
ANNUAL FINANCIAL REPORT MAURY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

RACHELLE CABADING, CFE
Auditor 4

RHONDA DAVIS, CFE
STEPHANIE GORDON, CFE
WENDY HEATH, CFE
JAY FINCHER
State Auditors

This financial report is available at www.comptroller.state.tn.us

MAURY COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		1-2
<u>INTRODUCTORY SECTION</u>		3
Maury County Officials		5
<u>FINANCIAL SECTION</u>		7
Independent Auditor's Report		9-11
Management's Discussion and Analysis		13-23
BASIC FINANCIAL STATEMENTS:		25
Government-wide Financial Statements:		
Statement of Net Assets	A	27-28
Statement of Activities	B	29-30
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	32
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	34
Proprietary Funds:		
Statement of Net Assets	D-1	35
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	36
Statement of Cash Flows	D-3	37-38
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	39
Notes to the Financial Statements		41-89
REQUIRED SUPPLEMENTARY INFORMATION:		91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	93-95
Schedule of Funding Progress – Pension Plan	F-2	96
Notes to the Required Supplementary Information		97

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		99
Nonmajor Governmental Funds:		101-102
Combining Balance Sheet	G-1	103-104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	105-106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Special Purpose Fund	G-3	107-108
Drug Control Fund	G-4	109
Adequate Facilities/Development Tax Fund	G-5	110
Highway/Public Works Fund	G-6	111
Major Governmental Fund:		113
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	115
Proprietary Funds:		117
Combining Statement of Net Assets	I-1	119
Combining Statement of Revenues, Expenses, and Changes in Net Assets	I-2	120
Combining Statement of Cash Flows	I-3	121
Fiduciary Funds:		123
Combining Statement of Fiduciary Assets and Liabilities	J-1	125
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	126
Component Unit:		
Discretely Presented Maury County School Department:		127
Statement of Activities	K-1	129
Balance Sheet – Governmental Funds	K-2	130
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	K-3	131
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	132
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	133
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	135
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	136-137
School Federal Projects Fund	K-9	138
Central Cafeteria Fund	K-10	139

	Exhibit	Page(s)
Miscellaneous Schedules:		141
Schedule of Changes in Long-term Notes, Capital Leases and Bonds – Primary Government and Discretely Presented Maury County School Department	L-1	143
Schedule of Bond and Interest Requirements by Year	L-2	144
Schedule of Investments	L-3	145
Schedule of Notes Receivable	L-4	146
Schedule of Transfers – Primary Government and Discretely Presented Maury County School Department	L-5	147
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Maury County School Department	L-6	148
Schedule of Detailed Revenues – All Governmental Fund Types	L-7	149-153
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Maury County School Department	L-8	154-155
Schedule of Detailed Expenditures – All Governmental Fund Types	L-9	156-187
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Maury County School Department	L-10	188-202
Schedule of Detailed Revenues and Expenses – Central Maintenance/Garage Fund (Internal Service Fund)	L-11	203-204
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (Enterprise Fund)	L-12	205-208
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-13	209
 <u>SINGLE AUDIT SECTION</u>		 211
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		213-215
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		217-219
Schedule of Expenditures of Federal Awards and State Grants		221-222
Schedule of Audit Findings Not Corrected		223
Schedule of Findings and Questioned Costs		225-230
Auditee Reporting Responsibilities		231

Audit Highlights

Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2007.

Results

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

Our audit resulted in seven findings and recommendations, which we have reviewed with 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

- ◆ Purchase orders were not issued in some required instances, and several purchase orders were issued after the invoice date. In several instances, invoices were paid without documentation that goods had been received or services had been rendered, and some invoices were not on file to support the purchases. Also, several expenditures were coded to accounts that did not reflect the true nature of the transactions.
- ◆ The Finance Department and the Information Technology Department did not always issue official prenumbered receipts for the sale of surplus equipment, and some funds were not deposited within three days of collection.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ In several instances, invoices were paid without documentation that goods had been received or services had been rendered.
 - ◆ Collections at the Central High School cafeteria were stolen.
-

OFFICE OF ROAD SUPERINTENDENT

- ◆ The U.S. Department of Labor conducted an investigation under the Fair Labor Standards Act into alleged unfair labor practices at the Maury County Highway Department, which resulted in the assessment of back wages plus matching payroll taxes totaling \$91,030.
-

MAURY REGIONAL HOSPITAL

- ◆ Consolidated financial statements were not prepared for interim or year-end reporting purposes.
- ◆ Deficiencies were noted in management's estimates for allowances on patients' accounts receivable.

INTRODUCTORY SECTION

Maury County Officials
June 30, 2007

Officials

Jim Bailey, County Mayor
Van Boshers, Road Superintendent
Edward Hickman, Director of Schools
Steve Konz, Trustee
Jim 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
Christy Mash, Director of Accounts and Budgets
Dana Gibson, Director of Human Resources

Board of County Commissioners

Tom Primm, Chairman	Joe Roberson
Joe Scott	Arch Patterson
John Goodloe	Linda Whiteside
Dr. Lucy Ledbetter	Glenda Bolton
Felicia McClain	Judy Vick
Eugene Richardson	Glen Hasse
June Beckum	Rick Miller
Ty Cobb	R. Lee Dugger
Wayne Hickman	Tommy Wolaver
Andy Jackson	Gwynne Evans
Gerald Adkinson	Bob Farmer

Board of Education

Lonnie Daniels, Chairman	Loretta Goodloe
Chet Rhodes	Steve Kindler
Talvin Barner	Joe Foster
Hoyt Gardner	Daniel McCulley
Jerry Lassiter	Tommy Dudley
Greg Ladd	

Budget Committee

Jim Bailey, Ex-Officio	Ty Cobb
Christy Mash, Ex-Officio	Glen Hasse
Andy Jackson	Rick Miller
Tom Primm	Bob Farmer

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

March 4, 2008

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, 2007, 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 (major proprietary fund) financial statements, which represent 97 percent and 99 percent, respectively, of the assets and revenues of the business-type activities. In addition, we did not audit the discretely presented Maury County Board of Public Utilities Water System's financial statements, which represent 17 percent and four 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 and the discretely presented Maury County Board of Public Utilities Water System, 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.

The financial statements of the Maury County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Maury County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Maury County Emergency Communications District as discussed in the preceding paragraph, 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 aggregate discretely presented component units of Maury County, Tennessee, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Also, 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, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2007, 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 March 4, 2008, 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.

The management's discussion and analysis on pages 13 through 23 and the budgetary comparison and pension information on pages 93 through 97 are not required parts of the basic financial statements but they do provide supplementary information required by the Governmental Accounting Standards Board. We 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and is positioned above the printed 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, 2007. 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

- Assets of the county exceeded liabilities at the close of the most recent fiscal year by \$177,770 (net assets). Of this amount, \$22,346 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,766.
- As of the close of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$29,967, an increase of \$6,116 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,998, or 31 percent of total General Fund expenditures.
- The county's total debt increased by \$14,323 (15 percent) during the current fiscal year. The key factor in this increase was the issuance of \$25,958 of new debt, offset by the payment of \$11,635 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 (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.

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 ten 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, the General Debt Service Fund, and the Education Capital Projects Fund, all 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 nonmajor 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 C-3 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 an internal service fund to account for its central maintenance garage. 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 D-1, D-2, and D-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 E 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 G-1 through L-13 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 \$177,770 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, 2007, the county had outstanding debt totaling \$46,293 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 (73 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); 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

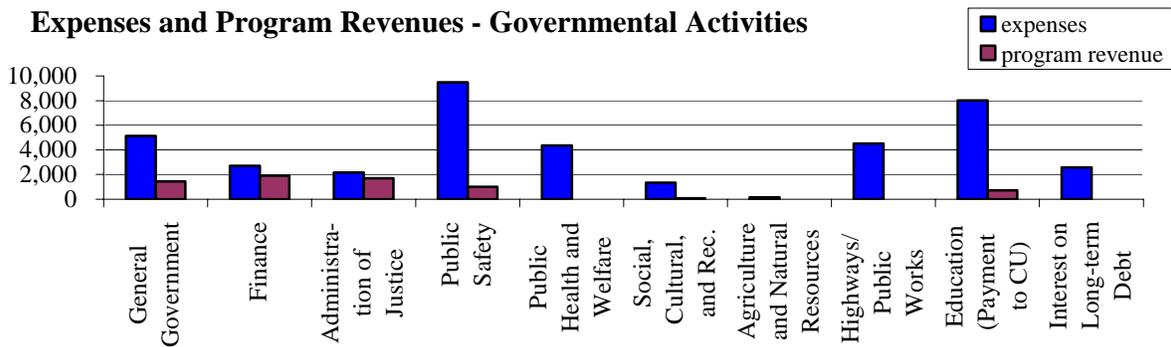
	Governmental Activities		Business-type Activities		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Current and Other Assets	\$ 46,255	\$ 39,435	\$ 82,942	\$ 93,247	\$ 129,197	\$ 132,682
Capital Assets	52,515	49,042	144,120	129,286	196,635	178,328
Total Assets	<u>\$ 98,770</u>	<u>\$ 88,477</u>	<u>\$ 227,062</u>	<u>\$ 222,533</u>	<u>\$ 325,832</u>	<u>\$ 311,010</u>
Long-term Liabilities	\$ 63,823	\$ 53,569	\$ 19,096	\$ 45,515	\$ 82,919	\$ 99,084
Other Liabilities	15,364	14,429	49,778	16,873	65,142	31,302
Total Liabilities	<u>\$ 79,187</u>	<u>\$ 67,998</u>	<u>\$ 68,874</u>	<u>\$ 62,388</u>	<u>\$ 148,061</u>	<u>\$ 130,386</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 36,692	\$ 40,437	\$ 94,971	\$ 84,770	\$ 131,663	\$ 125,207
Restricted	23,761	17,974	0	0	23,761	17,974
Unrestricted	(40,871)	(37,933)	63,217	75,376	22,346	37,443
Total Net Assets	<u>\$ 19,582</u>	<u>\$ 20,478</u>	<u>\$ 158,188</u>	<u>\$ 160,146</u>	<u>\$ 177,770</u>	<u>\$ 180,624</u>

An additional portion of the county's net assets (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$22,346) may be used to meet the government's ongoing obligations to citizens and creditors.

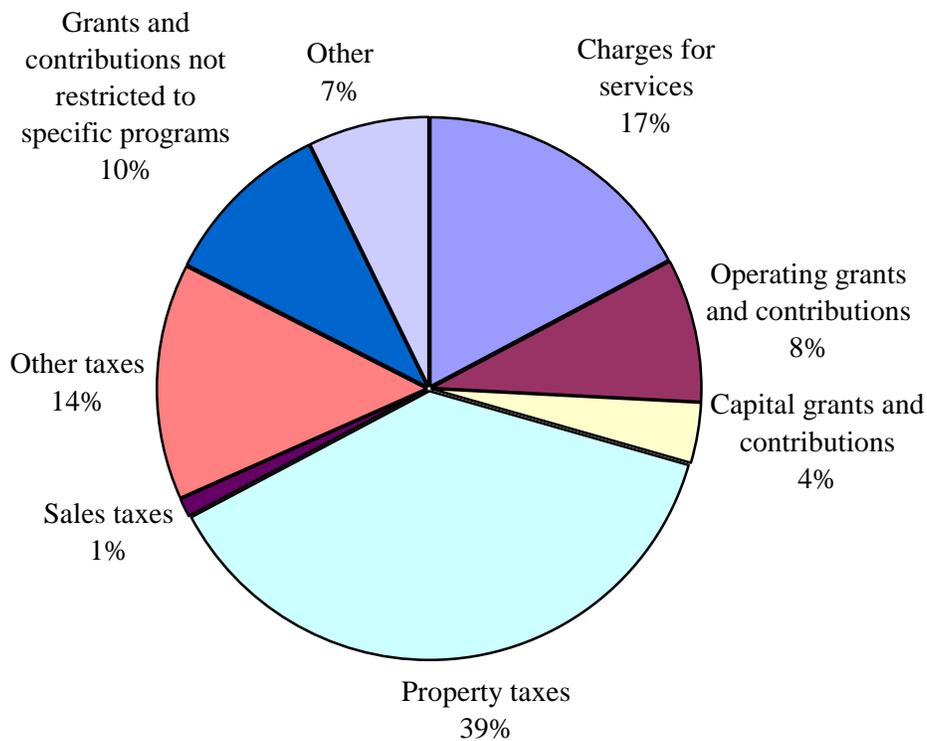
MAURY COUNTY'S Changes in Net Assets

	Governmental		Business-type		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,852	\$ 6,330	\$ 242,914	\$ 230,216	\$ 249,766	\$ 236,546
Operating Grants and Contributions	3,345	3,249	0	0	3,345	3,249
Capital Grants and Contributions	1,478	3,080	0	0	1,478	3,080
General Revenues:						
Property Taxes	14,938	14,510	1,497	150	16,435	14,660
Other Taxes	6,000	5,501	0	0	6,000	5,501
Grants and Contributions Not						
Restricted to Specific Programs	4,079	3,723	588	271	4,667	3,994
Other	2,858	2,072	1,199	483	4,057	2,555
Total Revenues	\$ 39,550	\$ 38,465	\$ 246,198	\$ 231,120	\$ 285,748	\$ 269,585
Expenses:						
General Government	\$ 5,126	\$ 5,698	\$ 0	\$ 0	\$ 5,126	\$ 5,698
Finance	2,709	2,485	0	0	2,709	2,485
Administration of Justice	2,170	2,057	0	0	2,170	2,057
Public Safety	9,489	7,185	0	0	9,489	7,185
Public Health and Welfare	4,344	1,003	0	0	4,344	1,003
Social, Cultural, and Recreational						
Services	1,330	1,135	0	0	1,330	1,135
Agriculture and Natural Resources	155	143	0	0	155	143
Highway/Public Works	4,521	4,474	0	0	4,521	4,474
Education(Payment to CU)	8,019	16,957	0	0	8,019	16,957
Interest on Long-term Debt	2,575	2,219	0	0	2,575	2,219
Other Debt Service	8	192	0	0	8	192
Maury Regional Hospital	0	0	235,685	224,511	235,685	224,511
Solid Waste Disposal	0	0	3,132	2,526	3,132	2,526
Total Expenses	\$ 40,446	\$ 43,548	\$ 238,817	\$ 227,037	\$ 279,263	\$ 270,585
Increase (Decrease) in Net Assets	\$ (896)	(5,083)	\$ 7,381	4,083	\$ 6,485	\$ (1,000)
Prior-Period Adjustment	0	0	(9,250)	(4,961)	(9,250)	(4,961)
Net Assets, July 1	20,478	25,561	160,057	161,023	180,535	186,584
Net Assets, June 30	\$ 19,582	\$ 20,478	\$ 158,188	\$ 160,145	\$ 177,770	\$ 180,623

Governmental activities. Governmental activities decreased the county's net assets by \$896. Key elements of the decrease were as follows:

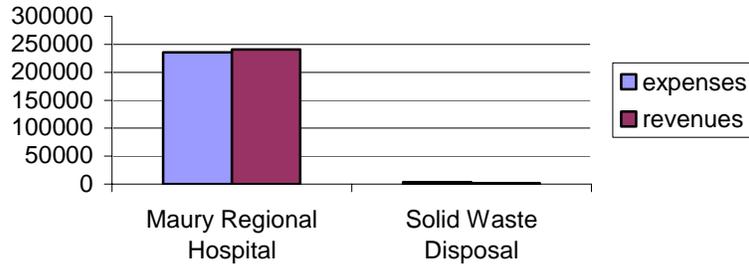


Revenues by Source - Governmental Activities

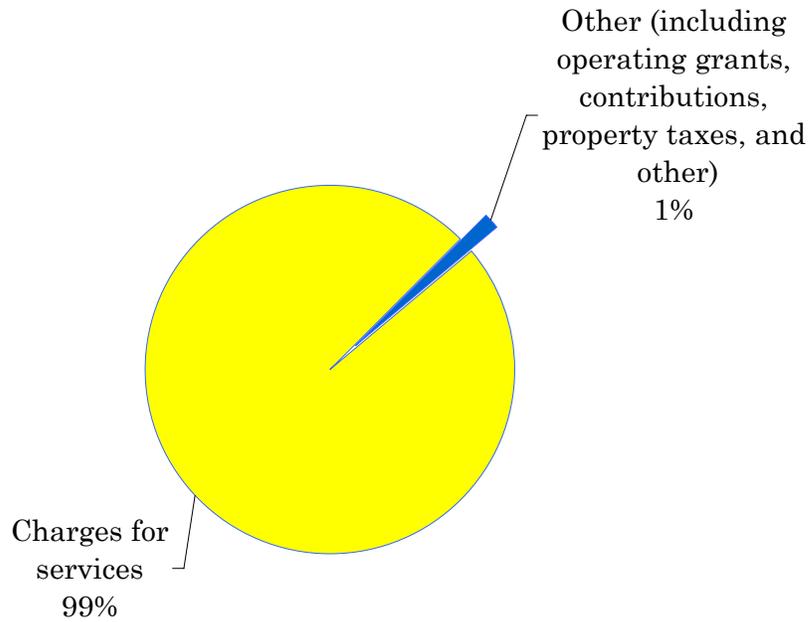


Business-type activities. Business-type activities decreased the county's net assets by \$1,870.

