service), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 proprietary funds and fiduciary funds financial statements. 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 Maury County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Maury County reports four proprietary funds (two internal service funds and two enterprise funds). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other governmental funds and enterprise funds are aggregated into single columns on the fund financial statements. The internal service funds and the fiduciary funds in total are reported in single columns by fund type.

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. Maury County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary fund and fiduciary fund financial statements are reported using the economic resources 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Maury 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.

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

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

Maury County reports the following major proprietary fund:

Maury Regional Hospital Fund – The Maury Regional Hospital Fund accounts for the regional hospital under authority of and in compliance with the provisions of Chapter 373 of the Tennessee Private Acts of 1953.

Additionally, Maury County reports the following fund types:

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

Internal Service Funds – These funds, the Central Maintenance/Garage Fund and the Employee Insurance - Prescriptions Fund, are used to account for the county's central vehicle maintenance and the county's self-insured prescription drug programs. Premiums charged to the various county funds and employee payroll deductions are placed in the Employee Insurance - Prescriptions Fund for payment of claims of county employees.

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 Maury 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 Maury County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – This fund is used to account for contributions from Maury County to the School Department for building construction and renovations.

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has four proprietary funds that account for

solid waste disposal (enterprise fund), a regional hospital (enterprise fund), a central maintenance garage (internal service fund), and an employees' prescription drug program (internal service fund). Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services. Operating expenses for the proprietary funds include general operating expenses and employee benefits.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows of the primary government (excluding the Maury Regional Hospital), cash includes cash on deposit with the county trustee and cash on deposit with the clerks, register, and sheriff.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund and the discretely presented Maury County School Department's Education Capital Projects Fund. In addition, investments are held separately by the Constitutional Officers Agency Fund. Maury County (excluding the Maury Regional Hospital) and the Maury County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the

Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Additional costs attach to delinquent taxes after a court suit has been filed.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in the General, Highway/Public Works, Solid Waste Disposal, and Central Maintenance/Garage Funds represent insurance prepayments. Prepaid items in the discretely presented Maury County School Department's General Purpose School Fund represent insurance prepayments and software support service prepayments.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Maury Regional Hospital) as assets with an initial, individual cost of \$5,000 (infrastructure \$50,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding Maury Regional Hospital) 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	10-50
Other Capital Assets	5-7
Infrastructure:	
Roads	5-15
Bridges	50

5. Compensated Absences

The policy of Maury County (with the exception of the Maury Regional Hospital) permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Maury County does not have a policy to pay amounts when employees separate from service with the government. 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.

It is the policy of the discretely presented Maury County School Department to permit its employees to accumulate varying amounts of earned but unused vacation leave which will be paid upon retirement, resignation, or termination. It is also the policy of the discretely presented Maury County School Department to permit its employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, an employee will be paid either \$50 (professional employees) or \$10 (certain nonprofessional employees) per day for unused sick leave. This payment will be made after the employee's retirement has been approved by the Tennessee Consolidated Retirement System. All vacation and sick leave is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation and sick leave 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 and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities (or proprietary fund type) statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In 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, claims and judgments, special termination benefits, and landfill closure/postclosure care costs are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

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

As of June 30, 2005, Maury County had \$30,976,597 in outstanding debt for capital purposes for the discretely presented Maury County School Department. The debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2005:

Fund/Purpose	Amount
General:	
Libraries	\$ 53,094
Archives	37,551
Non-Qualified Retirement	675,001
Special Purpose Fund:	
Maury County Park Trails	62,500
Data Processing Equipment	963

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Primary Government

Exhibit C-2 presents a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including debt payable, are not due and payable in the current period and therefore are not reported in the funds. The details of the \$42,135,961 difference are as follows:

Bonds payable	\$ (38,540,448)
Notes payable	(1,666,421)
Compensated absences payable	(494,947)
Accrued interest on bonds	(403,988)
Accrued interest on notes	(19,179)
Other deferred revenue - premium on debt	(1,938,744)
Deferred charges - debt issuance costs	399,356
Deferred amount on refunding debt	<u>528,410</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (42,135,961)</u></u>

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 D-2 is a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as

reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$1,761,704 difference are as follows:

Capital outlay	\$ 4,447,630
Depreciation expense (excluding Internal Service Fund)	<u>(2,685,926)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,761,704</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$11,182,381 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (16,000,000)
Related items:	
Amortization of premium on debt	(136,939)
Current premium on debt to defer	324,775
Current debt issuance costs to defer	141,688
Amortization of deferred amount on refunding	(172,380)
Principal repayments:	
Bonds	3,291,025
Notes	<u>1,369,450</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (11,182,381)</u>

Another element of that reconciliation states that 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 governmental funds. The details of this \$115,958 difference are as follows:

Net change in compensated absences	\$ (31,574)
Net change in accrued interest on notes and bonds	<u>(84,384)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (115,958)</u>

Discretely Presented Maury County School Department

The discretely presented Maury County School Department’s Exhibit L-5 presents a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$5,098,246 difference are as follows:

Capital outlay	\$ 7,997,119
Depreciation expense	<u>(2,898,873)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,098,246</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Fund Deficit

The Education Capital Projects Fund of the discretely presented Maury County School Department had a fund deficit of \$518,853 at June 30, 2005. This fund deficit resulted from the unperformed portions of construction contracts of \$7,464,758 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$60,826 at June 30, 2005. This cash overdraft resulted from issuing checks that exceeded cash on deposit with the county trustee. This cash overdraft was liquidated subsequent to June 30, 2005.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Category</u>	<u>Amount</u>
Primary Government:	
Adequate Facilities/Development Tax Fund:	
General Administration Projects	\$ 95,769
Discretely Presented Component Unit:	
General Purpose School Fund:	
<u>Instruction</u>	
Regular Instruction Program	23,488
Alternative Instruction Program	4,903
Adult Education Program	10,101
<u>Support Services</u>	
Attendance	310
Other Student Support	8,499
Alternative Instruction Program	820
Special Education Program	1,658
Adult Programs	27,949
Office of the Principal	52,129
Central and Other	67,820
<u>Interest</u>	
Education	28,980
Central Cafeteria Fund:	
Food Service	90,638

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues and by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Maury County (excluding the Maury Regional Hospital) and the Maury County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and Investments reflected on the balance sheets or statements of net assets represent 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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk exposure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2005, Maury County (excluding the Maury Regional Hospital) had the following investments carried at fair value or cost. All investments are in the Constitutional Officers – Agency Fund.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value or Cost</u>
Merrill Lynch	Daily	\$ 35,217

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Maury County does not have a formal policy that limits custodial credit risk for investments. The county's nonpooled investments are administered by Merrill Lynch per a court order for litigants in the Constitutional Officers – Agency Fund.

B. Notes Receivable

Notes receivable in the Special Purpose Fund resulted from the use of idle county funds to finance various projects of the Maury County Arts Guild and are offset by a reservation of fund balance. The amount of the notes that is not expected to be collected within one year is \$8,968.

C. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

Primary Government (excluding the Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 7,101,139	\$ 7,236	\$ 0	\$ 7,108,375
Construction in Progress	1,043,558	949,499	(626,301)	1,366,756
Total Capital Assets Not Depreciated	\$ 8,144,697	\$ 956,735	\$ (626,301)	\$ 8,475,131
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,981,497	\$ 542,174	\$ 0	\$ 23,523,671
Infrastructure	24,678,384	2,672,244	0	27,350,628
Other Capital Assets	6,102,465	1,064,346	(88,922)	7,077,889
Total Capital Assets Depreciated	\$ 53,762,346	\$ 4,278,764	\$ (88,922)	\$ 57,952,188
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,868,772	\$ 458,266	\$ 0	\$ 5,327,038
Infrastructure	7,871,541	1,704,447	0	9,575,988
Other Capital Assets	4,560,154	530,498	(88,922)	5,001,730
Total Accumulated Depreciation	\$ 17,300,467	\$ 2,693,211	\$ (88,922)	\$ 19,904,756
Total Capital Assets Depreciated, Net	\$ 36,461,879	\$ 1,585,553	\$ 0	\$ 38,047,432
Governmental Activities Capital Assets, Net	\$ 44,606,576	\$ 2,542,288	\$ (626,301)	\$ 46,522,563

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Construction in Progress	20,833	0	(20,833)	0
Total Capital Assets Not Depreciated	\$ 839,200	\$ 0	\$ (20,833)	\$ 818,367
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,196,971	\$ 34,310	\$ 0	\$ 1,231,281
Other Capital Assets	1,542,176	110,000	0	1,652,176
Total Capital Assets Depreciated	\$ 2,739,147	\$ 144,310	\$ 0	\$ 2,883,457
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 639,796	\$ 71,296	\$ 0	\$ 711,092
Other Capital Assets	1,280,361	84,446	0	1,364,807
Total Accumulated Depreciation	\$ 1,920,157	\$ 155,742	\$ 0	\$ 2,075,899
Total Capital Assets Depreciated, Net	\$ 818,990	\$ (11,432)	\$ 0	\$ 807,558
Governmental Activities Capital Assets, Net	\$ 1,658,190	\$ (11,432)	\$ (20,833)	\$ 1,625,925

Depreciation expense was charged to functions of the primary government (excluding the Maury Regional Hospital) as follows:

Governmental Activities:	
General Government	\$ 199,808
Finance	51,989
Administration of Justice	42,972
Public Safety	320,989
Public Health and Welfare	16,092
Social, Cultural, & Recreational Services	107,806
Agriculture & Natural Resources	5,860
Other Operations	16,239
Highways	<u>1,931,456</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,693,211</u>
Business-type Activities:	
Solid Waste Disposal	<u>\$ 155,742</u>

Discretely Presented Maury County School Department

Governmental Activities:

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 2,432,200	\$ 0	\$ 0	\$ 2,432,200
Construction in Progress	687,611	7,008,497	(68,746)	7,627,362
Total Capital Assets Not Depreciated	\$ 3,119,811	\$ 7,008,497	\$ (68,746)	\$ 10,059,562
Capital Assets Depreciated:				
Buildings and Improvements	\$ 95,509,361	\$ 111,369	\$ 0	\$ 95,620,730
Other Capital Assets	8,384,137	1,071,278	(42,613)	9,412,802
Total Capital Assets Depreciated	\$ 103,893,498	\$ 1,182,647	\$ (42,613)	\$ 105,033,532
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 33,758,753	\$ 2,313,002	\$ 0	\$ 36,071,755
Other Capital Assets	6,748,197	585,871	(42,613)	7,291,455
Total Accumulated Depreciation	\$ 40,506,950	\$ 2,898,873	\$ (42,613)	\$ 43,363,210
Total Capital Assets Depreciated, Net	\$ 63,386,548	\$ (1,716,226)	\$ 0	\$ 61,670,322
Governmental Activities Capital Assets, Net	\$ 66,506,359	\$ 5,292,271	\$ (68,746)	\$ 71,729,884

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

Governmental Activities:

Instruction	\$ 2,310,971
Support Services	494,582
Operation of Noninstructional Services	<u>93,320</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,898,873</u>

D. Construction Commitments

At June 30, 2005, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$226,636 in the Special Purpose Fund, \$333,169 in the Adequate Facilities/Development Fund, and \$253,903 in the General Capital Projects Fund. Funding that has not already been received for these future expenditures will be obtained from the issuance of debt.

At June 30, 2005, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$568,444 in the General Purpose School Fund and \$7,464,758 in the Education Capital Projects Fund for the school building program. Funding that has not already been received for these future expenditures will be obtained from the issuance of debt.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 51,894
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	67,543

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

Due to/from primary government and component units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component unit:		
Discretely Presented Maury County School Department General Purpose School	Primary government: Adequate Facilities/ Development Tax Fund	\$ 12,000

Interfund Transfers:

Interfund transfers for the year ended June 30, 2005, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Nonmajor Governmental Funds	Internal Service Funds
General Fund	\$ 0	\$ 3,600	\$ 0
Nonmajor governmental funds	1,236,980	0	33,250
Total	\$ 1,236,980	\$ 3,600	\$ 33,250

Discretely Presented Maury County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 101,936
Nonmajor governmental funds	69,760	0
Total	\$ 69,760	\$ 101,936

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

F. Long-term Debt

Primary Government (Excluding the Maury Regional Hospital)

General Obligation Bonds and Notes

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

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 16 years for bonds and 20 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2005, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2005, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-05
General Obligation Bonds	3 to 5%	\$ 27,975,000	\$ 17,000,000
General Obligation Bonds - Refunding	2 to 5	25,241,170	21,540,448
Capital Outlay Notes	0 to 5	6,375,098	1,666,421

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2005, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 3,561,626	\$ 2,329,064	\$ 1,046,406	\$ 38,358
2007	3,658,822	2,111,516	620,015	14,054
2008	4,100,000	1,882,202	0	0
2009	3,800,000	1,637,203	0	0
2010	4,050,000	1,342,702	0	0
2011-2015	10,190,000	3,513,563	0	0
2016-2020	9,180,000	1,158,975	0	0
Total	\$ 38,540,448	\$ 13,975,225	\$ 1,666,421	\$ 52,412

There is \$7,205,498 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita amounted to \$555, based on the 2000 federal census. Total debt per capita, including bonds and notes, amounted to \$579, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2005, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2004	\$ 25,831,473	\$ 3,035,871
Additions	16,000,000	0
Deductions	<u>(3,291,025)</u>	<u>(1,369,450)</u>
Balance, June 30, 2005	<u>\$ 38,540,448</u>	<u>\$ 1,666,421</u>
Balance Due Within One Year	<u>\$ 3,561,626</u>	<u>\$ 1,046,406</u>

	<u>Compensated Absences</u>
Balance, July 1, 2004	\$ 463,373
Additions	749,352
Deductions	<u>(717,778)</u>
Balance, June 30, 2005	<u>\$ 494,947</u>
Balance Due Within One Year	<u>\$ 494,947</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 40,701,816
Less: Due Within One Year	(4,832,378)
Add: Unamortized Premium on Debt	1,938,744
Less: Deferred Amount on Refunding	<u>(528,410)</u>
Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 37,279,772</u>

Compensated absences payable will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund.

Defeasance of Prior Debt

In prior years, Maury County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2005, the following outstanding bonds are considered defeased:

	<u>Amount</u>
1999 Highway and School	\$ 5,725,000

Maury County Solid Waste Disposal Fund (Enterprise Fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2005, was as follows:

Business-type Activities:

	<u>Compensated Absences</u>	<u>Closure/ Postclosure Care Costs</u>
Balance, July 1, 2004	\$ 0	\$ 669,496
Additions	14,361	0
Deductions	0	(15,020)
Balance, June 30, 2005	<u>\$ 14,361</u>	<u>\$ 654,476</u>
Balance Due Within One Year	<u>\$ 14,361</u>	<u>\$ 32,724</u>

Discretely Presented Maury County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Maury County School Department for the year ended June 30, 2005, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2004	\$ 3,419,626
Additions	859,736
Deductions	<u>(775,884)</u>
Balance, June 30, 2005	<u>\$ 3,503,478</u>
Balance Due Within One Year	<u>\$ 700,696</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects Funds.

G. Short-term Debt

Maury County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the discretely presented General Purpose School Fund. These notes were necessary to meet cash flow requirements. Short-term debt activity for the year ended June 30, 2005, was as follows:

	Balance 7-1-04	Issued	Redeemed	Balance 6-30-05
Tax Anticipation Notes	\$ 0	\$ 3,000,000	\$ (3,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Maury County (excluding the Maury Regional Hospital) is exposed to various risks related to general liability, property, and casualty losses. During 2003, the county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. 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 \$500,000 (property), and \$250,000 (casualty) for each insured event.

Maury County (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department participate in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established by the Tennessee County Services Association, an association of member counties, to provide for liabilities arising under the workers' compensation law. In accordance with Sections 12-9-101 through 12-9-109, Tennessee Code Annotated, inclusive, local governments are eligible to participate. The creation of the LGWCF provides for it to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000 for each insured event.

The county has chosen to establish the Employee Insurance - Prescriptions Fund for risks associated with the employees' prescription drug insurance plan. The Employee Insurance - Prescriptions Fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. All full-time employees of the primary government (excluding the Maury Regional Hospital) are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. Also, employees who elect to have prescription drug coverage on dependants contribute a set premium to the fund. This charge is based on estimates of the amounts needed to pay prior and current-year claims. Claims are submitted and paid on a 15 day cycle; therefore, the claims liability represents claims reported but not paid at June 30, 2005. Changes in the balance of claims liabilities during the past fiscal year are as follows:

Employee Insurance - Prescriptions Fund

	Beginning of Fiscal Year Liability	Current- Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2003-04	\$ 0	\$ 321,850	\$ (311,137)	\$ 10,713
2004-05	10,713	357,049	(347,601)	20,161

The county (excluding the Maury Regional Hospital) continues to carry commercial insurance for employee health.

The discretely presented Maury County School Department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, employee health, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

B. Accounting Change

During the year, Maury County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. These provisions modified the county's previous custodial risk disclosures for deposits and investments and related collateral. These provisions also added disclosures about other types of risk, including credit risk, interest rate risk, foreign currency risk, and concentrations of credit risk. Governments are also required to provide brief disclosures about their deposit and investment policies that are related to any of the risks required to be disclosed.

C. Subsequent Events

Malinda Sanford, the director of accounts and budgets, resigned March 31, 2005, and was succeeded by Christy Mash effective July 18, 2005.

Jim Barnes, the School Department's business manager, retired August 5, 2005, and was succeeded by Walter Bobo effective September 26, 2005.

On August 11, 2005, Maury County issued \$2,500,000 in tax anticipation notes on behalf of the General Purpose School Fund for temporary operating funds.

On September 1, 2005, Maury County sold general obligation school improvement bonds totaling \$14,000,000 for construction and renovation of schools.

On December 28, 2005, Maury County issued capital outlay notes totaling \$2,000,000 for school renovations, a county-wide performance review, Health Department construction, and various other projects.

D. Contingent Liabilities

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

E. Changes in Administration

The director of human resources resigned effective January 31, 2005, and was succeeded by Debbie Rutherford effective April 18, 2005.

F. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its Industrial Park Road 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 Solid Waste Disposal Fund 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 \$654,476 reported as landfill closure and postclosure care liability at June 30, 2005, represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. This amount is based on what it would cost to perform all closure and postclosure care in 2005. The county closed the landfill effective October 1, 1996. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Maury County Regional Airport Authority is a joint venture in which the county, the City of Columbia, and the City of Mount Pleasant participate. The authority is governed by a three member-board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2005, Maury County contributed \$30,000 to the authority.

The Maury County School Department participates in the Volunteer State Cooperative. The cooperative was established through a contractual cost-sharing arrangement between the Boards of Education of Bedford County, Coffee County, Dickson County, Manchester City, Maury County, Stewart County, and Sumner County. The cooperative was authorized through Chapter 49 of Tennessee Code Annotated. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Bedford County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Maury County and the discretely presented Maury County School Department do not have equity interests in any of the above-noted joint ventures. Complete financial statements for the Maury County Regional Airport Authority and the Volunteer State Cooperative can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Maury County Regional Airport Authority
1200 N. Main Street
Mt. Pleasant, Tennessee 38474

Volunteer State Cooperative
Bedford County Board of Education
500 Madison Street
Shelbyville, Tennessee 37160

H. Jointly Governed Organization

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence Counties. The TSRA's board includes the county mayors and a representative appointed by the respective County Commissions from each of the three counties, and a representative from the Cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2005.

I. Retirement Commitments

Plan Description

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

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

www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Maury County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was 8.37 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Maury County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2005, Maury County’s annual pension cost of \$1,510,755 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Maury County’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003, was 17 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-05	\$1,510,755	100%	\$0
6-30-04	1,372,273	100	0
6-30-03	1,342,713	100	0

Required Supplementary Information
 Schedule of Funding Progress for Maury County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
	(a)	(b)	(b) - (a)	(a/b)	(c)	
6-30-03	\$14,359	\$14,423	\$64	99.56%	\$16,720	0.38%
6-30-01	8,914	8,914	0	100.00	14,380	0.00

SCHOOL TEACHERS

Plan Description

The Maury County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at

www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/Schools/>.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2005, was 5.5 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2005, 2004, and 2003, were \$2,122,708, \$1,259,659, and \$1,248,853, respectively, equal to the required contributions for each year.

J. Office of Central Accounting, Budgeting, and Purchasing and the Office of Human Resources

Maury County operates under provisions of Chapter 233, Private Acts of 1963, which provide for a central system of accounting and budgeting covering funds administered by the county mayor and the road superintendent. These funds were maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

Maury County also operates under provisions of Chapter 91, Private Acts of 2004, which provide for an Office of Human Resources under the direction of the administrative committee of the County Commission. The human resources office preaudits all payrolls, generates the payroll transactions which are directly recorded in the general ledgers of the various funds, and handles all human resource duties and responsibilities. The Human Resources Office is administered by the human resources director.

K. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by provisions of Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes require that purchase orders be issued for all purchases and that sealed bids be solicited on purchases exceeding \$5,000 for the Office of County Mayor and \$10,000 for the Office of Road Superintendent.

Office of Director of Schools

Purchasing procedures for the discretely presented Maury County School Department are governed by purchasing laws applicable to schools, as set forth in Section 49-2-203, TCA, which provides for the county 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 \$5,000.

VI. OTHER NOTE – MAURY REGIONAL HOSPITAL FUND (ENTERPRISE FUND)

A. General

Maury Regional Hospital is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 373 of the Tennessee Private Acts of 1953. The federal, state, and local governments participated in the cost of constructing and equipping the hospital under the Hill-Burton Act. For financial reporting purposes, the hospital is considered an enterprise fund of Maury County, Tennessee.

The hospital is under the direct supervision of an administrator with overall responsibility vested in a Board of Trustees, composed of local citizens who are appointed by the Maury County Commission. The hospital, located in Columbia, Tennessee, has been in operation since 1953 and presently has a 275-bed capacity with 20 beds designated for skilled nursing care.

The financial statements include the accounts and operations of the hospital, which also includes seven medical office buildings in its service area, Marshall Medical Center, Wayne Medical Center, and certain other medical facilities in Wayne County, Tennessee, physician practice management groups, and an Ambulatory Surgery Center. The hospital built the medical office buildings to house some of its administrative functions and for lease principally to physicians on the hospital's staff. Marshall Medical Center is an acute care hospital with a 119-bed capacity located in Lewisburg, Tennessee, which was acquired by the hospital in 1995 and effective January 1, 2005, was designated a Critical Access Hospital with a new licensed bed complement of 25 beds. Wayne Medical Center is an acute care hospital with an 80-bed capacity located in Waynesboro, Tennessee, and has been leased by the hospital since 1995 (see Note M.).

B. Summary of Significant Accounting Policies

Basis of Presentation – The financial statements include the accounts of all wholly owned subsidiaries and majority-owned joint ventures. Ownership interests of minority participants in joint ventures are reported as minority interests. Significant intercompany accounts and transactions have been eliminated.

Method of Accounting – The hospital follows the accrual method of accounting. Revenues are recognized in the period earned; expenditures are recorded at the time liabilities are incurred.

The hospital applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents and Investments – Certificates of deposit with original maturities of three months or less when acquired are considered to be cash equivalents.

Statutes authorize the hospital to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federal chartered banks and savings and loan associations, and (3) the Local Government Investment Pool of the State of Tennessee. During the current fiscal year, the hospital invested funds that were not immediately needed in certificates of deposit. All certificates of deposit were recorded at cost. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

Patient Accounts Receivable – The hospital's primary concentration of credit risk is patient accounts receivable, which consist of amounts owed by various governmental agencies, insurance companies, and private patients. The hospital manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. Concentration of credit risk relating to accounts receivable is limited to some extent by the diversity and number of patients and payers.

Inventories – Inventories are reported at lower of cost or market, with cost determined by the average cost method.

Paid Time Off and Sick Days – An accrual for paid time off is recognized in the period in which the employee’s right to the compensation is earned. Sick pay is expensed when paid or payable since it does not vest.

Properties and Depreciation – Properties are reported at cost (or fair value at date of gift, if donated) and include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-ins) or loss is included in earnings for the period. Gains on trade-ins are applied to reduce the cost of the new acquisition. Depreciation is calculated principally by the straight-line method to allocate the cost of the assets over their estimated useful lives. The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets.

Interest expense incurred on applicable borrowings outstanding during the construction of plant and equipment is capitalized at an average rate as part of the cost of the asset financed and amortized on the same basis as related depreciation.

Income Taxes – The hospital is a not-for-profit entity in accordance with Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the code. The hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from filing a Form 990 based on Revenue Procedure 95-48.

Donated Supplies, Property, and Equipment – Significant donations of supplies, property, and equipment are recorded at fair market value at date of gift and recognized as nonoperating revenue.

Contractual Adjustments and Discounts – Provision is made currently for estimated settlements under the terms of various contractual agreements with certain government-funded programs and other third-party payers including the effects of any overpayment resulting from changing rules relating to the proper coding and billing of patient services. Such settlements may be subject to audit and adjustment by the respective programs. In management’s opinion, any such adjustments would not be material.

Debt Issue Costs – Debt issue costs are capitalized and amortized on the straight-line method over the life of the related obligation.

Patient Service Revenue – Net patient service revenue is reported as services are rendered at estimated net realizable amounts from patients, third-party payers, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Estimated settlements under third-party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future

periods as final settlements are determined. The provision for bad debts is included in net patient service revenue.

The hospital's policy does not require collateral or other security for accounts receivable. The hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans, or policies.

Operating Activities – The hospital defines operating activities as reported on the Statement of Revenues, Expenses, and Changes in Net Assets as those that generally result from exchange transactions, such as payments for providing goods and services and payments for goods and services received. Substantially all of the hospital's revenues and expenses are from exchange transactions. Other revenue is considered nonoperating revenue.

Deferred Revenue – Grant income is deferred and recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

C. Accounts Receivable

Patient accounts receivable consist of the following as of June 30, 2005.

Patient Accounts Receivable

Receivable from patients and their insurance carriers	\$ 37,595,921
Receivable from Medicare	25,199,284
Receivable from patients and their insurance carriers	8,928,730
Other	<u>1,080,214</u>
Total patients accounts receivable	<u>\$ 72,804,149</u>
Less allowances for:	
Bad debts	7,839,900
Contractual adjustments	<u>12,270,569</u>
Total allowances	<u>\$ 20,110,469</u>
Patient accounts receivable, net	<u><u>\$ 52,693,680</u></u>

D. Inventories

A summary of inventories as of June 30, 2005, follows:

General	\$ 1,114,445
Pharmacy	1,005,338
Fuel and Gasoline	<u>17,414</u>
Total	<u><u>\$ 2,137,197</u></u>

E. Property, Plant, and Equipment

A summary of changes in properties and related accumulated depreciation for the year ended June 30, 2005, follows:

	Balance		Balance	
	7-1-04	Increases	Decreases	6-30-05
Capital Assets Depreciated:				
Land Improvements	\$ 6,515,472	\$ 485,031	\$ (597,856)	\$ 6,402,647
Buildings	129,419,780	4,375,011	(51,274)	133,743,517
Equipment	88,977,502	9,933,558	(4,675,047)	94,236,013
Total Capital Assets Depreciated	<u>\$ 224,912,754</u>	<u>\$ 14,793,600</u>	<u>\$ (5,324,177)</u>	<u>\$ 234,382,177</u>
Less Accumulated Depreciation For:				
Land Improvements	\$ 2,395,044	\$ 266,812	\$ 0	\$ 2,661,856
Buildings	41,869,875	5,226,362	0	47,096,237
Equipment	64,590,823	7,147,425	(905,677)	70,832,571
Total Accumulated Depreciation	<u>\$ 108,855,742</u>	<u>\$ 12,640,599</u>	<u>\$ (905,677)</u>	<u>\$ 120,590,664</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 116,057,012</u>	<u>\$ 2,153,001</u>	<u>\$ (4,418,500)</u>	<u>\$ 113,791,513</u>
Capital Assets Not Depreciated:				
Land	\$ 5,290,501	\$ 0	\$ 0	\$ 5,290,501
Construction in Progress	3,482,286	6,181,961	(4,892,169)	4,772,078
Total Capital Assets Not				
Depreciated	<u>\$ 8,772,787</u>	<u>\$ 6,181,961</u>	<u>\$ (4,892,169)</u>	<u>\$ 10,062,579</u>
Total capital assets, net	<u>\$ 124,829,799</u>	<u>\$ 8,334,962</u>	<u>\$ (9,310,669)</u>	<u>\$ 123,854,092</u>

Depreciation is determined on the straight-line basis, computed over the estimated useful lives of the assets based on American Hospital Association guidelines, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements.