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 \$29,967, an increase of \$6,116 in comparison with the prior year. Most of this amount (\$25,727) 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 (\$1,067), and (2) for a variety of other restricted purposes (\$3,172).

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 \$5,998 while total fund balance was \$6,542. 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 34 percent of that same amount.

The fund balance of the county's General Fund increased by \$122 during the current fiscal year.

The General Debt Service Fund has a total fund balance of \$11,243, 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 totaled \$2,222. The increase in net assets for 2006-07 was \$367. 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 \$1,325 increase in appropriations) was primarily a result of the receipt of federal and state grant awards and is summarized as follows:

General Administration	\$ 395
Finance	22
Public Safety	301
Public Health and Welfare	519
Social, Cultural, and Recreational Services	19
Other Operations	69
Total	<u>\$ 1,325</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 Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental and business-type activities as of June 30, 2007, totaled \$196,634 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Maury County's Capital Assets

As of June 30
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Land	\$ 7,681	\$ 7,181	\$ 6,421	\$ 6,413	\$ 14,102	\$ 13,594
Buildings and Improvements	18,599	18,997	99,199	91,840	117,798	110,837
Other Capital Assets	3,906	2,803	28,094	28,534	32,000	31,337
Infrastructure	20,923	19,300	0	0	20,923	19,300
Construction in Progress	1,406	761	10,405	2,500	11,811	3,261
Total	<u>\$ 52,515</u>	<u>\$ 49,042</u>	<u>\$ 144,119</u>	<u>\$ 129,287</u>	<u>\$ 196,634</u>	<u>\$ 178,329</u>

Long-term debt. At the end of the current fiscal year, the county had total bonded debt outstanding of \$89,518, notes payable of \$17,795, and other loans payable of \$3,548. All debt is backed by the full faith and credit of the county. Of the amount outstanding for governmental activities, \$47,283 reflects the balance of borrowings for education capital projects for the Maury County Board of Education. Of the amount outstanding for business-type activities, \$49,149 reflects the balance of borrowings for capital projects of the regional hospital.

Maury County's Outstanding Debt
As of June 30

	Governmental Activities		Business-type Activities		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
General Obligation Bonds	\$ 44,990	\$ 48,814	\$ 44,528	\$ 40,701	\$ 89,518	\$ 89,515
Notes Payable	16,248	2,620	1,547	1,763	17,795	4,383
Other Debt Payable	474	231	3,074	2,409	3,548	2,640
Total	\$ 61,712	\$ 51,665	\$ 49,149	\$ 44,873	\$ 110,861	\$ 96,538

For the fiscal year ended, the county's total debt increased by \$14,323 (15 percent). Debt service payments of \$11,635 were made while the county issued new debt for equipment and public works projects as follows:

- The county issued debt totaling \$25,958 for various construction and renovation projects of the county, the school department, and the hospital.

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 L-1 and L-2 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the county is currently 8.6 percent, which is an increase from a rate of four percent a year ago. This compares unfavorably to the state's average unemployment rate of five percent and the national average rate of 4.8 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 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$5,998. It has yet to be determined if the 2008 budget will require the county to raise taxes or charges for this fund during the 2008 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 and Budgets at One Public Square, Columbia, Tennessee 38401 or www.budgetoffice@maurycounty-tn.gov.

BASIC FINANCIAL STATEMENTS

Exhibit A

Maury County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government			Component Units	
	Governmental	Business-	Total	Maury	Board of
	Activities	type		County	Public Utilities
		Activities		School	Water
				Department	System
ASSETS					
Cash	\$ 175,852	\$ 16,106,759	\$ 16,282,611	\$ 7,236	\$ 3,997,659
Equity in Pooled Cash and Investments	28,919,257	2,611,819	31,531,076	10,233,206	0
Accounts Receivable	606,417	64,669,480	65,275,897	24,151	230,501
Allowance for Uncollectibles	0	(13,800,000)	(13,800,000)	0	0
Property Taxes Receivable	15,181,246	1,523,363	16,704,609	18,887,465	0
Allowance for Uncollectible Property Taxes	(432,327)	0	(432,327)	(537,871)	0
Accrued Interest Receivable	0	0	0	0	59,101
Due from Other Governments	1,113,999	23,942	1,137,941	3,331,640	0
Prepaid Items	151,964	1,798,134	1,950,098	0	117
Notes Receivable - Long-term	5,368	0	5,368	0	0
Deferred Charges - Debt Issuance Costs	532,932	0	532,932	0	0
Inventories	0	4,773,141	4,773,141	0	143,484
Other	0	5,235,338	5,235,338	0	0
Restricted Assets:					
Customer Deposits	0	0	0	0	15,715
Capital Assets:					
Assets Not Depreciated:					
Land	7,680,650	6,421,492	14,102,142	2,438,500	287,025
Construction in Progress	1,405,813	10,405,304	11,811,117	27,151,149	1,965,523
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	18,599,125	99,198,956	117,798,081	58,200,366	171,557
Other Capital Assets	3,906,104	28,094,115	32,000,219	2,994,181	18,806,247
Infrastructure	20,923,090	0	20,923,090	0	0
Total Assets	\$ 98,769,490	\$ 227,061,843	\$ 325,831,333	\$ 122,730,023	\$ 25,676,929
LIABILITIES					
Accounts Payable	\$ 43,873	\$ 9,640,368	\$ 9,684,241	\$ 130,658	\$ 0
Accrued Payroll	78,840	3,408,819	3,487,659	7,574	5,780
Payroll Deductions Payable	195,072	7,690	202,762	0	0
Contracts Payable	159,019	0	159,019	658,275	242,957
Compensated Absences Payable	0	3,993,201	3,993,201	0	13,445
Retainage Payable	4,712	0	4,712	115,906	68,948
Accrued Interest Payable	632,806	240,545	873,351	51,157	3,584
Other Accrued Liabilities	0	0	0	0	6,588
Customer Deposits Payable	0	0	0	0	15,715
Due to State of Tennessee	2,061	647	2,708	0	0
Due to Joint Ventures	0	287,516	287,516	0	0
Deferred Revenue - Current Property Taxes	14,247,864	1,517,253	15,765,117	17,726,215	0
Noncurrent Liabilities:					
Due Within One Year	6,417,475	7,009,037	13,426,512	869,369	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	57,405,407	42,768,969	100,174,376	4,402,241	3,749,882
Total Liabilities	\$ 79,187,129	\$ 68,874,045	\$ 148,061,174	\$ 23,961,395	\$ 4,106,899

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 36,691,911	\$ 93,413,963	\$ 130,105,874	\$ 0	\$ 17,480,470
Invested in Capital Assets	0	1,557,272	1,557,272	90,784,196	0
Restricted for:					
Capital Projects	8,625,459	0	8,625,459	4,780,017	0
Debt Service	10,990,836	0	10,990,836	0	1,650,000
Special Purpose	780,403	0	780,403	0	0
Highway	2,657,034	0	2,657,034	0	0
Central Cafeteria	0	0	0	1,548,297	0
Other Purposes	707,250	0	707,250	355,255	0
Unrestricted	(40,870,532)	63,216,563	22,346,031	1,300,863	2,439,560
Total Net Assets	<u>\$ 19,582,361</u>	<u>\$ 158,187,798</u>	<u>\$ 177,770,159</u>	<u>\$ 98,768,628</u>	<u>\$ 21,570,030</u>

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, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							Component Units	
	Expenses	Program Revenues			Primary Government			Maury County School Department	Board of Public Utilities Water System
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary Government:									
Governmental Activities:									
General Government	\$ 5,125,520	\$ 1,446,330	\$ 111,771	\$ 0	\$ (3,567,419)	\$ 0	\$ (3,567,419)	\$ 0	\$ 0
Finance	2,709,209	1,903,601	23,059	0	(782,549)	0	(782,549)	0	0
Administration of Justice	2,169,721	1,696,823	14,000	0	(458,898)	0	(458,898)	0	0
Public Safety	9,489,365	1,012,364	46,682	446,123	(7,984,196)	0	(7,984,196)	0	0
Public Health and Welfare	4,343,414	389	484,356	0	(3,858,669)	0	(3,858,669)	0	0
Social, Cultural, and Recreational Services	1,329,525	65,041	2,974	9,537	(1,251,973)	0	(1,251,973)	0	0
Agriculture and Natural Resources	155,020	0	0	0	(155,020)	0	(155,020)	0	0
Highway/Public Works	4,520,521	6,533	2,318,731	1,021,988	(1,173,269)	0	(1,173,269)	0	0
Education	8,019,135	720,540	0	0	(7,298,595)	0	(7,298,595)	0	0
Interest on Long-term Debt	2,574,988	0	343,674	0	(2,231,314)	0	(2,231,314)	0	0
Other Debt Service	8,071	0	0	0	(8,071)	0	(8,071)	0	0
Total Governmental Activities	\$ 40,444,489	\$ 6,851,621	\$ 3,345,247	\$ 1,477,648	\$ (28,769,973)	\$ 0	\$ (28,769,973)	\$ 0	\$ 0
Business-type Activities:									
Maury Regional Hospital	\$ 235,685,304	\$ 241,030,749	\$ 0	\$ 0	\$ 0	\$ 5,345,445	\$ 5,345,445	\$ 0	\$ 0
Solid Waste Disposal	3,131,943	1,882,886	0	0	0	(1,249,057)	(1,249,057)	0	0
Total Business-type Activities	\$ 238,817,247	\$ 242,913,635	\$ 0	\$ 0	\$ 0	\$ 4,096,388	\$ 4,096,388	\$ 0	\$ 0
Total Primary Government	\$ 279,261,736	\$ 249,765,256	\$ 3,345,247	\$ 1,477,648	\$ (28,769,973)	\$ 4,096,388	\$ (24,673,585)	\$ 0	\$ 0
Component Units:									
Maury County School Department	\$ 86,841,566	\$ 3,037,748	\$ 8,671,177	\$ 6,705,503	\$ 0	\$ 0	\$ 0	\$ (68,427,138)	\$ 0
Board of Public Utilities Water System	2,292,605	3,197,223	0	0	0	0	0	0	904,618
Total Component Units	\$ 89,134,171	\$ 6,234,971	\$ 8,671,177	\$ 6,705,503	\$ 0	\$ 0	\$ 0	\$ (68,427,138)	\$ 904,618

(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	Maury County School Department	Board of Public Utilities Water System
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 10,729,745	\$ 1,496,990	\$ 12,226,735	\$ 18,584,865	\$ 0
Property Taxes Levied for Debt Service					4,208,170	0	4,208,170	0	0
Local Option Sales Taxes					440,908	0	440,908	10,255,262	0
Other Local Taxes					5,558,786	0	5,558,786	14,149	0
Grants and Contributions Not Restricted to Specific Programs					4,078,838	588,000	4,666,838	42,435,983	0
Unrestricted Investment Earnings					2,190,936	912,864	3,103,800	50,662	163,043
Miscellaneous					666,653	286,094	952,747	101,472	0
Total General Revenues					<u>\$ 27,874,036</u>	<u>\$ 3,283,948</u>	<u>\$ 31,157,984</u>	<u>\$ 71,442,393</u>	<u>\$ 163,043</u>
Change in Net Assets					\$ (895,937)	\$ 7,380,336	\$ 6,484,399	\$ 3,015,255	\$ 1,067,661
Prior-Period Adjustment					0	(9,250,000)	(9,250,000)	0	0
Net Assets, July 1, 2006					<u>20,478,298</u>	<u>160,057,462</u>	<u>180,535,760</u>	<u>95,753,373</u>	<u>20,502,369</u>
Net Assets, June 30, 2007					<u>\$ 19,582,361</u>	<u>\$ 158,187,798</u>	<u>\$ 177,770,159</u>	<u>\$ 98,768,628</u>	<u>\$ 21,570,030</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, 2007

	Major Funds		Nonmajor Funds	Total
	General	General Debt Service	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 175,852	\$ 175,852
Equity in Pooled Cash and Investments	5,936,499	11,011,774	11,877,511	28,825,784
Accounts Receivable	255,891	214,452	136,074	606,417
Due from Other Governments	616,706	0	497,293	1,113,999
Due from Other Funds	2,407	0	0	2,407
Property Taxes Receivable	8,909,182	4,276,407	1,995,657	15,181,246
Allowance for Uncollectible Property Taxes	(253,713)	(121,782)	(56,832)	(432,327)
Prepaid Items	125,817	0	22,473	148,290
Notes Receivable - Current	0	0	3,600	3,600
Notes Receivable - Long-term	0	0	1,768	1,768
Total Assets	<u>\$ 15,592,789</u>	<u>\$ 15,380,851</u>	<u>\$ 14,653,396</u>	<u>\$ 45,627,036</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 18,117	\$ 0	\$ 25,603	\$ 43,720
Accrued Payroll	0	0	78,840	78,840
Payroll Deductions Payable	151,977	0	38,179	190,156
Contracts Payable	0	0	159,019	159,019
Retainage Payable	0	0	4,712	4,712
Due to Other Funds	0	0	2,407	2,407
Due to State of Tennessee	1,872	0	189	2,061
Deferred Revenue - Current Property Taxes	8,361,422	4,013,483	1,872,959	14,247,864
Deferred Revenue - Delinquent Property Taxes	259,333	124,480	58,090	441,903
Other Deferred Revenues	258,223	0	230,874	489,097
Total Liabilities	<u>\$ 9,050,944</u>	<u>\$ 4,137,963</u>	<u>\$ 2,470,872</u>	<u>\$ 15,659,779</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 182,784	\$ 0	\$ 884,370	\$ 1,067,154
Reserved for Litter Enforcement Awards	2,815	0	0	2,815
Reserved for Drug Court	69,226	0	0	69,226
Reserved for Sexual Offender Registration	1,072	0	0	1,072
Reserved for Courthouse and Jail Maintenance	0	2,810,113	0	2,810,113
Reserved for Computer System - Register	83,572	0	0	83,572
Reserved for Automation Purposes - Circuit Court	9,699	0	0	9,699
Reserved for Automation Purposes - General Sessions Court	162,059	0	0	162,059
Reserved for Automation Purposes - Chancery Court	10,852	0	0	10,852
Reserved for Automation Purposes - Sheriff	21,289	0	0	21,289
Reserved for Long-term Notes Receivable	0	0	1,768	1,768
Unreserved, Reported In:				
General Fund	5,998,477	0	0	5,998,477
Special Revenue Funds	0	0	4,509,282	4,509,282
Debt Service Funds	0	8,432,775	0	8,432,775
Capital Projects Funds	0	0	6,787,104	6,787,104
Total Fund Balances	<u>\$ 6,541,845</u>	<u>\$ 11,242,888</u>	<u>\$ 12,182,524</u>	<u>\$ 29,967,257</u>
Total Liabilities and Fund Balances	<u>\$ 15,592,789</u>	<u>\$ 15,380,851</u>	<u>\$ 14,653,396</u>	<u>\$ 45,627,036</u>

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, 2007

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)		\$ 29,967,257
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,680,650	
Add: construction in progress	1,405,813	
Add: infrastructure net of accumulated depreciation	20,923,090	
Add: buildings and improvements net of accumulated depreciation	18,599,125	
Add: other capital assets net of accumulated depreciation	3,906,104	
Less: capital assets of internal service funds that are also included in item (2) below.	<u>(120,301)</u>	52,394,481
(2) 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.		212,379
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (16,247,780)	
Less: capital leases payable	(474,068)	
Less: bonds payable	(44,990,000)	
Add: deferred amount on refunding	256,274	
Add: deferred charges - debt issuance costs	532,932	
Less: compensated absences payable	(812,313)	
Less: other deferred revenue - premium on debt	(1,554,995)	
Less: accrued interest on bonds, notes, and capital leases	<u>(632,806)</u>	(63,922,756)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>931,000</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 19,582,361</u>

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

Exhibit C-3

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds			Nonmajor	Total
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,274,411	\$ 6,754,523	\$ 0	\$ 6,023,729	\$ 24,052,663
Licenses and Permits	368,021	0	0	0	368,021
Fines, Forfeitures, and Penalties	359,856	0	0	124,597	484,453
Charges for Current Services	245,668	0	0	711,049	956,717
Other Local Revenues	551,569	2,117,372	0	229,885	2,898,826
Fees Received from County Officials	3,272,943	0	0	0	3,272,943
State of Tennessee	1,566,625	770,522	0	2,893,432	5,230,579
Federal Government	424,374	0	0	0	424,374
Other Governments and Citizens Groups	266,950	49,171	0	143,365	459,486
Total Revenues	\$ 18,330,417	\$ 9,691,588	\$ 0	\$ 10,126,057	\$ 38,148,062
<u>Expenditures</u>					
Current:					
General Government	\$ 3,479,255	\$ 0	\$ 0	\$ 0	\$ 3,479,255
Finance	1,925,391	0	0	679,942	2,605,333
Administration of Justice	1,855,210	0	0	259,734	2,114,944
Public Safety	8,836,016	0	0	454,348	9,290,364
Public Health and Welfare	887,003	0	0	0	887,003
Social, Cultural, and Recreational Services	1,170,709	0	0	123,228	1,293,937
Agriculture and Natural Resources	143,918	0	0	0	143,918
Other Operations	1,042,380	0	0	417,825	1,460,205
Highways	0	0	0	4,646,529	4,646,529
Debt Service:					
Principal on Debt	0	5,881,057	0	112,202	5,993,259
Interest on Debt	0	2,275,670	0	12,798	2,288,468
Other Debt Service	0	139,442	0	0	139,442
Capital Projects	0	434,856	0	6,206,805	6,641,661
Capital Projects - Donated	0	30,428	6,854,337	355,638	7,240,403
Total Expenditures	\$ 19,339,882	\$ 8,761,453	\$ 6,854,337	\$ 13,269,049	\$ 48,224,721
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,009,465)	\$ 930,135	\$ (6,854,337)	\$ (3,142,992)	\$ (10,076,659)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 6,799,825	\$ 7,670,175	\$ 14,470,000
Capital Leases Issued	0	0	0	355,638	355,638
Refunding Debt Issued	0	1,215,000	0	0	1,215,000
Premiums on Debt Issued	0	0	54,512	130,383	184,895
Insurance Recovery	0	0	0	218	218
Transfers In	1,135,000	0	0	19,843	1,154,843
Transfers Out	(3,600)	0	0	(1,184,493)	(1,188,093)
Total Other Financing Sources (Uses)	\$ 1,131,400	\$ 1,215,000	\$ 6,854,337	\$ 6,991,764	\$ 16,192,501
Net Change in Fund Balances	\$ 121,935	\$ 2,145,135	\$ 0	\$ 3,848,772	\$ 6,115,842
Fund Balance, July 1, 2006	6,419,910	9,097,753	0	8,333,752	23,851,415
Fund Balance, June 30, 2007	\$ 6,541,845	\$ 11,242,888	\$ 0	\$ 12,182,524	\$ 29,967,257

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

Exhibit C-4

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 6,115,842
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 6,558,809	
Less: current year depreciation expense	<u>(3,563,496)</u>	2,995,313
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		449,493
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 931,000	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(1,124,279)</u>	(193,279)
(4) The issuance of long-term debt (e.g., notes, bonds, 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 related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (15,685,000)	
Less: capital lease proceeds	(355,638)	
Add: change in premium on debt issuances	158,781	
Add: change in deferred debt issuance costs	57,720	
Add: principal payments on notes	2,057,235	
Add: principal payments on capital leases	112,202	
Add: principal payments on bonds	3,823,822	
Less: change in deferred amount on refunding debt	<u>(127,559)</u>	(9,958,437)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (85,310)	
Change in compensated absences	<u>(237,573)</u>	(322,883)
(6) 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 in the statement of activities.		<u>18,014</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (895,937)</u>

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

Exhibit D-1

Maury County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
ASSETS				
Current Assets:				
Cash	\$ 16,106,559	\$ 200	\$ 16,106,759	\$ 0
Equity in Pooled Cash and Investments	0	2,611,819	2,611,819	93,473
Accounts Receivable	64,406,307	263,173	64,669,480	0
Allowance for Uncollectible Accounts	(13,800,000)	0	(13,800,000)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	1,523,363	1,523,363	0
Due from Other Governments	0	23,942	23,942	0
Inventories	4,773,141	0	4,773,141	0
Prepaid Items	1,792,711	5,423	1,798,134	3,674
Other	5,235,338	0	5,235,338	0
Total Current Assets	\$ 78,514,056	\$ 4,427,920	\$ 82,941,976	\$ 97,147
Noncurrent Assets:				
Capital Assets:				
Assets not Depreciated:				
Land	\$ 5,603,125	\$ 818,367	\$ 6,421,492	\$ 25,000
Construction in Progress	10,405,304	0	10,405,304	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	98,778,159	420,797	99,198,956	56,160
Other Capital Assets	27,776,007	318,108	28,094,115	39,141
Total Noncurrent Assets	\$ 142,562,595	\$ 1,557,272	\$ 144,119,867	\$ 120,301
Total Assets	\$ 221,076,651	\$ 5,985,192	\$ 227,061,843	\$ 217,448
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 9,617,046	\$ 23,322	\$ 9,640,368	\$ 153
Accrued Payroll	3,408,819	0	3,408,819	0
Payroll Deductions Payable	0	7,690	7,690	4,916
Compensated Absences Payable	3,965,522	27,679	3,993,201	0
Accrued Liability for Landfill Closure/Postclosure Care Cost	0	34,965	34,965	0
Accrued Interest Payable	240,545	0	240,545	0
Due to State of Tennessee	0	647	647	0
Due to Joint Ventures	287,516	0	287,516	0
Deferred Revenue - Current Property Taxes	0	1,517,253	1,517,253	0
Current Portion of Long-term Debt	6,974,072	0	6,974,072	0
Total Current Liabilities	\$ 24,493,520	\$ 1,611,556	\$ 26,105,076	\$ 5,069
Noncurrent Liabilities:				
Accrued Liability for Landfill Closure/Postclosure Care Cost	\$ 0	\$ 594,409	\$ 594,409	\$ 0
Bonds and Other Long-term Debt	42,174,560	0	42,174,560	0
Total Noncurrent Liabilities	\$ 42,174,560	\$ 594,409	\$ 42,768,969	\$ 0
Total Liabilities	\$ 66,668,080	\$ 2,205,965	\$ 68,874,045	\$ 5,069
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 93,413,963	\$ 0	\$ 93,413,963	\$ 0
Invested in Capital Assets	0	1,557,272	1,557,272	120,301
Unrestricted	60,994,608	2,221,955	63,216,563	92,078
Total Net Assets	\$ 154,408,571	\$ 3,779,227	\$ 158,187,798	\$ 212,379

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

Exhibit D-2

Maury County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	<u>Business-type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major Fund</u>	<u>Nonmajor Fund</u>		
	<u>Maury Regional Hospital</u>	<u>Solid Waste Disposal</u>	<u>Total</u>	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 234,588,321	\$ 1,740,223	\$ 236,328,544	\$ 1,716,289
Other Local Revenues	6,442,428	142,663	6,585,091	4,665
Total Operating Revenues	<u>\$ 241,030,749</u>	<u>\$ 1,882,886</u>	<u>\$ 242,913,635</u>	<u>\$ 1,720,954</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 135,622,119	\$ 0	\$ 135,622,119	\$ 0
Other General Administration	0	0	0	1,731,360
Other Operations	25,982,271	0	25,982,271	0
Fees and Professional Services	15,859,406	0	15,859,406	0
Insurance	2,226,357	0	2,226,357	0
Supplies and Other Expenses	38,980,260	0	38,980,260	0
Waste Pickup	0	55,064	55,064	0
Convenience Centers	0	764,127	764,127	0
Landfill Operation and Maintenance	0	2,161,890	2,161,890	0
Depreciation and Amortization Expense	15,157,335	150,862	15,308,197	4,830
Total Operating Expenses	<u>\$ 233,827,748</u>	<u>\$ 3,131,943</u>	<u>\$ 236,959,691</u>	<u>\$ 1,736,190</u>
Operating Income (Loss)	<u>\$ 7,203,001</u>	<u>\$ (1,249,057)</u>	<u>\$ 5,953,944</u>	<u>\$ (15,236)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 1,496,990	\$ 1,496,990	\$ 0
General Government Grants	0	108,449	108,449	0
Other Local Revenues	0	11,082	11,082	0
Contributions	479,551	0	479,551	0
Interest Income	912,864	0	912,864	0
Interest Expense	(1,757,717)	0	(1,757,717)	0
Minority Interest in Loss of Subsidiaries	275,012	0	275,012	0
Loss on Disposal of Equipment	(99,839)	0	(99,839)	0
Total Nonoperating Revenues (Expenses)	<u>\$ (190,129)</u>	<u>\$ 1,616,521</u>	<u>\$ 1,426,392</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 7,012,872	\$ 367,464	\$ 7,380,336	\$ (15,236)
Transfers In (Out)	0	0	0	33,250
Change in Net Assets	\$ 7,012,872	\$ 367,464	\$ 7,380,336	\$ 18,014
Prior-Period Adjustment	(9,250,000)	0	(9,250,000)	0
Net Assets, July 1, 2006	<u>156,645,699</u>	<u>3,411,763</u>	<u>160,057,462</u>	<u>194,365</u>
Nets Assets, June 30, 2007	<u>\$ 154,408,571</u>	<u>\$ 3,779,227</u>	<u>\$ 158,187,798</u>	<u>\$ 212,379</u>

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

Exhibit D-3

Maury County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	<u>Business-type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>	
	<u>Maury Regional Hospital</u>	<u>Solid Waste Disposal</u>		
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers and Users	\$ 224,954,475	\$ 1,659,263	\$ 226,613,738	\$ 1,745,431
Other Cash Receipts (Payments)	6,178,547	142,663	6,321,210	4,665
Payments to Suppliers	(84,199,181)	0	(84,199,181)	0
Payments to Employees	(134,185,646)	0	(134,185,646)	0
Central Maintenance Garage Activity - Uses	0	0	0	(1,730,777)
Waste Collection and Disposal Activity - Uses	0	(2,973,754)	(2,973,754)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 12,748,195</u>	<u>\$ (1,171,828)</u>	<u>\$ 11,576,367</u>	<u>\$ 19,319</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of Capital Assets	\$ (28,629,397)	\$ (141,932)	\$ (28,771,329)	\$ (33,060)
Proceeds from Sale of Equipment	120,564	0	120,564	0
Proceeds from Issuance of Long-term Debt	8,910,930	0	8,910,930	0
Principal Payments on Long-term Debt	(5,541,814)	0	(5,541,814)	0
Interest Paid on Long-term Debt	(1,755,421)	0	(1,755,421)	0
Debt Issue Costs	(73,518)	0	(73,518)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (26,968,656)</u>	<u>\$ (141,932)</u>	<u>\$ (27,110,588)</u>	<u>\$ (33,060)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Grants Received	\$ 0	\$ 108,449	\$ 108,449	\$ 0
Local Taxes	0	1,566,875	1,566,875	0
Contributions	479,551	11,082	490,633	0
Operating Transfers In	0	0	0	33,250
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 479,551</u>	<u>\$ 1,686,406</u>	<u>\$ 2,165,957</u>	<u>\$ 33,250</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment Income	\$ 912,864	\$ 0	\$ 912,864	\$ 0
Distribution to Minority Shareholder	(144,298)	0	(144,298)	0
Net Cash Provided By (Used In) Investing Activities	<u>\$ 768,566</u>	<u>\$ 0</u>	<u>\$ 768,566</u>	<u>\$ 0</u>
Net Increase (Decrease) in Cash	\$ (12,972,344)	\$ 372,646	(12,599,698)	\$ 19,509
Cash, July 1, 2006	<u>29,078,903</u>	<u>2,239,373</u>	<u>31,318,276</u>	<u>73,964</u>
Cash, June 30, 2007	<u>\$ 16,106,559</u>	<u>\$ 2,612,019</u>	<u>\$ 18,718,578</u>	<u>\$ 93,473</u>

(Continued)

Exhibit D-3

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

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 7,203,001	\$ (1,249,057)	\$ 5,953,944	\$ (15,236)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation and Amortization Expense	15,157,335	150,862	15,308,197	4,830
Provision for Uncollectible Accounts	18,317,991	0	18,317,991	0
(Increase) Decrease in Accounts Receivable	(29,019,220)	(76,916)	(29,096,136)	29,327
(Increase) Decrease in Due from Other Governments	0	(2,993)	(2,993)	0
(Increase) Decrease in Inventories	(2,486,406)	0	(2,486,406)	0
(Increase) Decrease in Prepaid Items	288,426	(1,051)	287,375	(185)
(Increase) Decrease in Other Assets	803,502	0	803,502	0
Increase (Decrease) in Accounts Payable	1,047,093	23,322	1,070,415	153
Increase (Decrease) in Payroll Deductions Payable	0	1,214	1,214	430
Increase (Decrease) in Closure/Postclosure Care Costs	0	(12,221)	(12,221)	0
Increase (Decrease) in Due to Other Funds	0	(14,992)	(14,992)	0
Increase (Decrease) in Due to State of Tennessee	0	(266)	(266)	0
Increase (Decrease) in Accrued Leave	0	10,270	10,270	0
Increase (Decrease) in Accrued Expenses	1,436,473	0	1,436,473	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 12,748,195</u>	<u>\$ (1,171,828)</u>	<u>\$ 11,576,367</u>	<u>\$ 19,319</u>
RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS				
Cash per Net Assets	\$ 16,106,559	\$ 200	\$ 16,106,759	\$ 0
Equity in Pooled Cash and Investments per Net Assets	0	2,611,819	2,611,819	93,473
Cash, June 30, 2007	<u>\$ 16,106,559</u>	<u>\$ 2,612,019</u>	<u>\$ 18,718,578</u>	<u>\$ 93,473</u>

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

Exhibit E

Maury County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,479,183
Investments	36,511
Due from Other Governments	<u>1,500,240</u>
Total Assets	<u><u>\$ 4,015,934</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,500,240
Due to Litigants, Heirs, and Others	<u>2,515,694</u>
Total Liabilities	<u><u>\$ 4,015,934</u></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, 2007

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 22-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 financial statements of the Maury County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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. Although required by GAAP, the financial statements of the Maury County Emergency Communications District were not available in time for inclusion, as previously mentioned. 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
2907 Cayce Lane
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. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. 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 (\$6,854,337) were contributed by the county to the School Department during the year ended June 30, 2007.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), 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 the major enterprise fund 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, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of 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 the major enterprise fund 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 funds and fiduciary funds financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 – This 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 and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent

private-sector guidance for their enterprise funds, subject to the same limitations. Maury County has elected not to follow subsequent private-sector guidance.