Construction in progress at June 30, 2005, consists of a Cardiovascular Lab, Surgery, Picture Archiving and Communication System, Physician Portal and other facilities. Total estimated costs required to complete construction projects in progress as of June 30, 2005, amounted to approximately \$12,873,000.

Properties and accumulated depreciation as of June 30, 2005, include fully depreciated assets with an original cost of \$53,251,900.

Constructed assets include capitalized interest of \$49,834 in 2005.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2005:

Bonds Payable

Series 2003 Refunding - represents the hospital's share of a \$6,815,000 Maury County General Obligation Bond issue, with interest rates from 2% to 2.75%, maturing over a four year period, with the final payment Due June 30, 2007.	\$ 1,034,552
Series 2004B Refunding - a \$15,130,000 Maury County General Obligation Refunding Bond issued on behalf of the hospital, with interest rates from 4% to 5%, maturing over a ten year period, with the final payment due June 30, 2014.	14,480,000
Series 2005 - a \$11,870,000 Maury County General Obligation Bond issued on behalf of the hospital, with interest rates from 3% to 5%, maturing over a 15-year period, with the final payment Due June 1, 2020.	<u>11,870,000</u>
Total	\$ 27,384,552
Less unamortized loss on bond refunding	(345,161)
Plus premium on bond refunding	<u>1,615,365</u>
Total Bonds Payable	<u><u>\$ 28,654,756</u></u>

Notes Payable

8.94% note payable on Northside property, requiring monthly payments of \$5,000, with a final payment of \$250,000 due August 1, 2014.	\$ 483,814
5.25% note payable on purchase of physician practice, requiring quarterly payments of \$27,500 with final payment due January 2008.	302,500
Note payable related to the Ambulatory Surgery Center, requiring monthly payments of \$3,254 beginning May 2007, interest rate variable at three-month LIBOR plus 3.75%	<u>169,850</u>
Total Notes Payable	<u><u>\$ 956,164</u></u>

Capitalized Leases Payable

Capital lease obligation	\$ 1,422,174
Total Capitalized Leases	<u>\$ 1,422,174</u>
Total Long-term Debt	\$ 31,033,094
Less Current Portion	<u>(4,512,599)</u>
Long-term Portion	<u><u>\$ 26,520,495</u></u>

A schedule, by year, of aggregate principal maturities on all long-term debt as of June 30, 2005, (including the capital lease obligation) follows:

<u>Year Ending June 30</u>	
2006	\$ 4,512,599
2007	4,509,959
2008	4,149,336
2009	4,199,942
2010	4,399,439
2011-2020	<u>7,991,615</u>
Total	<u>\$ 29,762,890</u>

A schedule of changes in long-term debt for the year ended June 30, 2005, follows:

	Bonds Payable	Other Long-term Debt	Total Long-term Debt
Balance, July 1, 2004	\$ 19,280,789	\$ 3,303,606	\$ 22,584,395
Additions and Refundings	11,870,000	407,656	12,277,656
Maturities and Refundings	(2,628,975)	(1,332,924)	(3,961,899)
Premium/Discount	132,942	0	132,942
Balance, June 30, 2005	<u>\$ 28,654,756</u>	<u>\$ 2,378,338</u>	<u>\$ 31,033,094</u>
Due Within One Year	<u>\$ 3,988,374</u>	<u>\$ 524,225</u>	<u>\$ 4,512,599</u>

G. Employee Benefit Plans

Defined Benefit Plan

Plan Description

Prior to May 1, 1997, all employees of the hospital were eligible to participate in the Maury Regional Hospital Retirement Plan, a single-employer public retirement system (PERS), accounted for as a separate entity from the hospital. The purpose of the plan is to provide retirement, death, and certain other benefits to such employees as specified in the plan. The actuarial method employed to determine contributions to the plan is the entry age actuarial cost method. Although it has not expressed any intention to do so, the hospital has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions set forth in ERISA. The plan issues separate financial statements which may be obtained from the hospital.

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) Plan on May 1, 1997. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Funding Policy

Voluntary contributions may not be made by participants. The hospital's contributions are based on an actuarially determined rate.

The hospital's annual pension cost and net pension obligation to the plan for the 2005 year were zero. The annual required contribution for the current year was determined as part of the April 30, 2005, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions used included the following:

- (1) 8 percent investment rate of return
- (2) projected salary increases ranging from 4 percent to 7.5 percent per year
- (3) amortization method – level dollar amount

Three-Year Trend Information

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed	Pension Obligation
6-30-03	\$ 0	100%	\$ 0
6-30-04	0	100	0
6-30-05	0	100	0

A schedule of funding progress for the plan follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	# Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	* Covered Payroll (c)	Unfunded Actuarial Liability as a % of Covered Payroll (b-a)/c
5-1-03	\$ 35,227,794	\$ 35,227,794	0	100%	\$ 9,501,280	0%
5-1-04	36,426,153	36,426,153	0	100	8,973,971	0
5-1-05	37,788,172	37,788,172	0	100	8,512,531	0

- * Includes compensation only for participants accruing benefit service on valuation date.
- # An unfunded actuarial liability is not identified under the aggregate actuarial cost method.

Defined Contribution Plan

Effective May 1, 1997, the hospital implemented a defined contribution plan, which includes a 403(b) feature and an employer-matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed \$14,000. The hospital's contribution consists of a base contribution of three percent of annual covered compensation and a matching contribution equal to 50 percent of the employees' first five percent of annual compensation contributed. The hospital's total contributions for 2005 amounted to \$2,447,448. Such contributions are expensed currently.

H. Third-Party Payer Reimbursements and Adjustment Contingency

Approximately 45 percent of 2005 net patient service revenues were derived under contractual agreements with certain government-funded programs (principally Medicare and TennCare) and other third-party payers. Revenues for services rendered under these programs are recorded initially at established rates and reduced to the estimated amounts due from the third-party payers through recording of contractual allowances. Final determination of amounts earned under the Medicare and TennCare programs often occur in subsequent years because of audits of the programs, rights of appeal and the application of numerous technical provisions. Differences between original estimates and subsequent revisions (including final settlement) are included in the Statement of Revenues, Expenses and Changes in Net Assets in the period in which the revisions are made.

Patient charges under government-funded reimbursement agreements, amounting to \$101,559,032 for the year ended June 30, 2005, are subject to audit and retroactive adjustment by third-party payers. Provisions for estimated retroactive adjustments under these agreements have been made in the accompanying financial statements.

In an effort to further ensure its compliance with Medicare and other third-party payer rules and requirements, as well as other applicable laws and regulations, Maury Regional Hospital has adopted a comprehensive compliance program. This initiative has served to strengthen the hospital's policies and procedures, to reinforce the compliance responsibilities of its management and staff, and to promote awareness of its zero tolerance level for non-compliant activities. The compliance program also includes various mechanisms intended to monitor the hospital's ongoing compliance with complex and ever-changing rules relating to the proper billing and coding of patient services.

Tennessee's Medicaid Program, TennCare, has operated under a Section 1115 waiver from the federal government since 1994. The State of Tennessee is facing budgetary challenges related to rapidly increasing expenditures for the current TennCare program. In order to curb these increased expenditures, the State of Tennessee has proposed modifications to the current program to limit enrollment, patient eligibility requirements, and covered services to enrollees. Maury Regional Hospital is unable to determine the impact of these changes, as the specifics of these proposals have not been fully publicized. Future legislation or other changes or interpretations of TennCare or a replacement program could have adverse effects on reimbursement for this population.

I. Capital Leases

During 2001, the hospital entered into a long-term agreement, accounted for as a capital lease, for three pieces of medical equipment. Under the agreement, ownership of the equipment is transferred to the hospital at the end of the lease term. The equipment and the related liability were recorded at the present value of the future minimum payments due under the lease, for \$64,254 per month, through December 2005.

On December 10, 2003, the Ambulatory Surgery Center entered into a capital lease agreement for the purchase of medical equipment up to \$1,400,000. Under the agreement, ownership of the equipment is transferred to the Ambulatory Surgery Center at the end of the lease term. The total of all draws executed under the agreement during the year is \$310,208. The equipment and the related liability were recorded at the present value of the future minimum payments due under the lease.

The following is a schedule, by year, of the future minimum lease payments required under the leases, together with the present value of the net minimum lease payments, as of June 30, 2005:

<u>Year Ending June 30</u>	
2006	\$ 465,809
2007	245,577
2008	245,577
2009	231,087
2010	245,577
2011-2012	<u>216,755</u>
Total minimum lease payments	\$ 1,650,382
Less: Discount for imputed interest	<u>(228,208)</u>
Present value of lease payments	<u><u>\$ 1,422,174</u></u>

A summary as of June 30, 2005, of the leased equipment, which is included in property, plant, and equipment, follows:

Equipment acquired under capital lease	\$ 4,822,787
Less: accumulated depreciation	<u>(3,160,455)</u>
Total	<u><u>\$ 1,662,332</u></u>

J. Uncombined Entity

The Maury Regional Hospital Auxiliary was established to raise funds to support the operation of Maury Regional Hospital. The auxiliary's bylaws provide that all funds raised, except for funds required for operations, be distributed to or held for the benefit of the hospital. The auxiliary's general funds represent unrestricted resources and are distributed to the hospital in amounts and at times determined by the auxiliary's Board of Trustees, which may also restrict the use of general funds for hospital plant replacement or expansion or other specific purposes. The auxiliary contributed supplies totaling \$103,354 to the hospital in 2005, which is included under non-operating revenue. The remaining balance of \$881 in unrestricted gifts in 2005 relates to general contributions.

K. Cash and Certificates of Deposit

At June 30, 2005, the hospital's cash and certificates of deposit amounted to \$22,529,329. Bank balances for such amounts totaled \$24,127,896, all of which was insured by the Federal Deposit Insurance Corporation, by the bank's participation in the State of Tennessee's collateral pool, or by collateral held by the hospital's agent in the hospital's name.

L. Rental Operation

The hospital leases space in its medical office buildings to staff physicians and also occupies a portion of the buildings for its administrative offices. Leases with physicians are generally for a three-year period, with two three-year renewal options (year-to-year thereafter), and with all utilities, taxes, insurance, and maintenance paid by the hospital.

Future rental commitments from staff physicians for leases in effect at June 30, 2005, are \$722,928 in 2006 and \$64,000 in 2007. A summary of rental income and related expenses applicable to the rental operation, which are netted and reported under operating revenues, follows for the year ended June 30, 2005:

Rental Income	<u>\$ 1,033,207</u>
Expenses:	
Salaries	\$ 178,297
Utilities	191,326
Other Expenses	171,288
Depreciation Expense	<u>553,633</u>
Total Expenses	<u>\$ 1,094,544</u>
Loss from Rental Operation	<u>\$ (61,337)</u>

No allocation of interest expense has been made in computing the loss from rental operation.

M. Leased Healthcare Facilities

On July 1, 1995, the hospital entered into the first of two five-year renewal options provided under a lease arrangement with the Board of Trustees of Wayne County General Hospital for the operation of several Wayne County healthcare facilities, including the county hospital, nursing home, ambulance service, and medical office buildings. The lease also extends to all equipment, improvements, fixtures, and related personal property. The annual lease expense will increase to a base rent of \$175,000 and a capital improvement commitment of \$175,000 beginning with the fiscal year ending June 30, 2006. The hospital may terminate the lease at any time upon 180 days' notice and the payment of \$500,000 as liquidated damages.

N. Charity Care

The hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. Charges excluded from revenue under the hospital's charity care policy were \$5,203,269 for the year ended June 30, 2005.

O. Net Patient Service Revenue

The hospital has agreements with third-party payers that provide for payments to the hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis related group (DRG). These DRG rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient

services are generally reimbursed under the outpatient prospective payment system, which pays a fixed rate for a given bundle of outpatient services. These bundles are known as Ambulatory Payment Classifications. Inpatient nonacute services, related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to various cost limits. The hospital is reimbursed for cost based services at a tentative rate, with final settlement determined after submission of annual cost reports by the hospital and audits thereof by the Medicare fiscal intermediary. The hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review. The hospital's Medicare cost reports have been audited by the Medicare intermediary through June 30, 2003.

TennCare – Under the TennCare Program, the hospital contracts with several managed care organizations for payment of services rendered to participants. Although the specific details of the contracts vary, the inpatient payments are based on a contracted rate per diagnosis or a prospectively determined per-diem rate. Outpatient payments generally are reimbursed at a percentage discount from approved charges.

Other – The hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the hospital under these agreements includes prospectively determined daily rates, discounts from established charges, and prospectively determined rates per discharge.

The hospital's net patient service revenue consisted of the following for the year ended June 30, 2005:

Patient Service Revenue	\$ 427,188,887
Charity Care	(5,203,629)
Allowances and uncollectible accounts	(8,898,408)
Contractual Adjustments	<u>(189,624,853)</u>
Net Patient Service Revenue	<u>\$ 223,461,997</u>

P. Investment in Physician Practice Management Groups

The hospital owns an 80 percent joint venture interest in and operates Family Health Group, a not-for-profit corporation which acquires, owns, operates, and manages physician practices. Accordingly, the accounts and operations of Family Health Group are consolidated with the hospital, and a minority interest has been recognized which represents the interest of St. Thomas Hospital, the other joint venturer, in the operations and net assets of the Family Health Group.

During 2003, the hospital established South Central Heart Group, a not-for-profit corporation, to operate a physicians' practice specializing in cardiology. The corporation began operation in September of 2003. During 2004, two additional practices were added to provide critical care services to patients at the hospital, Thoracic and Cardiovascular Associates and Pulmonary and Critical Care Associates. The accounts and operations are consolidated with the hospital.

Q. Investment in Ambulatory Surgery Center

During 2004, the hospital entered into a joint venture with a third party to operate an Ambulatory Surgery Center. As of July 1, 2004, the hospital owned 59 percent but has subsequently transferred three percent to other parties during the year. The hospital owned 56 percent at June 30, 2005. Accordingly, the accounts and operations of the Ambulatory Surgery Center are consolidated with the hospital and a minority interest has been recognized which represents the interests of the other ventures in the operations of the Ambulatory Surgery Center.

R. Risk Management

The hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The hospital maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the hospital. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The hospital is also subject to claims and suits arising in the ordinary course of business, including claims for damages for personal injuries, employment-related claims, and interference with a physician's business efforts. In certain actions, damages may be sought which exceed the hospital's insurance coverage. In management's opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the hospital's results of operations or financial condition. Accordingly, no liability for any such loss has been provided.

S. Prior-period Adjustment

A prior-period adjustment has been made as of July 1, 2004, to correct the Medicare and TennCare contractual allowances previously recorded prior to July 1, 2004. The effect of the adjustment was to reduce net accounts receivable and net assets reported as of the beginning of the 2005 fiscal year by \$4,322,489, with no effect on reported results of operations for the year.

VII. **OTHER NOTE – DISCRETELY PRESENTED MAURY COUNTY BOARD OF PUBLIC UTILITIES WATER SYSTEM**

A. **Summary of Significant Accounting Policies**

1. **General**

The Maury County Board of Public Utilities Water System is a discrete component unit of Maury County, Tennessee. The system is governed by a Board of Directors appointed by the county mayor and ratified by the County Commission. In addition, the County Commission approves the annual budget of the system.

2. **Accounting Method**

The system generally uses the accrual basis of accounting, except that revenue from water sales is recognized when billed.

The system applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

3. **Organization**

The system is operated as an enterprise fund with self-balancing accounting records. The system does not receive any operating revenues from Maury County, Tennessee.

4. **Utility Plant and Equipment**

The utility plant and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

5. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2005. Restricted assets are not treated as part of the entity's cash and cash equivalents.

6. Use of Estimates

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

B. Accounts Receivable

Customer receivables are composed of the following aged categories:

	<u>Amount</u>
Current billings	\$ 109,780
30 days past due	8,949
60 days past due	<u>993</u>
Total	<u>\$ 119,722</u>

Bad debts are determined and written off only by direct action of the system's board. The amount of \$3,603 was written off for 2005, net of collections of \$685 for previously determined to be uncollectible.

C. Deposits and Investments

Cash on the balance sheet includes cash on hand of \$255 and deposits with financial institutions, including demand deposits and certificates of deposits with an original maturity of three months or less.

Deposits – All deposits with financial institutions other than savings and loan associations must be collateralized in an amount equal to 105 percent of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the system. Deposits with savings and loan associates must be collateralized by one of the following methods: (1) by an amount equal to the same character as that required for other financial institutions; (2) by an irrevocable letter of credit issued by the Federal Home Loan Bank; or (3) by providing notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150 percent of the amount of uninsured deposits.

D. Restricted Assets

The restricted assets represent investment of construction reserves and customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2005, included

\$13,470 for meter deposits of current customers, and \$17,595 for meter deposits on lines under construction at the end of the fiscal year.

E. Utility Plant, Property, and Equipment

Major classifications of the utility plant and equipment and their respective depreciable lives are summarized below:

<u>Assets</u>	<u>Years</u>
Water grid and improvements	100
Water mains	40
Water towers and stations	40
Water meters	40-50
Casting and valves	40
Other capitalized costs	40
Equipment and fixtures:	
Trucks	5
Small tools and equipment	3-5-10
Office furniture and equipment	5-10

F. Capital Assets

Summary by category of changes in capital assets:

<u>Category</u>	<u>Balance</u> <u>7-1-04</u>	<u>Additions</u>	<u>Balance</u> <u>6-30-05</u>
Land	\$ 80,888	\$ 0	\$ 80,888
Building	146,233	2,750	148,983
Water Grid & Improvements	16,284,860	882,737	17,167,597
Equipment & Fixtures	415,063	86,492	501,555
Total	<u>\$ 16,927,044</u>	<u>\$ 971,979</u>	<u>\$ 17,899,023</u>
Less: Accumulated Depreciation			<u>(3,115,099)</u>
Capital Assets, Net			<u>\$ 14,783,924</u>

G. Accrued Leave

Accumulated annual leave at June 30, 2005, amounts to \$11,940. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks of annual leave for personnel with one to five years of continuous county service, three weeks for

six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

H. Risk Management

The system is exposed to losses that could arise from torts; asset theft, damage, or destruction; business interruption; errors or omissions; job-related illnesses or injuries to employees; acts of nature; and accident, health, dental, and other medical benefits to employees. Potential losses are covered by commercial insurance. The system has not been involved in any litigation during the last four fiscal years.

I. Commitments

On May 10, 2005, the Maury County Commission passed resolution #04-04-28 allowing the system to seek funding up to \$6.9 million for water system improvements. The system has also approved applications for state revolving and rural development funds to finance this project. As of June 30, 2005, the system has been approved for funding from state revolving funds totaling \$3.6 million for the northwest and southwest portions of the project; with \$175,000 funded from the system.

On July 11, 2005, the system's board approved change orders of \$130,733 for line extensions.

On August 8, 2005, the system's board approved the MCWS/CWS Carters Creek Pike Project bid totaling \$566,650, of which the system is to pay 50 percent.

VIII. OTHER NOTE – DISCRETELY PRESENTED MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Nature of Activities

Maury County Emergency Communications District is a nonprofit organization, established under Tennessee law. The district was organized to provide emergency 911 service to the residents of Maury County. While 911 has been in use for several years for emergency services, the Enhanced 911 was adopted for Maury County by public referendum on August 4, 1988. The voters of Maury County voted for E911 with an approval majority of 92 percent. Although the district is considered a municipality under its enabling legislation, it cannot levy or collect taxes and the charges for services shall not be considered or classified as taxes. The district is managed by a volunteer board of directors who are appointed by the district's primary government.

The district is a discretely presented component unit of Maury County, Tennessee, and the financial statements are presented in both the district's separate financial report and within the Maury County, Tennessee, financial report. The district is considered a discretely presented component unit of Maury County as defined under the criteria set forth in Governmental Accounting Standards Board Statement 14, because the district would be unable to issue debt without going through Maury County, Tennessee.

2. Basis of Accounting and Financial Statement Presentation

The term basis of accounting is used to determine when a transaction or event is recognized on the district's operating statement. The district uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

The Governmental Accounting Standards Board (GASB) exercises jurisdiction over accounting and financial reporting for governments. The Financial Accounting Standards Board (FASB) exercises jurisdiction over private enterprises and nonprofits. The Office of Comptroller of the Treasury requires Tennessee emergency communications districts to follow option one of GASB Statement No. 20. This option requires the district to follow only GASB guidance after November 30, 1989, and not follow any FASB guidance after that date.

3. Fund Equity

Fund equity is classified as net assets and displayed in three components:

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

4. Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash and Cash Equivalents

For purposes of the statement of net assets and the statement of cash flows, the district considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

6. Capital Assets

Capital assets are defined by the district as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year. Additions to capital assets are recorded at acquisition cost or estimated market value at the date of donation in the case of donated property. Depreciation and amortization are provided for in amounts sufficient to relate the cost of the assets to operations over their estimated service lives using the straight-line method of depreciation. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 31.5
Furniture and fixtures	7
Communications equipment	5 - 10
Vehicles	5

7. Income Taxes

The district is a tax-exempt organization under Section 115 of the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.

8. Operating Revenues and Expenses

The district distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the district's principal ongoing operations. The principal operating revenues of the district are emergency telephone

service charges to residents for providing emergency 911 services. Operating expenses include payroll expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

9. Budgetary Data

Prior to the beginning of the fiscal year, the board of directors prepares an operating budget. Depreciation is not budgeted, and outlays for capital items are budgeted as expenses. Therefore the budget is not intended to be presented in accordance with generally accepted accounting principles. The budget may be amended by the board as conditions warrant throughout the year.

10. Compensated Absences

It is the policy of the district that unused leave at the end of a fiscal year does not carry over to the next year. Vacation and sick leave expenditures are recognized when paid. Therefore, no accrual for accumulated unpaid leave is necessary.

B. Deposits

The district's policy limits deposits with financial institutions, including cash and certificates of deposit to accounts with commercial banks which are required to pledge securities as collateral for deposits in excess of Federal Deposit Insurance Corporation coverage.

C. Certificate of Deposit

At June 30, 2005, the certificate of deposit was as follows:

	<u>Amount</u>
First Farmers & Merchants Bank: 2.65% maturing November 11, 2005	<u>\$ 150,000</u>

D. Accounts Receivable

The following schedule reflects the components of accounts receivable as of June 30, 2005:

Emergency telephone service charges	\$ 38,865
State emergency communications board - shared wireless	<u>14,707</u>
Total	<u>\$ 53,572</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2005, is presented below:

	Balance 7-1-04	Increases	Balance 6-30-05
Buildings	\$ 112,858	\$ 0	\$ 112,858
Furniture and fixtures	6,720	584	7,304
Communications equipment	557,611	48,928	606,539
Vehicles	19,116	916	20,032
Land improvemnts	3,182	0	3,182
Total cost	<u>\$ 699,487</u>	<u>\$ 50,428</u>	<u>\$ 749,915</u>
Less accumulated depreciation for:			
Buildings	\$ (48,398)	\$ (3,588)	\$ (51,986)
Furniture and fixtures	(6,216)	(263)	(6,479)
Communications equipment	(479,583)	(26,609)	(506,192)
Vehicles	(17,659)	(2,373)	(20,032)
Land improvements	(3,182)	0	(3,182)
Total accumulated Depreciation	<u>\$ (555,038)</u>	<u>\$ (32,833)</u>	<u>\$ (587,871)</u>
Capital assets, net	<u>\$ 144,449</u>	<u>\$ 17,595</u>	<u>\$ 162,044</u>

F. Accrued Expenses

Accrued expenses at June 30, 2005, consist of the following:

Accrued payroll	\$ 16,255
Accrued payroll taxes	1,243
Employee withholdings	<u>807</u>
Total	<u>\$ 18,305</u>

G. Notes Payable

In previous years, the district entered into financing agreements with Motorola to purchase new telecommunications equipment. The remaining balance of \$1,362 with interest of \$9 on these notes was paid in full in August 2004. On September 20, 2005, the district signed a financing agreement with First Farmers & Merchants Bank for \$280,000 for the purchase of a new building.

H. Designated Net Assets

The board of directors of the district designated \$150,000 at the beginning of the fiscal year for future capital improvements. After current year capital additions, \$99,572 of the unrestricted net assets of \$607,678 remained designated for future capital improvements at June 30, 2005.

I. Major Revenue Source

Revenue for operation and maintenance of the district is generated by a surcharge placed on residential and business phone lines. The surcharge is collected by Bellsouth Telephone Company and remitted to the district monthly less a one percent administrative fee. In fiscal year 2000, the district began collecting revenue generated by wireless phone users. The Tennessee Emergency Communications Board collects the revenue and distributes 25 percent of the funds to the emergency communications districts based on the proportion of the population of each district to that of the state, according to the latest census.

J. Operating Lease

The district leases a copy machine from Xerox. The term of the lease is one year with future minimum lease payments of \$1,456.

K. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2005, the district was insured against potential losses associated with these risks through the purchase of commercial insurance for management liability and through a blanket general liability policy purchased by Maury County. There have been no losses in excess of insurance coverage during the last three years.