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 hand and cash on deposit with the county trustee.

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. 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.

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 the 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	3-7
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 any 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 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 employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, employees will be paid either \$50 (professional) or \$10 (certain nonprofessional) 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. During the year, 29 employees retired and received sick leave payments totaling \$118,755. 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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and 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, 2007, Maury County had \$46,293,350 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the

capital assets acquired are reported in the financial statements of the Maury County 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, 2007:

<u>Fund/Purpose</u>	<u>Amount</u>
Primary Government:	
General:	
Libraries	\$ 49,791
Archives	54,376
Nonqualified Retirement	675,001
Emergency Management	2,052
Tower Rentals	7,000
Discretely Presented School Department:	
General Purpose School:	
Litigation	5,478
E-Rate Funds	4,836
Insurance Recovery	32,032
Library Books	1,809
Safety Programs	3,939

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

Discretely Presented Maury County School Department

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

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

Discretely Presented Maury County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Maury 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 Maury County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Support Services - Transportation major appropriation category (the legal level of control) of the General Purpose School Fund by \$25,950. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

C. Central High School Cafeteria Funds Were Stolen

An employee at the Central High School cafeteria pled guilty to theft. Details of this theft are discussed in the Schedule of Findings and Questioned Costs section of this report.

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2007, 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 and were made on behalf of litigants at the direction of a court order.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value or Cost</u>
Merrill Lynch	Daily	\$ 36,511

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Maury County has no investment policy that would further limit its investment choices.

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. It should be noted that the above-noted amount is invested on behalf of litigants at the order of the court and the county has no custodial credit risk for this investment.

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 \$1,768.

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government (excluding the Maury Regional Hospital)

Governmental Activities (Includes Internal Service Funds):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 7,180,779	\$ 499,871	\$ 0	\$ 7,680,650
Construction in Progress	760,592	770,396	(125,175)	1,405,813
Total Capital Assets Not Depreciated	<u>\$ 7,941,371</u>	<u>\$ 1,270,267</u>	<u>\$ (125,175)</u>	<u>\$ 9,086,463</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 24,790,987	\$ 130,900	\$ (4,800)	\$ 24,917,087
Infrastructure	30,838,211	3,807,011	0	34,645,222
Other Capital Assets	8,084,930	1,958,359	(233,551)	9,809,738
Total Capital Assets Depreciated	<u>\$ 63,714,128</u>	<u>\$ 5,896,270</u>	<u>\$ (238,351)</u>	<u>\$ 69,372,047</u>

Governmental Activities (Includes Internal Service Funds) (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,793,719	\$ 529,043	\$ (4,800)	\$ 6,317,962
Infrastructure	11,538,135	2,183,997	0	13,722,132
Other Capital Assets	5,281,899	855,286	(233,551)	5,903,634
Total Accumulated Depreciation	\$ 22,613,753	\$ 3,568,326	\$ (238,351)	\$ 25,943,728
 Total Capital Assets Depreciated, Net	 \$ 41,100,375	 \$ 2,327,944	 \$ 0	 \$ 43,428,319
 Governmental Activities Capital Assets, Net	 \$ 49,041,746	 \$ 3,598,211	 \$ (125,175)	 \$ 52,514,782

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Construction in Progress	9,621	0	(9,621)	0
Total Capital Assets Not Depreciated	\$ 827,988	\$ 0	\$ (9,621)	\$ 818,367
 Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,245,131	\$ 21,621	\$ 0	\$ 1,266,752
Other Capital Assets	1,716,324	129,932	(57,363)	1,788,893
Total Capital Assets Depreciated	\$ 2,961,455	\$ 151,553	\$ (57,363)	\$ 3,055,645
 Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 781,475	\$ 64,480	\$ 0	\$ 845,955
Other Capital Assets	1,441,766	86,382	(57,363)	1,470,785
Total Accumulated Depreciation	\$ 2,223,241	\$ 150,862	\$ (57,363)	\$ 2,316,740
 Total Capital Assets Depreciated, Net	 \$ 738,214	 \$ 691	 \$ 0	 \$ 738,905
 Business-type Activities Capital Assets, Net	 \$ 1,566,202	 \$ 691	 \$ (9,621)	 \$ 1,557,272

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

Governmental Activities:

General Government	\$ 222,329
Finance	66,087
Administration of Justice	47,117
Public Safety	571,246
Public Health and Welfare	19,603
Social, Cultural, and Recreational Services	123,299
Agriculture and Natural Resources	5,860
Other Operations	16,239
Highways	<u>2,496,546</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,568,326</u></u>

Business-type Activities:

Solid Waste Disposal	<u><u>\$ 150,862</u></u>
----------------------	--------------------------

Discretely Presented Maury County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 2,432,200	\$ 6,300	\$ 0	\$ 2,438,500
Construction in Progress	25,937,111	4,130,683	(2,916,645)	27,151,149
Total Capital Assets				
Not Depreciated	<u>\$ 28,369,311</u>	<u>\$ 4,136,983</u>	<u>\$ (2,916,645)</u>	<u>\$ 29,589,649</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 96,714,571	\$ 2,279,562	\$ 0	\$ 98,994,133
Other Capital Assets	9,785,857	1,603,106	(287,324)	11,101,639
Total Capital Assets Depreciated	<u>\$ 106,500,428</u>	<u>\$ 3,882,668</u>	<u>\$ (287,324)</u>	<u>\$ 110,095,772</u>

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,392,907	\$ 2,400,860	\$ 0	\$ 40,793,767
Other Capital Assets	7,657,674	737,108	(287,324)	8,107,458
Total Accumulated Depreciation	\$ 46,050,581	\$ 3,137,968	\$ (287,324)	\$ 48,901,225
Total Capital Assets Depreciated, Net	\$ 60,449,847	\$ 744,700	\$ 0	\$ 61,194,547
Governmental Activities Capital Assets, Net	\$ 88,819,158	\$ 4,881,683	\$ (2,916,645)	\$ 90,784,196

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

Governmental Activities:

Instruction	\$ 2,304,299
Support Services	740,292
Operation of Non-Instructional Services	<u>93,377</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,137,968</u>

D. Construction Commitments

At June 30, 2007, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$111,495 in the Special Purpose Fund, \$282,143 in the Adequate Facilities/Development Fund, and \$242,418 in the General Capital Projects Fund. Funding has been received for these future expenditures.

At June 30, 2007, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$1,075,483 in the Education Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Nonmajor governmental	\$ 2,407
School Department Component Unit: General Purpose School	Nonmajor governmental	103,705

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.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Internal Service Funds	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 3,600
Nonmajor governmental funds	1,135,000	33,250	16,243
Total	\$ 1,135,000	\$ 33,250	\$ 19,843

Discretely Presented Maury County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental fund	\$ 121,179

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. Capital Leases

Primary Government (Excluding the Maury Regional Hospital)

On June 1, 2006, Maury County entered into a two-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$375,000 plus interest of 5.549 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the Special Purpose Fund.

On March 20, 2007, Maury County entered into a three-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$372,769 plus interest of 4.9 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the Special Purpose Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Funds
2008	\$ 249,256
2009	124,256
2010	<u>124,256</u>
Total Minimum Lease Payments	\$ 497,768
Amount Representing Interest	<u>(23,700)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 474,068</u></u>

Discretely Presented Maury County School Department

On November 1, 2006, the discretely Maury County School Department entered into a seven-year lease-purchase agreement for lighting equipment. The terms of the agreement require total lease payments of \$1,919,960 plus interest of 4.8 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the General Purpose School Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

Year Ending June 30	Governmental Funds
2008	\$ 274,280
2009	274,280
2010	274,280
2011	274,280
2012	274,280
2013	274,280
2014	274,280
Total Minimum Lease Payments	\$ 1,919,960
Amount Representing Interest	(321,303)
Present Value of Minimum Lease Payments	<u>\$ 1,598,657</u>

G. 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 ten 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, 2007, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	3 to 5%	\$ 30,000,000	\$ 29,470,000
General Obligation Bonds - Refunding	4 to 5	21,420,000	15,520,000
Capital Outlay Notes	3 to 3.69	17,685,000	16,247,780
Capital Leases	4.9 to 5.549	711,270	474,068

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2007, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 4,605,000	\$ 1,550,595	\$ 757,475	\$ 616,316
2009	4,645,000	1,411,121	872,767	586,669
2010	4,905,000	1,236,345	529,227	551,831
2011	5,135,000	1,053,941	871,304	531,354
2012	2,685,000	866,435	2,028,443	497,215
2013-2017	14,105,000	3,341,843	11,188,564	1,253,939
2018-2020	8,910,000	729,425	0	0
Total	\$ 44,990,000	\$ 10,189,705	\$ 16,247,780	\$ 4,037,324

There is \$11,242,888 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$647, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$886, 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, 2007, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2006	\$ 48,813,822	\$ 2,620,015
Additions	0	15,685,000
Deductions	(3,823,822)	(2,057,235)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 44,990,000	\$ 16,247,780
	<hr/>	<hr/>
Balance Due Within One Year	\$ 4,605,000	\$ 757,475
	<hr/>	<hr/>

	<u>Capital Leases</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 230,632	\$ 574,740
Additions	355,638	1,042,119
Deductions	(112,202)	(804,546)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 474,068	\$ 812,313
	<hr/>	<hr/>
Balance Due Within One Year	\$ 242,687	\$ 812,313
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 62,524,161
Less: Due Within One Year	(6,417,475)
Add: Unamortized Premium on Debt	1,554,995
Less: Deferred Amount on Refunding	(256,274)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 57,405,407
	<hr/>

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

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, 2007, was as follows:

Business-type Activities:

	<u>Closure/ Postclosure Care Costs</u>
Balance, July 1, 2006	\$ 641,595
Deductions	<u>(12,221)</u>
Balance, June 30, 2007	<u>\$ 629,374</u>
Balance Due Within One Year	<u>\$ 34,965</u>

Analysis of Noncurrent Liabilities Presented on Exhibit D-1:

Total Noncurrent Liabilities, June 30, 2007	\$ 629,374
Less: Due Within One Year	<u>(34,965)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit D-1	<u>\$ 594,409</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, 2007, was as follows:

Governmental Activities:

	<u>Capital Leases</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 0	\$ 3,581,403
Additions	1,598,657	743,804
Deductions	<u>0</u>	<u>(652,254)</u>
Balance, June 30, 2007	<u>\$ 1,598,657</u>	<u>\$ 3,672,953</u>
Balance Due Within One Year	<u>\$ 197,545</u>	<u>\$ 671,824</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 5,271,610
Less: Due Within One Year	<u>(869,369)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,402,241</u>

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

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. 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 dependents 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, 2007. Maury County officials ceased operations in the Employee Insurance – Prescriptions Fund during 2005-06; however, the fund was not closed by June 30, 2007. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Prescriptions Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2005-06	\$ 20,161	\$ 271,660	\$ (291,821)	\$ 0
2006-07	0	0	0	0

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

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. Subsequent Event

On October 9, 2007, Maury County issued capital outlay notes totaling \$4,257,000 for various construction projects and equipment purchases.

C. Contingent Liabilities

The county is a defendant in litigation alleging that many retired and still employed county employees who were employed prior to about 1999 and participated in the County’s Life of Georgia Pension Plan in effect until that time should be credited for retirement benefit calculations with three more years of service. The trial judge has ruled that the county is liable for damages; however, the amount of damages has not been determined. The county attorney is of the opinion that if the ruling against the county stands, the costs though undetermined, could be significant and may be material to the county’s financial condition. Maury County has designated \$675,001 to help offset these costs.

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

D. 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 \$629,374 reported as landfill closure and postclosure care liability at June 30, 2007, represents the net 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 2007. The county closed the landfill effective October 1, 1996. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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, 2007, 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 North Main Street
Mt. Pleasant, Tennessee 38474

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

F. 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, 2007.

G. Retirement Commitments

Employees

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 <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, 2007, was 8.94 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, 2007, Maury County's annual pension cost of \$1,908,417 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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, 2005, was 15 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$1,908,417	100%	\$0
6-30-06	1,622,068	100	0
6-30-05	1,510,755	100	0

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 <http://www.treasury.state.tn.us>.

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, 2007, was 6.13 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, 2007, 2006, and 2005, were \$2,554,776, \$2,180,271, and \$2,122,708, respectively, equal to the required contributions for each year.

H. Other Post-employment Benefits

In addition to the retirement commitments described above, the discretely presented School Department provides post-retirement health care benefits, in accordance with contract provisions, to all employees who have been employed by the School Department for ten years, and who retire from the county on or after age 55 or have 30 years (regardless of age) of verified Tennessee Consolidated Retirement Service. Retirees receive 100 percent of individual medical premiums if they had insurance coverage during the last school year with a maximum coverage of ten years or until eligible for Medicare, whichever comes first. Currently, 118 school retirees meet those eligibility requirements. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not reported to the county. During the year, expenditures totaling \$391,314 were recognized for post-employment health care.

I. 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 handles all human resource duties and responsibilities.

J. 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 \$10,000 for the Office of County Mayor and 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 \$10,000.

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

A. Organization

Maury Regional Hospital (the hospital) is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 125 of the Tennessee Private Acts of 1996. 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's primary mission is to provide healthcare services to the residents of southern middle Tennessee, including Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry, Wayne, and Williamson counties.

The combined financial statements include the accounts of the following entities:

Maury Regional 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, and also includes five medical office buildings in its service area.

Marshall Medical Center is an acute care hospital 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.

Additionally, the combined financial statements include the following blended component units that provide healthcare services that support the hospital's mission:

Family Health Group (FHG) is a nonprofit corporation which acquires, owns, operates, and manages physician practices in the hospital's service area. FHG is 80 percent owned by the hospital.

South Central Heart Group, Inc., Thoracic and Cardiovascular Associates of Tennessee, Inc., and Pulmonary and Critical Care Associates, Inc., are taxable nonprofit corporations that operate physician practices in the hospital's service area. The hospital is the sole member of each practice.

Maury Regional Ambulatory Care Center, Inc. (the Ambulatory Care Center) is a nonprofit corporation that provides medical care to non-emergent patients in the hospital's service area. The hospital is the sole member of the Ambulatory Care Center.

Maury Regional Surgery Center, LLC (the Surgery Center) operates an ambulatory surgery center in Columbia, Tennessee. The Surgery Center is owned 93 percent by the hospital and a minority interest has been recognized which represents the interests of the physician investors. Subsequent to year end, the hospital acquired the physicians' ownership units and became a 100 percent owner of the Surgery Center.

Maury Regional Healthcare Foundation is a not-for-profit organization formed in 2007 to coordinate the fundraising activities of the hospital.

B. Summary of Significant Accounting Policies

Method of Accounting – The hospital utilized the enterprise fund method of accounting. Revenue and expenses are recorded on the accrual basis. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended,

the hospital applies all applicable pronouncements of the Financial Accounting Standards Board (FASB), including pronouncements issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Recently Issued Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) recently issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, which is effective for years beginning after June 15, 2009, and provides guidance on amortization of intangible assets. Management does not believe the adoption of the statement will materially impact the combined financial statements of the hospital.

Estimates – The preparation of the combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include investments with original maturities of three months or less when acquired.

Patient Accounts Receivable – Patient accounts receivable are reported net of both an estimated allowance for uncollectible accounts and an estimated allowance for contractual adjustments. Current operations are charged with a provision for bad debts estimated based upon the age of the account, prior experience and any unusual circumstances which affect the collectability. The contractual allowance represents the difference between established billing rates and estimated reimbursement for Medicare, TennCare, and other third-party payor programs. The hospital's policy does not require collateral or other security for patient accounts receivable, and the hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies.

Inventories – Inventories are reported at the lower of cost or market, with the cost determined by the average cost method. During 2007, the hospital included numerous surgery and medical supplies in inventories which had previously been expensed when purchased. The impact of this change was to decrease supplies expense by approximately \$2,250,000 for the year ended June 30, 2007, as it was not possible to quantify this change as of June 30, 2006, or any previous period.

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at date of gift, if donated. Depreciation is calculated by the straight-line method to allocate the cost of the assets over their estimated useful lives which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements. Equipment held

under capital lease obligations is amortized using the straight line method over the shorter of the useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements.

Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets are capitalized as part of the cost of acquiring the asset and are amortized on the same basis as the related capital asset.

Costs of maintenance and repairs are charged to expense.

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

Compensated Absences – The hospital's employees earn paid time off at varying rates depending on years of service. An accrual for paid time off is recorded in the period in which the employee earns the right to the compensation.

Net Patient Service Revenue – Net patient service revenue is reported as services are rendered at estimated net realizable amounts, including estimated retroactive revenue adjustments under reimbursement agreements with third-party payors. 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. A provision for bad debts is included in net patient service revenue.

Charity Care – The hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Operating Activities – The hospital defines operating activities as reported on the Combined Statement of Revenues, Expenses, and Changes in Net Assets as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Non-exchange transactions, including contributions and grants, as well as interest income and interest expense, are considered non-operating revenue and expenses.

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 401(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 Internal Revenue Procedure 95-48.

C. **Patient Service Revenue and Accounts Receivable**

The hospital has agreements with various third-party payors that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payors is recorded as a reduction of gross patient charges. Revenue for patient services have been adjusted to the amounts estimated to be receivable under third-party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonable possible that management's estimates will change in 2008.

A summary of the payment arrangements with significant third-party payors follows:

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low-income patients. Approximately \$13,000,000 of net patient accounts receivable is due from the Medicare program at June 30, 2007.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts. Approximately \$3,500,000 of net patient accounts receivable is from the TennCare program at June 30, 2007.

Other – The hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the hospital under these agreements includes prospectively determined per diem amounts.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue is as follows at June 30, 2007:

Patient service charges:	\$ 502,940,264
Estimated contractual adjustments	(241,238,173)
Estimated provision for bad debts	(18,317,991)
Charity care	<u>(8,795,779)</u>
 Total	 <u><u>\$ 234,588,321</u></u>

D. Cash, Cash Equivalents, and Certificates of Deposit

The hospital has a policy of investing only in banks participating in the State of Tennessee Collateral Pool or in banks that provide collateral for all deposits. Additionally, the hospital's deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

At June 30, 2007, the hospital's cash, cash equivalents, and certificates of deposit amounted to \$16,106,559. Bank balances for such accounts totaled \$20,898,059, a majority of which was insured by the Federal Deposit Insurance Corporation (FDIC) or by the bank's participation in the State of Tennessee's collateral pool. Deposits totaling \$766,953 are collateralized by securities held by the financial institution in the hospital's name.

The hospital holds no investments other than certificates of deposit as of June 30, 2007, which are summarized below:

Interest Rate	Maturity	Amount
4.75 %	August 2007	\$ 250,000
5.49	September 2007	1,000,000
5.45	October 2007	1,000,000
5.53	November 2007	1,000,000
5	December 2007	105,992
5	December 2007	105,992
5	December 2007	66,947
5	December 2007	<u>279,402</u>
 Total		 <u><u>\$ 3,808,333</u></u>

E. Property, Plant, and Equipment

A summary of changes in properties and related accumulated depreciation for the year ended June 30, 2007 is as follows:

	Balance 7-1-06	Additions/ Transfers	Retirements	Balance 6-30-07
Capital Assets Depreciated:				
Land Improvements	\$ 5,320,880	\$ 27,192	\$ 0	\$ 5,348,072
Buildings	141,846,533	13,011,327	0	154,857,860
Equipment	105,459,345	8,710,284	(2,126,817)	112,042,812
Total Capital Assets Depreciated	<u>\$ 252,626,758</u>	<u>\$ 21,748,803</u>	<u>\$ (2,126,817)</u>	<u>\$ 272,248,744</u>
Less Accumulated Depreciation For:				
Land Improvements	\$ 2,739,416	\$ 221,083	\$ 0	\$ 2,960,499
Buildings	52,451,589	6,015,685	0	58,467,274
Equipment	77,634,447	8,538,772	(1,906,414)	84,266,805
Total Accumulated Depreciation	<u>\$ 132,825,452</u>	<u>\$ 14,775,540</u>	<u>\$ (1,906,414)</u>	<u>\$ 145,694,578</u>
Total Capital Assets Depreciated, Net	<u>\$ 119,801,306</u>	<u>\$ 6,973,263</u>	<u>\$ (220,403)</u>	<u>\$ 126,554,166</u>
Capital Assets Not Depreciated:				
Land	\$ 5,594,140	\$ 8,985	\$ 0	\$ 5,603,125
Construction in Progress	2,489,976	7,915,328	0	10,405,304
Total Capital Assets Not Depreciated	<u>\$ 8,084,116</u>	<u>\$ 7,924,313</u>	<u>\$ 0</u>	<u>\$ 16,008,429</u>
Total Capital Assets, Net	<u>\$ 127,885,422</u>	<u>\$ 14,897,576</u>	<u>\$ (220,403)</u>	<u>\$ 142,562,595</u>

During 2007, the hospital capitalized interest expense on construction projects totaling approximately \$420,000. Construction in progress at June 30, 2007, consists primarily of an information system conversion, including capitalized payroll expenses totaling approximately \$1,750,000. Total estimated costs required to complete construction projects in progress as of June 30, 2007, amounted to approximately \$3,500,000.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2007:

Bonds Payable

Series 2006B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4% to 4.25%, maturing over a 7-year period, with the final payment due June 1, 2014.	\$ 8,150,000
Series 2006, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021.	15,820,000
Series 2005, Maury County General Obligation Bonds 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.	8,555,000
Series 2004B Refunding, Maury County General Obligation Refunding Bond issued on behalf of the hospital, with interest rates from 4% to 5%, maturing over a 10-year period, with the final payment due April 1, 2014.	<u>10,655,000</u>
Total bonds payable	<u>\$ 43,180,000</u>
Less unamortized loss on bond refunding	\$ (265,509)
Plus premium on bond refunding	<u>1,613,299</u>
Total bonds payable, net of unamortized loss and premiums	<u>\$ 44,527,790</u>

Other Long-term Debt

Notes payable with interest rates ranging from 5.25% to 8.94%, maturing through August 2015, and secured by equipment and property	\$ 1,547,220
Lines of credit with interest rates of 6.75% and 5.99%, due in 2008 and 2011, maximum available of \$775,000 and \$170,000, respectively	811,194
Capital lease obligations - see Note H	<u>2,262,428</u>
Total other long-term debt	<u>\$ 4,620,842</u>
Total debt	\$ 49,148,632
Less: current portion	<u>(6,974,072)</u>
Total long-term debt	<u><u>42,174,560</u></u>

The hospital's bonds payable are general obligation bonds of Maury County, Tennessee. The bonds were issued for the purpose of acquiring property and equipment or the retirement of outstanding bonds and notes and are secured by unlimited ad valorem taxes on all taxable property within the county.

The Series 2006 Bonds maturing on or after June 1, 2017, are subject to redemption prior to maturity at the option of the county on June 1, 2016, or thereafter, at a redemption price of part plus accrued interest. The Series

2004B Refunding Bonds maturing on or after April 1, 2013, are subject to redemption prior to maturity at the option of the county on April 1, 2012, at 102 percent of par or on April 1, 2013, at 101 percent of par.

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2007, (including the capital lease obligations and excluding unamortized premiums and loss on refunding) follows:

Year Ending June 30	Principal	Interest
2008	\$ 6,974,072	\$ 2,167,633
2009	5,837,581	1,854,833
2010	6,002,220	1,599,672
2011	4,455,602	1,296,180
2012	4,086,357	1,098,059
2013-2017	13,810,010	2,971,048
2018-2021	6,635,000	686,252
Total	\$ 47,800,842	\$ 11,673,677

A schedule of changes in long-term debt for the year ended June 30, 2007 follows:

	Balance 7-1-06	Additions/ Amortization	Payments/ Maturities	Balance 6-30-07	Amounts Due Within One Year
Bonds payable, net of premium	\$ 39,316,178	\$ 8,150,000	\$ (4,286,178)	\$ 43,180,000	\$ 4,945,000
Unamortized loss on refunding	(305,335)	39,826	0	(265,509)	0
Unamortized premiums	1,690,197	(76,898)	0	1,613,299	0
Other long-term debt	4,071,829	1,804,649	(1,255,636)	4,620,842	2,029,072
Total	\$ 44,772,869	\$ 9,917,577	\$ (5,541,814)	\$ 49,148,632	\$ 6,974,072

G. Employee Benefit Plans

Defined Benefit Plan – Prior to May 1, 1997, all employees of the hospital were eligible to participate in the Maury Regional Hospital Retirement Plan (the 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 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. As of May 1, 2007, 177 participants are earning future service accruals. Employees hired after May 1, 1997, are not eligible to participate in the plan.

During 2007, the hospital early adopted the provisions of GASB Statement No. 50, Pension Disclosures, which expands disclosure requirements for defined benefit plans. This statement requires the hospital to disclose the plan's funded status using the entry age actuarial cost method.

The hospital's annual pension cost and net pension obligation to the plan for 2007 was zero. The annual required contribution for the current year was determined as part of the May 1, 2007, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions used included the following:

- Eight percent investment rate of return
- Projected salary increases ranging from four percent to 7.5 percent per year
- Amortization method – level dollar amount

Three-Year Trend Information

Fiscal Year	Annual Required Contribution	Percentage Contributed	Pension Obligation
6-30-05	\$ 0	100%	\$ 0
6-30-06	0	100	0
6-30-07	0	100	0

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 Internal Revenue Service limits. 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 2007 amounted to \$3,200,000.

H. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 4.7 percent to 7.88 percent. A summary as of June 30, 2007, of the leased equipment, which is included in property, plant, and equipment follows:

Equipment acquired under capital leases	\$ 2,731,291
Less accumulated depreciation	<u>(760,858)</u>
Total	<u>\$ 1,970,433</u>

The following is a schedule, by year, of the future minimum lease payments required under the capital leases as of June 30, 2007:

<u>Year Ending</u> <u>June 30</u>	
2008	\$ 600,057
2009	616,053
2010	520,445
2011	451,758
2012	<u>360,331</u>
Total minimum lease payments	\$ 2,548,644
Amount representing interest	<u>(286,216)</u>
Present value of minimum lease payments	<u>\$ 2,262,428</u>

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$3,030,000 for the year ended June 30, 2007. Future minimum lease commitments for all significant non-cancelable operating leases are as follows:

<u>Year Ending</u> <u>June 30</u>	
2008	\$ 1,185,684
2009	1,191,449
2010	964,098
2011	848,256
2012	558,235
Thereafter	156,474

Leases with Physicians – The hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms.

Rental income under these lease agreements totaled \$1,350,000 for the year ended June 30, 2007. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases are as follows:

Year Ending June 30	
2008	\$ 1,053,385
2009	948,009

I. Leased Healthcare Facilities

Effective July 1, 2005, the hospital entered into the first of two 5-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 under the first renewal consists of a base rent of \$175,000 and an annual capital improvement commitment of \$175,000. The annual lease expense under the second renewal will increase to a base rent of \$200,000 and a capital improvement commitment of \$200,000 beginning July 1, 2010. The hospital may terminate the lease at any time upon 180 days' notice and the payment of \$500,000.

J. Commitments and Contingencies

General Liability Claims – 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.

Malpractice Liability Claims – The hospital is also subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to \$250,000 for injury or death per occurrence and \$600,000 in the aggregate. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate with a retention of \$250,000 per claim. The hospital has estimated and recorded a liability for reported claims totaling \$550,000 at June 30, 2007. In certain of these 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. The hospital has not estimated any liability for incurred but not reported claims.

Workers' Compensation Claims – The hospital is covered for workers' compensation claims through an insurance policy with a deductible of \$500,000 per claim. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2007. The hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependants. Stop-loss insurance is purchased for annual claims per individual exceeding \$150,000 with a life time maximum per individual totaling \$850,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling \$600,000 at June 30, 2007.

Healthcare Industry – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse statutes, and most recently under the provisions of the Health Insurance Portability and Accountability Act of 1996, patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

K. Fair Value of Financial Instruments

Management believes that book value approximates fair value for the majority of the hospital's financial assets and liabilities. The fair value of bonds payable, which are general obligation bonds of Maury County, are not considered practicable to estimate.

L. Prior-Period Adjustment

During 2007, certain errors resulting in the overstatement of patient accounts receivable and net assets as of June 30, 2006, were discovered by management of the hospital. A prior-period adjustment was made to reduce net assets by \$9,250,000 as of July 1, 2006, to correct these errors.

VII. OTHER NOTES – 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, 2007. 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	\$ 205,785
30 days past due	16,966
60 days past due	2,466
90 days past due	<u>5,284</u>
Total	<u>\$ 230,501</u>

Bad debts are determined and written off only by direct action of the system's board. The amount written off for 2007 was \$4,796.

C. Deposits and Investments

The system is subject to the Tennessee statute, which requires deposits in financial institutions be secured and collateralized by such 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.

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2007, all deposits were insured or collateralized.

Investments consist of certificates of deposit with financial institutions with original maturities of over three months and not over one year. The system's policy is to hold these investments to maturity; and therefore, there is no interest rate risk that will adversely affect the fair value of the investments.

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, 2007, included \$13,460 for meter deposits of current customers, and \$2,255 for other 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	50-100
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

Capital assets activity for the year ended June 30, 2007, was as follows:

	Balance 7-1-06	Additions	Retirements	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 131,500	\$ 155,525	\$ 0	\$ 287,025
Construction in Progress	0	1,965,523	0	1,965,523
Total Capital Assets Not Depreciated	\$ 131,500	\$ 2,121,048	\$ 0	\$ 2,252,548
Capital Assets Depreciated:				
Building	\$ 148,982	\$ 76,095	\$ 0	\$ 225,077
Water Grid and Improvements	18,942,325	3,092,305	(121,054)	21,913,576
Equipment and Fixtures	540,100	55,240	0	595,340
Total Capital Assets Depreciated	\$ 19,631,407	\$ 3,223,640	\$ (121,054)	\$ 22,733,993
Less Accumulated Depreciation For:				
Building	\$ 48,445	\$ 5,075	\$ 0	\$ 53,520
Water Grid and Improvements	3,066,842	322,715	(50,536)	3,339,021
Equipment and Fixtures	295,595	68,053	0	363,648
Total Accumulated Depreciation	\$ 3,410,882	\$ 395,843	\$ (50,536)	\$ 3,756,189
Total Capital Assets Depreciated, Net	\$ 16,220,525	\$ 2,827,797	\$ (70,518)	\$ 18,977,804
Business-type Activities Capital Assets, Net	\$ 16,352,025	\$ 4,948,845	\$ (70,518)	\$ 21,230,352

The total difference in additions to capital assets of \$3,379,165 shown above (land \$155,525 and depreciable assets \$3,223,640) and the amount reported in the Statement of Cash Flows as “cash payments for purchase of plant assets” is the increase in amounts of contracts and retainage payable related to water grid and improvements of \$311,905, and additions to construction in progress of \$1,965,523.