L. Subsequent Events

On September 20, 2005, the district purchased a new building on 2907 Cayce Lane, Columbia, Tennessee. Total cost of the building including closing costs amounted to \$351,512. The district paid \$71,512 down and has signed a \$280,000 mortgage with First Farmers & Merchants Bank for the remaining balance. The mortgage is for ten years at 6.1 percent interest and monthly payments of \$3,135 commencing on October 20, 2005. As of January 4, 2006, the district was in the process of renovating the building with an expected relocation in the spring of 2006.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit G

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,028,564	\$ 0	\$ 0	\$ 9,028,564	\$ 8,744,172	\$ 8,744,172	\$ 284,392
Licenses and Permits	339,464	0	0	339,464	258,000	258,000	81,464
Fines, Forfeitures, and Penalties	370,146	0	0	370,146	291,650	291,650	78,496
Charges for Current Services	206,141	0	0	206,141	114,750	114,750	91,391
Other Local Revenues	652,328	0	0	652,328	99,540	499,540	152,788
Fees Received from County Officials	2,766,164	0	0	2,766,164	2,320,000	2,320,000	446,164
State of Tennessee	1,190,815	0	0	1,190,815	1,129,500	1,129,500	61,315
Federal Government	171,564	0	0	171,564	97,773	490,706	(319,142)
Other Governments and Citizens Groups	188,886	0	0	188,886	66,500	136,829	52,057
Total Revenues	\$ 14,914,072	\$ 0	\$ 0	\$ 14,914,072	\$ 13,121,885	\$ 13,985,147	\$ 928,925
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 49,795	\$ 0	\$ 0	\$ 49,795	\$ 63,478	\$ 63,478	\$ 13,683
Board of Equalization	632	0	0	632	1,938	1,938	1,306
Other Boards and Committees	484	0	0	484	2,153	2,153	1,669
County Mayor	175,953	0	0	175,953	179,015	179,015	3,062
Personnel Office	216,321	0	0	216,321	227,115	227,115	10,794
County Attorney	57,934	0	0	57,934	58,156	58,156	222
Election Commission	266,244	0	0	266,244	304,912	304,912	38,668
Register of Deeds	280,733	(330)	0	280,403	298,426	298,426	18,023
Development	363,493	(75)	0	363,418	372,657	372,657	9,239
County Buildings	673,227	0	425	673,652	761,273	761,273	87,621
Other General Administration	595,575	(9,125)	0	586,450	668,336	668,335	81,885
Preservation of Records	137,689	(10,000)	3,357	131,046	140,541	140,541	9,495
<u>Finance</u>							
Accounting and Budgeting	432,281	(1,600)	0	430,681	455,692	455,692	25,011

(Continued)

Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Purchasing	\$ 53,604	\$ (427)	\$ 0	\$ 53,177	\$ 56,668	\$ 56,668	\$ 3,491
Property Assessor's Office	488,765	(21,849)	57,387	524,303	496,738	573,238	48,935
Reappraisal Program	144,723	0	600	145,323	159,243	159,244	13,921
County Trustee's Office	258,585	0	0	258,585	263,125	263,125	4,540
County Clerk's Office	139,146	0	0	139,146	151,623	151,623	12,477
Data Processing	171,059	(646)	0	170,413	236,767	236,767	66,354
<u>Administration of Justice</u>							
Circuit Court	817,542	0	0	817,542	881,502	882,812	65,270
General Sessions Court	669,729	0	0	669,729	641,293	677,433	7,704
Chancery Court	81,542	0	0	81,542	96,143	96,143	14,601
District Attorney General	33,880	0	0	33,880	35,000	55,000	21,120
<u>Public Safety</u>							
Sheriff's Department	3,859,844	(65)	800	3,860,579	3,976,963	4,074,053	213,474
Jail	2,500,519	(1,072)	444	2,499,891	2,380,412	2,673,615	173,724
Juvenile Services	152,115	0	0	152,115	184,714	184,714	32,599
Civil Defense	281,866	(77,575)	0	204,291	143,225	204,291	0
Other Emergency Management	214,855	(113,790)	49,090	150,155	164,194	519,880	369,725
County Coroner/Medical Examiner	7,875	0	0	7,875	8,000	8,000	125
Public Safety Grant Programs	54,508	0	0	54,508	45,641	90,381	35,873
<u>Public Health and Welfare</u>							
Local Health Center	404,673	0	0	404,673	643,939	643,939	239,266
Rabies and Animal Control	85,031	0	0	85,031	110,267	110,267	25,236
Other Local Health Services	1,279	0	0	1,279	4,096	4,096	2,817
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Appropriation to State	23,750	0	0	23,750	23,750	23,750	0
Other Local Welfare Services	18,070	0	0	18,070	18,250	18,250	180

(Continued)

Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 33,000	\$ 0	\$ 0	\$ 33,000	\$ 33,000	\$ 33,000	\$ 0
Libraries	468,317	0	0	468,317	489,365	492,365	24,048
Parks and Fair Boards	507,879	0	17,200	525,079	553,232	553,232	28,153
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	94,290	0	0	94,290	96,491	99,235	4,945
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	34,813	0	0	34,813	35,034	35,034	221
<u>Other Operations</u>							
Tourism	318,463	0	0	318,463	319,853	319,853	1,390
Industrial Development	154,366	0	0	154,366	158,400	158,400	4,034
Other Economic and Community Development	5,829	0	0	5,829	12,000	12,000	6,171
Airport	30,000	0	0	30,000	30,000	30,000	0
Veterans' Services	50,545	0	0	50,545	50,724	50,724	179
Other Charges	0	0	0	0	200	200	200
Contributions to Other Agencies	146,412	0	0	146,412	90,716	146,412	0
Employee Benefits	11,084	0	0	11,084	20,280	20,280	9,196
Miscellaneous	255,829	0	0	255,829	254,793	274,793	18,964
Total Expenditures	\$ 15,835,148	\$ (236,554)	\$ 129,303	\$ 15,727,897	\$ 16,410,333	\$ 17,477,508	\$ 1,749,611
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (921,076)	\$ 236,554	\$ (129,303)	\$ (813,825)	\$ (3,288,448)	\$ (3,492,361)	\$ 2,678,536
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,236,980	\$ 0	\$ 0	\$ 1,236,980	\$ 2,078,068	\$ 1,236,980	\$ 0
Transfers Out	(3,600)	0	0	(3,600)	(503,600)	(3,600)	0
Total Other Financing Sources (Uses)	\$ 1,233,380	\$ 0	\$ 0	\$ 1,233,380	\$ 1,574,468	\$ 1,233,380	\$ 0

(Continued)

Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 312,304	\$ 236,554	\$ (129,303)	\$ 419,555	\$ (1,713,980)	\$ (2,258,981)	\$ 2,678,536
Fund Balance, July 1, 2004	4,804,019	(236,554)	0	4,567,465	4,514,463	4,514,463	53,002
Fund Balance, June 30, 2005	\$ 5,116,323	\$ 0	\$ (129,303)	\$ 4,987,020	\$ 2,800,483	\$ 2,255,482	\$ 2,731,538

MAURY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2005

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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 State 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, Board of Equalization, County Mayor, County Attorney, 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 generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary statement.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Special Purpose Fund – The Special Purpose Fund is used primarily to account for in-lieu-of taxes paid by the Saturn Corporation.

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

Adequate Facilities/Development Tax Fund – The Adequate Facilities/Development Tax Fund is used to account for the fee assessed on square footage on all new residential and commercial buildings.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for unemployment benefits paid to the State of Tennessee under a reimbursement plan.

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

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county Highway Department.

Capital Projects Fund

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

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

Exhibit H-1

Maury County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue Funds					Total	Capital	Total
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works		Projects Fund	
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 210,081	\$ 0	\$ 210,081	\$ 0	\$ 210,081
Equity in Pooled Cash and Investments	922,172	88,991	1,323,467	0	1,584,428	3,919,058	3,382,675	7,301,733
Accounts Receivable	2,997	0	0	2,333	0	5,330	0	5,330
Due from Other Governments	83,252	0	9,050	0	469,979	562,281	0	562,281
Property Taxes Receivable	0	0	0	0	1,781,318	1,781,318	0	1,781,318
Allowance for Uncollectible Property Taxes	0	0	0	0	(58,580)	(58,580)	0	(58,580)
Prepaid Items	0	0	0	0	22,695	22,695	0	22,695
Notes Receivable - Current	3,600	0	0	0	0	3,600	0	3,600
Notes Receivable - Long-term	8,968	0	0	0	0	8,968	0	8,968
Total Assets	\$ 1,020,989	\$ 88,991	\$ 1,332,517	\$ 212,414	\$ 3,799,840	\$ 6,454,751	\$ 3,382,675	\$ 9,837,426
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable	\$ 0	\$ 0	\$ 56,091	\$ 0	\$ 3,452	\$ 59,543	\$ 0	\$ 59,543
Payroll Deductions Payable	0	0	0	0	21,515	21,515	0	21,515
Contracts Payable	0	0	34,169	0	0	34,169	0	34,169
Retainage Payable	5,642	0	0	0	0	5,642	0	5,642
Due to Other Funds	0	0	0	51,894	0	51,894	0	51,894
Due to Component Units	0	0	12,000	0	0	12,000	0	12,000
Due to State of Tennessee	0	0	0	0	868	868	0	868
Deferred Revenue - Current Property Taxes	0	0	0	0	1,673,413	1,673,413	0	1,673,413
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	41,657	41,657	0	41,657
Other Deferred Revenues	0	0	9,050	0	214,446	223,496	0	223,496
Total Liabilities	\$ 5,642	\$ 0	\$ 111,310	\$ 51,894	\$ 1,955,351	\$ 2,124,197	\$ 0	\$ 2,124,197
Fund Balances								
Reserved for Encumbrances	\$ 233,382	\$ 0	\$ 333,169	\$ 0	\$ 114,051	\$ 680,602	\$ 259,110	\$ 939,712
Reserved for Long-term Notes Receivable	8,968	0	0	0	0	8,968	0	8,968
Reserved for Capital Outlay	0	0	0	0	0	0	2,910,142	2,910,142
Unreserved	772,997	88,991	888,038	160,520	1,730,438	3,640,984	213,423	3,854,407
Total Fund Balances	\$ 1,015,347	\$ 88,991	\$ 1,221,207	\$ 160,520	\$ 1,844,489	\$ 4,330,554	\$ 3,382,675	\$ 7,713,229
Total Liabilities and Fund Balances	\$ 1,020,989	\$ 88,991	\$ 1,332,517	\$ 212,414	\$ 3,799,840	\$ 6,454,751	\$ 3,382,675	\$ 9,837,426

Exhibit H-2

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	
<u>Revenues</u>									
Local Taxes	\$ 2,145,737	\$ 0	\$ 1,052,603	\$ 0	\$ 0	\$ 2,000,485	\$ 5,198,825	\$ 0	\$ 5,198,825
Fines, Forfeitures, and Penalties	0	62,535	0	0	0	0	62,535	0	62,535
Charges for Current Services	0	0	0	0	670,934	0	670,934	0	670,934
Other Local Revenues	52,287	0	3,042	576	0	130	56,035	12,590	68,625
State of Tennessee	15,242	0	0	0	0	2,653,766	2,669,008	10,515	2,679,523
Federal Government	260,930	0	0	0	0	145,637	406,567	0	406,567
Other Governments and Citizens Groups	54,321	0	455,699	0	0	0	510,020	0	510,020
Total Revenues	\$ 2,528,517	\$ 62,535	\$ 1,511,344	\$ 576	\$ 670,934	\$ 4,800,018	\$ 9,573,924	\$ 23,105	\$ 9,597,029
<u>Expenditures</u>									
Current:									
Finance	\$ 158,610	\$ 0	\$ 0	\$ 0	\$ 428,479	\$ 0	\$ 587,089	\$ 0	\$ 587,089
Administration of Justice	0	0	0	0	241,094	0	241,094	0	241,094
Public Safety	0	109,650	0	0	0	0	109,650	0	109,650
Other Operations	509,348	0	0	0	0	0	509,348	0	509,348
Highways	0	0	0	0	0	5,113,522	5,113,522	0	5,113,522
Capital Projects	567,755	0	1,443,545	0	0	140,562	2,151,862	94,711	2,246,573
Total Expenditures	\$ 1,235,713	\$ 109,650	\$ 1,443,545	\$ 0	\$ 669,573	\$ 5,254,084	\$ 8,712,565	\$ 94,711	\$ 8,807,276
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,292,804	\$ (47,115)	\$ 67,799	\$ 576	\$ 1,361	\$ (454,066)	\$ 861,359	\$ (71,606)	\$ 789,753
<u>Other Financing Sources (Uses)</u>									
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,586,643	\$ 2,586,643
Premiums on Debt Issued	0	0	0	0	0	0	0	22,143	22,143
Transfers In	0	3,600	0	0	0	0	3,600	0	3,600
Transfers Out	(1,211,318)	0	0	(58,912)	0	0	(1,270,230)	0	(1,270,230)
Total Other Financing Sources (Uses)	\$ (1,211,318)	\$ 3,600	\$ 0	\$ (58,912)	\$ 0	\$ 0	\$ (1,266,630)	\$ 2,608,786	\$ 1,342,156
Net Change in Fund Balances	\$ 81,486	\$ (43,515)	\$ 67,799	\$ (58,336)	\$ 1,361	\$ (454,066)	\$ (405,271)	\$ 2,537,180	\$ 2,131,909
Fund Balance, July 1, 2004	933,861	132,506	1,153,408	58,336	159,159	2,298,555	4,735,825	845,495	5,581,320
Fund Balance, June 30, 2005	\$ 1,015,347	\$ 88,991	\$ 1,221,207	\$ 0	\$ 160,520	\$ 1,844,489	\$ 4,330,554	\$ 3,382,675	\$ 7,713,229

Exhibit H-3

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,145,737	\$ 0	\$ 0	\$ 2,145,737	\$ 2,000,000	\$ 2,125,000	\$ 20,737
Other Local Revenues	52,287	0	0	52,287	38,800	71,094	(18,807)
State of Tennessee	15,242	0	0	15,242	439,000	293,570	(278,328)
Federal Government	260,930	0	0	260,930	0	177,678	83,252
Other Governments and Citizens Groups	54,321	0	0	54,321	0	53,321	1,000
Total Revenues	\$ 2,528,517	\$ 0	\$ 0	\$ 2,528,517	\$ 2,477,800	\$ 2,720,663	\$ (192,146)
<u>Expenditures</u>							
<u>Finance</u>							
Data Processing	\$ 158,610	\$ (13,354)	\$ 1,700	\$ 146,956	\$ 205,184	\$ 205,184	\$ 58,228
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	0	0	0	0	0	62,500	62,500
<u>Other Operations</u>							
Contributions to Other Agencies	195,000	0	0	195,000	195,000	195,000	0
Payments to Cities	256,932	0	0	256,932	256,932	256,932	0
Miscellaneous	57,416	(16,746)	1,122	41,792	271,650	271,650	229,858
<u>Capital Projects</u>							
General Administration Projects	567,755	(73,156)	230,560	725,159	630,727	811,090	85,931
Total Expenditures	\$ 1,235,713	\$ (103,256)	\$ 233,382	\$ 1,365,839	\$ 1,559,493	\$ 1,802,356	\$ 436,517
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,292,804	\$ 103,256	\$ (233,382)	\$ 1,162,678	\$ 918,307	\$ 918,307	\$ 244,371
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (1,211,318)	\$ 0	\$ 0	\$ (1,211,318)	\$ (1,211,318)	\$ (1,211,318)	\$ 0
Total Other Financing Sources (Uses)	\$ (1,211,318)	\$ 0	\$ 0	\$ (1,211,318)	\$ (1,211,318)	\$ (1,211,318)	\$ 0
Net Change in Fund Balance	\$ 81,486	\$ 103,256	\$ (233,382)	\$ (48,640)	\$ (293,011)	\$ (293,011)	\$ 244,371
Fund Balance, July 1, 2004	933,861	(103,256)	0	830,605	793,011	793,011	37,594
Fund Balance, June 30, 2005	\$ 1,015,347	\$ 0	\$ (233,382)	\$ 781,965	\$ 500,000	\$ 500,000	\$ 281,965

Exhibit H-4

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 62,535	\$ 49,000	\$ 52,100	\$ 10,435
Total Revenues	\$ 62,535	\$ 49,000	\$ 52,100	\$ 10,435
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 109,650	\$ 126,125	\$ 129,225	\$ 19,575
Total Expenditures	\$ 109,650	\$ 126,125	\$ 129,225	\$ 19,575
Excess (Deficiency) of Revenues Over Expenditures	\$ (47,115)	\$ (77,125)	\$ (77,125)	\$ 30,010
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,600	\$ 3,600	\$ 3,600	\$ 0
Total Other Financing Sources (Uses)	\$ 3,600	\$ 3,600	\$ 3,600	\$ 0
Net Change in Fund Balance	\$ (43,515)	\$ (73,525)	\$ (73,525)	\$ 30,010
Fund Balance, July 1, 2004	132,506	132,505	132,505	1
Fund Balance, June 30, 2005	\$ 88,991	\$ 58,980	\$ 58,980	\$ 30,011

Exhibit H-5

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Adequate Facilities/Development Tax Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,052,603	\$ 0	\$ 0	\$ 1,052,603	\$ 700,000	\$ 700,000	\$ 352,603
Other Local Revenues	3,042	0	0	3,042	0	0	3,042
Other Governments and Citizens Groups	455,699	0	0	455,699	0	0	455,699
Total Revenues	\$ 1,511,344	\$ 0	\$ 0	\$ 1,511,344	\$ 700,000	\$ 700,000	\$ 811,344
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 931,125	\$ (727,890)	\$ 0	\$ 203,235	\$ 107,466	\$ 107,466	\$ (95,769)
Social, Cultural, and Recreation Projects	78,410	(17,692)	93,985	154,703	125,000	156,700	1,997
Other General Government Projects	99,000	(99,000)	0	0	0	0	0
Highway & Street Capital Projects	189,656	(68,713)	0	120,943	122,500	122,500	1,557
Education Capital Projects	145,354	0	239,184	384,538	0	562,000	177,462
Total Expenditures	\$ 1,443,545	\$ (913,295)	\$ 333,169	\$ 863,419	\$ 354,966	\$ 948,666	\$ 85,247
Excess (Deficiency) of Revenues Over Expenditures	\$ 67,799	\$ 913,295	\$ (333,169)	\$ 647,925	\$ 345,034	\$ (248,666)	\$ 896,591
Net Change in Fund Balance	\$ 67,799	\$ 913,295	\$ (333,169)	\$ 647,925	\$ 345,034	\$ (248,666)	\$ 896,591
Fund Balance, July 1, 2004	1,153,408	(913,295)	0	240,113	568,350	568,350	(328,237)
Fund Balance, June 30, 2005	\$ 1,221,207	\$ 0	\$ (333,169)	\$ 888,038	\$ 913,384	\$ 319,684	\$ 568,354

ExhibitH-6

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 576	\$ 0	\$ 576	\$ 0
Total Revenues	\$ 576	\$ 0	\$ 576	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Employee Benefits	\$ 0	\$ 58,336	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 58,336	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 576	\$ (58,336)	\$ 576	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (58,912)	\$ 0	\$ (58,912)	\$ 0
Total Other Financing Sources (Uses)	\$ (58,912)	\$ 0	\$ (58,912)	\$ 0
Net Change in Fund Balance	\$ (58,336)	\$ (58,336)	\$ (58,336)	\$ 0
Fund Balance, July 1, 2004	58,336	58,336	58,336	0
Fund Balance, June 30, 2005	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit H-7

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,000,485	\$ 0	\$ 0	\$ 2,000,485	\$ 1,935,308	\$ 1,935,308	\$ 65,177
Other Local Revenues	130	0	0	130	0	0	130
State of Tennessee	2,653,766	0	0	2,653,766	2,681,012	2,611,012	42,754
Federal Government	145,637	0	0	145,637	0	185,637	(40,000)
Total Revenues	\$ 4,800,018	\$ 0	\$ 0	\$ 4,800,018	\$ 4,616,320	\$ 4,731,957	\$ 68,061
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 171,271	\$ 0	\$ 0	\$ 171,271	\$ 178,297	\$ 174,364	\$ 3,093
Highway and Bridge Maintenance	2,912,442	(97,824)	45,189	2,859,807	2,826,657	3,033,227	173,420
Operation and Maintenance of Equipment	694,296	(9,116)	0	685,180	724,000	771,600	86,420
Other Charges	414,220	0	0	414,220	481,221	423,621	9,401
Employee Benefits	4,657	0	0	4,657	8,500	8,500	3,843
Capital Outlay	916,636	(189,190)	68,862	796,308	1,026,331	1,061,331	265,023
<u>Capital Projects</u>							
Highway & Street Capital Projects	140,562	(4,403)	0	136,159	425,000	313,000	176,841
Total Expenditures	\$ 5,254,084	\$ (300,533)	\$ 114,051	\$ 5,067,602	\$ 5,670,006	\$ 5,785,643	\$ 718,041
Excess (Deficiency) of Revenues Over Expenditures	\$ (454,066)	\$ 300,533	\$ (114,051)	\$ (267,584)	\$ (1,053,686)	\$ (1,053,686)	\$ 786,102
Net Change in Fund Balance	\$ (454,066)	\$ 300,533	\$ (114,051)	\$ (267,584)	\$ (1,053,686)	\$ (1,053,686)	\$ 786,102
Fund Balance, July 1, 2004	2,298,555	(300,533)	0	1,998,022	1,960,508	1,960,508	37,514
Fund Balance, June 30, 2005	\$ 1,844,489	\$ 0	\$ (114,051)	\$ 1,730,438	\$ 906,822	\$ 906,822	\$ 823,616

Major Governmental Fund

General Debt Service Fund

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

Exhibit I

Mauv County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,276,976	\$ 5,811,080	\$ 5,811,080	\$ 465,896
Other Local Revenues	651,859	300,000	300,000	351,859
State of Tennessee	646,172	475,000	475,000	171,172
Federal Government	204	0	0	204
Total Revenues	<u>\$ 7,575,211</u>	<u>\$ 6,586,080</u>	<u>\$ 6,586,080</u>	<u>\$ 989,131</u>
<u>Expenditures</u>				
<u>Principal</u>				
General Government	\$ 861,254	\$ 861,254	\$ 861,254	\$ 0
Highways and Streets	851,037	851,037	851,037	0
Education	2,948,184	2,948,183	2,948,184	0
<u>Interest</u>				
General Government	290,916	247,799	290,924	8
Highways and Streets	108,193	108,194	108,194	1
Education	1,152,014	928,485	1,152,020	6
<u>Other Debt Service</u>				
General Government	114,231	2,459,769	175,000	60,769
Total Expenditures	<u>\$ 6,325,829</u>	<u>\$ 8,404,721</u>	<u>\$ 6,386,613</u>	<u>\$ 60,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,249,382</u>	<u>\$ (1,818,641)</u>	<u>\$ 199,467</u>	<u>\$ 1,049,915</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 2,284,769	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 2,284,769</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,249,382	\$ 466,128	\$ 199,467	\$ 1,049,915
Fund Balance, July 1, 2004	5,956,116	5,678,537	5,678,537	277,579
Fund Balance, June 30, 2005	<u>\$ 7,205,498</u>	<u>\$ 6,144,665</u>	<u>\$ 5,878,004</u>	<u>\$ 1,327,494</u>

Proprietary Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or other governments, on a cost-reimbursed basis.

Central Maintenance/Garage Fund – The Central Maintenance/Garage Fund is used to account for the county’s central vehicle maintenance program.

Employee Insurance - Prescriptions Fund – The Employee Insurance - Prescriptions Fund is used to account for the county’s self-insured prescription drugs program.

Exhibit J-1

Maury County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2005

Governmental Activities - Internal Service Funds			
Central Maintenance/ Garage	Employee Insurance - Prescriptions		Total

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 90,435	\$ 40,284	\$ 130,719
Accounts Receivable	15,731	0	15,731
Prepaid Items	3,445	0	3,445
Total Current Assets	\$ 109,611	\$ 40,284	\$ 149,895

Noncurrent Assets:

Capital Assets (Net of Accumulated Depreciation):

Land	\$ 25,000	\$ 0	\$ 25,000
Buildings and Improvements	61,920	0	61,920
Machinery and Equipment	1,525	0	1,525
Total Noncurrent Assets	\$ 88,445	\$ 0	\$ 88,445
Total Assets	\$ 198,056	\$ 40,284	\$ 238,340

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 22	\$ 0	\$ 22
Payroll Deductions Payable	3,305	0	3,305
Claims and Judgements Payable	0	20,161	20,161
Total Current Liabilities	\$ 3,327	\$ 20,161	\$ 23,488
Total Liabilities	\$ 3,327	\$ 20,161	\$ 23,488

NET ASSETS

Invested in Capital Assets	\$ 88,445	\$ 0	\$ 88,445
Unrestricted	106,284	20,123	126,407
Total Net Assets	\$ 194,729	\$ 20,123	\$ 214,852

Exhibit J-2

Maury County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Funds		
	Central Maintenance/ Garage	Employee Insurance - Prescriptions	Total
<u>Operating Revenues</u>			
Charges for Current Services	\$ 1,386,878	\$ 334,306	\$ 1,721,184
Other Local Revenues	1,594	0	1,594
Total Operating Revenues	<u>\$ 1,388,472</u>	<u>\$ 334,306</u>	<u>\$ 1,722,778</u>
<u>Operating Expenses</u>			
Other General Administration	\$ 1,415,493	\$ 0	\$ 1,415,493
Other Operations	0	357,049	357,049
Depreciation and Amortization Expense	7,285	0	7,285
Total Operating Expenses	<u>\$ 1,422,778</u>	<u>\$ 357,049</u>	<u>\$ 1,779,827</u>
Operating Income (Loss)	<u>\$ (34,306)</u>	<u>\$ (22,743)</u>	<u>\$ (57,049)</u>
Income(Loss) Before Transfers	\$ (34,306)	\$ (22,743)	\$ (57,049)
Transfers In (Out)	<u>33,250</u>	<u>0</u>	<u>33,250</u>
Change in Net Assets	\$ (1,056)	\$ (22,743)	\$ (23,799)
Net Assets, July 1, 2004	<u>195,785</u>	<u>42,866</u>	<u>238,651</u>
Nets Assets, June 30, 2005	<u>\$ 194,729</u>	<u>\$ 20,123</u>	<u>\$ 214,852</u>

Exhibit J-3

Maury County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Funds		Total
	Central Maintenance/ Garage	Employee Insurance - Prescriptions	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers and Users	\$ 0	\$ 349,412	\$ 349,412
Receipts from Interfund Services Provided	1,376,763	0	1,376,763
Other Cash Receipts (Payments)	1,594	0	1,594
Payments to Employees	0	(350,205)	(350,205)
Central Maintenance Garage Activity - Uses	(1,420,449)	0	(1,420,449)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (42,092)</u>	<u>\$ (793)</u>	<u>\$ (42,885)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Operating Transfers In	\$ 33,250	0	33,250
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 33,250</u>	<u>0</u>	<u>33,250</u>
Net increase (decrease) in cash and cash equivalents	\$ (8,842)	\$ (793)	(9,635)
Cash and cash equivalents, July 1, 2004	99,277	41,077	140,354
Cash and cash equivalents, June 30, 2005	<u>\$ 90,435</u>	<u>\$ 40,284</u>	<u>\$ 130,719</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u> <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (34,306)	\$ (22,743)	\$ (57,049)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and Amortization Expense	7,285	0	7,285
(Increase) decrease in Accounts Receivable	(9,976)	0	(9,976)
(Increase) decrease in Due from Other Funds	0	15,106	15,106
(Increase) decrease in Prepaid Items	(139)	0	(139)
Increase (decrease) in Accounts Payable	(43)	(10,713)	(10,756)
Increase (decrease) in Claims and Judgements Payable	0	20,161	20,161
Increase (decrease) in Payroll Deductions Payable	166	0	166
Increase (decrease) in Due to Other Funds	(5,079)	(2,604)	(7,683)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (42,092)</u>	<u>\$ (793)</u>	<u>\$ (42,885)</u>

Fiduciary Funds

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

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

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

Exhibit K-1

Maury County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,663,859	\$ 1,663,859
Investments	0	35,217	35,217
Due from Other Governments	1,328,585	0	1,328,585
Total Assets	<u>\$ 1,328,585</u>	<u>\$ 1,699,076</u>	<u>\$ 3,027,661</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,328,585	\$ 0	\$ 1,328,585
Due to Litigants, Heirs, and Others	0	1,699,076	1,699,076
Total Liabilities	<u>\$ 1,328,585</u>	<u>\$ 1,699,076</u>	<u>\$ 3,027,661</u>

Exhibit K-2

Maury County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 7,464,660	\$ 7,464,660	\$ 0
Due From Other Governments	1,261,523	1,328,585	1,261,523	1,328,585
Total Assets	\$ 1,261,523	\$ 8,793,245	\$ 8,726,183	\$ 1,328,585
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,261,523	\$ 8,793,245	\$ 8,726,183	\$ 1,328,585
Total Liabilities	\$ 1,261,523	\$ 8,793,245	\$ 8,726,183	\$ 1,328,585
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,484,130	\$ 14,705,808	\$ 14,526,079	\$ 1,663,859
Investments	34,868	349	0	35,217
Total Assets	\$ 1,518,998	\$ 14,706,157	\$ 14,526,079	\$ 1,699,076
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,518,998	\$ 14,706,157	\$ 14,526,079	\$ 1,699,076
Total Liabilities	\$ 1,518,998	\$ 14,706,157	\$ 14,526,079	\$ 1,699,076
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 7,464,660	\$ 7,464,660	\$ 0
Cash	1,484,130	14,705,808	14,526,079	1,663,859
Due From Other Governments	1,261,523	1,328,585	1,261,523	1,328,585
Investments	34,868	349	0	35,217
Total Assets	\$ 2,780,521	\$ 23,499,402	\$ 23,252,262	\$ 3,027,661
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,261,523	\$ 8,793,245	\$ 8,726,183	\$ 1,328,585
Due to Litigants, Heirs, and Others	1,518,998	14,706,157	14,526,079	1,699,076
Total Liabilities	\$ 2,780,521	\$ 23,499,402	\$ 23,252,262	\$ 3,027,661

Maury County School Department

This section presents fund financial statements for the Maury 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 L-1

Maury County, Tennessee
Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Total Governmental Activities
Component Unit:					
Governmental Activities:					
Instruction	\$ 49,302,795	\$ 102,756	\$ 5,521,555	\$ 89,450	\$ (43,589,034)
Support Services	23,372,320	205,031	0	13,501,465	(9,665,824)
Operation of Noninstructional Services	4,655,935	2,434,072	2,257,955	0	36,092
Interest on Long-term Debt	28,980	0	0	0	(28,980)
Total Governmental Activities	<u>\$ 77,360,030</u>	<u>\$ 2,741,859</u>	<u>\$ 7,779,510</u>	<u>\$ 13,590,915</u>	<u>\$ (53,247,746)</u>
General Revenues:					
Taxes:					
Property taxes levied for general purposes					\$ 17,024,459
Local option sales tax					8,752,369
Other local taxes					15,057
Grants & contributions not restricted for specific programs					37,812,992
Unrestricted investment earnings					66,122
Miscellaneous					76,901
Total General Revenues					<u>\$ 63,747,900</u>
Change in net assets					\$ 10,500,154
Net assets, July 1, 2004					<u>69,941,695</u>
Net assets, June 30, 2005					<u>\$ 80,441,849</u>

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2005

	Major Funds		Nonmajor Funds	Total Governmen- mental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 9,908	\$ 9,908
Equity in Pooled Cash and Investments	994,210	8,184,606	967,492	10,146,308
Accounts Receivable	122,185	0	10,397	132,582
Due from Other Governments	2,221,791	0	365,717	2,587,508
Due from Other Funds	0	0	67,543	67,543
Due from Primary Government	12,000	0	0	12,000
Property Taxes Receivable	17,033,858	0	0	17,033,858
Allowance for Uncollectible Property Taxes	(560,178)	0	0	(560,178)
Prepaid Items	162,693	0	0	162,693
Total Assets	<u>\$ 19,986,559</u>	<u>\$ 8,184,606</u>	<u>\$ 1,421,057</u>	<u>\$ 29,592,222</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accrued Payroll	\$ 5,479	\$ 0	\$ 0	\$ 5,479
Payroll Deductions Payable	0	0	2,222	2,222
Cash Overdraft	0	0	60,826	60,826
Contracts Payable	0	1,116,910	0	1,116,910
Retainage Payable	0	121,791	0	121,791
Due to Other Funds	67,543	0	0	67,543
Deferred Revenue - Current Property Taxes	16,002,008	0	0	16,002,008
Deferred Revenue - Delinquent Property Taxes	398,345	0	0	398,345
Other Deferred Revenues	950,926	0	27,202	978,128
Total Liabilities	<u>\$ 17,424,301</u>	<u>\$ 1,238,701</u>	<u>\$ 90,250</u>	<u>\$ 18,753,252</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 599,587	\$ 7,464,758	\$ 0	\$ 8,064,345
Reserved for Career Ladder - Extended Contract	54,692	0	0	54,692
Reserved for Career Ladder Program	37,817	0	0	37,817
Reserved for Title I Grants to Local Education Agencies	0	0	70,702	70,702
Reserved for Innovative Education Program Strategies	0	0	2,222	2,222
Other Federal Reserves	0	0	75,174	75,174
Unreserved, Reported In:				
General Fund	1,870,162	0	0	1,870,162
Special Revenue Funds	0	0	1,182,709	1,182,709
Capital Projects Funds (Deficit)	0	(518,853)	0	(518,853)
Total Fund Balances	<u>\$ 2,562,258</u>	<u>\$ 6,945,905</u>	<u>\$ 1,330,807</u>	<u>\$ 10,838,970</u>
Total Liabilities and Fund Balances	<u>\$ 19,986,559</u>	<u>\$ 8,184,606</u>	<u>\$ 1,421,057</u>	<u>\$ 29,592,222</u>

Exhibit L-3

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Maury County School Department
June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit L-2)	\$ 10,838,970
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,729,884
(2) Long-term liabilities are not due in the current period and therefore are not reported in the funds.	(3,503,478)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>1,376,473</u>
Net assets of governmental activities (Exhibit A)	<u>\$ 80,441,849</u>

Exhibit L-4

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 25,824,710	\$ 0	\$ 0	\$ 25,824,710
Licenses and Permits	5,634	0	0	5,634
Charges for Current Services	242,036	0	2,426,500	2,668,536
Other Local Revenues	84,124	49,170	38,381	171,675
State of Tennessee	37,507,595	0	54,723	37,562,318
Federal Government	898,538	0	7,018,663	7,917,201
Other Governments and Citizens Groups	0	13,364,186	0	13,364,186
Total Revenues	<u>\$ 64,562,637</u>	<u>\$ 13,413,356</u>	<u>\$ 9,538,267</u>	<u>\$ 87,514,260</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 43,586,003	\$ 0	\$ 3,850,664	\$ 47,436,667
Support Services	21,460,587	0	1,415,566	22,876,153
Operation of Non-Instructional Services	0	0	4,396,352	4,396,352
Capital Outlay	573,240	0	0	573,240
Debt Service:				
Interest	28,980	0	0	28,980
Capital Projects	0	6,865,572	0	6,865,572
Total Expenditures	<u>\$ 65,648,810</u>	<u>\$ 6,865,572</u>	<u>\$ 9,662,582</u>	<u>\$ 82,176,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,086,173)</u>	<u>\$ 6,547,784</u>	<u>\$ (124,315)</u>	<u>\$ 5,337,296</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 69,760	\$ 0	\$ 101,936	\$ 171,696
Transfers Out	(101,936)	0	(69,760)	(171,696)
Total Other Financing Sources (Uses)	<u>\$ (32,176)</u>	<u>\$ 0</u>	<u>\$ 32,176</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (1,118,349)	\$ 6,547,784	\$ (92,139)	\$ 5,337,296
Fund Balance, July 1, 2004	<u>3,680,607</u>	<u>398,121</u>	<u>1,422,946</u>	<u>5,501,674</u>
Fund Balance, June 30, 2005	<u>\$ 2,562,258</u>	<u>\$ 6,945,905</u>	<u>\$ 1,330,807</u>	<u>\$ 10,838,970</u>

Exhibit L-5

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

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

Net change in fund balances - total governmental funds (Exhibit L-4)	\$ 5,337,296
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,098,246
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) was to increase net assets.	125,279
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	23,185
(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 governmental funds.	<u>(83,852)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 10,500,154</u>

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2005

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 9,908	\$ 9,908
Equity in Pooled Cash and Investments	0	967,492	967,492
Accounts Receivable	10,385	12	10,397
Due from Other Governments	133,218	232,499	365,717
Due from Other Funds	67,543	0	67,543
Total Assets	<u>\$ 211,146</u>	<u>\$ 1,209,911</u>	<u>\$ 1,421,057</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 2,222	\$ 0	\$ 2,222
Cash Overdraft	60,826	0	60,826
Other Deferred Revenues	0	27,202	27,202
Total Liabilities	<u>\$ 63,048</u>	<u>\$ 27,202</u>	<u>\$ 90,250</u>
<u>Fund Balances</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 70,702	\$ 0	\$ 70,702
Reserved for Innovative Education Program Strategies	2,222	0	2,222
Other Federal Reserves	75,174	0	75,174
Unreserved	0	1,182,709	1,182,709
Total Fund Balances	<u>\$ 148,098</u>	<u>\$ 1,182,709</u>	<u>\$ 1,330,807</u>
Total Liabilities and Fund Balances	<u>\$ 211,146</u>	<u>\$ 1,209,911</u>	<u>\$ 1,421,057</u>

Exhibit L-7

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 2,426,500	\$ 2,426,500
Other Local Revenues	0	38,381	38,381
State of Tennessee	0	54,723	54,723
Federal Government	5,040,093	1,978,570	7,018,663
Total Revenues	<u>\$ 5,040,093</u>	<u>\$ 4,498,174</u>	<u>\$ 9,538,267</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,850,664	\$ 0	\$ 3,850,664
Support Services	1,369,566	46,000	1,415,566
Operation of Non-Instructional Services	0	4,396,352	4,396,352
Total Expenditures	<u>\$ 5,220,230</u>	<u>\$ 4,442,352</u>	<u>\$ 9,662,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (180,137)</u>	<u>\$ 55,822</u>	<u>\$ (124,315)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 101,936	\$ 101,936
Transfers Out	(69,760)	0	(69,760)
Total Other Financing Sources (Uses)	<u>\$ (69,760)</u>	<u>\$ 101,936</u>	<u>\$ 32,176</u>
Net Change in Fund Balances	\$ (249,897)	\$ 157,758	\$ (92,139)
Fund Balance, July 1, 2004	<u>397,995</u>	<u>1,024,951</u>	<u>1,422,946</u>
Fund Balance, June 30, 2005	<u>\$ 148,098</u>	<u>\$ 1,182,709</u>	<u>\$ 1,330,807</u>

Exhibit L-8

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
General Purpose School Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 25,824,710	\$ 0	\$ 0	\$ 25,824,710	\$ 24,941,246	\$ 24,941,246	\$ 883,464
Licenses and Permits	5,634	0	0	5,634	7,000	7,000	(1,366)
Charges for Current Services	242,036	0	0	242,036	200,000	200,000	42,036
Other Local Revenues	84,124	0	0	84,124	179,000	179,000	(94,876)
State of Tennessee	37,507,595	0	0	37,507,595	37,005,559	37,704,023	(196,428)
Federal Government	898,538	0	0	898,538	1,012,941	1,012,941	(114,403)
Total Revenues	\$ 64,562,637	\$ 0	\$ 0	\$ 64,562,637	\$ 63,345,746	\$ 64,044,210	\$ 518,427
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 35,274,034	\$ (148,768)	\$ 5,850	\$ 35,131,116	\$ 34,311,405	\$ 35,107,628	\$ (23,488)
Alternative Instruction Program	161,542	0	0	161,542	201,039	156,639	(4,903)
Special Education Program	5,971,921	(62,144)	1,052	5,910,829	5,926,912	5,951,112	40,283
Vocational Education Program	2,079,241	(14,424)	6,910	2,071,727	2,157,448	2,096,518	24,791
Adult Education Program	99,265	(36)	0	99,229	114,128	89,128	(10,101)
<u>Support Services</u>							
Attendance	401,642	(4,283)	7,093	404,452	302,142	404,142	(310)
Health Services	219,852	(2,941)	292	217,203	228,372	238,072	20,869
Other Student Support	1,433,801	(1,911)	0	1,431,890	1,426,191	1,423,391	(8,499)
Regular Instruction Program	2,403,394	(54,928)	3,432	2,351,898	2,344,902	2,461,699	109,801
Alternative Instruction Program	169,692	(4,356)	0	165,336	148,616	164,516	(820)
Special Education Program	832,961	(3,353)	60	829,668	868,710	828,010	(1,658)
Vocational Education Program	127,726	(3,427)	231	124,530	114,581	125,681	1,151
Adult Programs	125,984	(952)	0	125,032	144,433	97,083	(27,949)
Board of Education	1,353,720	(25,263)	3,428	1,331,885	1,565,726	1,483,013	151,128
Director of Schools	201,913	(10,432)	137	191,618	229,422	207,422	15,804

(Continued)

Exhibit L-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 4,244,039	\$ (4,250)	\$ 180	\$ 4,239,969	\$ 4,418,473	\$ 4,187,840	\$ (52,129)
Fiscal Services	393,676	(11,078)	1,387	383,985	393,474	385,974	1,989
Operation of Plant	4,376,543	(44,127)	0	4,332,416	4,617,115	4,493,115	160,699
Maintenance of Plant	1,737,052	(92,599)	569,535	2,213,988	1,043,582	2,261,432	47,444
Transportation	2,525,455	(8,813)	0	2,516,642	2,477,357	2,558,317	41,675
Central and Other	913,137	(17,079)	0	896,058	763,718	828,238	(67,820)
<u>Capital Outlay</u>							
Regular Capital Outlay	573,240	0	0	573,240	600,000	573,240	0
<u>Interest</u>							
Education	28,980	0	0	28,980	0	0	(28,980)
Total Expenditures	\$ 65,648,810	\$ (515,164)	\$ 599,587	\$ 65,733,233	\$ 64,397,746	\$ 66,122,210	\$ 388,977
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,086,173)	\$ 515,164	\$ (599,587)	\$ (1,170,596)	\$ (1,052,000)	\$ (2,078,000)	\$ 907,404
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 69,760	\$ 0	\$ 0	\$ 69,760	\$ 30,000	\$ 30,000	\$ 39,760
Transfers Out	(101,936)	0	0	(101,936)	(128,000)	(102,000)	64
Total Other Financing Sources (Uses)	\$ (32,176)	\$ 0	\$ 0	\$ (32,176)	\$ (98,000)	\$ (72,000)	\$ 39,824
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2004	\$ (1,118,349)	\$ 515,164	\$ (599,587)	\$ (1,202,772)	\$ (1,150,000)	\$ (2,150,000)	\$ 947,228
	3,680,607	(515,164)	0	3,165,443	1,150,000	1,150,000	2,015,443
Fund Balance, June 30, 2005	\$ 2,562,258	\$ 0	\$ (599,587)	\$ 1,962,671	\$ 0	\$ (1,000,000)	\$ 2,962,671

Exhibit L-9

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
School Federal Projects Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,040,093	\$ 4,413,000	\$ 9,750,010	\$ (4,709,917)
Total Revenues	\$ 5,040,093	\$ 4,413,000	\$ 9,750,010	\$ (4,709,917)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,998,845	\$ 2,073,000	\$ 3,785,207	\$ 1,786,362
Special Education Program	1,661,093	1,055,900	3,113,239	1,452,146
Vocational Education Program	190,726	201,000	190,726	0
<u>Support Services</u>				
Other Student Support	44,107	41,700	102,000	57,893
Regular Instruction Program	611,708	471,800	1,545,768	934,060
Special Education Program	251,731	160,700	349,842	98,111
Maintenance of Plant	9,072	1,000	25,000	15,928
Transportation	452,948	377,900	678,764	225,816
Total Expenditures	\$ 5,220,230	\$ 4,383,000	\$ 9,790,546	\$ 4,570,316
Excess (Deficiency) of Revenues Over Expenditures	\$ (180,137)	\$ 30,000	\$ (40,536)	\$ (139,601)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (69,760)	\$ (30,000)	\$ (117,897)	\$ 48,137
Total Other Financing Sources (Uses)	\$ (69,760)	\$ (30,000)	\$ (117,897)	\$ 48,137
Net Change in Fund Balance	\$ (249,897)	\$ 0	\$ (158,433)	\$ (91,464)
Fund Balance, July 1, 2004	397,995	0	158,433	239,562
Fund Balance, June 30, 2005	\$ 148,098	\$ 0	\$ 0	\$ 148,098

Exhibit L-10

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,426,500	\$ 2,268,100	\$ 2,267,377	\$ 159,123
Other Local Revenues	38,381	27,000	27,000	11,381
State of Tennessee	54,723	54,000	54,723	0
Federal Government	1,978,570	1,754,000	1,754,000	224,570
Total Revenues	<u>\$ 4,498,174</u>	<u>\$ 4,103,100</u>	<u>\$ 4,103,100</u>	<u>\$ 395,074</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 46,000	\$ 90,000	\$ 46,000	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	4,396,352	4,261,714	4,305,714	(90,638)
Total Expenditures	<u>\$ 4,442,352</u>	<u>\$ 4,351,714</u>	<u>\$ 4,351,714</u>	<u>\$ (90,638)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 55,822</u>	<u>\$ (248,614)</u>	<u>\$ (248,614)</u>	<u>\$ 304,436</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 101,936	\$ 128,000	\$ 128,000	\$ (26,064)
Total Other Financing Sources (Uses)	<u>\$ 101,936</u>	<u>\$ 128,000</u>	<u>\$ 128,000</u>	<u>\$ (26,064)</u>
Net Change in Fund Balance	\$ 157,758	\$ (120,614)	\$ (120,614)	\$ 278,372
Fund Balance, July 1, 2004	1,024,951	120,614	120,614	904,337
Fund Balance, June 30, 2005	<u>\$ 1,182,709</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,182,709</u>

MISCELLANEOUS SCHEDULES

Exhibit M-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2005

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Asbestos Removal - EPA #1	\$ 349,599	0	% 7-28-1986	7-28-06	\$ 29,134	\$ 0	\$ 19,422	\$ 9,712
Asbestos Removal - EPA #2	240,499	0	6-11-1987	6-11-07	33,403	0	13,361	20,042
County Buildings, Roads and Bridges, Landfill, Schools, Real and Personal Property Acquisition	3,945,000	2.7 to 5	1-1-1994	7-1-05	800,000	0	390,000	410,000
Equipment	1,000,000	3.65	9-12-01	9-12-04	333,334	0	333,334	0
County Equipment, Highway, School Buses	1,840,000	2.26	9-22-03	12-28-06	1,840,000	0	613,333	1,226,667
Total Notes Payable					<u>\$ 3,035,871</u>	<u>\$ 0</u>	<u>\$ 1,369,450</u>	<u>\$ 1,666,421</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway and Schools	11,975,000	4.1 to 4.5	4-1-1999	4-1-06	\$ 1,950,000	\$ 0	\$ 950,000	\$ 1,000,000
Refunding Bond	3,821,170	2 to 2.75	8-15-03	6-1-07	2,461,473	0	1,141,025	1,320,448
Refunding Bond	21,420,000	4 to 5	3-1-04	4-1-11	21,420,000	0	1,200,000	20,220,000
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	0	16,000,000	0	16,000,000
Total Bonds Payable					<u>\$ 25,831,473</u>	<u>\$ 16,000,000</u>	<u>\$ 3,291,025</u>	<u>\$ 38,540,448</u>

Exhibit M-2

Maury County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2006	\$ 3,561,626	\$ 2,329,064	\$ 5,890,690
2007	3,658,822	2,111,516	5,770,338
2008	4,100,000	1,882,202	5,982,202
2009	3,800,000	1,637,203	5,437,203
2010	4,050,000	1,342,702	5,392,702
2011	3,970,000	1,029,703	4,999,703
2012	1,475,000	783,077	2,258,077
2013	1,525,000	680,953	2,205,953
2014	1,580,000	570,015	2,150,015
2015	1,640,000	449,815	2,089,815
2016	1,700,000	386,675	2,086,675
2017	1,765,000	301,675	2,066,675
2018	1,830,000	231,075	2,061,075
2019	1,905,000	157,875	2,062,875
2020	1,980,000	81,675	2,061,675
Total	<u>\$ 38,540,448</u>	<u>\$ 13,975,225</u>	<u>\$ 52,515,673</u>

Exhibit M-3

Maury County, Tennessee
Schedule of Investments - All Funds
June 30, 2005

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
Merrill Lynch - NOW Account	various	none	varies	\$ 35,217

Exhibit M-4

Maury County, Tennessee
Schedule of Notes Receivable - All Funds
June 30, 2005

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
Special Purpose Fund	Maury County Arts Guild	\$ 45,268	6-14-1996	12-14-08	0 %	<u>\$ 12,568</u>
Total						<u><u>\$ 12,568</u></u>

Exhibit M-5

Maury County, Tennessee
Schedule of Transfers - All Funds and Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Drug Control	Budgeted allocation of telephone commissions	\$ 3,600
Special Purpose	General	Provide funds for operations	900,000
Special Purpose	General	Provide funds for industrial development	160,000
Special Purpose	General	Provide funds for library operations	118,068
Special Purpose	Central Maintenance/Garage	Provide funds for operations	33,250
Other Special Revenue	General	To close fund	<u>58,912</u>
Total Transfers Primary Government			<u>\$ 1,273,830</u>
<u>Discretely Presented Maury</u>			
<u>County School Department</u>			
General Purpose School	Central Cafeteria	Provide funds for operations	\$ 101,936
School Federal Projects	General Purpose School	Indirect costs	<u>69,760</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 171,696</u>

Exhibit M-6

Maury County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2005

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 74,178	\$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	67,620	100,000	Travelers Casualty & Surety Company
Director of Schools	State Board of Education and Local Board of Education	95,000	100,000	"
Trustee	Section 8-24-102, <u>TCA</u>	61,470	1,885,200	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,470	10,000	Western Surety Company
County Clerk	Section 8-24-102, <u>TCA</u>	61,470	50,000	Cincinnati Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	61,470	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	61,965 (1)	70,000	Travelers Casualty & Surety Company
Register	Section 8-24-102, <u>TCA</u>	61,470	25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	71,163 (2)	25,000	"
Director of Accounts and Budgets: Malinda Stanford (7-1-04 through 3-31-05)	Chapter 233, Private Acts of 1963, as amended	59,447	25,000	Travelers Casualty & Surety Company
Christy Mash, Interim Director (4-1-05 through 6-30-05)	"	(4)	(3)	
Director of Human Resources: Shirley Harmon (7-1-04 through 1-31-05)	Chapter 91, Private Acts of 2004	49,547	(3)	
Debbie Rutherford (4-18-05 through 6-30-05)	Chapter 91, Private Acts of 2004	10,698	(3)	
<u>Other Bonds</u>				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			50,000	Indiana Insurance Company

(1) Includes special commissioner fees totaling \$495.

(2) Includes \$3,024 received as superintendent of the workhouse and \$519 for a law enforcement training supplement.

(3) Covered under county's blanket bond.

(4) Paid from her deputy line item.

Exhibit M-7

Maury County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2005

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,297,436	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	210,581	0	0	0	0
Trustee's Collections - Bankruptcy	7,460	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	124,018	0	0	0	0
Interest and Penalty	43,134	0	0	0	0
Pick-up Taxes	20,674	0	0	0	0
Payments in Lieu of Taxes - T.V.A.	0	0	0	0	0
Payments in Lieu of Taxes - Local Utilities	0	0	0	0	0
Payments in Lieu of Taxes - Other	0	2,145,737	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	407,838	0	0	0	0
Hotel/Motel Tax	282,554	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	378,411	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	1,052,603	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	0
Wholesale Beer Tax	253,993	0	0	0	0
Interstate Telecommunications Tax	2,465	0	0	0	0
Total Local Taxes	\$ 9,028,564	\$ 2,145,737	\$ 0	\$ 1,052,603	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 72,679	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	1,875	0	0	0	0
Building Permits	254,827	0	0	0	0
Other Permits	10,083	0	0	0	0
Total Licenses and Permits	\$ 339,464	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit M-7

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue
<u>Fines, Forfeitures and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 13,742	\$ 0	\$ 0	\$ 0	0
Officers Costs	22,060	0	0	0	0
Game and Fish Fines	68	0	0	0	0
Drug Control Fines	0	0	1,888	0	0
Drug Court Fees	19,826	0	0	0	0
DUI Treatment Fines	5,833	0	0	0	0
Data Entry Fee - Circuit Court	2,209	0	0	0	0
<u>General Sessions Court</u>					
Fines	94,335	0	0	0	0
Officers Costs	135,986	0	0	0	0
Game and Fish Fines	1,646	0	0	0	0
Drug Control Fines	0	0	6,003	0	0
DUI Treatment Fines	19,560	0	0	0	0
Data Entry Fee - General Sessions Court	30,002	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	22,565	0	0	0	0
Data Entry Fee - Chancery Court	2,314	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	3,100	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	51,544	0	0
Total Fines, Forfeitures and Penalties	\$ 370,146	\$ 0	\$ 62,535	\$ 0	0
<u>Charges for Current Services</u>					
<u>Fees</u>					
Subdivision Lot Fees	\$ 69,055	\$ 0	\$ 0	\$ 0	0
Recreation Fees	27,870	0	0	0	0
Copy Fees	4,722	0	0	0	0
Library Fees	15,196	0	0	0	0
Telephone Commissions	15,643	0	0	0	0
Vending Machine Collections	1,714	0	0	0	0
Tourism Fees	9,707	0	0	0	0

(Continued)

Exhibit M-7

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Processing Fee - Register	38,336	0	0	0	0
Data Processing Fee - Sheriff	10,818	0	0	0	0
Sexual Offender Registration Fee	1,080	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	12,000	0	0	0	0
Total Charges for Current Services	\$ 206,141	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 740	\$ 18,908	\$ 0	\$ 0	576
Lease/Rentals	113,747	16,333	0	0	0
Sale of Materials and Supplies	50	0	0	0	0
Miscellaneous Refunds	2,380	0	0	0	0
<u>Nonrecurring Items</u>					
Accrued Interest on Debt Issues	0	0	0	0	0
Insurance Recovery	655	0	0	3,042	0
Sale of Equipment	3,215	1,009	0	0	0
Sale of Property	40,000	0	0	0	0
Contributions & Gifts	4,271	16,037	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	487,270	0	0	0	0
Total Other Local Revenues	\$ 652,328	\$ 52,287	\$ 0	\$ 3,042	\$ 576
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 258,052	\$ 0	\$ 0	\$ 0	0
Clerk and Master	80,502	0	0	0	0
<u>Fees In Lieu of Salary</u>					
Circuit Court Clerk	779,716	0	0	0	0
Register	565,564	0	0	0	0
Sheriff	62,500	0	0	0	0

(Continued)

Exhibit M-7

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue
<u>Fees Received from County Officials (Cont.)</u>					
<u>Fees In Lieu of Salary (Cont.)</u>					
Trustee	\$ 1,019,830	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received from County Officials	\$ 2,766,164	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 10,334	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	22,241	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	29,047	0	0	0	0
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	330,588	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	65,538	0	0	0	0
Beer Tax	16,778	0	0	0	0
Alcoholic Beverage Tax	70,968	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
Board of Jurors	2,335	0	0	0	0
Contracted Prisoner Boarding	624,106	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Grants	0	15,242	0	0	0
Other State Revenues	2,500	0	0	0	0
Total State of Tennessee	\$ 1,190,815	\$ 15,242	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 125,280	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	2,466	0	0	0	0