G. Accrued Leave

Accumulated annual leave at June 30, 2007, totals \$13,445. 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 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

As of June 30, 2007, the water system is involved in major water improvement projects. The system has been approved for funding from state revolving funds for \$4.2 million for the northwest and southwest portions of water improvements projects; with \$175,000 funded from the water system. The terms call for a 2.42 percent interest rate and repayment over a 20-year period. Rural Development has approved a funding request of \$2,900,000, which required \$400,000 of funding by the system. The terms call for a 4.125 percent interest rate and repayment over a 38-year period.

Projects totaling \$2,976,701 relating to the Rural Development funding were started in the fiscal year, with \$318,083 completed by year-end and \$2,568,617 still in process.

Projects totaling \$3,823,706 relating to the State Revolving Funds were started in the fiscal year, with \$1,254,780 completed and \$2,568,926 still in process.

Other contracts relating to the above funding have been approved but not yet begun totaling \$1,282,580.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,274,411	\$ 0	\$ 0	\$ 11,274,411	\$ 10,562,938	\$ 10,617,938	\$ 656,473
Licenses and Permits	368,021	0	0	368,021	332,000	332,000	36,021
Fines, Forfeitures, and Penalties	359,856	0	0	359,856	339,000	339,000	20,856
Charges for Current Services	245,668	0	0	245,668	217,400	272,539	(26,871)
Other Local Revenues	551,569	0	0	551,569	136,300	548,018	3,551
Fees Received from County Officials	3,272,943	0	0	3,272,943	2,800,000	2,800,000	472,943
State of Tennessee	1,566,625	0	0	1,566,625	1,570,117	2,073,565	(506,940)
Federal Government	424,374	0	0	424,374	325,000	458,940	(34,566)
Other Governments and Citizens Groups	266,950	0	0	266,950	91,100	95,100	171,850
Total Revenues	\$ 18,330,417	\$ 0	\$ 0	\$ 18,330,417	\$ 16,373,855	\$ 17,537,100	\$ 793,317
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 56,047	\$ 0	\$ 0	\$ 56,047	\$ 53,984	\$ 56,081	\$ 34
Board of Equalization	634	0	0	634	1,615	715	81
Other Boards and Committees	485	0	0	485	2,153	956	471
County Mayor/Executive	189,813	0	0	189,813	191,734	191,734	1,921
Personnel Office	281,448	(13,739)	0	267,709	274,484	274,484	6,775
County Attorney	62,002	0	0	62,002	62,320	62,320	318
Election Commission	691,501	0	0	691,501	325,060	710,599	19,098
Register of Deeds	315,453	0	0	315,453	344,283	344,283	28,830
Development	394,930	(75)	14,025	408,880	561,073	561,072	152,192
County Buildings	693,076	(936)	14,300	706,440	839,277	839,277	132,837
Other General Administration	649,089	0	30,000	679,089	717,685	722,568	43,479
Preservation of Records	144,777	0	0	144,777	159,312	164,312	19,535
<u>Finance</u>							
Accounting and Budgeting	490,514	(4,469)	9	486,054	494,139	494,139	8,085

(Continued)

Exhibit F-1

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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Purchasing	\$ 66,432	\$ 0	\$ 469	\$ 66,901	\$ 70,865	\$ 70,865	\$ 3,964
Property Assessor's Office	521,017	(14,384)	4,819	511,452	549,279	559,279	47,827
Reappraisal Program	165,762	(600)	244	165,406	192,398	192,398	26,992
County Trustee's Office	287,789	0	5,057	292,846	289,370	301,370	8,524
County Clerk's Office	177,476	0	188	177,664	194,011	194,011	16,347
Data Processing	216,401	0	0	216,401	228,478	228,478	12,077
<u>Administration of Justice</u>							
Circuit Court	883,651	0	100	883,751	971,272	971,272	87,521
General Sessions Court	818,424	(4,458)	835	814,801	826,776	826,776	11,975
Chancery Court	84,927	0	850	85,777	104,133	104,133	18,356
District Attorney General	68,208	0	0	68,208	100,500	100,500	32,292
<u>Public Safety</u>							
Sheriff's Department	5,073,672	(7)	16,721	5,090,386	5,210,398	5,241,575	151,189
Jail	2,865,973	(1,399)	35,850	2,900,424	3,133,229	3,173,397	272,973
Juvenile Services	302,035	0	0	302,035	203,519	302,749	714
Civil Defense	128,427	0	0	128,427	128,300	128,653	226
Other Emergency Management	443,110	(269,778)	45,735	219,067	383,400	500,284	281,217
County Coroner/Medical Examiner	10,125	0	0	10,125	12,000	12,000	1,875
Public Safety Grant Programs	12,674	0	544	13,218	0	13,223	5
<u>Public Health and Welfare</u>							
Local Health Center	568,861	(4,104)	9,420	574,177	763,658	782,238	208,061
Rabies and Animal Control	226,144	0	0	226,144	260,749	260,749	34,605
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Appropriation to State	69,900	0	0	69,900	69,900	69,900	0
Other Local Welfare Services	13,098	0	0	13,098	18,250	18,250	5,152
Other Public Health and Welfare	0	0	0	0	0	500,000	500,000

(Continued)

Exhibit F-1

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 7/1/2006	Add: Encumbrances 6/30/2007	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	553,347	0	18	553,365	560,510	577,229	23,864
Parks and Fair Boards	584,362	(16,170)	1,600	569,792	623,029	625,529	55,737
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	101,393	0	0	101,393	106,908	106,908	5,515
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	40,525	0	0	40,525	40,861	40,861	336
<u>Other Operations</u>							
Tourism	332,664	0	2,000	334,664	346,903	360,607	25,943
Industrial Development	151,579	0	0	151,579	158,400	158,400	6,821
Other Economic and Community Development	3,935	0	0	3,935	12,000	12,000	8,065
Airport	30,000	0	0	30,000	30,000	30,000	0
Veterans' Services	61,414	0	0	61,414	61,504	61,504	90
Other Charges	0	0	0	0	200	200	200
Contributions to Other Agencies	120,966	0	0	120,966	120,966	120,966	0
Employee Benefits	13,757	0	0	13,757	20,280	20,280	6,523
Miscellaneous	328,065	0	0	328,065	317,374	372,374	44,309
Total Expenditures	\$ 19,339,882	\$ (330,119)	\$ 182,784	\$ 19,192,547	\$ 20,180,539	\$ 21,505,498	\$ 2,312,951
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (1,009,465)	\$ 330,119	\$ (182,784)	\$ (862,130)	\$ (3,806,684)	\$ (3,968,398)	\$ 3,106,268
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,135,000	\$ 0	\$ 0	\$ 1,135,000	\$ 2,078,068	\$ 1,178,068	\$ (43,068)
Transfers Out	(3,600)	0	0	(3,600)	(503,600)	(3,600)	0
Total Other Financing Sources (Uses)	\$ 1,131,400	\$ 0	\$ 0	\$ 1,131,400	\$ 1,574,468	\$ 1,174,468	\$ (43,068)
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 121,935	\$ 330,119	\$ (182,784)	\$ 269,270	\$ (2,232,216)	\$ (2,793,930)	\$ 3,063,200
	6,419,910	(330,119)	0	6,089,791	6,196,613	6,196,613	(106,822)
Fund Balance, June 30, 2007							
	\$ 6,541,845	\$ 0	\$ (182,784)	\$ 6,359,061	\$ 3,964,397	\$ 3,402,683	\$ 2,956,378

Exhibit F-2

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

County Employees (Excluding Hospital Employees)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 19,497	\$ 19,557	60	99.69 %	\$ 17,839	0.34 %
6-30-03	14,359	14,423	64	99.56	16,720	0.38
6-30-01	8,914	8,914	0	100	14,380	0

Hospital Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5-1-05*	\$ 37,788,172	\$ 37,788,172	0	100 %	\$ 8,512,531	0 %
5-1-06*	39,895,500	39,895,500	0	100	7,487,836	0
5-1-07**	42,314,713	39,373,681	(2,941,032)	100	7,383,573	39.8

* An unfunded actuarial accrued liability is not identified under the aggregate actuarial cost method utilized prior to 2007.

** Entry age cost method utilized for determining the unfunded actuarial liability.

MAURY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

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 Maury 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, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the Maury County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

**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.

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's Highway Department.

Capital Projects Funds

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

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

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

Exhibit G-1

Maury County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds					Total
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 175,852	\$ 0	\$ 175,852
Equity in Pooled Cash and Investments	783,027	121,584	1,591,667	0	2,183,710	4,679,988
Accounts Receivable	0	8,275	0	1,807	125,992	136,074
Due from Other Governments	0	6,062	0	0	491,231	497,293
Property Taxes Receivable	0	0	0	0	1,995,657	1,995,657
Allowance for Uncollectible Property Taxes	0	0	0	0	(56,832)	(56,832)
Prepaid Items	0	0	0	0	22,473	22,473
Notes Receivable - Current	3,600	0	0	0	0	3,600
Notes Receivable - Long-term	1,768	0	0	0	0	1,768
Total Assets	\$ 788,395	\$ 135,921	\$ 1,591,667	\$ 177,659	\$ 4,762,231	\$ 7,455,873
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 7,992	\$ 1,634	\$ 0	\$ 0	\$ 15,977	\$ 25,603
Accrued Payroll	0	0	0	0	78,840	78,840
Payroll Deductions Payable	0	0	0	0	38,179	38,179
Contracts Payable	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Due to Other Funds	0	0	0	2,407	0	2,407
Due to State of Tennessee	0	0	0	0	189	189
Deferred Revenue - Current Property Taxes	0	0	0	0	1,872,959	1,872,959
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	58,090	58,090
Other Deferred Revenues	0	0	0	0	230,874	230,874
Total Liabilities	\$ 7,992	\$ 1,634	\$ 0	\$ 2,407	\$ 2,295,108	\$ 2,307,141
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 276,495	\$ 119	\$ 282,143	\$ 0	\$ 78,925	\$ 637,682
Reserved for Long-term Notes Receivable	1,768	0	0	0	0	1,768
Unreserved	502,140	134,168	1,309,524	175,252	2,388,198	4,509,282
Total Fund Balances	\$ 780,403	\$ 134,287	\$ 1,591,667	\$ 175,252	\$ 2,467,123	\$ 5,148,732
Total Liabilities and Fund Balances	\$ 788,395	\$ 135,921	\$ 1,591,667	\$ 177,659	\$ 4,762,231	\$ 7,455,873

(Continued)

Exhibit G-1

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 175,852
Equity in Pooled Cash and Investments	7,192,530	4,993	7,197,523	11,877,511
Accounts Receivable	0	0	0	136,074
Due from Other Governments	0	0	0	497,293
Property Taxes Receivable	0	0	0	1,995,657
Allowance for Uncollectible Property Taxes	0	0	0	(56,832)
Prepaid Items	0	0	0	22,473
Notes Receivable - Current	0	0	0	3,600
Notes Receivable - Long-term	0	0	0	1,768
Total Assets	\$ 7,192,530	\$ 4,993	\$ 7,197,523	\$ 14,653,396
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 25,603
Accrued Payroll	0	0	0	78,840
Payroll Deductions Payable	0	0	0	38,179
Contracts Payable	159,019	0	159,019	159,019
Retainage Payable	4,712	0	4,712	4,712
Due to Other Funds	0	0	0	2,407
Due to State of Tennessee	0	0	0	189
Deferred Revenue - Current Property Taxes	0	0	0	1,872,959
Deferred Revenue - Delinquent Property Taxes	0	0	0	58,090
Other Deferred Revenues	0	0	0	230,874
Total Liabilities	\$ 163,731	\$ 0	\$ 163,731	\$ 2,470,872
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 242,418	\$ 4,270	\$ 246,688	\$ 884,370
Reserved for Long-term Notes Receivable	0	0	0	1,768
Unreserved	6,786,381	723	6,787,104	11,296,386
Total Fund Balances	\$ 7,028,799	\$ 4,993	\$ 7,033,792	\$ 12,182,524
Total Liabilities and Fund Balances	\$ 7,192,530	\$ 4,993	\$ 7,197,523	\$ 14,653,396

Exhibit G-2

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds					Total
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	
<u>Revenues</u>						
Local Taxes	\$ 2,250,000	\$ 0	\$ 1,576,092	\$ 0	\$ 2,197,637	\$ 6,023,729
Fines, Forfeitures, and Penalties	0	124,597	0	0	0	124,597
Charges for Current Services	0	0	0	711,049	0	711,049
Other Local Revenues	19,804	10,756	0	0	195,147	225,707
State of Tennessee	12,705	0	0	0	2,880,727	2,893,432
Other Governments and Citizens Groups	124,750	0	650	0	0	125,400
Total Revenues	\$ 2,407,259	\$ 135,353	\$ 1,576,742	\$ 711,049	\$ 5,273,511	\$ 10,103,914
<u>Expenditures</u>						
Current:						
Finance	\$ 222,149	\$ 0	\$ 0	\$ 457,793	\$ 0	\$ 679,942
Administration of Justice	0	0	0	259,734	0	259,734
Public Safety	0	96,862	0	0	0	96,862
Social, Cultural, and Recreational Services	123,228	0	0	0	0	123,228
Other Operations	417,825	0	0	0	0	417,825
Highways	0	0	0	0	4,646,529	4,646,529
Debt Service:						
Principal on Debt	112,202	0	0	0	0	112,202
Interest on Debt	12,798	0	0	0	0	12,798
Capital Projects	359,991	0	1,419,265	0	212,000	1,991,256
Capital Projects - Donated	355,638	0	0	0	0	355,638
Total Expenditures	\$ 1,603,831	\$ 96,862	\$ 1,419,265	\$ 717,527	\$ 4,858,529	\$ 8,696,014
Excess (Deficiency) of Revenues Over Expenditures	\$ 803,428	\$ 38,491	\$ 157,477	\$ (6,478)	\$ 414,982	\$ 1,407,900
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Leases Issued	355,638	0	0	0	0	355,638
Premiums on Debt Issued	0	0	0	0	0	0
Insurance Recovery	0	0	0	0	218	218
Transfers In	0	3,600	0	0	0	3,600
Transfers Out	(1,168,250)	0	(16,243)	0	0	(1,184,493)
Total Other Financing Sources (Uses)	\$ (812,612)	\$ 3,600	\$ (16,243)	\$ 0	\$ 218	\$ (825,037)
Net Change in Fund Balances	\$ (9,184)	\$ 42,091	\$ 141,234	\$ (6,478)	\$ 415,200	\$ 582,863
Fund Balance, July 1, 2006	789,587	92,196	1,450,433	181,730	2,051,923	4,565,869
Fund Balance, June 30, 2007	\$ 780,403	\$ 134,287	\$ 1,591,667	\$ 175,252	\$ 2,467,123	\$ 5,148,732

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 6,023,729
Fines, Forfeitures, and Penalties	0	0	0	124,597
Charges for Current Services	0	0	0	711,049
Other Local Revenues	4,178	0	4,178	229,885
State of Tennessee	0	0	0	2,893,432
Other Governments and Citizens Groups	17,965	0	17,965	143,365
Total Revenues	\$ 22,143	\$ 0	\$ 22,143	\$ 10,126,057
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 679,942
Administration of Justice	0	0	0	259,734
Public Safety	357,486	0	357,486	454,348
Social, Cultural, and Recreational Services	0	0	0	123,228
Other Operations	0	0	0	417,825
Highways	0	0	0	4,646,529
Debt Service:				
Principal on Debt	0	0	0	112,202
Interest on Debt	0	0	0	12,798
Capital Projects	3,853,397	362,152	4,215,549	6,206,805
Capital Projects - Donated	0	0	0	355,638
Total Expenditures	\$ 4,210,883	\$ 362,152	\$ 4,573,035	\$ 13,269,049
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,188,740)	\$ (362,152)	\$ (4,550,892)	\$ (3,142,992)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 7,322,175	\$ 348,000	\$ 7,670,175	\$ 7,670,175
Capital Leases Issued	0	0	0	355,638
Premiums on Debt Issued	127,481	2,902	130,383	130,383
Insurance Recovery	0	0	0	218
Transfers In	0	16,243	16,243	19,843
Transfers Out	0	0	0	(1,184,493)
Total Other Financing Sources (Uses)	\$ 7,449,656	\$ 367,145	\$ 7,816,801	\$ 6,991,764
Net Change in Fund Balances	\$ 3,260,916	\$ 4,993	\$ 3,265,909	\$ 3,848,772
Fund Balance, July 1, 2006	3,767,883	0	3,767,883	8,333,752
Fund Balance, June 30, 2007	\$ 7,028,799	\$ 4,993	\$ 7,033,792	\$ 12,182,524