(Continued)

Exhibit M-7

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Other Federal through State	\$ 14,226	\$ 260,930	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	29,592	0	0	0	0
Total Federal Government	\$ 171,564	\$ 260,930	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 13,731	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	85,064	54,321	0	455,699	0
<u>Citizens Groups</u>					
Donations	52,920	0	0	0	0
<u>Other</u>					
Other	37,171	0	0	0	0
Total Other Governments and Citizens Groups	\$ 188,886	\$ 54,321	\$ 0	\$ 455,699	\$ 0
Total	\$ 14,914,072	\$ 2,528,517	\$ 62,535	\$ 1,511,344	\$ 576

(Continued)

Exhibit M-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,692,087	\$ 3,701,437	\$ 0	\$ 12,690,960
Trustee's Collections - Prior Year	0	50,544	109,586	0	370,711
Trustee's Collections - Bankruptcy	0	1,761	3,843	0	13,064
Circuit/Clerk & Master Collections - Prior Years	0	28,760	62,912	0	215,690
Interest and Penalty	0	10,163	22,229	0	75,526
Pick-up Taxes	0	4,802	10,504	0	35,980
Payments in Lieu of Taxes - T.V.A.	0	0	9,360	0	9,360
Payments in Lieu of Taxes - Local Utilities	0	0	231,900	0	231,900
Payments in Lieu of Taxes - Other	0	0	130,387	0	2,276,124
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	407,838
Hotel/Motel Tax	0	0	0	0	282,554
Wheel Tax	0	0	1,657,326	0	1,657,326
Litigation Tax - General	0	0	0	0	378,411
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	107,386	0	107,386
Mineral Severance Tax	0	212,368	0	0	212,368
Adequate Facilities/Development Tax	0	0	0	0	1,052,603
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	230,106	0	230,106
Wholesale Beer Tax	0	0	0	0	253,993
Interstate Telecommunications Tax	0	0	0	0	2,465
Total Local Taxes	\$ 0	\$ 2,000,485	\$ 6,276,976	\$ 0	\$ 20,504,365
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 72,679
<u>Permits</u>					
Beer Permits	0	0	0	0	1,875
Building Permits	0	0	0	0	254,827
Other Permits	0	0	0	0	10,083
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 339,464

(Continued)

Exhibit M-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	13,742
Officers Costs	0	0	0	0	22,060
Game and Fish Fines	0	0	0	0	68
Drug Control Fines	0	0	0	0	1,888
Drug Court Fees	0	0	0	0	19,826
DUI Treatment Fines	0	0	0	0	5,833
Data Entry Fee - Circuit Court	0	0	0	0	2,209
<u>General Sessions Court</u>					
Fines	0	0	0	0	94,335
Officers Costs	0	0	0	0	135,986
Game and Fish Fines	0	0	0	0	1,646
Drug Control Fines	0	0	0	0	6,003
DUI Treatment Fines	0	0	0	0	19,560
Data Entry Fee - General Sessions Court	0	0	0	0	30,002
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	22,565
Data Entry Fee - Chancery Court	0	0	0	0	2,314
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	3,100
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	51,544
Total Fines, Forfeitures and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	432,681
<u>Charges for Current Services</u>					
<u>Fees</u>					
Subdivision Lot Fees	\$ 0	\$ 0	\$ 0	\$ 0	69,055
Recreation Fees	0	0	0	0	27,870
Copy Fees	0	0	0	0	4,722
Library Fees	0	0	0	0	15,196
Telephone Commissions	0	0	0	0	15,643
Vending Machine Collections	0	0	0	0	1,714
Tourism Fees	0	0	0	0	9,707

(Continued)

Exhibit M-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 670,934	\$ 0	\$ 0	\$ 0	\$ 670,934
Data Processing Fee - Register	0	0	0	0	38,336
Data Processing Fee - Sheriff	0	0	0	0	10,818
Sexual Offender Registration Fee	0	0	0	0	1,080
<u>Other Charges for Services</u>	0	0	0	0	12,000
Total Charges for Current Services	\$ 670,934	\$ 0	\$ 0	\$ 0	\$ 877,075
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 595,963	\$ 12,590	\$ 628,777
Lease/Rentals	0	0	0	0	130,080
Sale of Materials and Supplies	0	78	0	0	128
Miscellaneous Refunds	0	52	789	0	3,221
<u>Nonrecurring Items</u>					
Accrued Interest on Debt Issues	0	0	55,107	0	55,107
Insurance Recovery	0	0	0	0	3,697
Sale of Equipment	0	0	0	0	4,224
Sale of Property	0	0	0	0	40,000
Contributions & Gifts	0	0	0	0	20,308
<u>Other Local Revenues</u>	0	0	0	0	487,270
Total Other Local Revenues	\$ 0	\$ 130	\$ 651,859	\$ 12,590	\$ 1,372,812
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 258,052
Clerk and Master	0	0	0	0	80,502
<u>Fees In Lieu of Salary</u>					
Circuit Court Clerk	0	0	0	0	779,716
Register	0	0	0	0	565,564
Sheriff	0	0	0	0	62,500

(Continued)

Exhibit M-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	<u>Constitutional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>General Capital Projects</u>	<u>Total</u>
<u>Fees Received from County Officials (Cont.)</u>					
<u>Fees In Lieu of Salary (Cont.)</u>					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,019,830
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,766,164
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,334
State Reappraisal Grant	0	0	0	0	22,241
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	29,047
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	330,588
<u>Public Works Grants</u>					
Bridge Program	0	160,937	0	0	160,937
State Aid Program	0	216,372	0	0	216,372
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	65,538
Beer Tax	0	0	0	0	16,778
Alcoholic Beverage Tax	0	0	0	0	70,968
State Revenue Sharing - T.V.A.	0	0	646,172	0	646,172
Board of Jurors	0	0	0	0	2,335
Contracted Prisoner Boarding	0	0	0	0	624,106
Gasoline and Motor Fuel Tax	0	2,220,551	0	0	2,220,551
Petroleum Special Tax	0	55,906	0	0	55,906
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Grants	0	0	0	0	15,242
Other State Revenues	0	0	0	10,515	13,015
Total State of Tennessee	\$ 0	\$ 2,653,766	\$ 646,172	\$ 10,515	\$ 4,516,510
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,280
Law Enforcement Grants	0	0	0	0	2,466

(Continued)

Exhibit M-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Other Federal through State	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 325,156
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	95,637	204	0	125,433
Total Federal Government	<u>\$ 0</u>	<u>\$ 145,637</u>	<u>\$ 204</u>	<u>\$ 0</u>	<u>\$ 578,335</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,731
Contributions	0	0	0	0	595,084
<u>Citizens Groups</u>					
Donations	0	0	0	0	52,920
<u>Other</u>					
Other	0	0	0	0	37,171
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 698,906</u>
Total	<u>\$ 670,934</u>	<u>\$ 4,800,018</u>	<u>\$ 7,575,211</u>	<u>\$ 23,105</u>	<u>\$ 32,086,312</u>

Exhibit M-8

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 16,180,584	\$ 0	\$ 0	\$ 0	\$ 16,180,584
Trustee's Collections - Prior Year	473,237	0	0	0	473,237
Trustee's Collections - Bankruptcy	15,100	0	0	0	15,100
Circuit/Clerk & Master Collections - Prior Years	276,664	0	0	0	276,664
Interest and Penalty	97,153	0	0	0	97,153
Pick-up Taxes	45,917	0	0	0	45,917
<u>County Local Option Taxes</u>					
Local Option Sales Tax	8,720,998	0	0	0	8,720,998
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	15,057	0	0	0	15,057
Total Local Taxes	\$ 25,824,710	\$ 0	\$ 0	\$ 0	\$ 25,824,710
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,634	\$ 0	\$ 0	\$ 0	\$ 5,634
Total Licenses and Permits	\$ 5,634	\$ 0	\$ 0	\$ 0	\$ 5,634
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 512	\$ 0	\$ 0	\$ 0	\$ 512
<u>Education Charges</u>					
Tuition - Regular Day Students	41,229	0	0	0	41,229
Lunch Payments - Children	0	0	1,416,083	0	1,416,083
Lunch Payments - Adults	0	0	143,775	0	143,775
Income from Breakfast	0	0	140,870	0	140,870
A la carte Sales	0	0	635,657	0	635,657
School Based Health Services - FFS	7,060	0	0	0	7,060
Receipts from Individual Schools	193,235	0	0	0	193,235
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	90,115	0	90,115
Total Charges for Current Services	\$ 242,036	\$ 0	\$ 2,426,500	\$ 0	\$ 2,668,536
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 16,954	\$ 49,170	\$ 66,124
Lease/Rentals	11,442	0	0	0	11,442
Sale of Materials and Supplies	354	0	0	0	354
Miscellaneous Refunds	36,696	0	21,427	0	58,123
<u>Nonrecurring Items</u>					
Insurance Recovery	9,982	0	0	0	9,982
Sale of Equipment	6,776	0	0	0	6,776
Damages Recovered from Individuals	3,388	0	0	0	3,388
<u>Other Local Revenues</u>					
Other Local Revenues	15,486	0	0	0	15,486
Total Other Local Revenues	\$ 84,124	\$ 0	\$ 38,381	\$ 49,170	\$ 171,675

(Continued)

Exhibit M-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 35,717,513	\$ 0	\$ 0	\$ 0	\$ 35,717,513
School Food Service	0	0	54,723	0	54,723
Other State Education Funds	787,147	0	0	0	787,147
Career Ladder Program	697,633	0	0	0	697,633
Career Ladder - Extended Contract	238,884	0	0	0	238,884
Other Vocational	25,000	0	0	0	25,000
<u>Other State Revenues</u>					
Mixed Drink Tax	41,418	0	0	0	41,418
Total State of Tennessee	\$ 37,507,595	\$ 0	\$ 54,723	\$ 0	\$ 37,562,318
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,591,303	\$ 0	\$ 1,591,303
Breakfast	0	0	386,417	0	386,417
USDA - Other	0	0	850	0	850
Adult Education State Grant Program	94,304	0	0	0	94,304
Vocational Education - Basic Grants to States	0	216,292	0	0	216,292
Other Vocational	20,000	0	0	0	20,000
Title I Grants to Local Education Agencies	0	2,007,027	0	0	2,007,027
Innovative Education Program Strategies	0	41,400	0	0	41,400
Special Education - Grants to States	57,565	2,020,907	0	0	2,078,472
Special Education Preschool Grants	0	89,428	0	0	89,428
Eisenhower Professional Development State Grants	0	558,529	0	0	558,529
Other Federal through State	640,896	106,510	0	0	747,406
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	61,527	0	0	0	61,527
Other Direct Federal Revenue	24,246	0	0	0	24,246
Total Federal Government	\$ 898,538	\$ 5,040,093	\$ 1,978,570	\$ 0	\$ 7,917,201
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 13,364,186	\$ 13,364,186
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 13,364,186	\$ 13,364,186
Total	\$ 64,562,637	\$ 5,040,093	\$ 4,498,174	\$ 13,413,356	\$ 87,514,260

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2005

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	43,050	
Social Security		2,706	
Employer Medicare		633	
Dues and Memberships		1,850	
Legal Notices, Recording, and Court Costs		334	
Travel		150	
Food Supplies		562	
Office Supplies		510	
Total County Commission			\$ 49,795

Board of Equalization

Board and Committee Members Fees	\$	590	
Social Security		34	
Employer Medicare		8	
Total Board of Equalization			632

Other Boards and Committees

Other Per Diem & Fees	\$	450	
Social Security		28	
Employer Medicare		6	
Total Other Boards and Committees			484

County Mayor

County Official/Administrative Officer	\$	74,178	
Assistant(s)		28,647	
Clerical Personnel		28,647	
Longevity Pay		1,200	
Social Security		8,258	
State Retirement		11,105	
Employee and Dependent Insurance		2,822	
Life Insurance		173	
Medical Insurance		10,919	
Dental Insurance		609	
Disability Insurance		693	
Unemployment Compensation		210	
Employer Medicare		1,931	
Communication		621	
Dues and Memberships		1,975	
Maintenance Agreements		722	
Postal Charges		461	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor (Cont.)

Printing, Stationery, and Forms	\$	1,008	
Travel		60	
Office Supplies		917	
Periodicals		797	
Total County Mayor			\$ 175,953

Personnel Office

County Official/Administrative Officer	\$	60,245	
Clerical Personnel		99,783	
Longevity Pay		750	
Social Security		9,950	
State Retirement		13,457	
Employee and Dependent Insurance		3,354	
Life Insurance		201	
Medical Insurance		12,646	
Dental Insurance		706	
Disability Insurance		716	
Unemployment Compensation		502	
Employer Medicare		2,327	
Communication		391	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		3,626	
Maintenance Agreements		430	
Postal Charges		513	
Printing, Stationery, and Forms		287	
Travel		3,647	
Office Supplies		1,811	
Periodicals		804	
Total Personnel Office			216,321

County Attorney

County Official/Administrative Officer	\$	44,520	
Longevity Pay		950	
Social Security		2,819	
State Retirement		3,806	
Employee and Dependent Insurance		941	
Life Insurance		57	
Medical Insurance		3,640	
Dental Insurance		203	
Disability Insurance		234	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Unemployment Compensation	\$	105	
Employer Medicare		659	
Total County Attorney			\$ 57,934

Election Commission

County Official/Administrative Officer	\$	55,326
Clerical Personnel		50,957
Part-time Personnel		12,194
Longevity Pay		1,000
Overtime Pay		1,458
Other Salaries & Wages		1,338
Election Commission		3,190
Election Workers		47,610
Social Security		9,090
State Retirement		9,213
Employee and Dependent Insurance		2,822
Life Insurance		173
Medical Insurance		10,919
Dental Insurance		609
Disability Insurance		549
Unemployment Compensation		321
Employer Medicare		2,126
Communication		1,202
Contracts with Public Carriers		2,000
Data Processing Services		3,600
Dues and Memberships		200
Legal Notices, Recording, and Court Costs		5,078
Maintenance Agreements		2,182
Maintenance & Repair Services- Buildings		473
Maintenance & Repair Services- Equipment		1,079
Pest Control		171
Postal Charges		9,330
Printing, Stationery, and Forms		18,564
Rentals		1,932
Travel		1,266
Data Processing Supplies		988
Electricity		3,218
Natural Gas		1,103
Office Supplies		1,036
Other Charges		1,006

(Continued)

Exhibit M-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Furniture and Fixtures	\$ 2,921	
Total Election Commission		\$ 266,244

Register of Deeds

County Official/Administrative Officer	\$ 61,470	
Clerical Personnel	115,701	
Longevity Pay	1,750	
Social Security	11,083	
State Retirement	14,976	
Employee and Dependent Insurance	4,704	
Life Insurance	288	
Medical Insurance	18,198	
Dental Insurance	1,014	
Disability Insurance	934	
Unemployment Compensation	420	
Employer Medicare	2,592	
Data Processing Services	19,542	
Dues and Memberships	560	
Maintenance Agreements	8,497	
Postal Charges	3,032	
Travel	451	
Office Supplies	2,125	
Data Processing Equipment	8,102	
Furniture and Fixtures	1,492	
Office Equipment	3,802	
Total Register of Deeds		280,733

Development

County Official/Administrative Officer	\$ 90,351
Secretary(s)	34,341
Clerical Personnel	25,626
Longevity Pay	3,800
Other Salaries & Wages	81,557
Social Security	14,566
State Retirement	13,029
Employee and Dependent Insurance	5,606
Life Insurance	336
Medical Insurance	21,189
Dental Insurance	1,183
Disability Insurance	1,184

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Unemployment Compensation	\$	656	
Employer Medicare		3,407	
Communication		788	
Consultants		53,000	
Dues and Memberships		350	
Legal Notices, Recording, and Court Costs		2,076	
Maintenance Agreements		562	
Maintenance & Repair Services- Vehicles		410	
Postal Charges		740	
Printing, Stationery, and Forms		717	
Travel		650	
Gasoline		3,897	
Office Supplies		1,975	
Periodicals		563	
Other Charges		120	
Office Equipment		804	
Other Equipment		10	
Total Development			\$ 363,493

County Buildings

Supervisor/Director	\$	37,877
Custodial Personnel		59,826
Longevity Pay		4,450
Overtime Pay		2,079
Other Salaries & Wages		132,924
Social Security		14,585
State Retirement		16,709
Employee and Dependent Insurance		7,291
Life Insurance		446
Medical Insurance		28,220
Dental Insurance		1,572
Disability Insurance		1,110
Unemployment Compensation		1,161
Employer Medicare		3,411
Architects		5,795
Communication		1,392
Laundry Service		4,631
Licenses		1,333
Maintenance Agreements		15,906
Maintenance & Repair Services- Buildings		48,640

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance & Repair Services- Equipment	\$	247	
Maintenance & Repair Services- Vehicles		2,466	
Pest Control		2,377	
Rentals		251	
Disposal Fees		10,740	
Other Contracted Services		27,015	
Custodial Supplies		7,917	
Electricity		119,169	
Equipment and Machinery Parts		7	
Fertilizer, Lime and Seed		692	
Gasoline		3,701	
Natural Gas		24,064	
Office Supplies		102	
Small Tools		625	
Other Supplies and Materials		600	
Boiler Insurance		10,512	
Building and Contents Insurance		58,255	
Other Charges		84	
Furniture and Fixtures		355	
Other Equipment		2,958	
Other Capital Outlay		11,732	
Total County Buildings			\$ 673,227

Other General Administration

Audit Services	\$	15,765	
Dues and Memberships		7,487	
Legal Services		46,890	
Maintenance & Repair Services- Vehicles		518	
Gasoline		1,082	
Judgments		6,087	
Liability Insurance		227,417	
Premiums on Corporate Surety Bonds		1,562	
Refunds		1,637	
Vehicle and Equipment Insurance		84,698	
Workers' Compensation Insurance		202,414	
Other Charges		18	
Total Other General Administration			595,575

Preservation of Records

County Official/Administrative Officer	\$	43,830	
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(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Assistant(s)	\$	32,739	
Longevity Pay		300	
Social Security		4,744	
State Retirement		6,434	
Employee and Dependent Insurance		1,882	
Life Insurance		115	
Medical Insurance		7,279	
Dental Insurance		406	
Disability Insurance		401	
Unemployment Compensation		210	
Employer Medicare		1,109	
Communication		847	
Dues and Memberships		80	
Janitorial Services		7,330	
Maintenance Agreements		1,896	
Postal Charges		111	
Printing, Stationery, and Forms		148	
Travel		907	
Custodial Supplies		227	
Office Supplies		4,628	
Periodicals		96	
Furniture and Fixtures		3,813	
Other Capital Outlay		18,157	
Total Preservation of Records			\$ 137,689

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	59,447
Assistant(s)		50,462
Accountants/Bookkeepers		123,793
Clerical Personnel		89,294
Longevity Pay		3,700
Social Security		19,948
State Retirement		27,344
Employee and Dependent Insurance		7,370
Life Insurance		451
Medical Insurance		28,171
Dental Insurance		1,589
Disability Insurance		1,697
Unemployment Compensation		840

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Employer Medicare	\$	4,665	
Dues and Memberships		710	
Legal Notices, Recording and Court Costs		1,678	
Maintenance Agreements		1,325	
Maintenance & Repair Services- Office Equipment		586	
Postal Charges		2,003	
Printing, Stationery, and Forms		40	
Travel		2,215	
Office Supplies		3,068	
Periodicals		325	
Furniture and Fixtures		250	
Office Equipment		1,310	
Total Accounting and Budgeting			\$ 432,281

Purchasing

Assistant(s)	\$	43,647	
Longevity Pay		150	
Social Security		2,683	
State Retirement		3,666	
Life Insurance		58	
Dental Insurance		203	
Disability Insurance		223	
Unemployment Compensation		105	
Employer Medicare		627	
Communication		101	
Legal Notices, Recording, and Court Costs		1,382	
Postal Charges		380	
Office Supplies		357	
Periodicals		22	
Total Purchasing			53,604

Property Assessor's Office

County Official/Administrative Officer	\$	61,470	
Clerical Personnel		106,852	
Longevity Pay		3,800	
Other Salaries & Wages		148,140	
In-Service Training		1,540	
Social Security		19,380	
State Retirement		17,417	
Employee and Dependent Insurance		8,075	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Life Insurance	\$	510	
Medical Insurance		30,379	
Dental Insurance		1,691	
Disability Insurance		1,468	
Unemployment Compensation		1,213	
Employer Medicare		4,532	
Audit Services		11,101	
Communication		483	
Data Processing Services		19,440	
Dues and Memberships		1,728	
Maintenance Agreements		955	
Maintenance & Repair Services- Vehicles		1,763	
Postal Charges		2,507	
Printing, Stationery, and Forms		450	
Travel		2,277	
Other Contracted Services		30,332	
Gasoline		2,974	
Office Supplies		3,431	
Other Charges		309	
Furniture and Fixtures		173	
Office Equipment		231	
Other Equipment		4,144	
Total Property Assessor's Office			\$ 488,765

Reappraisal Program

Clerical Personnel	\$	25,971
Temporary Personnel		9,735
Longevity Pay		1,000
Other Salaries & Wages		61,789
In-Service Training		185
Social Security		6,089
State Retirement		7,408
Employee and Dependent Insurance		2,822
Life Insurance		173
Medical Insurance		10,903
Dental Insurance		608
Disability Insurance		460
Unemployment Compensation		424
Employer Medicare		1,424
Communication		562

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Data Processing Services	\$	11,838	
Maintenance Agreements		379	
Maintenance & Repair Services- Vehicles		148	
Postal Charges		620	
Travel		472	
Gasoline		435	
Office Supplies		1,278	
Total Reappraisal Program			\$ 144,723

County Trustee's Office

County Official/Administrative Officer	\$	61,470	
Clerical Personnel		110,631	
Temporary Personnel		8,988	
Longevity Pay		2,700	
Social Security		11,098	
State Retirement		14,773	
Employee and Dependent Insurance		4,782	
Life Insurance		288	
Medical Insurance		18,198	
Dental Insurance		1,014	
Disability Insurance		911	
Unemployment Compensation		529	
Employer Medicare		2,596	
Data Processing Services		7,921	
Dues and Memberships		575	
Legal Notices, Recording, and Court Costs		152	
Maintenance Agreements		393	
Maintenance & Repair Services- Office Equipment		61	
Postal Charges		8,023	
Travel		694	
Office Supplies		2,097	
Periodicals		199	
Communication Equipment		225	
Office Equipment		267	
Total County Trustee's Office			258,585

County Clerk's Office

State Retirement	\$	33,332	
Employee and Dependent Insurance		12,078	
Life Insurance		706	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Medical Insurance	\$	46,092	
Dental Insurance		2,559	
Disability Insurance		1,943	
Unemployment Compensation		1,626	
Data Processing Services		7,107	
Dues and Memberships		525	
Maintenance Agreements		1,324	
Maintenance & Repair Services- Office Equipment		67	
Postal Charges		18,474	
Printing, Stationery, and Forms		7,710	
Travel		168	
Data Processing Supplies		277	
Office Supplies		4,908	
Periodicals		250	
Total County Clerk's Office			\$ 139,146

Data Processing

County Official/Administrative Officer	\$	58,413	
Data Processing Personnel		45,886	
Longevity Pay		650	
Overtime Pay		90	
Other Salaries & Wages		31,848	
Social Security		8,312	
State Retirement		11,458	
Employee and Dependent Insurance		1,411	
Life Insurance		163	
Medical Insurance		5,136	
Dental Insurance		354	
Disability Insurance		647	
Unemployment Compensation		315	
Employer Medicare		1,944	
Communication		1,145	
Postal Charges		169	
Printing, Stationery, and Forms		42	
Travel		308	
Data Processing Supplies		224	
Office Supplies		624	
Small Tools		148	
Data Processing Equipment		853	
Furniture and Fixtures		919	
Total Data Processing			171,059

(Continued)

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,470	
Clerical Personnel		464,642	
Part-time Personnel		18,093	
Longevity Pay		5,950	
Jury and Witness Fees		35,426	
Other Per Diem & Fees		5,900	
Social Security		34,147	
State Retirement		39,621	
Employee and Dependent Insurance		16,072	
Life Insurance		989	
Medical Insurance		62,472	
Dental Insurance		3,482	
Disability Insurance		2,770	
Unemployment Compensation		1,951	
Employer Medicare		7,986	
Data Processing Services		12,298	
Dues and Memberships		545	
Legal Notices, Recording, and Court Costs		364	
Maintenance Agreements		3,875	
Postal Charges		10,910	
Printing, Stationery, and Forms		12,664	
Travel		111	
Office Supplies		11,096	
Periodicals		233	
Other Charges		3,581	
Furniture and Fixtures		894	
Total Circuit Court			\$ 817,542

General Sessions Court

Judge(s)	\$	328,571
Clerical Personnel		79,914
Temporary Personnel		12,992
Longevity Pay		1,750
Other Salaries & Wages		82,940
Social Security		28,770
State Retirement		39,651
Employee and Dependent Insurance		7,762
Life Insurance		482
Medical Insurance		30,962
Dental Insurance		1,725

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Disability Insurance	\$	2,409	
Unemployment Compensation		798	
Employer Medicare		7,173	
Communication		8,514	
Dues and Memberships		120	
Maintenance Agreements		1,799	
Pest Control		291	
Printing, Stationery, and Forms		532	
Travel		3,014	
Electricity		4,019	
Office Supplies		241	
Periodicals		452	
Other Charges		268	
Data Processing Equipment		11,791	
Office Equipment		12,789	
Total General Sessions Court			\$ 669,729

Chancery Court

State Retirement	\$	18,213	
Employee and Dependent Insurance		6,194	
Life Insurance		370	
Medical Insurance		23,334	
Dental Insurance		1,301	
Disability Insurance		1,103	
Unemployment Compensation		724	
Data Processing Services		6,153	
Dues and Memberships		545	
Maintenance Agreements		665	
Postal Charges		11,140	
Printing, Stationery, and Forms		5,990	
Travel		504	
Office Supplies		2,944	
Periodicals		659	
Other Charges		234	
Data Processing Equipment		832	
Furniture and Fixtures		262	
Office Equipment		375	
Total Chancery Court			81,542

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General

Contributions	\$	2,500	
Medical and Dental Services		31,380	
Total District Attorney General			\$ 33,880

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,620	
Deputy(ies)		1,342,429	
Investigator(s)		321,225	
Captain(s)		114,714	
Lieutenant(s)		134,784	
Sergeant(s)		299,894	
Dispatchers/Radio Operators		142,461	
Clerical Personnel		135,026	
Part-time Personnel		17,001	
Longevity Pay		24,650	
Overtime Pay		135,659	
In-Service Training		32,129	
Social Security		169,633	
State Retirement		214,115	
Employee and Dependent Insurance		65,269	
Life Insurance		4,001	
Medical Insurance		250,908	
Dental Insurance		13,794	
Disability Insurance		13,185	
Unemployment Compensation		7,474	
Employer Medicare		39,672	
Communication		25,760	
Data Processing Services		6,050	
Dues and Memberships		3,020	
Laundry Service		38	
Legal Notices, Recording, and Court Costs		183	
Maintenance Agreements		12,139	
Maintenance & Repair Services- Equipment		203	
Maintenance & Repair Services- Vehicles		24,418	
Postal Charges		1,775	
Printing, Stationery, and Forms		2,055	
Travel		24,761	
Other Contracted Services		2,035	
Data Processing Supplies		4,356	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Drugs and Medical Supplies	\$	894	
Food Supplies		52	
Gasoline		95,286	
Law Enforcement Supplies		16,262	
Lubricants		3,137	
Office Supplies		9,033	
Periodicals		1,774	
Tires and Tubes		10,486	
Uniforms		18,106	
Vehicle Parts		29,902	
Other Charges		387	
Communication Equipment		3,293	
Data Processing Equipment		8,139	
Furniture and Fixtures		916	
Law Enforcement Equipment		9,623	
Office Equipment		118	
Total Sheriff's Department			\$ 3,859,844

Jail

County Official/Administrative Officer	\$	3,024
Maintenance Personnel		29,682
Longevity Pay		6,300
Overtime Pay		157,261
Other Salaries & Wages		1,096,368
In-Service Training		35
Social Security		79,220
State Retirement		96,839
Employee and Dependent Insurance		36,102
Life Insurance		2,129
Medical Insurance		137,481
Dental Insurance		7,779
Disability Insurance		5,496
Unemployment Compensation		5,413
Employer Medicare		18,527
Communication		16,503
Contracts with Government Agencies		51,588
Maintenance Agreements		17,960
Maintenance & Repair Services- Buildings		36,874
Maintenance & Repair Services- Equipment		387
Maintenance & Repair Services- Vehicles		3,591

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical and Dental Services	\$	74,290	
Pest Control		2,850	
Postal Charges		1,998	
Printing, Stationery, and Forms		2,332	
Travel		4,703	
Disposal Fees		1,962	
Custodial Supplies		30,861	
Drugs and Medical Supplies		160,271	
Electricity		101,526	
Food Supplies		206,634	
Gasoline		17,139	
Law Enforcement Supplies		315	
Lubricants		466	
Natural Gas		35,503	
Office Supplies		90	
Prisoners Clothing		9,363	
Tires and Tubes		1,236	
Uniforms		5,962	
Vehicle Parts		5,007	
Other Supplies and Materials		58	
Other Charges		54	
Food Service Equipment		6	
Law Enforcement Equipment		1,001	
Other Equipment		28,333	
Total Jail			\$ 2,500,519

Juvenile Services

Assistant(s)	\$	20,348
Probation Officer(s)		21,424
Youth Service Officer(s)		36,090
Longevity Pay		400
Social Security		4,834
State Retirement		3,496
Employee and Dependent Insurance		2,038
Life Insurance		187
Medical Insurance		11,069
Dental Insurance		609
Disability Insurance		401
Unemployment Compensation		315
Employer Medicare		1,131

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Communication	\$	261	
Dues and Memberships		75	
Postal Charges		74	
Travel		8,494	
Other Contracted Services		40,050	
Drugs and Medical Supplies		269	
Office Supplies		324	
Periodicals		170	
Other Charges		56	
Total Juvenile Services			\$ 152,115

Civil Defense

Contributions	\$	63,500	
Vehicle and Equipment Insurance		29,775	
Other Equipment		188,591	
Total Civil Defense			281,866

Other Emergency Management

Communication	\$	745	
Data Processing Services		160	
Dues and Memberships		105	
Maintenance Agreements		388	
Maintenance & Repair Services- Vehicles		2,162	
Postal Charges		283	
Travel		723	
Gasoline		1,134	
Instructional Supplies and Materials		666	
Office Supplies		434	
Periodicals		96	
Small Tools		392	
Uniforms		977	
Vehicle Parts		1,757	
Other Supplies and Materials		1,199	
Vehicle and Equipment Insurance		1,650	
Other Charges		584	
Communication Equipment		28,412	
Data Processing Equipment		4,101	
Health Equipment		8,149	
Other Equipment		38,894	
Other Capital Outlay		121,844	
Total Other Emergency Management			214,855

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Medical and Dental Services	\$ 7,875	
Total County Coroner/Medical Examiner		\$ 7,875

Public Safety Grant Programs

Travel	\$ 225	
Uniforms	6,184	
Data Processing Equipment	1,985	
Law Enforcement Equipment	46,114	
Total Public Safety Grant Programs		54,508

Public Health and Welfare

Local Health Center

Medical Personnel	\$ 185,144
Clerical Personnel	53,314
Part-time Personnel	28,336
Longevity Pay	750
Social Security	16,404
State Retirement	20,012
Employee and Dependent Insurance	8,820
Life Insurance	509
Medical Insurance	32,456
Dental Insurance	1,792
Disability Insurance	1,041
Unemployment Compensation	1,894
Employer Medicare	3,836
Communication	8,273
Dues and Memberships	100
Janitorial Services	10,200
Legal Notices, Recording, and Court Costs	128
Maintenance Agreements	755
Maintenance & Repair Services- Buildings	3,905
Maintenance & Repair Services- Equipment	200
Maintenance & Repair Services- Office Equipment	346
Medical and Dental Services	1,638
Pest Control	388
Printing, Stationery, and Forms	95
Travel	5,015
Other Contracted Services	144
Electricity	7,920
Natural Gas	1,944

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	4,604	
Other Supplies and Materials		22	
Liability Insurance		119	
Workers' Compensation Insurance		1,365	
Other Charges		80	
Furniture and Fixtures		1,934	
Office Equipment		1,190	
Total Local Health Center			\$ 404,673

Rabies and Animal Control

Part-time Personnel	\$	11,021	
Longevity Pay		250	
Other Salaries & Wages		39,385	
Social Security		3,119	
State Retirement		1,100	
Employee and Dependent Insurance		1,568	
Life Insurance		86	
Medical Insurance		5,783	
Dental Insurance		305	
Disability Insurance		203	
Unemployment Compensation		347	
Employer Medicare		729	
Advertising		385	
Communication		1,573	
Licenses		430	
Maintenance Agreements		23	
Maintenance & Repair Services- Vehicles		1,369	
Printing, Stationery, and Forms		123	
Travel		135	
Disposal Fees		356	
Drugs and Medical Supplies		1,571	
Electricity		6,074	
Equipment Parts - Light		269	
Gasoline		4,500	
Law Enforcement Supplies		48	
Natural Gas		3,963	
Office Supplies		21	
Uniforms		295	
Total Rabies and Animal Control			85,031

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Advertising	\$	132	
Instructional Supplies and Materials		640	
Other Charges		507	
Total Other Local Health Services			\$ 1,279

Regional Mental Health Center

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

Appropriation to State

Contracts with Government Agencies	\$	23,750	
Total Appropriation to State			23,750

Other Local Welfare Services

Other Contracted Services	\$	18,070	
Total Other Local Welfare Services			18,070

Social, Cultural and Recreational Services

Senior Citizens Assistance

Contributions	\$	33,000	
Total Senior Citizens Assistance			33,000

Libraries

County Official/Administrative Officer	\$	42,300	
Librarians		165,840	
Part-time Personnel		46,647	
Longevity Pay		3,100	
Social Security		15,640	
State Retirement		18,426	
Employee and Dependent Insurance		8,716	
Life Insurance		534	
Medical Insurance		33,717	
Dental Insurance		1,879	
Disability Insurance		1,133	
Unemployment Compensation		1,452	
Employer Medicare		3,658	
Communication		5,892	
Data Processing Services		2,314	
Dues and Memberships		75	
Janitorial Services		6,980	

(Continued)

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

General Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Libraries (Cont.)

Licenses	\$	350	
Maintenance Agreements		9,744	
Maintenance & Repair Services- Buildings		5,698	
Maintenance & Repair Services- Equipment		197	
Pest Control		692	
Postal Charges		940	
Printing, Stationery, and Forms		850	
Travel		19	
Custodial Supplies		1,859	
Electricity		19,353	
Instructional Supplies and Materials		850	
Library Books/Media		28,975	
Natural Gas		4,682	
Office Supplies		6,203	
Periodicals		5,463	
Furniture and Fixtures		176	
Other Capital Outlay		23,963	
Total Libraries			\$ 468,317

Parks and Fair Boards

County Official/Administrative Officer	\$	53,409
Assistant(s)		43,135
Laborers		105,869
Clerical Personnel		17,648
Temporary Personnel		48,672
Longevity Pay		1,900
Overtime Pay		3,021
Social Security		16,889
State Retirement		17,932
Employee and Dependent Insurance		5,958
Life Insurance		360
Medical Insurance		22,170
Dental Insurance		1,217
Disability Insurance		1,016
Unemployment Compensation		1,641
Employer Medicare		3,950
Communication		2,957
Dues and Memberships		250
Laundry Service		3,884
Licenses		1,720

(Continued)

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

General Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Maintenance Agreements	\$	528	
Maintenance & Repair Services- Buildings		4,901	
Maintenance & Repair Services- Equipment		6,490	
Maintenance & Repair Services- Vehicles		8,468	
Pest Control		919	
Postal Charges		148	
Printing, Stationery, and Forms		80	
Rentals		1,682	
Travel		433	
Other Contracted Services		13,170	
Custodial Supplies		5,682	
Electricity		53,147	
Equipment Parts - Light		1,233	
Fertilizer, Lime and Seed		6,570	
Gasoline		12,162	
Lubricants		1,038	
Natural Gas		6,283	
Office Supplies		282	
Periodicals		65	
Uniforms		227	
Other Supplies and Materials		11,600	
Other Charges		525	
Furniture and Fixtures		263	
Other Capital Outlay		18,385	
Total Parks and Fair Boards			\$ 507,879

Agriculture & Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	225	
Social Security		14	
Employer Medicare		3	
Communication		236	
Contracts with Government Agencies		93,676	
Postal Charges		136	
Total Agriculture Extension Service			94,290

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

(Continued)

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation

Other Salaries & Wages	\$	25,626	
Social Security		1,589	
State Retirement		2,145	
Employee and Dependent Insurance		941	
Life Insurance		58	
Medical Insurance		3,640	
Dental Insurance		203	
Disability Insurance		134	
Unemployment Compensation		105	
Employer Medicare		372	
Total Soil Conservation			\$ 34,813

Other Operations

Tourism

County Official/Administrative Officer	\$	60,030
Part-time Personnel		17,162
Longevity Pay		950
Other Salaries & Wages		64,139
Social Security		8,850
State Retirement		10,472
Employee and Dependent Insurance		2,822
Life Insurance		173
Medical Insurance		10,919
Dental Insurance		609
Disability Insurance		653
Unemployment Compensation		536
Employer Medicare		2,070
Advertising		32,867
Communication		752
Data Processing Services		35
Dues and Memberships		3,075
Licenses		100
Maintenance Agreements		713
Maintenance & Repair Services- Buildings		255
Maintenance & Repair Services- Vehicles		2,418
Postal Charges		3,610
Printing, Stationery, and Forms		13,259
Rentals		600
Travel		12,787
Other Contracted Services		40,118

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Gasoline	\$	1,536	
Office Supplies		2,311	
Periodicals		380	
Other Supplies and Materials		14,496	
Other Charges		9,268	
Furniture and Fixtures		294	
Other Equipment		204	
Total Tourism			\$ 318,463

Industrial Development

Contributions	\$	150,000	
Other Contracted Services		3,250	
Electricity		1,116	
Total Industrial Development			154,366

Other Economic and Community Development

Other Contracted Services	\$	3,385	
Other Charges		2,444	
Total Other Economic and Community Development			5,829

Airport

Contributions	\$	30,000	
Total Airport			30,000

Veterans' Services

Clerical Personnel	\$	24,752	
Part-time Personnel		11,568	
Longevity Pay		700	
Social Security		2,295	
State Retirement		2,130	
Employee and Dependent Insurance		941	
Life Insurance		58	
Medical Insurance		3,640	
Dental Insurance		203	
Disability Insurance		129	
Unemployment Compensation		213	
Employer Medicare		537	
Communication		1,947	
Maintenance Agreements		823	
Postal Charges		217	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	197	
Office Supplies		195	
Total Veterans' Services			\$ 50,545

Contributions to Other Agencies

Contributions	\$	146,412	
Total Contributions to Other Agencies			146,412

Employee Benefits

Medical and Dental Services	\$	11,084	
Total Employee Benefits			11,084

Miscellaneous

Other Contracted Services	\$	13,560	
Trustee's Commission		182,933	
Tax Relief Program		59,336	
Total Miscellaneous			255,829

Total General Fund \$ 15,835,148

Special Purpose Fund

Finance

Data Processing

Communication	\$	62,770	
Data Processing Services		12,183	
Maintenance Agreements		19,495	
Maintenance & Repair Services- Equipment		1,152	
Data Processing Supplies		4,754	
Data Processing Equipment		56,703	
Office Equipment		1,553	
Total Data Processing			\$ 158,610

Other Operations

Contributions to Other Agencies

Contributions	\$	195,000	
Total Contributions to Other Agencies			195,000

Payments to Cities

Contracts with Government Agencies	\$	256,932	
Total Payments to Cities			256,932

(Continued)

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

Special Purpose Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Consultants	\$	3,469	
Judgments		29,913	
Trustee's Commission		21,774	
Motor Vehicles		2,260	
Total Miscellaneous			\$ 57,416

Capital Projects

General Administration Projects

Motor Vehicles	\$	150,556	
Other Capital Outlay		417,199	
Total General Administration Projects			567,755

Total Special Purpose Fund \$ 1,235,713

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	5,936	
Confidential Drug Enforcement Payments		4,000	
Maintenance Agreements		609	
Maintenance & Repair Services- Vehicles		1,187	
Printing, Stationery, and Forms		159	
Rentals		16,800	
Travel		4,483	
Electricity		3,564	
Gasoline		6,181	
Instructional Supplies and Materials		5,336	
Law Enforcement Supplies		1,448	
Office Supplies		207	
Tires and Tubes		251	
Uniforms		1,425	
Vehicle Parts		26	
Trustee's Commission		912	
Other Charges		86	
Data Processing Equipment		787	
Law Enforcement Equipment		1,506	
Motor Vehicles		54,747	
Total Drug Enforcement			\$ 109,650

Total Drug Control Fund 109,650

(Continued)

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

Adequate Facilities/Development Tax Fund

Capital Projects

General Administration Projects

Building Construction	\$ 931,125	
Total General Administration Projects		\$ 931,125

Social, Cultural and Recreation Projects

Other Capital Outlay	\$ 78,410	
Total Social, Cultural and Recreation Projects		78,410

Other General Government Projects

Engineering Services	\$ 99,000	
Total Other General Government Projects		99,000

Highway & Street Capital Projects

Highway Construction	\$ 189,656	
Total Highway & Street Capital Projects		189,656

Education Capital Projects

Engineering Services	\$ 133,354	
Other Capital Outlay	12,000	
Total Education Capital Projects		<u>145,354</u>

Total Adequate Facilities/Development Tax Fund		\$ 1,443,545
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Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 428,479	
Total County Clerk's Office		\$ 428,479

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 241,094	
Total Chancery Court		<u>241,094</u>

Total Constitutional Officers - Fees Fund		669,573
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 67,620	
Clerical Personnel	22,653	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Longevity Pay	\$	1,000	
Other Salaries & Wages		36,855	
Social Security		7,956	
State Retirement		10,724	
Employee and Dependent Insurance		2,822	
Life Insurance		173	
Medical Insurance		10,919	
Dental Insurance		608	
Disability Insurance		671	
Unemployment Compensation		210	
Employer Medicare		1,861	
Dues and Memberships		3,167	
Maintenance & Repair Services- Office Equipment		338	
Postal Charges		370	
Printing, Stationery, and Forms		446	
Travel		487	
Office Supplies		763	
Premiums on Corporate Surety Bonds		753	
Other Charges		238	
Furniture and Fixtures		130	
Office Equipment		507	
Total Administration			\$ 171,271

Highway and Bridge Maintenance

Foremen	\$	57,078
Mechanic(s)		174,578
Equipment Operators - Heavy		403,762
Equipment Operators - Light		231,732
Truck Drivers		386,495
Laborers		48,584
Guards		55,224
Longevity Pay		19,550
Overtime Pay		18,500
Other Salaries & Wages		131,894
Social Security		92,813
State Retirement		113,553
Employee and Dependent Insurance		47,863
Life Insurance		2,956
Medical Insurance		184,061
Dental Insurance		10,421

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Disability Insurance	\$	7,602	
Unemployment Compensation		6,152	
Employer Medicare		21,706	
Rentals		9,743	
Other Contracted Services		200	
Asphalt		272,881	
Concrete		19,004	
Crushed Stone		539,235	
Other Road Supplies		6,378	
Pipe		26,496	
Road Signs		14,750	
Salt		2,981	
Wood Products		2,260	
Geotextile Materials		3,990	
Total Highway and Bridge Maintenance			\$ 2,912,442

Operation and Maintenance of Equipment

Communication	\$	953	
Maintenance Agreements		2,233	
Maintenance & Repair Services- Buildings		739	
Maintenance & Repair Services- Equipment		28,321	
Maintenance & Repair Services- Vehicles		20,237	
Other Contracted Services		195	
Diesel Fuel		245,287	
Equipment and Machinery Parts		128,107	
Garage Supplies		8,719	
Gasoline		28,993	
Lubricants		19,958	
Small Tools		6,591	
Tires and Tubes		49,177	
Vehicle Parts		124,484	
Other Supplies and Materials		19,542	
Right-of-Way		10,760	
Total Operation and Maintenance of Equipment			694,296

Other Charges

Communication	\$	3,979	
Contributions		20,000	
Laundry Service		17,782	
Pest Control		399	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Disposal Fees	\$	4,022	
Electricity		9,079	
Natural Gas		2,950	
Uniforms		273	
Building and Contents Insurance		1,892	
Liability Insurance		83,048	
Trustee's Commission		60,255	
Vehicle and Equipment Insurance		51,359	
Workers' Compensation Insurance		155,595	
Other Charges		<u>3,587</u>	
Total Other Charges			\$ 414,220

Employee Benefits

Medical and Dental Services	\$	<u>4,657</u>	
Total Employee Benefits			4,657

Capital Outlay

Bridge Construction	\$	206,176	
Data Processing Equipment		3,990	
Highway Construction		307,874	
Highway Equipment		344,563	
Motor Vehicles		24,568	
Traffic Control Equipment		<u>29,465</u>	
Total Capital Outlay			916,636

Capital Projects

Highway & Street Capital Projects

Other Capital Outlay	\$	<u>140,562</u>	
Total Highway & Street Capital Projects			<u>140,562</u>

Total Highway/Public Works Fund \$ 5,254,084

General Debt Service Fund

Principal

General Government

Principal on Bonds	\$	346,049	
Principal on Notes		<u>515,205</u>	
Total General Government			\$ 861,254

(Continued)

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

General Debt Service Fund (Cont.)

Principal (Cont.)

Highways and Streets

Principal on Bonds	\$ 397,940	
Principal on Notes	453,097	
Total Highways and Streets		\$ 851,037

Education

Principal on Bonds	\$ 2,547,036	
Principal on Notes	401,148	
Total Education		2,948,184

Interest

General Government

Interest on Bonds	\$ 252,688	
Interest on Notes	38,228	
Total General Government		290,916

Highways and Streets

Interest on Bonds	\$ 80,526	
Interest on Notes	27,667	
Total Highways and Streets		108,193

Education

Interest on Bonds	\$ 1,122,208	
Interest on Notes	29,806	
Total Education		1,152,014

Other Debt Service

General Government

Bank Charges	\$ 1,770	
Trustee's Commission	112,461	
Total General Government		114,231

Total General Debt Service Fund \$ 6,325,829

General Capital Projects Fund

Capital Projects

General Administration Projects

Communication Equipment	\$ 1,740	
Total General Administration Projects		\$ 1,740

(Continued)

Exhibit M-9

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Building Construction	\$ 3,378	
Total Public Safety Projects		\$ 3,378

Public Health and Welfare Projects

Architects	\$ 39,373	
Engineering Services	4,500	
Legal Notices, Recording, and Court Costs	195	
Underwriter's Discount	14,029	
Other Debt Issuance Charges	17,598	
Total Public Health and Welfare Projects		75,695

Highway & Street Capital Projects

Highway Construction	\$ 13,898	
Total Highway & Street Capital Projects		13,898

Total General Capital Projects Fund		\$ 94,711
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 13,364,186	
Underwriter's Discount	72,731	
Other Debt Issuance Charges	91,236	
Total Education Capital Projects		\$ 13,528,153

Total Education Capital Projects Fund		13,528,153
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Total Governmental Funds - Primary Government		<u>\$ 44,496,406</u>
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Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2005

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 25,067,904	
Career Ladder Program	427,737	
Career Ladder Extended Contracts	184,956	
Homebound Teachers	48,077	
Educational Assistants	622,441	
Certified Substitute Teachers	366,880	
Social Security	1,586,656	
State Retirement	1,432,306	
Life Insurance	95,349	
Medical Insurance	3,716,691	
Dental Insurance	104,278	
Employer Medicare	370,564	
Other Contracted Services	33,870	
Instructional Supplies and Materials	459,422	
Textbooks	413,957	
Other Supplies and Materials	31,580	
Fee Waivers	100,305	
Other Charges	919	
Regular Instruction Equipment	210,142	
Total Regular Instruction Program		\$ 35,274,034

Alternative Instruction Program

Teachers	\$ 106,855	
Educational Assistants	24,142	
Social Security	7,933	
State Retirement	7,834	
Life Insurance	400	
Medical Insurance	11,872	
Dental Insurance	650	
Employer Medicare	1,856	
Total Alternative Instruction Program		161,542

Special Education Program

Teachers	\$ 3,850,573
Career Ladder Program	61,400
Homebound Teachers	51,059
Educational Assistants	465,858
Other Salaries & Wages	34,025
Certified Substitute Teachers	27,400

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	267,184	
State Retirement		249,192	
Life Insurance		13,894	
Medical Insurance		515,516	
Dental Insurance		23,943	
Unemployment Compensation		368	
Employer Medicare		62,487	
Contracts with Other Public Agencies		33,496	
Contracts with Private Agencies		138,986	
Maintenance & Repair Services- Equipment		2,270	
Other Contracted Services		38,290	
Instructional Supplies and Materials		81,880	
Other Supplies and Materials		29,075	
Other Charges		888	
Special Education Equipment		24,137	
Total Special Education Program			\$ 5,971,921

Vocational Education Program

Teachers	\$	1,588,044	
Career Ladder Program		16,950	
Certified Substitute Teachers		15,875	
Social Security		95,434	
State Retirement		87,187	
Life Insurance		3,699	
Medical Insurance		151,110	
Dental Insurance		6,215	
Employer Medicare		22,320	
Maintenance & Repair Services- Equipment		11,634	
Instructional Supplies and Materials		56,964	
Textbooks		7,119	
Other Supplies and Materials		6,819	
Other Charges		2,025	
Vocational Instruction Equipment		7,846	
Total Vocational Education Program			2,079,241

Adult Education Program

Teachers	\$	79,482	
Social Security		4,820	
State Retirement		3,894	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Life Insurance	\$	100	
Medical Insurance		4,542	
Dental Insurance		185	
Unemployment Compensation		1,000	
Employer Medicare		1,128	
Instructional Supplies and Materials		4,114	
Total Adult Education Program			\$ 99,265

Support Services

Attendance

Supervisor/Director	\$	67,509	
Career Ladder Program		1,000	
Social Workers		74,518	
Clerical Personnel		95,351	
Other Salaries & Wages		31,967	
Social Security		16,670	
State Retirement		18,902	
Life Insurance		1,100	
Medical Insurance		36,790	
Dental Insurance		1,535	
Employer Medicare		3,899	
Travel		4,708	
Other Contracted Services		15,524	
Other Supplies and Materials		17,954	
In Service/Staff Development		3,309	
Other Charges		2,888	
Attendance Equipment		8,018	
Total Attendance			401,642

Health Services

Medical Personnel	\$	163,679	
Social Security		9,734	
State Retirement		9,535	
Life Insurance		500	
Medical Insurance		20,026	
Dental Insurance		587	
Employer Medicare		2,276	
Travel		3,199	
Drugs and Medical Supplies		8,613	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Supplies and Materials	\$ 1,703	
Total Health Services		\$ 219,852

Other Student Support

Career Ladder Program	\$ 14,000	
Guidance Personnel	1,133,766	
Social Security	68,415	
State Retirement	60,821	
Life Insurance	2,499	
Medical Insurance	101,569	
Dental Insurance	3,975	
Employer Medicare	15,972	
Evaluation and Testing	20,109	
Other Contracted Services	675	
In Service/Staff Development	12,000	
Total Other Student Support		1,433,801

Regular Instruction Program

Supervisor/Director	\$ 194,508
Career Ladder Program	30,417
Librarians	865,608
Education Media Personnel	216,936
Instructional Computer Personnel	63,081
Secretary(s)	28,368
Clerical Personnel	27,324
Educational Assistants	135,688
Other Salaries & Wages	91,381
Social Security	99,846
State Retirement	100,277
Life Insurance	4,298
Medical Insurance	162,081
Dental Insurance	5,689
Employer Medicare	23,314
Consultants	2,155
Travel	37,472
Other Contracted Services	84,630
Library Books/Media	65,755
Other Supplies and Materials	15,402
In Service/Staff Development	38,863

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Charges	\$	18,991	
Other Equipment		91,310	
Total Regular Instruction Program			\$ 2,403,394

Alternative Instruction Program

Supervisor/Director	\$	59,742	
Career Ladder Program		1,000	
Guidance Personnel		25,477	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		34,953	
Social Security		7,542	
State Retirement		8,494	
Life Insurance		400	
Medical Insurance		19,202	
Dental Insurance		725	
Employer Medicare		1,764	
Travel		4,641	
Other Supplies and Materials		3,752	
Total Alternative Instruction Program			169,692

Special Education Program

Supervisor/Director	\$	72,310	
Career Ladder Program		10,000	
Psychological Personnel		231,278	
Assessment Personnel		188,573	
Secretary(s)		32,254	
Clerical Personnel		13,940	
Other Salaries & Wages		83,440	
Social Security		37,956	
State Retirement		36,646	
Life Insurance		1,499	
Medical Insurance		55,934	
Dental Insurance		1,969	
Unemployment Compensation		551	
Employer Medicare		8,877	
Consultants		2,562	
Travel		28,534	
Other Supplies and Materials		10,651	
In Service/Staff Development		12,923	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Charges	\$ 3,064	
Total Special Education Program		\$ 832,961

Vocational Education Program

Career Ladder Program	\$ 3,600	
Clerical Personnel	18,230	
Other Salaries & Wages	52,697	
Social Security	4,595	
State Retirement	4,599	
Life Insurance	200	
Medical Insurance	10,957	
Dental Insurance	370	
Employer Medicare	1,075	
Travel	12,284	
Other Contracted Services	5,044	
Other Supplies and Materials	1,404	
In Service/Staff Development	8,725	
Other Charges	3,946	
Total Vocational Education Program		127,726

Adult Programs

Supervisor/Director	\$ 77,390	
Other Salaries & Wages	21,716	
Social Security	6,043	
State Retirement	5,297	
Life Insurance	200	
Medical Insurance	9,083	
Dental Insurance	370	
Employer Medicare	1,413	
Travel	279	
Other Supplies and Materials	589	
In Service/Staff Development	1,953	
Other Charges	1,608	
Other Equipment	43	
Total Adult Programs		125,984

Board of Education

Secretary to Board	\$ 1,767	
Other Salaries & Wages	611	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	10,800	
Social Security		817	
State Retirement		184	
Unemployment Compensation		152,096	
Employer Medicare		191	
Other Fringe Benefits		257,939	
Audit Services		22,522	
Legal Services		43,826	
Travel		106	
Judgments		12,000	
Liability Insurance		39,359	
Trustee's Commission		551,926	
Workers' Compensation Insurance		250,169	
Criminal Investigation of Applicants - TBI		4,434	
Other Charges		4,973	
Total Board of Education			\$ 1,353,720