Exhibit G-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,250,000	\$ 0	\$ 0	\$ 2,250,000	\$ 2,145,737	\$ 2,245,737	\$ 4,263
Other Local Revenues	19,804	0	0	19,804	16,000	16,000	3,804
State of Tennessee	12,705	0	0	12,705	0	0	12,705
Federal Government	0	0	0	0	0	156,750	(156,750)
Other Governments and Citizens Groups	124,750	0	0	124,750	0	124,750	0
Total Revenues	\$ 2,407,259	\$ 0	\$ 0	\$ 2,407,259	\$ 2,161,737	\$ 2,543,237	\$ (135,978)
<u>Expenditures</u>							
<u>Finance</u>							
Data Processing	\$ 222,149	\$ (85)	\$ 7,958	\$ 230,022	\$ 298,359	\$ 300,118	\$ 70,096
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	123,228	0	0	123,228	130,300	130,300	7,072
<u>Other Operations</u>							
Contributions to Other Agencies	117,500	0	0	117,500	50,000	185,000	67,500
Payments to Cities	250,000	0	0	250,000	256,932	256,932	6,932
Miscellaneous	50,325	(13,167)	45,849	83,007	215,000	607,467	524,460
<u>Principal on Debt</u>							
Education	112,202	0	0	112,202	0	112,202	0
<u>Interest on Debt</u>							
Education	12,798	0	0	12,798	0	12,798	0
<u>Capital Projects</u>							
General Administration Projects	359,991	(40,279)	222,688	542,400	503,500	658,037	115,637
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	355,638	0	0	355,638	0	355,638	0
Total Expenditures	\$ 1,603,831	\$ (53,531)	\$ 276,495	\$ 1,826,795	\$ 1,454,091	\$ 2,618,492	\$ 791,697
Excess (Deficiency) of Revenues Over Expenditures	\$ 803,428	\$ 53,531	\$ (276,495)	\$ 580,464	\$ 707,646	\$ (75,255)	\$ 655,719

(Continued)

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 355,638	\$ 0	\$ 0	\$ 355,638	\$ 0	\$ 355,638	\$ 0
Transfers Out	(1,168,250)	0	0	(1,168,250)	(1,211,318)	(1,211,318)	43,068
Total Other Financing Sources (Uses)	\$ (812,612)	\$ 0	\$ 0	\$ (812,612)	\$ (1,211,318)	\$ (855,680)	\$ 43,068
Net Change in Fund Balance	\$ (9,184)	\$ 53,531	\$ (276,495)	\$ (232,148)	\$ (503,672)	\$ (930,935)	\$ 698,787
Fund Balance, July 1, 2006	789,587	(53,531)	0	736,056	1,031,659	1,031,659	(295,603)
Fund Balance, June 30, 2007	\$ 780,403	\$ 0	\$ (276,495)	\$ 503,908	\$ 527,987	\$ 100,724	\$ 403,184

Exhibit G-4

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 124,597	\$ 0	\$ 0	\$ 124,597	\$ 54,000	\$ 54,000	\$ 70,597
Other Local Revenues	10,756	0	0	10,756	0	0	10,756
Total Revenues	<u>\$ 135,353</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 135,353</u>	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 81,353</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 96,862	\$ (1,100)	\$ 119	\$ 95,881	\$ 114,300	\$ 114,300	\$ 18,419
Total Expenditures	<u>\$ 96,862</u>	<u>\$ (1,100)</u>	<u>\$ 119</u>	<u>\$ 95,881</u>	<u>\$ 114,300</u>	<u>\$ 114,300</u>	<u>\$ 18,419</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 38,491</u>	<u>\$ 1,100</u>	<u>\$ (119)</u>	<u>\$ 39,472</u>	<u>\$ (60,300)</u>	<u>\$ (60,300)</u>	<u>\$ 99,772</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 3,600	\$ 0	\$ 0	\$ 3,600	\$ 3,600	\$ 3,600	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 3,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 42,091	\$ 1,100	\$ (119)	\$ 43,072	\$ (56,700)	\$ (56,700)	\$ 99,772
Fund Balance, July 1, 2006	92,196	(1,100)	0	91,096	99,036	99,036	(7,940)
Fund Balance, June 30, 2007	<u>\$ 134,287</u>	<u>\$ 0</u>	<u>\$ (119)</u>	<u>\$ 134,168</u>	<u>\$ 42,336</u>	<u>\$ 42,336</u>	<u>\$ 91,832</u>

Exhibit G-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,576,092	\$ 0	\$ 0	\$ 1,576,092	\$ 1,300,000	\$ 1,300,000	\$ 276,092
Other Governments and Citizens Groups	650	0	0	650	0	0	650
Total Revenues	\$ 1,576,742	\$ 0	\$ 0	\$ 1,576,742	\$ 1,300,000	\$ 1,300,000	\$ 276,742
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 8,128	\$ 0	\$ 100,000	\$ 108,128	\$ 117,500	\$ 117,500	\$ 9,372
Public Safety Projects	279,000	0	0	279,000	279,000	279,000	0
Social, Cultural, and Recreation Projects	141,087	(1,544)	98,429	237,972	107,000	242,000	4,028
Other General Government Projects	3,443	0	0	3,443	33,000	33,000	29,557
Highway and Street Capital Projects	987,607	(109,198)	83,714	962,123	992,985	976,742	14,619
Total Expenditures	\$ 1,419,265	\$ (110,742)	\$ 282,143	\$ 1,590,666	\$ 1,529,485	\$ 1,648,242	\$ 57,576
Excess (Deficiency) of Revenues Over Expenditures	\$ 157,477	\$ 110,742	\$ (282,143)	\$ (13,924)	\$ (229,485)	\$ (348,242)	\$ 334,318
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (16,243)	\$ 0	\$ 0	\$ (16,243)	\$ 0	\$ (16,243)	\$ 0
Total Other Financing Sources (Uses)	\$ (16,243)	\$ 0	\$ 0	\$ (16,243)	\$ 0	\$ (16,243)	\$ 0
Net Change in Fund Balance	\$ 141,234	\$ 110,742	\$ (282,143)	\$ (30,167)	\$ (229,485)	\$ (364,485)	\$ 334,318
Fund Balance, July 1, 2006	1,450,433	(110,742)	0	1,339,691	1,674,181	1,674,181	(334,490)
Fund Balance, June 30, 2007	\$ 1,591,667	\$ 0	\$ (282,143)	\$ 1,309,524	\$ 1,444,696	\$ 1,309,696	\$ (172)

Exhibit G-6

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,197,637	\$ 0	\$ 0	\$ 2,197,637	\$ 2,107,998	\$ 2,107,998	\$ 89,639
Other Local Revenues	195,147	0	0	195,147	0	5,213	189,934
State of Tennessee	2,880,727	0	0	2,880,727	2,678,945	2,834,194	46,533
Total Revenues	\$ 5,273,511	\$ 0	\$ 0	\$ 5,273,511	\$ 4,786,943	\$ 4,947,405	\$ 326,106
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 194,866	\$ 0	\$ 633	\$ 195,499	\$ 199,249	\$ 204,462	\$ 8,963
Highway and Bridge Maintenance	2,678,677	(25,200)	27,029	2,680,506	2,853,134	2,916,297	235,791
Operation and Maintenance of Equipment	655,627	0	19,205	674,832	1,005,300	1,005,300	330,468
Other Charges	424,033	0	400	424,433	472,115	472,115	47,682
Employee Benefits	876	0	0	876	8,500	8,500	7,624
Capital Outlay	692,450	(44,012)	31,658	680,096	574,101	818,261	138,165
<u>Capital Projects</u>							
Highway and Street Capital Projects	212,000	0	0	212,000	360,000	360,000	148,000
Total Expenditures	\$ 4,858,529	\$ (69,212)	\$ 78,925	\$ 4,868,242	\$ 5,472,399	\$ 5,784,935	\$ 916,693
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 414,982	\$ 69,212	\$ (78,925)	\$ 405,269	\$ (685,456)	\$ (837,530)	\$ 1,242,799
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 218	\$ 0	\$ 0	\$ 218	\$ 0	\$ 0	\$ 218
Total Other Financing Sources (Uses)	\$ 218	\$ 0	\$ 0	\$ 218	\$ 0	\$ 0	\$ 218
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 415,200	\$ 69,212	\$ (78,925)	\$ 405,487	\$ (685,456)	\$ (837,530)	\$ 1,243,017
	2,051,923	(69,212)	0	1,982,711	2,087,174	2,087,174	(104,463)
Fund Balance, June 30, 2007	\$ 2,467,123	\$ 0	\$ (78,925)	\$ 2,388,198	\$ 1,401,718	\$ 1,249,644	\$ 1,138,554

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, long-term debt principal, interest, and related costs.

Exhibit H

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,754,523	\$ 6,437,570	\$ 6,437,570	\$ 316,953
Other Local Revenues	2,117,372	325,000	956,129	1,161,243
State of Tennessee	770,522	475,000	475,000	295,522
Other Governments and Citizens Groups	49,171	0	49,171	0
Total Revenues	<u>\$ 9,691,588</u>	<u>\$ 7,237,570</u>	<u>\$ 7,917,870</u>	<u>\$ 1,773,718</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 936,934	\$ 936,934	\$ 936,934	\$ 0
Highways and Streets	476,967	476,967	476,967	0
Education	4,467,156	3,252,157	4,467,157	1
<u>Interest on Debt</u>				
General Government	369,067	276,592	369,067	0
Highways and Streets	61,234	57,017	61,234	0
Education	1,845,369	1,776,332	1,845,369	0
<u>Other Debt Service</u>				
General Government	139,442	685,373	155,118	15,676
<u>Capital Projects</u>				
Other General Government Projects	434,856	0	434,856	0
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	30,428	0	30,428	0
Total Expenditures	<u>\$ 8,761,453</u>	<u>\$ 7,461,372</u>	<u>\$ 8,777,130</u>	<u>\$ 15,677</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 930,135</u>	<u>\$ (223,802)</u>	<u>\$ (859,260)</u>	<u>\$ 1,789,395</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 1,215,000	\$ 0	\$ 1,215,000	\$ 0
Transfers In	0	759,482	179,939	(179,939)
Total Other Financing Sources (Uses)	<u>\$ 1,215,000</u>	<u>\$ 759,482</u>	<u>\$ 1,394,939</u>	<u>\$ (179,939)</u>
Net Change in Fund Balance	\$ 2,145,135	\$ 535,680	\$ 535,679	\$ 1,609,456
Fund Balance, July 1, 2006	9,097,753	9,305,000	9,305,000	(207,247)
Fund Balance, June 30, 2007	<u>\$ 11,242,888</u>	<u>\$ 9,840,680</u>	<u>\$ 9,840,679</u>	<u>\$ 1,402,209</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. Maury County ceased operations of this fund in 2005-06; however, the fund still had accumulated balances.

Exhibit I-1

Maury County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2007

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

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 88,295	\$ 5,178	\$ 93,473
Prepaid Items	3,674	0	3,674
Total Current Assets	<u>\$ 91,969</u>	<u>\$ 5,178</u>	<u>\$ 97,147</u>

Noncurrent Assets:

Capital Assets (Net of Accumulated Depreciation):

Land	\$ 25,000	\$ 0	\$ 25,000
Buildings and Improvements	56,160	0	56,160
Other Capital Assets	39,141	0	39,141
Total Noncurrent Assets	<u>\$ 120,301</u>	<u>\$ 0</u>	<u>\$ 120,301</u>
Total Assets	<u>\$ 212,270</u>	<u>\$ 5,178</u>	<u>\$ 217,448</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 153	\$ 0	\$ 153
Payroll Deductions Payable	4,916	0	4,916
Total Current Liabilities	<u>\$ 5,069</u>	<u>\$ 0</u>	<u>\$ 5,069</u>
Total Liabilities	<u>\$ 5,069</u>	<u>\$ 0</u>	<u>\$ 5,069</u>

NET ASSETS

Invested in Capital Assets	\$ 120,301	\$ 0	\$ 120,301
Unrestricted	86,900	5,178	92,078
Total Net Assets	<u>\$ 207,201</u>	<u>\$ 5,178</u>	<u>\$ 212,379</u>

Exhibit I-2

Maury County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Funds		
	Central Maintenance/ Garage	Employee Insurance - Prescriptions	Total
<u>Operating Revenues</u>			
Charges for Current Services	\$ 1,716,289	\$ 0	\$ 1,716,289
Other Local Revenues	4,665	0	4,665
Total Operating Revenues	<u>\$ 1,720,954</u>	<u>\$ 0</u>	<u>\$ 1,720,954</u>
<u>Operating Expenses</u>			
Other General Administration	\$ 1,731,360	\$ 0	\$ 1,731,360
Depreciation and Amortization Expense	4,830	0	4,830
Total Operating Expenses	<u>\$ 1,736,190</u>	<u>\$ 0</u>	<u>\$ 1,736,190</u>
Operating Income (Loss)	<u>\$ (15,236)</u>	<u>\$ 0</u>	<u>\$ (15,236)</u>
Income (Loss) Before Transfers	\$ (15,236)	\$ 0	\$ (15,236)
Transfers In (Out)	33,250	0	33,250
Change in Net Assets	\$ 18,014	\$ 0	\$ 18,014
Net Assets, July 1, 2006	189,187	5,178	194,365
Nets Assets, June 30, 2007	<u>\$ 207,201</u>	<u>\$ 5,178</u>	<u>\$ 212,379</u>

Exhibit I-3

Maury County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Funds		
	Central Maintenance/ Garage	Employee Insurance - Prescriptions	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers and Users	\$ 1,745,431	\$ 0	\$ 1,745,431
Other Cash Receipts (Payments)	4,665	0	4,665
Central Maintenance Garage Activity - Uses	(1,730,777)	0	(1,730,777)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 19,319</u>	<u>\$ 0</u>	<u>\$ 19,319</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition of Capital Assets	\$ (33,060)	\$ 0	\$ (33,060)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (33,060)</u>	<u>\$ 0</u>	<u>\$ (33,060)</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	\$ 19,509	\$ 0	\$ 19,509
Cash, July 1, 2006	68,786	5,178	73,964
Cash, June 30, 2007	<u>\$ 88,295</u>	<u>\$ 5,178</u>	<u>\$ 93,473</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>			
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (15,236)	\$ 0	\$ (15,236)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation and Amortization Expense	4,830	0	4,830
(Increase) Decrease in Accounts Receivable	29,327	0	29,327
(Increase) Decrease in Prepaid Items	(185)	0	(185)
Increase (Decrease) in Accounts Payable	153	0	153
Increase (Decrease) in Payroll Deductions Payable	430	0	430
Net Cash Provided By (Used In) Operating Activities	<u>\$ 19,319</u>	<u>\$ 0</u>	<u>\$ 19,319</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 J-1

Maury County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,479,183	\$ 2,479,183
Investments	0	36,511	36,511
Due from Other Governments	1,500,240	0	1,500,240
Total Assets	<u>\$ 1,500,240</u>	<u>\$ 2,515,694</u>	<u>\$ 4,015,934</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,500,240	\$ 0	\$ 1,500,240
Due to Litigants, Heirs, and Others	0	2,515,694	2,515,694
Total Liabilities	<u>\$ 1,500,240</u>	<u>\$ 2,515,694</u>	<u>\$ 4,015,934</u>