Director of Schools

County Official/Administrative Officer	\$	95,000	
Secretary(s)		28,368	
Clerical Personnel		27,324	
Social Security		9,218	
State Retirement		9,887	
Life Insurance		200	
Medical Insurance		9,673	
Dental Insurance		461	
Employer Medicare		2,156	
Communication		238	
Dues and Memberships		2,282	
Postal Charges		10,448	
Travel		2,698	
Office Supplies		1,613	
Other Charges		2,347	
Total Director of Schools			201,913

Office of the Principal

Principals	\$	1,330,770	
Career Ladder Program		44,686	
Career Ladder Extended Contracts		7,696	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Assistant Principals	\$	829,631	
Secretary(s)		469,098	
Clerical Personnel		548,121	
Social Security		195,007	
State Retirement		198,355	
Life Insurance		8,796	
Medical Insurance		336,329	
Dental Insurance		12,608	
Employer Medicare		45,608	
Communication		151,943	
Maintenance & Repair Services- Equipment		1,188	
Other Contracted Services		47,736	
Office Supplies		16,343	
Other Charges		124	
Total Office of the Principal			\$ 4,244,039

Fiscal Services

Supervisor/Director	\$	71,015	
Accountants/Bookkeepers		99,286	
Clerical Personnel		107,950	
Social Security		17,135	
State Retirement		22,532	
Life Insurance		833	
Medical Insurance		32,731	
Dental Insurance		1,405	
Employer Medicare		4,008	
Maintenance & Repair Services- Equipment		260	
Travel		1,630	
Other Contracted Services		7,015	
Data Processing Supplies		1,000	
Office Supplies		9,805	
In Service/Staff Development		3,402	
Other Charges		8,671	
Administration Equipment		4,998	
Total Fiscal Services			393,676

Operation of Plant

Custodial Personnel	\$	1,224,654	
Social Security		75,547	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

State Retirement	\$	74,157	
Life Insurance		7,197	
Medical Insurance		301,033	
Dental Insurance		11,325	
Employer Medicare		17,669	
Rentals		25,304	
Disposal Fees		29,091	
Other Contracted Services		18,095	
Custodial Supplies		29,862	
Electricity		1,636,663	
Natural Gas		500,105	
Water and Sewer		155,496	
Other Supplies and Materials		213	
Building and Contents Insurance		245,481	
Other Charges		24,651	
Total Operation of Plant			\$ 4,376,543

Maintenance of Plant

Maintenance Personnel	\$	508,139	
Social Security		30,360	
State Retirement		41,129	
Life Insurance		1,899	
Medical Insurance		79,763	
Dental Insurance		2,960	
Employer Medicare		7,101	
Communication		4,502	
Laundry Service		10,215	
Maintenance & Repair Services- Buildings		340,526	
Maintenance & Repair Services- Equipment		327,523	
Maintenance & Repair Services- Vehicles		1,015	
Other Contracted Services		121,356	
General Construction Materials		19,674	
Other Supplies and Materials		210,327	
Other Charges		6,463	
Maintenance Equipment		24,100	
Total Maintenance of Plant			1,737,052

Transportation

Supervisor/Director	\$	30,173	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Bus Drivers	\$	981,332	
Clerical Personnel		26,841	
Other Salaries & Wages		84,214	
In-Service Training		1,751	
Social Security		65,255	
State Retirement		64,670	
Life Insurance		10,796	
Medical Insurance		359,772	
Dental Insurance		13,039	
Employer Medicare		16,109	
Other Contracted Services		215,551	
Diesel Fuel		289,757	
Tires and Tubes		67,883	
Vehicle Parts		129,362	
Other Supplies and Materials		25	
Vehicle and Equipment Insurance		125,080	
Other Charges		33,845	
Transportation Equipment		10,000	
Total Transportation			\$ 2,525,455

Central and Other

Supervisor/Director	\$	72,310	
Clerical Personnel		81,581	
Other Salaries & Wages		155,450	
Social Security		30,373	
State Retirement		21,360	
Life Insurance		367	
Medical Insurance		11,879	
Dental Insurance		803	
Employer Medicare		7,104	
Other Fringe Benefits		496,198	
Maintenance & Repair Services- Equipment		8,179	
Travel		1,189	
Other Contracted Services		12,111	
Office Supplies		858	
Other Supplies and Materials		3,168	
In Service/Staff Development		120	
Other Charges		7,495	
Data Processing Equipment		2,592	
Total Central and Other			913,137

(Continued)

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 573,240	
Total Regular Capital Outlay		\$ 573,240

Interest

Education

Interest on Notes	\$ 28,980	
Total Education		<u>28,980</u>

Total General Purpose School Fund \$ 65,648,810

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,164,679	
Educational Assistants	173,144	
Certified Substitute Teachers	75,175	
Social Security	85,880	
State Retirement	65,294	
Life Insurance	2,249	
Medical Insurance	131,044	
Dental Insurance	4,903	
Unemployment Compensation	6,573	
Employer Medicare	20,090	
Instructional Supplies and Materials	208,277	
Other Supplies and Materials	8,941	
Regular Instruction Equipment	<u>52,596</u>	
Total Regular Instruction Program		\$ 1,998,845

Special Education Program

Teachers	\$ 112,843
Educational Assistants	473,517
Other Salaries & Wages	113,231
Certified Substitute Teachers	28,830
Social Security	44,442
State Retirement	41,523
Life Insurance	2,653
Medical Insurance	124,165
Dental Insurance	4,683
Unemployment Compensation	7,164

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	10,398	
Contracts with Private Agencies		192,121	
Other Contracted Services		83,578	
Instructional Supplies and Materials		277,959	
Other Supplies and Materials		81,013	
Special Education Equipment		62,973	
Total Special Education Program			\$ 1,661,093

Vocational Education Program

Instructional Supplies and Materials	\$	84,726	
Other Charges		2,000	
Vocational Instruction Equipment		104,000	
Total Vocational Education Program			190,726

Support Services

Other Student Support

Travel	\$	17,000	
Other Contracted Services		2,038	
Other Supplies and Materials		15,503	
In Service/Staff Development		6,500	
Other Charges		1,287	
Other Equipment		1,779	
Total Other Student Support			44,107

Regular Instruction Program

Supervisor/Director	\$	69,359	
Teachers		18,651	
Clerical Personnel		7,156	
Other Salaries & Wages		153,407	
Social Security		15,040	
State Retirement		13,110	
Life Insurance		300	
Medical Insurance		24,037	
Dental Insurance		739	
Unemployment Compensation		788	
Employer Medicare		3,518	
Consultants		36,355	
Travel		14,210	
Library Books/Media		5,784	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	15,835	
In Service/Staff Development		182,648	
Other Charges		50,673	
Other Equipment		98	
Total Regular Instruction Program			\$ 611,708

Special Education Program

Psychological Personnel	\$	88,992	
Clerical Personnel		21,876	
Other Salaries & Wages		44,436	
Social Security		9,595	
State Retirement		9,379	
Life Insurance		150	
Medical Insurance		12,170	
Dental Insurance		566	
Unemployment Compensation		670	
Employer Medicare		2,244	
Consultants		8,917	
Travel		9,254	
Other Supplies and Materials		18,450	
In Service/Staff Development		25,032	
Total Special Education Program			251,731

Maintenance of Plant

Other Charges	\$	9,072	
Total Maintenance of Plant			9,072

Transportation

Bus Drivers	\$	137,155	
Other Salaries & Wages		93,305	
Social Security		13,911	
State Retirement		13,946	
Life Insurance		1,612	
Medical Insurance		81,422	
Dental Insurance		2,852	
Unemployment Compensation		2,491	
Employer Medicare		3,254	
Transportation Equipment		103,000	
Total Transportation			452,948

Total School Federal Projects Fund \$ 5,220,230

(Continued)

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

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 46,000	
Total Board of Education		\$ 46,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 61,745	
Accountants/Bookkeepers	26,304	
Clerical Personnel	27,324	
Cafeteria Personnel	909,175	
Temporary Personnel	27,304	
Longevity Pay	44,600	
Other Salaries & Wages	439,971	
Social Security	94,118	
State Retirement	101,936	
Life Insurance	8,424	
Medical Insurance	354,631	
Dental Insurance	13,214	
Unemployment Compensation	14,293	
Employer Medicare	22,011	
Communication	283	
Maintenance & Repair Services- Equipment	63,929	
Travel	5,746	
Other Contracted Services	29,707	
Food Preparation Supplies	153,182	
Food Supplies	1,896,454	
Office Supplies	7,611	
Other Supplies and Materials	69	
In Service/Staff Development	4,242	
Food Service Equipment	90,079	
Total Food Service	<u>4,396,352</u>	<u>4,396,352</u>

Total Central Cafeteria Fund		\$ 4,442,352
------------------------------	--	--------------

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$ 171,089	
Building Construction	6,296,362	
Building Improvements	85,666	

(Continued)

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects (Cont.)</u>		
Other Capital Outlay	\$ 312,455	
Total Education Capital Projects		\$ 6,865,572
Total Education Capital Projects Fund		<u>\$ 6,865,572</u>
Total Governmental Funds - Maury County School Department		<u>\$ 82,176,964</u>

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Central Maintenance/Garage Fund (Proprietary Fund)
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Fund <hr/> Central Maintenance/ Garage Fund <hr/>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 1,386,878
Total Charges for Current Services	<u>\$ 1,386,878</u>
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 1,594
Total Other Local Revenues	<u>\$ 1,594</u>
 Total Revenues	 <u><u>\$ 1,388,472</u></u>
 <u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 55,956
Mechanic(s)	192,861
Clerical Personnel	36,088
Longevity Pay	4,800
Overtime	2,372
Social Security	17,763
State Retirement	24,447
Employee and Dependent Insurance	7,526
Life Insurance	461
Medical Insurance	29,117
Dental Insurance	1,623
Disability Insurance	1,496
Unemployment Compensation	840
Employer Medicare	4,154
Communication	1,979
Laundry Service	4,159
Maintenance Agreements	2,831
Maintenance & Repair Services - Building	3,456
Maintenance & Repair Services - Equipment	1,767

(Continued)

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Central Maintenance/Garage Fund (Proprietary Fund) (Cont.)

	Governmental Activities - Internal Service Fund <hr/> Central Maintenance/ Garage Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>General Administration (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Postal Charges	\$ 184
Printing, Stationery, and Forms	166
Disposal Fees	149
Other Contracted Services	58,275
Custodial Supplies	236
Diesel Fuel	446,522
Electricity	20,166
Equipment and Machinery Parts	166,603
Garage Supplies	1,640
Gasoline	232,042
Lubricants	7,646
Natural Gas	9,409
Office Supplies	510
Small Tools	275
Tires and Tubes	73,967
Depreciation	7,285
Other Charges	4,007
	<hr/>
Total Expenses	<u>\$ 1,422,778</u>

Exhibit M-12

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Employee Insurance - Prescriptions Fund (Proprietary Fund)
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance - Prescriptions Fund <hr/>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 334,306
	<hr/>
Total Revenues	\$ 334,306
	<hr/> <hr/>
<u>Expenses</u>	
<u>Other Operations</u>	
<u>Employee Benefits</u>	
Other Self-Insured Claims	\$ 357,049
	<hr/>
Total Expenses	\$ 357,049
	<hr/> <hr/>

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund (Proprietary Fund)
For the Year Ended June 30, 2005

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Residential Waste Collection Charge	\$ 649,477
Tipping Fees	343,224
Solid Waste Disposal Fee	61,750
Other General Service Charges	97,238
Total Charges for Current Services	<u>\$ 1,151,689</u>
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 172,110
Total Operating Revenues	<u>\$ 1,323,799</u>
 <u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 1,399,724
Trustee's Collections - Bankruptcy	65
Circuit/Clerk & Master Collections - Prior Years	9
Interest and Penalty	2,704
Pick-up Taxes	33
<u>County Local Option Taxes</u>	
Business Tax	678,540
<u>Other Local Revenues</u>	
<u>Nonrecurring Items</u>	
Damages Recovered from Individuals	117
Miscellaneous Refunds	48
Other Local Revenues	9,818
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	57,600
<u>Public Works Grants</u>	
Litter Program	38,455
Total Nonoperating Revenues	<u>\$ 2,187,113</u>
Total Revenues	<u>\$ 3,510,912</u>

(Continued)

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 25,626
Longevity Pay	200
Social Security	1,601
Life Insurance	58
Unemployment Compensation	105
Employer Medicare	374
Contributions	12,000
Laundry Service	352
Maintenance & Repair Services - Vehicles	1,122
Disposal Fee	2,273
Gasoline	1,209
Other Supplies and Materials	2,383
Vehicle and Equipment Insurance	901
Workers' Compensation Insurance	2,023
Total Waste Pickup	<hr/> \$ 50,227
 <u>Convenience Centers</u>	
Equipment Operators	\$ 156,831
Laborers	271,935
Longevity Pay	3,050
Overtime Pay	9,032
Social Security	26,957
State Retirement	15,404
Employee and Dependent Insurance	5,253
Life Insurance	322
Medical Insurance	20,367
Dental Insurance	1,148
Disability Insurance	895
Unemployment Compensation	3,494
Employer Medicare	6,304
Communication	5,734
Maintenance & Repair Services - Equipment	20,967
Maintenance & Repair Services - Vehicles	15,584
Pest Control	1,539
Postal Charges	3,303
Other Contracted Services	5,534

(Continued)

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Crushed Stone	\$ 1,698
Diesel Fuel	32,914
Electricity	7,920
Equipment and Machinery Parts	7,989
Gasoline	5,961
Lubricants	1,323
Vehicle Parts	1,943
Other Supplies and Materials	12,145
Trustee's Commission	5,606
Depreciation	15,866
Other Capital Outlay	4,858
Total Convenience Centers	<u>\$ 671,876</u>
 <u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 48,342
Equipment Operators	65,478
Laborers	81,979
Clerical Personnel	53,808
Longevity Pay	4,350
Overtime	1,553
Social Security	14,921
State Retirement	18,967
Employee and Dependent Insurance	6,586
Life Insurance	398
Medical Insurance	25,086
Dental Insurance	1,387
Disability Insurance	1,155
Unemployment Compensation	857
Employer Medicare	3,490
Communication	4,693
Consultants	6,997
Dues and Memberships	240
Laundry Service	4,422
Licenses	6,147
Maintenance Agreements	923

(Continued)

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Maintenance & Repair Services - Buildings	\$ 1,289
Maintenance & Repair Services - Equipment	15,676
Maintenance & Repair Services - Vehicles	9,876
Medical and Dental Services	2,658
Pest Control	285
Postal Charges	931
Printing, Stationery, and Forms	291
Travel	1,625
Disposal Fees	715,027
Other Contracted Services	7,840
Crushed Stone	1,497
Custodial Supplies	264
Data Processing Supplies	294
Diesel Fuel	14,552
Electricity	26,663
Equipment and Machinery Parts	2,543
Gasoline	1,985
Lubricants	1,961
Natural Gas	12,081
Office Supplies	529
Tires and Tubes	449
Vehicle Parts	1,234
Other Supplies and Materials	16,231
Building and Contents Insurance	3,154
Liability Insurance	26,479
Trustee's Commission	9,471
Vehicle and Equipment Insurance	18,922
Workers' Compensation Insurance	45,010
Depreciation	139,876
Office Equipment	155
Total Landfill Operation and Maintenance	<u>\$ 1,430,627</u>
Total Operating Expenses	<u>\$ 2,152,730</u>
Total Expenses	<u>\$ 2,152,730</u>

Exhibit M-14

Maury County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2005

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 7,464,660
Total Cash Receipts	<u>\$ 7,464,660</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 7,390,014
Trustee's Commission	74,646
Total Cash Disbursements	<u>\$ 7,464,660</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2004	<u>0</u>
 Cash Balance, June 30, 2005	 <u><u>\$ 0</u></u>

STATISTICAL SECTION

Table 1

Maury County, Tennessee
Uncollected Taxes Filed in Chancery Court
June 30, 2005

<u>Year</u>	<u>Amount</u>
1994	\$ 1,203
1995	8,291
1996	10,883
1997	15,602
1998	21,055
1999	30,162
2000	38,664
2001	25,886
2002	31,357
2003	<u>352,847</u>
Total	<u>\$ 535,950</u>

Table 2

Maury County, Tennessee
Tax Rates and Assessments
Last Ten Years

Fund	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General	\$ 0.64	\$ 0.66	\$ 0.73	\$ 0.61	\$ 0.58	\$ 0.59	\$ 0.59	\$ 0.56	\$ 0.63	0.69
Highway/Public Works	0.12	0.12	0.12	0.10	0.10	0.15	0.20	0.17	0.16	0.16
General Purpose School	1.18	1.18	1.23	1.16	1.30	1.41	1.55	1.40	1.53	1.53
General Debt Service	0.52	0.50	0.57	0.44	0.44	0.44	0.44	0.35	0.35	0.35
Solid Waste Disposal	0.24	0.24	0.24	0.21	0.10	0.05	0.00	0.00	0.06	0.00
Total Tax Rate	\$ 2.70	\$ 2.70	\$ 2.89	\$ 2.52	\$ 2.52	\$ 2.64	\$ 2.78	\$ 2.48	\$ 2.73	2.73
<u>Assessed Valuation</u>										
Real and Personal	\$ 606,877,813	\$ 619,063,278	\$ 639,196,205	\$ 771,985,528	\$ 802,019,193	\$ 833,443,243	\$ 852,040,827	\$ 985,821,193	\$ 1,024,156,526	\$ 1,051,003,296
Public Utilities	47,630,934	44,171,937	42,233,308	46,483,971	49,528,070	49,628,443	52,877,502	55,186,846	53,926,146	57,353,423
Total Assessed Valuation	\$ 654,508,747	\$ 663,235,215	\$ 681,429,513	\$ 818,469,499	\$ 851,547,263	\$ 883,071,686	\$ 904,918,329	\$ 1,041,008,039	\$ 1,078,082,672	\$ 1,108,356,719

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
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

January 13, 2006

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated January 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maury County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Maury County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the

accompanying Schedule of Findings and Questioned Costs as items 05.01(A,B), 05.02, 05.04, 05.05(B), 05.06, 05.07, 05.08, 05.09, 05.10, 05.11, 05.12, 05.13(B), 05.15, 05.16, 05.19, 05.20, and 05.21.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05.04, 05.07, 05.10, 05.11, and 05.15 to be material weaknesses.

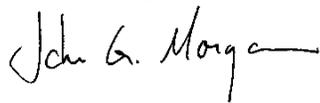
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maury County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 05.01(C,D), 05.03, 05.05(A), 05.13(A), 05.14, 05.17, and 05.18

We also noted certain other matters that we reported to the management of Maury County in separate communications dated January 13, 2006.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

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

January 13, 2006

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Maury County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Maury County's management. Our responsibility is to express an opinion on Maury County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing 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 Maury County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Maury County's compliance with those requirements.

As described in items 05.07 and 05.10 in the accompanying Schedule of Findings and Questioned Costs, Maury County did not comply with requirements regarding the Davis-Bacon Act and cash management that are applicable to its Highway Planning and Construction (CFDA No. 20.205) and Title 1 Grants to Local Educational Agencies (CFDA No. 84.010), respectively. Compliance with such requirements is necessary, in our opinion, for Maury County to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Maury County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Maury County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Maury County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Maury County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05.07, 05.10, 05.22, and 05.23.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05.07, 05.10, 05.22, and 05.23 to be material weaknesses.

Schedule of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated January 13, 2006. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is

fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/sb

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

For the Maury Regional Hospital

Board of Directors
Maury Regional Hospital
Columbia, Tennessee

We have audited the financial statements of Maury Regional Hospital as of and for the year ended June 30, 2005, and have issued our report thereon. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the hospital's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the hospital's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as item R-05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition referred to above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the hospital's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Trustees, management, and the Comptroller of the Treasury, Department of Audit of the State of Tennessee, and is not intended to be and should not be used by anyone other than these specified parties.

**Maury Regional Hospital
Schedule of Findings
Year Ended June 30, 2005**

FINDING R-05-1

The contractual discounts and allowances related to third party reimbursements were understated for the current and prior years. In order to correctly state the contractual discounts and allowances, both the expected discount from gross revenue and the estimated contractual allowance related to accounts receivable should be determined.

RECOMMENDATION

We recommend that the expected discount from gross revenue and the estimated contractual allowance related to accounts receivable be determined on a regular basis at least monthly and that a member of management approve both calculations.

MANAGEMENT'S RESPONSE

On a monthly basis, the associate director of finance is preparing an analysis of Medicare, TennCare, and Blue Cross contractual allowance expenses recognized compared to the expected reimbursement from current year gross revenues for each of these financial classes. The expected reimbursement percentages are updated on a monthly basis from actual claims paid. The associate director of finance is also preparing an analysis of unrecorded contractual allowances on a monthly basis which provides a balance sheet approach to reviewing the adequacy of contractual reserves, as well as bad debt reserves as they relate to accounts receivable. Both the controller and chief financial officer review these analyses each month and discuss as a group during monthly financial review.

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

For the Maury County Board of Public Utilities Water System

Maury County Board of Public Utilities Water System
Maury County, Tennessee

We have audited the financial statements of Maury County Board of Public Utilities Water System, a discrete component unit of Maury County, Tennessee, as of and for the year ended June 30, 2005 and have issued our report thereon. 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.

Compliance

As part of obtaining reasonable assurance about whether the system's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the system's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the Maury County Commission, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

For the Maury County Emergency Communications District

To the Board of Directors
Maury County Emergency Communications District
Columbia, Tennessee

We have audited the financial statements of Maury County Emergency Communications District as of and for the year ended June 30, 2005, and have issued our report thereon. 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.

Compliance

As part of obtaining reasonable assurance about whether Maury County Emergency Communications District's financial statements are free of material misstatement, we performed tests of its compliance with provisions of laws, regulations, contracts, and grants, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maury County Emergency Communications District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly would not necessarily disclose all reportable conditions that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and Board of Directors of the Maury County Emergency Communications District and the Comptroller of the Treasury of the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

Maury County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2005

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Watershed Protection and Flood Prevention	10.904	N/A	\$ 95,637
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	386,417
National School Lunch Program	10.555	(2)	1,614,767
Summer Food Service Program for Children	10.559	(2)	4,588
Passed-through State Department of Agriculture:			
Food Distribution (noncash assistance)	10.550	(2)	197,460
Total U.S. Department of Agriculture			<u>\$ 2,298,869</u>
U.S. Department of Justice:			
Direct Programs:			
Local Law Enforcement Block Grants Program	16.592	N/A	\$ 13,255
State Criminal Alien Assistance Program	16.606	N/A	11,145
Bulletproof Vest Partnership Program	16.607	N/A	617
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Incentive Block Grant	16.523	Z-05-020407-00	5,300
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-03-014933-00	8,926
Total U.S. Department of Justice			<u>\$ 39,243</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
WIA Incentive Grants - Section 503 Grants to States	17.267	GG-05-11243-01	\$ 27,605
Total U.S. Department of Labor			<u>\$ 27,605</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-04-016805-00	\$ 2,466
Highway Planning and Construction	20.205	CPD040073	50,000 (3)
Highway Planning and Construction	20.205	STP-EN-6000 (14)	159,000 (3)
Highway Planning and Construction	20.205	STP-EN-6000 (15)	101,930 (3)
Total U.S. Department of Transportation			<u>\$ 313,396</u>
U.S. Department of Education:			
Direct Program:			
Safe and Drug-Free Schools and Communities - National Program	84.184	N/A	\$ 24,246 (4)
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	Z-05-0222444-00	94,304 (5)
Adult Education - State Grant Program	84.002	(2)	6,842 (5)
Title 1 Grant to Local Educational Agencies	84.010	N/A	1,916,820
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,371,093
Special Education - Preschool Grants	84.173	N/A	93,333
Vocational Education - Basic Grants to States	84.048	N/A	237,055
Safe and Drug - Free Schools and Communities - National Program	84.184	Z-05-021790-00	37,374 (4)
Safe and Drug - Free Schools and Communities - State Grants	84.186	(2)	64,985 (5)
Safe and Drug - Free Schools and Communities - State Grants	84.186	(2)	4,250 (5)
State Grants for Innovative Programs	84.298	N/A	62,456
Education Technology State Grants	84.318	Z-04-020583-00	258,551 (6)
Education Technology State Grants	84.318	(2)	61,252 (6)
Reading First State Grants	84.357	GG-04-10989-00	269,134
English Language Acquisition Grants	84.365	N/A	35,973
Improving Teacher Quality State Grants	84.367	N/A	520,338
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	61,263
Total U.S. Department of Education			<u>\$ 6,119,269</u>

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	Z-05-022335-00	\$ 13,791
Total U.S. Department of Health and Human Services			<u>\$ 13,791</u>
U.S. Department of Health:			
Passed-through State Department of Health:			
Bio-terrorism Hospital Preparedness	93.003	Z-04-019587-01	\$ 96,705
Bio-terrorism Hospital Preparedness	93.003	Z-04-019627-01	26,966
Bio-terrorism Hospital Preparedness	93.003	Z-04-019606-01	20,000
Bio-terrorism Hospital Preparedness	93.003	Z-05-023980-00	1,412
Bio-terrorism Hospital Preparedness	93.003	Z-05-023930-00	18,827
Total U.S. Department of Health			<u>\$ 163,910</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022472-00	\$ 31,215 (7)
State Domestic Preparedness Equipment Support Program	97.004	Z-03-017779-00	24,779 (7)
State Domestic Preparedness Equipment Support Program	97.004	Z-04-020124-00	120,495 (7)
Hazard Mitigation Grant	97.039	GG-04-11141-00	2,992
Total U.S. Department of Homeland Security			<u>\$ 179,481</u>
Total Expenditures of Federal Awards			<u>\$ 9,155,564</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 22,241
Health Department Program - State Department of Health	N/A	(2)	397,055
Battlefield Park Development- State Department of Environment and Conservation	N/A	Z-02-005143-00	15,242
Litter Program - State Department of Transportation	N/A	(2)	38,455
Adult Education - Jobs for Tennessee Grads - State Department of Education	N/A	GG-05-10997-00	25,000
Adult Education - Basic Grant - State Department of Education	N/A	Z-05-0222444-00	23,473
Safe Schools Act 1998 - State Department of Education	N/A	(2)	61,507
Families First - State Department of Education	N/A	Z-05-0222335-00	6,490
Early Childhood Education - State Department of Education	N/A	Z-05-0222150-00	138,809
Family Resource Center - State Department of Education	N/A	Z-05-021407-00	99,900
Juvenile Education Academy - State Department of Human Services - Children's Services	N/A	Z-05-020407-00	10,334
Optical Tire Waste Grant - Tennessee Department of Environment and Conservation	N/A	(2)	57,600
Total State Grants			<u>\$ 896,106</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 Highway Planning and Construction (CFDA No. 20.205) from the U.S. Department of Transportation \$310,930.
- (4) Total Safe and Drug-Free Schools and Communities - National Program (CFDA No. 84.184) from the U.S. Department of Education \$61,620.
- (5) Total Adult Education - State Grant Program (CFDA No. 84.002) from the U.S. Department of Education \$101,146.
- (6) Total Education Technology State Grants (CFDA No. 84.318) from the U.S. Department of Education \$319,803.
- (7) Total State Domestic Preparedness Equipment Support Program (CFDA No. 97.004) from the U.S. Department of Homeland Security \$176,489.

Maury County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2005

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 Maury County, Tennessee, for the year ended June 30, 2004, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.04	240	The office paid several invoices without documentation of the receipt of the goods or services
04.05	240	Accounting records were not closed in a timely manner
04.07	242	The office did not have formal policies and procedures for computer operations

OTHER FINDING AND RECOMMENDATION

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.09	243	Duties were not segregated adequately at the Transfer Station and Archives Department

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2005

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Maury County is unqualified.
2. The audit of the financial statements of Maury County disclosed reportable conditions in internal control. Five of these conditions were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Maury County.
4. The audit disclosed two material weaknesses in internal control over major programs.
5. A qualified opinion was issued on compliance for major programs.
6. The audit revealed two findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Education Technology State Grants (CFDA No. 84.318); and the Highway Planning and Construction (CFDA No. 97.004) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Maury County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, resulting from our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the director of accounts and budgets, director of schools, and circuit court clerk are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 05.01 **THE TRANSFER STATION, ARCHIVES, AND MEMORIAL BUILDING OFFICES HAD ADMINISTRATIVE WEAKNESSES** (A. and B. Internal Control – Reportable Condition Under Government Auditing Standards; C. and D. Noncompliance Under Government Auditing Standards)

The following administrative weaknesses were noted during our audit:

- A. The transfer station employee responsible for billings, collections, posting payments and adjustments, and depositing also had the capability of changing records in the computerized accounting system.
- B. The transfer station employee noted above was on sick leave for over a month. During her absence, other employees were not allowed to perform some of her job responsibilities; therefore, receipts were not issued for collections received on commercial accounts, bills were not mailed to commercial customers, and records were not posted.
- C. During the audit period, there was a break-in at the county's Memorial Building office, and approximately \$4,000 was stolen. This theft was investigated by the City of Columbia Police Department. The county owns the Memorial Building, rents space to various groups for different types of events, and maintains an office there. One employee was responsible for booking the facility, collecting payments, and making deposits. Prenumbered receipts had not been issued for collections, and deposits had not been made within three days of collection. Depositing funds in compliance with provisions of the three-day deposit law would reduce the amount of cash in the office and thereby reduce the amount at risk for theft.
- D. The Archives Office deposited its collections with the county trustee approximately once a month.

Section 5-8-207, Tennessee Code Annotated, (TCA) requires county officials to deposit all funds within three days of collection. Section 9-2-103, TCA, requires that official prenumbered receipts be issued at the time funds are received.

RECOMMENDATION

Management should contact the Transfer Station's software vendor and request that the ability to change computer records be prevented or, at a minimum, an audit log of changes

be generated. The Transfer Station Office should segregate duties adequately among all employees to provide for a continuation of services when key employees are absent. Official receipts should be issued for all collections, and all funds should be deposited within three days of collection as required by state statutes.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. We continue to put procedures in place that will eliminate this finding. However, due to the size and number of employees in the offices, it is difficult to institute effective internal controls. We will continue to monitor the situation and develop alternatives.

FINDING 05.02 **THE OFFICE PAID SEVERAL INVOICES WITHOUT DOCUMENTATION OF THE RECEIPT OF THE GOODS OR SERVICES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

In several instances, invoices were paid without documentation that goods had been received and/or services had been rendered. This practice weakens controls over the purchasing process. We extended our audit procedures and determined that these goods were received and services were rendered.

RECOMMENDATION

To strengthen internal controls over the purchasing process, documentation should be obtained indicating that goods have been received and/or services have been rendered before invoices are paid.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. We have taken measures to correct this deficiency and will continue to monitor the situation.

FINDING 05.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under Government Auditing Standards)

Adequate Facilities/Development Tax Fund expenditures exceeded appropriations approved by the County Commission in the General Administration Projects major appropriation category (the legal level of control) by \$95,769.

Section 5-9-401, Tennessee Code Annotated, states that “All funds ... including, but not limited to ... taxes, county aid funds, federal funds, and fines, which are to be used in the operation and respective programs of the various departments, commissions, institutions,

boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission as required by state statute.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. This was an oversight due to a change in key personnel in April 2005. We have personnel in place to ensure compliance.

FINDING 05.04 **THE OFFICE HAD ACCOUNTING DEFICIENCIES IN THE MAINTENANCE OF RECORDS FOR CAPITAL ASSETS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Our audit disclosed the following accounting deficiencies in the maintenance of records for capital assets:

- A. Equipment purchases totaling \$324,916 had not been added to the capital asset records.
- B. Several assets had been added to the acquired assets’ report but were not reflected on the general capital asset records because of keying errors.
- C. At June 30, 2005, the cost of roads under construction (i.e. construction in progress) was added to capital asset records but was erroneously depreciated.
- D. A portion of right-of-way costs (\$3,423) was not added to the capital asset records.
- E. One road with historical costs of \$161,568 was added to the capital asset records as a negative number.
- F. In January 2005, the County Commission approved an exchange of 90 acres of land for 9.4 acres of land. This exchange transaction was not recorded on the capital asset records.
- G. Roads and bridges were not depreciated consistently between fiscal years.

Because of the above-noted errors, capital asset account balances were materially misstated. We proposed audit adjustments to management for their acceptance and posting to correctly present capital assets in the financial statements of this report.

RECOMMENDATION

Policies and procedures should be implemented that would ensure all capital assets purchased, constructed, exchanged, or disposed are accurately posted to the capital asset records. Construction in progress should not be depreciated, and other capital assets

should be depreciated on a consistent basis. The Office of Accounts and Budgets should review and verify data recorded and calculations presented on capital asset reports.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. Two key personnel resigned during March and April 2005. The capital asset accountants were reassigned to the positions of interim assistant purchasing agent and interim director of accounts and budgets. They continued to perform their original duties in addition to the interim duties. Because of the transition and the increased work-load, the above mentioned errors occurred and went unnoticed. Procedures have been implemented and personnel hired to make sure that this does not recur.

FINDING 05.05 **CONTRIBUTIONS TO THE MAURY COUNTY RURAL FIRE DEPARTMENT HAD NOT BEEN MADE IN COMPLIANCE WITH STATE STATUTE**
(A. Noncompliance Under Government Auditing Standards; B. Internal Control – Reportable Condition Under Government Auditing Standards)

Our review of contributions to the Maury County Rural Fire Department (MCRFD) noted the following deficiencies:

- A. Maury County is authorized by Section 5-9-101(23), Tennessee Code Annotated, to appropriate moneys to nonprofit volunteer fire departments; and during the year, the county contributed \$93,275 to the MCRFD. However, county officials advised that the MCRFD had not been recognized by the Internal Revenue Service as a tax exempt nonprofit organization.
- B. The contributions to the volunteer fire department were charged to the General Fund's Civil Defense major appropriation category which does not accurately describe the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

RECOMMENDATION

Maury County should verify that a fire department representing itself as a nonprofit meets the definition of a nonprofit volunteer fire department prior to appropriating funds. Expenditures should be coded to the accounts that most appropriately reflect the true nature of the transactions.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The Maury County Rural Fire Department has been the only fire service for rural county taxpayers for many years. In an effort to maintain this service for the rural

county taxpayers and comply with state statutes, we are studying a possible reorganization of the service.

FINDING 05.06 **EXPENDITURES WERE MADE IN VIOLATION OF COUNTY POLICIES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following violations of county policies:

- A. An employee of the Sheriff’s Department violated the county’s cellular telephone policy. The county’s policy states “Cellular telephone use should be limited to calls necessary to adequately conduct the business of Maury County...Maury County shall be reimbursed for personal phone calls of a non-emergency or lengthy nature...” Our review of the employee’s cellular telephone billings indicated a consistent pattern of usage for personal calls that were not reimbursed to the county.

- B. The county’s credit cardholder agreement states, “Under no circumstances will I allow this card to be used to make personal purchases, either by myself or others.” During the year, the director of the Conventions and Visitor Bureau made personal charges to the county’s credit card. Each month the director determined his personal charges and reimbursed the county a sum of \$2,393 for those amounts. However, since many of the credit card charges made by the director were not itemized or adequately explained, we were unable to determine whether other expenditures should have been reimbursed the county.

RECOMMENDATION

Management should monitor the county’s cellular telephone bills and credit card statements for compliance with the county’s policies. All credit card charges should be itemized and/or otherwise explained as to the business nature of the charges.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management understands the cellular phone policy of the county and is more closely monitoring the usage to make sure that this does not recur. Management has investigated the personal use finding, and the money has been collected from the employee. This employee has his own personal cell phone and is no longer using the one provided by the county to make personal calls. The director of the Conventions and Visitor Bureau is no longer making personal purchases with the county credit card. Management is monitoring all credit cards to make sure this does not happen again.

FINDING 05.07 THE OFFICE DID NOT DOCUMENT COMPLIANCE WITH THE DAVIS-BACON ACT

(Internal Control – Material Weakness Under Government Auditing Standards and Material Noncompliance Under OMB Circular A-133)

The office did not document its compliance with the Davis-Bacon Act for the Duck Riverwalk – Phase I construction project totaling \$254,687 that was funded by a federal Highway Planning and Construction Grant. Additionally, the county’s contract with a vendor for the project, which involved labor and materials, did not contain a clause indicating that the contractor would be required to comply with the provisions of the Davis-Bacon Act. Federal regulations require contractors and subcontractors to pay prevailing wages on any construction contract that exceeds \$2,000 and is financed either wholly or partially by federal funds. As a result of the failure to document its compliance with the Davis-Bacon Act and failure to include the provisions of the Davis-Bacon Act as a part of the capital improvement contract, we were unable to determine whether contractors and subcontractors paid their employees prevailing wage rates on this construction project.

RECOMMENDATION

The finance director should implement procedures to comply with provisions of the Davis-Bacon Act by including prevailing wage rate clauses in all future federally funded construction contracts and by monitoring and reviewing contractors’ and subcontractors’ payrolls for compliance with prevailing wage rate requirements.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The Duck Riverwalk Phase I contract was signed, and all work was performed under a previous director of accounts and budgets. All current and future projects will be monitored closely, and compliance with the Davis-Bacon Act will be documented.

FINDING 05.08 THE OFFICE DID NOT HAVE FORMAL POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS

(Internal Control – Reportable Condition Under Government Auditing Standards)

The office did not have written policies and procedures for routine computer operations. Routine operations include system start-up/shutdown, application access, system access security, system backup and retention schedules, hardware/software maintenance, output distribution, and other general data processing functions. Formal policies and procedures are necessary to ensure adequate management control over computer operations.

RECOMMENDATION

Management should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system backups, security measures, and

other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

OFFICE OF DIRECTOR OF SCHOOLS

The following findings are indicative of an overall lack of financial management. Because of the seriousness of the audit deficiencies listed below, our audit required additional time and resources to complete. On December 2, 2005, the Comptroller of the Treasury entered into a contract with the Maury County Board of Education for the additional costs related to the extended audit procedures.

FINDING 05.09 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT**

(Internal Control – Reportable Condition Under Government Auditing Standards)

The School Federal Projects Fund had a cash overdraft of \$60,826 at June 30, 2005. This cash overdraft resulted from the issuance of checks that exceeded cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2005.

RECOMMENDATION

Checks that exceed cash on deposit with the county trustee should not be issued.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. It is never the practice of this office to issue checks in excess of cash on deposit with the county trustee. The Business and Finance Office has already developed procedures to ensure that no checks are issued unless sufficient funds are on deposit with the county trustee.

FINDING 05.10 **THE SCHOOL FEDERAL PROJECTS FUND HAD CASH MANAGEMENT DEFICIENCIES**

(Internal Control – Material Weakness Under Government Auditing Standards and Material Noncompliance Under OMB Circular A-133)

Our review of the School Federal Projects Fund noted that reimbursements for some projects were not requested on a timely basis, while excessive amounts were requested on other projects. Operating cash requirements were not adequately monitored as follows:

- A. Expenditures exceeding \$100,000 (Vocational Education – Basic Grants to States Program) and \$200,000 (Special Education – Grants to States Program) were incurred before requesting reimbursements from grant funds.

- B. Requests for funds for the Title I Grants to Local Educational Agencies Program were based on budgeted amounts not actual needs; therefore, by year-end the program had approximately \$240,000 in excess cash.

The Office of Management and Budget's Circular A-133 requires that recipients minimize the amount of time between requests for grant funds and disbursements.

RECOMMENDATION

School Department personnel should more closely monitor the cash needs of the various federal programs in the School Federal Projects Fund to minimize the time between the requests for grant funds and disbursements as required by Circular A-133. Requests for grant funds should be filed timely and be based on realistic estimates of cash needs of the programs.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. The Business and Finance Office has already developed procedures to monitor cash needs of the various programs in the School Federal Projects Fund in order to minimize the time between the request for grant funds and disbursements and to timely request grant funds based on the realistic needs of the program.

FINDING 05.11 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Material Weakness Under Government Auditing Standards)

As of June 8, 2005, accounting records had not been not been printed for the months of September 2004 through May 2005 for the General Purpose School, School Federal Projects, and Education Capital Projects Funds. This demonstrates that basic accounting records had not been used as a management tool and contributed to the following accounting deficiencies:

- A. As of June 8, 2005, the cash on deposit with trustee accounts had not been reconciled with the county trustee's cash balances for the months of July 2004 through May 2005 for the General Purpose School, School Federal Projects, and Education Capital Projects Funds. As a result, management did not know how much cash was available for the funds' operations.
- B. As of October 18, 2005, the School Federal Projects Fund's accounting records had not been closed for the year ended June 30, 2005, and cash had still not been correctly reconciled with the trustee's cash balance. This delay prevented the director of schools from providing the Board of Education and County Commission with current financial information. On November, 28, 2005, auditors received a closed set of accounting records, and the cash on deposit with the trustee account had been properly reconciled with the trustee's cash balance through October 2005.

- C. Revenues totaling \$3,873,128 were not posted to accounting records from November 2004 through April 2005 in the General Purpose School Fund.
- D. Trustee's commissions totaling \$487,709 were not posted to accounting records for the months of September 2004 through April 2005 in the General Purpose School Fund.
- E. Revenues totaling \$33,539 were incorrectly posted between the General Purpose School and School Federal Projects Funds.
- F. The School Department failed to record approximately \$524,000 of receivables in the General Purpose School Fund at June 30, 2005.
- G. At June 30, 2004, the General Purpose School Fund had a Basic Education Program (BEP) Non-Classroom reserved balance of \$673,939. School Department accounting records reflected no reserve for BEP at June 30, 2005. School Department officials were unable to document how this reserve was expended.
- H. In the General Purpose School Fund, the cash on deposit with the trustee account reflected a negative balance for several days during the months of September, October, and December 2004, and April, May, and June 2005. This deficiency is directly related to findings C. and D. above.
- I. Monthly payroll deduction accounts did not balance for the School Federal Projects Fund. In addition, some payroll deduction payments were posted to the wrong federal projects.
- J. Numerous general journal entries were posted to the accounts of the School Federal Projects Fund. Several of these entries were posted incorrectly.
- K. In some instances, receipts were posted to the wrong projects in the School Federal Projects Fund.
- L. One School Federal Project program was overspent by \$482 for the year ended June 30, 2005.
- M. The School Department utilized several gasoline credit cards. School Department officials were unable to provide auditors with a listing of cardholders. In addition, School Department personnel were not reviewing billing statements.

We proposed audit adjustments to management to properly reflect the accounts in the financial statements of this report.

RECOMMENDATION

Accounting records should be printed or otherwise utilized as a management tool on a current basis. Each funds' cash on deposit with the trustee accounts should be reconciled with the county trustee's cash balances monthly. The office should close its accounting records within 60 days following the end of the accounting period to provide the public with current financial information. Revenues, trustee's commissions, receivables, general journal entries, and payroll deduction accounts should be accurately posted to accounting records. Documentation should be maintained to demonstrate compliance with legal restrictions for reserved funds. The finance director should review reports and account balances monthly looking for obvious posting errors, trends, budget variances, and ending account balances. In addition, management should maintain a current listing of cardholders and should review gasoline credit card billings monthly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. The Business and Finance Office has already developed procedures to correct the general accounting deficiencies identified in this finding.

FINDING 05.12 **THE OFFICE HAD DEFICIENCIES IN THE MAINTENANCE OF RECORDS FOR CAPITAL ASSETS** (Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following deficiencies in capital asset records:

- A. Capital asset records were not maintained on a current basis. As of December 1, 2005, assets purchased during the audit year had not been recorded, and assets disposed of had not been removed from the capital asset records.
- B. Numerous errors were discovered in the capital asset records presented for audit:
 - 1. Several assets meeting the capitalization policy requirements were not included on capital asset records.
 - 2. Capital asset spreadsheets contained formula errors that made calculations unreliable. Because of formula errors, some assets were over depreciated, while others did not show any depreciation at all, and one report was presented with complete columns of data missing because formulas were not copied correctly.
 - 3. In some instances, historical costs data and dates on capital asset records did not agree with supporting documents.
 - 4. Similar assets were not consistently classified by function.
- C. The School Department had no documentation to support the disposal of surplus equipment.

RECOMMENDATION

Capital asset records should be maintained on a current basis. Policies and procedures should be developed that would ensure all capital asset records are updated for new asset purchases and for disposals of old assets. All formulas utilized in the capital asset spreadsheets should be reviewed for accuracy. Historical costs data should be on file to support the assets' values. Assets should be assigned to the function which most accurately indicates their nature and purpose. The School Department should maintain records that identify assets which have been declared surplus and disposed. At a minimum, this information should include: an exact description of the property disposed (i.e. tag number, model, etc.), the date of disposal, and the sales price.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur. The Business and Finance Office has already developed plans to properly ensure that capital asset records are updated for new asset purchases and disposal of old assets, properly recorded at historical costs, and properly identified surplus assets.

FINDING 05.13 **THE OFFICE HAD PURCHASING DEFICIENCIES**
(A. Noncompliance Under Government Auditing Standards;
B. Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following purchasing deficiencies:

- A. The office did not maintain any documentation supporting its decision to reject the lowest quote received for auditorium seating at Mt. Pleasant High School. After properly advertising and receiving no bids, two quotes were obtained: one for \$30,450 and one for \$31,875. The office awarded the contract to the company with the highest quote. In *Owen of Georgia, Inc., versus Shelby County*, 442F. Supp. 314 (w.b. Tenn. 1977), the court stated that “to reject the bid of the lowest bidder there must be such evidence of the irresponsibility of the bidder as would cause fair minded and reasonable men to believe that it was not for the best interest of the municipality to award the contract to the lowest bidder.”
- B. Several invoices were paid without documentation that goods had been received or services had been rendered. However, our audit indicated that these goods had been received and services had been rendered.

RECOMMENDATION

Purchases should be made from the vendor with the lowest price that meets specifications unless adequate documentation is on file supporting the decision to reject the lowest bid/quote. To strengthen internal controls over the purchasing process, the office should obtain documentation indicating that goods have been received or services have been rendered before invoices are paid.

FINDING 05.14 **THE OFFICE HAD BUDGET DEFICIENCIES**
(Material Noncompliance Under Government Auditing Standards)

Our audit revealed the following deficiencies in budget operations:

- A. The budget and subsequent amendments submitted to and approved by the County Commission and Board of Education for the General Purpose School

Fund contained appropriations that exceeded estimated available funding by \$1,000,000.

- B. Expenditures of the General Purpose School Fund and Central Cafeteria Fund exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control):

<u>Fund/Major Category</u>	<u>Amount</u>
<u>General Purpose School Fund:</u>	
<u>Instruction</u>	
Regular Instruction Program	\$ 23,488
Alternative Instruction Program	4,903
Adult Education Program	10,101
<u>Support Services</u>	
Attendance	310
Other Student Support	8,499
Alternative Instruction Program	820
Special Education Program	1,658
Adult Programs	27,949
Office of the Principal	52,129
Central and Other	67,820
<u>Interest</u>	
Education	28,980
<u>Central Cafeteria Fund:</u>	
Food Service	90,638

- C. Expenditures exceeded appropriations by \$306,451 in 25 personal (payroll) services accounts of the General Purpose School Fund.
- D. Seventeen budget amendments posted to the General Purpose School Fund were not approved by the County Commission.
- E. Some General Purpose School Fund budget amendments approved by the Board of Education and County Commission decreased line-item appropriations to negative balances.
- F. In the School Federal Projects Fund, each project was budgeted for the total amount of the grant including amounts that were continued and carried over from the previous fiscal year. Therefore, individual projects revenue and expenditure estimates were overstated in the financial records by amounts received and expended in the prior year. This practice severely limits the usefulness of the budget as a management tool. The following table shows how this practice distorts the budget:

	<u>Actual</u>	<u>Budgeted</u>	<u>Difference</u>
Revenues	\$ 5,040,093	\$ 9,750,010	\$ (4,709,917)
Expenditures	5,220,230	9,790,546	(4,570,316)

We have properly reflected the budget and the budget amendments as approved by the Board of Education and County Commission in the financial statements of this report.

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

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to or approved by the County Commission and Board of Education. Expenditures should not exceed appropriations approved by the County Commission. Only budget amendments approved by the County Commission should be posted to the accounting records. Accurate project budgets should be posted in the School Federal Projects Fund.

FINDING 05.15 THE OFFICE USED AN UNAUTHORIZED SIGNATURE STAMP
(Internal Control – Material Weakness Under Government Auditing Standards)

The School Department used a signature stamp to affix signatures on checks for the chairman of the Board of Education and the director of schools. Tennessee Code Annotated (TCA), does not provide authority for the use a signature stamp; however, Section 49-2-113 TCA, provides for the use of mechanical signing equipment approved by the Commissioner of Education and the Comptroller of the Treasury.

RECOMMENDATION

The office should immediately discontinue using the signature stamp.

FINDING 05.16 THE OFFICE DID NOT HAVE FORMAL POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS
(Internal Control – Reportable Condition Under Government Auditing Standards)

The office did not have written policies and procedures for routine computer operations. Routine operations include system start-up/shutdown, application access, system access security, system backup and retention schedules, hardware/software maintenance, output distribution, and other general data processing functions. Formal policies and procedures are necessary to ensure adequate management control over computer operations.

RECOMMENDATION

Management should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system backups, security measures, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

OFFICE OF TRUSTEE

FINDING 05.17 **THE TRUSTEE PAID CHECKS THAT EXCEEDED AVAILABLE FUNDS** (Noncompliance Under Government Auditing Standards)

The trustee paid checks for the General Purpose School, School Federal Projects, and the Education Capital Projects Funds that exceeded the available cash balances on deposit in these funds. Section 8-11-104(5), Tennessee Code Annotated, prohibits the trustee from paying a check if sufficient funds are not available to pay the check.

RECOMMENDATION

The trustee should not pay checks that exceed available cash as required by state statute.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 05.18 **DRUG FINES HAD NOT BEEN PROPERLY ALLOCATED** (Noncompliance Under Government Auditing Standards)

Drug fines collected by the circuit court clerk were paid directly to the Sheriff's Department. The Sheriff's Department then remitted the drug fines to the trustee for deposit into the county's Drug Control Fund. Section 9-2-114, Tennessee Code Annotated (TCA), provides for the clerk to pay all county revenue to the county trustee. Section 39-17-428, TCA, requires 50 percent of any drug fine collected to be paid to the county's General Fund and the remaining 50 percent to be paid to the county's Drug Control Fund.

RECOMMENDATION

The circuit court clerk should remit drug fines directly to the county trustee. These fines should be allocated equally between the county's General Fund and the Drug Control Fund as required by state statutes.

MANAGEMENT'S RESPONSE – CIRCUIT COURT CLERK

Effective July 30, 2005, all Maury County drug fines will be forwarded to the county trustee. Prior to that time, we were not clear on the proper procedure for those distributions.

FINDING 05.19 **THE OFFICE OF GENERAL SESSIONS COURT CLERK - PART II HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following accounting deficiencies:

- A. Our testwork revealed three instances where actual deposits did not agree with daily deposit listings. The bookkeeper advised that these discrepancies were caused by transfers between cases. Transfers between cases were reflected on daily deposit listings but are not actually cash transactions.
- B. The bookkeeper often made general journal entries to the cash in bank account on the cash journal. However, some of these journal entries did not have explanations, and the bookkeeper could not remember why the entries were made.
- C. The bookkeeper attempted to reconcile bank accounts with cash journal controls monthly. However, when errors and/or reconciling items were identified, correcting entries were not posted to the cash journal. Therefore, the bank balance reflected on the cash journal was not accurate for any month during the audit period.

RECOMMENDATION

Transfer entries should not be reflected as cash transactions on daily deposit listings. All general journal entries should include adequate explanations. General journal entries should be posted to correct errors identified during the bank reconciliation process.

MANAGEMENT'S RESPONSE – CIRCUIT COURT CLERK

We are now keeping a transfer journal to identify any journal entries made. Bank reconciliations will be done in a timely manner with help for any problems that occur.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 05.20 **SEVERANCE PAY WAS UNAUTHORIZED**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The former director of human resources resigned from her position January 12, 2005. However, at the direction of the chairman of the Administrative Committee, the director was paid one month's severance pay plus one holiday (\$5,932) because the chairman deemed the director was wrongfully terminated. Neither the County Commission, the Administrative Committee, nor the Budget Committee approved the severance pay arrangement. Subsequent to the above-noted events, Maury County filed a lawsuit against the former director of human resources to recover the severance pay. The court ruled in favor of Maury County and ordered the former director of human resources to repay the net amount of the severance pay received (\$3,325). Restitution has been made.

RECOMMENDATION

Expenditures should be made in compliance with County Commission appropriations.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The money has been repaid and receipted through the County Mayor's Office.

FINDING 05.21 **DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE
TRANSFER STATION, ARCHIVES, AND MEMORIAL
BUILDING OFFICES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among employees at the Transfer Station, Archives, and Memorial Building Offices. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds.

RECOMMENDATION

To strengthen internal controls over operations and automated accounting functions, officials should segregate duties adequately among employees.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS
For the Year Ended June 30, 2005**

Federal/Pass-through Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Agriculture: Passed-through State Department of Transportation:					
Highway Planning and Construction	05.22	20.205	Circular A-133, Section 300(b)(c), and Compliance Supplement, Part 3 (D)	Material Weakness in Internal Control and Material Noncompliance, See Finding 05.07: The Office Did Not Document Compliance With the Davis-Bacon Act	\$ 0
U.S. Department of Education: Passed-through State Department of Education:					
Title 1 Grants to Local Educational Agencies	05.23	84.010	Circular A-133, Section 300(b)(c), and Compliance Supplement, Part 3 (C)	Material Weakness in Internal Control and Material Noncompliance, See Finding 05.10: The School Federal Projects Fund Had Cash Management Deficiencies	0

MAURY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2005

There were no audit findings relative to federal awards presented in the prior audit's Schedule of Findings and Questioned Costs.

FINDINGS 05.07 and 05.22

MANAGEMENT'S RESPONSE (DIRECTOR OF ACCOUNTS AND BUDGETS)

All current and future projects will be monitored closely and compliance with the Davis-Bacon Act will be documented.

FINDINGS 05.10 and 05.23

MANAGEMENT'S RESPONSE (DIRECTOR OF SCHOOLS)

The Business and Finance Office has already developed procedures to monitor cash needs of the various programs in the School Federal Projects Fund in order to minimize the time between the request for grant funds and disbursements and to timely request grant funds based on the realistic needs of the program.