Exhibit J-2

Maury County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 8,786,389	\$ 8,786,389	\$ 0
Due from Other Governments	1,453,095	1,500,240	1,453,095	1,500,240
Total Assets	\$ 1,453,095	\$ 10,286,629	\$ 10,239,484	\$ 1,500,240
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,453,095	\$ 10,286,629	\$ 10,239,484	\$ 1,500,240
Total Liabilities	\$ 1,453,095	\$ 10,286,629	\$ 10,239,484	\$ 1,500,240
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,609,614	\$ 17,313,305	\$ 16,443,736	\$ 2,479,183
Investments	35,404	1,107	0	36,511
Total Assets	\$ 1,645,018	\$ 17,314,412	\$ 16,443,736	\$ 2,515,694
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,645,018	\$ 17,314,412	\$ 16,443,736	\$ 2,515,694
Total Liabilities	\$ 1,645,018	\$ 17,314,412	\$ 16,443,736	\$ 2,515,694
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 8,786,389	\$ 8,786,389	\$ 0
Cash	1,609,614	17,313,305	16,443,736	2,479,183
Due from Other Governments	1,453,095	1,500,240	1,453,095	1,500,240
Investments	35,404	1,107	0	36,511
Total Assets	\$ 3,098,113	\$ 27,601,041	\$ 26,683,220	\$ 4,015,934
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,453,095	\$ 10,286,629	\$ 10,239,484	\$ 1,500,240
Due to Litigants, Heirs, and Others	1,645,018	17,314,412	16,443,736	2,515,694
Total Liabilities	\$ 3,098,113	\$ 27,601,041	\$ 26,683,220	\$ 4,015,934

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 K-1

Maury County, Tennessee
Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 55,495,055	\$ 145,919	\$ 5,281,250	\$ 0	\$ (50,067,886)
Support Services	26,125,562	379,831	136,427	6,705,503	(18,903,801)
Operation of Non-Instructional Services	5,169,792	2,511,998	3,253,500	0	595,706
Interest on Long-term Debt	51,157	0	0	0	(51,157)
Total Governmental Activities	<u>\$ 86,841,566</u>	<u>\$ 3,037,748</u>	<u>\$ 8,671,177</u>	<u>\$ 6,705,503</u>	<u>\$ (68,427,138)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 18,584,865
Local Option Sales Taxes					10,255,262
Other Local Taxes					14,149
Grants and Contributions Not Restricted to Specific Programs					42,435,983
Unrestricted Investment Earnings					50,662
Miscellaneous					101,472
Total General Revenues					<u>\$ 71,442,393</u>
Change in Net Assets					\$ 3,015,255
Net Assets, July 1, 2006					<u>95,753,373</u>
Net Assets, June 30, 2007					<u>\$ 98,768,628</u>

Exhibit K-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2007

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	Education	Other	
	Purpose School	Capital Projects	Govern- mental Funds	
ASSETS				
Cash	\$ 0	\$ 0	\$ 7,236	\$ 7,236
Equity in Pooled Cash and Investments	2,673,645	5,680,819	1,878,742	10,233,206
Accounts Receivable	24,151	0	0	24,151
Due from Other Governments	3,255,684	0	75,956	3,331,640
Due from Other Funds	103,705	0	0	103,705
Property Taxes Receivable	18,887,465	0	0	18,887,465
Allowance for Uncollectible Property Taxes	(537,871)	0	0	(537,871)
Total Assets	\$ 24,406,779	\$ 5,680,819	\$ 1,961,934	\$ 32,049,532
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 126,621	\$ 4,037	\$ 130,658
Accrued Payroll	7,574	0	0	7,574
Contracts Payable	0	658,275	0	658,275
Retainage Payable	0	115,906	0	115,906
Due to Other Funds	0	0	103,705	103,705
Deferred Revenue - Current Property Taxes	17,726,215	0	0	17,726,215
Deferred Revenue - Delinquent Property Taxes	549,786	0	0	549,786
Other Deferred Revenues	1,019,966	0	0	1,019,966
Total Liabilities	\$ 19,303,541	\$ 900,802	\$ 107,742	\$ 20,312,085
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 97,015	\$ 1,075,483	\$ 69,332	\$ 1,241,830
Reserved for Career Ladder - Extended Contract	62,724	0	0	62,724
Reserved for Career Ladder Program	36,407	0	0	36,407
Reserved for Special Education - Grants to States	0	0	254,950	254,950
Other Federal Reserves	0	0	1,174	1,174
Unreserved, Reported In:				
General Fund	4,907,092	0	0	4,907,092
Special Revenue Funds	0	0	1,528,736	1,528,736
Capital Projects Funds	0	3,704,534	0	3,704,534
Total Fund Balances	\$ 5,103,238	\$ 4,780,017	\$ 1,854,192	\$ 11,737,447
Total Liabilities and Fund Balances	\$ 24,406,779	\$ 5,680,819	\$ 1,961,934	\$ 32,049,532

Maury County, Tennessee
Discretely Presented Maury County School Department
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	11,737,447
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,438,500	
Add: construction in progress		27,151,149	
Add: building and improvements net of accumulated depreciation		58,200,366	
Add: other capital assets net of accumulated depreciation		<u>2,994,181</u>	90,784,196
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital leases payable	\$	(1,598,657)	
Less: compensated absences payable		(3,672,953)	
Less: accrued interest on capital leases		<u>(51,157)</u>	(5,322,767)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,569,752</u>
Net assets of governmental activities (Exhibit A)		\$	<u>98,768,628</u>

Exhibit K-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, 2007

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 29,069,432	\$ 0	\$ 0	\$ 29,069,432
Licenses and Permits	5,292	0	0	5,292
Charges for Current Services	352,546	0	2,511,734	2,864,280
Other Local Revenues	142,806	0	83,867	226,673
State of Tennessee	42,613,275	0	57,455	42,670,730
Federal Government	728,546	0	7,872,554	8,601,100
Other Governments and Citizens Groups	500,000	6,205,503	0	6,705,503
Total Revenues	<u>\$ 73,411,897</u>	<u>\$ 6,205,503</u>	<u>\$ 10,525,610</u>	<u>\$ 90,143,010</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 47,095,323	\$ 0	\$ 4,101,614	\$ 51,196,937
Support Services	23,802,256	0	1,402,271	25,204,527
Operation of Non-Instructional Services	0	0	4,908,394	4,908,394
Capital Outlay	2,383,988	0	0	2,383,988
Capital Projects	0	5,119,463	0	5,119,463
Total Expenditures	<u>\$ 73,281,567</u>	<u>\$ 5,119,463</u>	<u>\$ 10,412,279</u>	<u>\$ 88,813,309</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 130,330	\$ 1,086,040	\$ 113,331	\$ 1,329,701
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 1,598,657	\$ 0	\$ 0	\$ 1,598,657
Insurance Recovery	317,362	0	0	317,362
Transfers In	121,179	0	0	121,179
Transfers Out	0	0	(121,179)	(121,179)
Total Other Financing Sources (Uses)	<u>\$ 2,037,198</u>	<u>\$ 0</u>	<u>\$ (121,179)</u>	<u>\$ 1,916,019</u>
Net Change in Fund Balances	\$ 2,167,528	\$ 1,086,040	\$ (7,848)	\$ 3,245,720
Fund Balance, July 1, 2006	2,935,710	3,693,977	1,862,040	8,491,727
Fund Balance, June 30, 2007	<u>\$ 5,103,238</u>	<u>\$ 4,780,017</u>	<u>\$ 1,854,192</u>	<u>\$ 11,737,447</u>

Maury County, Tennessee
Discretely Presented Maury County School Department
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, 2007

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ 3,245,720
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,103,006	
Less: current year depreciation expense	<u>(3,137,968)</u>	1,965,038
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 1,569,752	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(2,023,891)</u>	(454,139)
(3) The issuance of long-term debt (e.g., notes, bonds, 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.		
Less: capital lease proceeds		(1,598,657)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (51,157)	
Change in compensated absences	<u>(91,550)</u>	<u>(142,707)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,015,255</u>

Exhibit K-6

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2007

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 7,236	\$ 7,236
Equity in Pooled Cash and Investments	309,324	1,569,418	1,878,742
Due from Other Governments	50,505	25,451	75,956
Total Assets	<u>\$ 359,829</u>	<u>\$ 1,602,105</u>	<u>\$ 1,961,934</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 0	\$ 4,037	\$ 4,037
Due to Other Funds	103,705	0	103,705
Total Liabilities	<u>\$ 103,705</u>	<u>\$ 4,037</u>	<u>\$ 107,742</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 0	\$ 69,332	\$ 69,332
Reserved for Special Education - Grants to States	254,950	0	254,950
Other Federal Reserves	1,174	0	1,174
Unreserved	0	1,528,736	1,528,736
Total Fund Balances	<u>\$ 256,124</u>	<u>\$ 1,598,068</u>	<u>\$ 1,854,192</u>
Total Liabilities and Fund Balances	<u>\$ 359,829</u>	<u>\$ 1,602,105</u>	<u>\$ 1,961,934</u>

Exhibit K-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, 2007

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 2,511,734	\$ 2,511,734
Other Local Revenues	0	83,867	83,867
State of Tennessee	0	57,455	57,455
Federal Government	5,427,896	2,444,658	7,872,554
Total Revenues	<u>\$ 5,427,896</u>	<u>\$ 5,097,714</u>	<u>\$ 10,525,610</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,101,614	\$ 0	\$ 4,101,614
Support Services	1,353,271	49,000	1,402,271
Operation of Non-Instructional Services	0	4,908,394	4,908,394
Total Expenditures	<u>\$ 5,454,885</u>	<u>\$ 4,957,394</u>	<u>\$ 10,412,279</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,989)</u>	<u>\$ 140,320</u>	<u>\$ 113,331</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (121,179)	\$ 0	\$ (121,179)
Total Other Financing Sources (Uses)	<u>\$ (121,179)</u>	<u>\$ 0</u>	<u>\$ (121,179)</u>
Net Change in Fund Balances	\$ (148,168)	\$ 140,320	\$ (7,848)
Fund Balance, July 1, 2006	404,292	1,457,748	1,862,040
Fund Balance, June 30, 2007	<u>\$ 256,124</u>	<u>\$ 1,598,068</u>	<u>\$ 1,854,192</u>

Exhibit K-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 29,069,432	\$ 0	\$ 0	\$ 29,069,432	\$ 28,274,787	\$ 28,274,787	\$ 794,645
Licenses and Permits	5,292	0	0	5,292	5,400	5,400	(108)
Charges for Current Services	352,546	0	0	352,546	244,000	244,000	108,546
Other Local Revenues	142,806	0	0	142,806	13,800	72,655	70,151
State of Tennessee	42,613,275	0	0	42,613,275	41,449,306	42,568,771	44,504
Federal Government	728,546	0	0	728,546	83,299	465,525	263,021
Other Governments and Citizens Groups	500,000	0	0	500,000	0	500,000	0
Total Revenues	\$ 73,411,897	\$ 0	\$ 0	\$ 73,411,897	\$ 70,070,592	\$ 72,131,138	\$ 1,280,759
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 37,642,476	\$ (144,243)	\$ 41,594	\$ 37,539,827	\$ 37,149,935	\$ 38,807,154	\$ 1,267,327
Alternative Instruction Program	336,163	0	0	336,163	226,231	338,723	2,560
Special Education Program	6,603,034	(16,560)	19,126	6,605,600	6,608,317	6,644,594	38,994
Vocational Education Program	2,513,650	(8,624)	2,105	2,507,131	2,317,578	2,538,086	30,955
<u>Support Services</u>							
Attendance	427,244	(463)	145	426,926	420,760	430,953	4,027
Health Services	244,165	(980)	203	243,388	247,592	247,592	4,204
Other Student Support	1,559,886	(2,698)	1,820	1,559,008	1,572,661	1,596,674	37,666
Regular Instruction Program	2,200,872	(85,364)	3,459	2,118,967	2,080,500	2,191,348	72,381
Alternative Instruction Program	154,713	0	0	154,713	167,365	167,365	12,652
Special Education Program	938,830	(1,963)	667	937,534	950,427	960,051	22,517
Vocational Education Program	157,934	(6,948)	3,287	154,273	139,911	158,841	4,568
Board of Education	1,945,962	(4,919)	0	1,941,043	2,045,590	2,064,218	123,175
Director of Schools	230,252	(130)	2,201	232,323	232,225	235,438	3,115
Office of the Principal	4,792,379	(427)	0	4,791,952	4,904,847	4,904,847	112,895

(Continued)

Exhibit K-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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Fiscal Services	\$ 459,415	\$ (24,274)	\$ 11,810	\$ 446,951	\$ 474,803	\$ 474,803	\$ 27,852
Human Services/Personnel	237,654	0	0	237,654	250,190	254,090	16,436
Operation of Plant	5,160,652	(15,122)	545	5,146,075	5,366,159	5,341,175	195,100
Maintenance of Plant	1,079,320	(34,521)	7,046	1,051,845	1,088,345	1,105,666	53,821
Transportation	3,200,573	(9,581)	1,777	3,192,769	3,156,819	3,166,819	(25,950)
Central and Other	1,012,405	(78)	1,230	1,013,557	812,553	1,055,862	42,305
<u>Capital Outlay</u>							
Regular Capital Outlay	2,383,988	0	0	2,383,988	0	2,383,988	0
Total Expenditures	\$ 73,281,567	\$ (356,895)	\$ 97,015	\$ 73,021,687	\$ 70,212,808	\$ 75,068,287	\$ 2,046,600
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 130,330	\$ 356,895	\$ (97,015)	\$ 390,210	\$ (142,216)	\$ (2,937,149)	\$ 3,327,359
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 1,598,657	\$ 0	\$ 0	\$ 1,598,657	\$ 0	\$ 1,598,657	\$ 0
Insurance Recovery	317,362	0	0	317,362	0	302,652	14,710
Transfers In	121,179	0	0	121,179	145,216	145,216	(24,037)
Transfers Out	0	0	0	0	(3,000)	(7,298)	7,298
Total Other Financing Sources (Uses)	\$ 2,037,198	\$ 0	\$ 0	\$ 2,037,198	\$ 142,216	\$ 2,039,227	\$ (2,029)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2006	\$ 2,167,528	\$ 356,895	\$ (97,015)	\$ 2,427,408	\$ 0	\$ (897,922)	\$ 3,325,330
	2,935,710	(356,895)	0	2,578,815	2,752,237	2,752,237	(173,422)
<u>Fund Balance, June 30, 2007</u>							
	\$ 5,103,238	\$ 0	\$ (97,015)	\$ 5,006,223	\$ 2,752,237	\$ 1,854,315	\$ 3,151,908

Exhibit K-9

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
School Federal Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 5,427,896	\$ 0	\$ 5,427,896	\$ 5,733,915	\$ 6,805,727	\$ (1,377,831)
Total Revenues	\$ 5,427,896	\$ 0	\$ 5,427,896	\$ 5,733,915	\$ 6,805,727	\$ (1,377,831)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,876,742	\$ (2,208)	\$ 1,874,534	\$ 2,164,945	\$ 2,168,345	\$ 293,811
Special Education Program	1,982,611	(228,502)	1,754,109	1,621,803	2,365,897	611,788
Vocational Education Program	242,261	(51,899)	190,362	190,363	190,363	1
<u>Support Services</u>						
Other Student Support	40,314	(2,490)	37,824	41,404	44,404	6,580
Regular Instruction Program	592,291	(2,106)	590,185	771,210	788,494	198,309
Special Education Program	353,859	(2,840)	351,019	342,619	444,666	93,647
Maintenance of Plant	300	(300)	0	5,000	5,000	5,000
Transportation	366,507	0	366,507	451,355	573,532	207,025
Total Expenditures	\$ 5,454,885	\$ (290,345)	\$ 5,164,540	\$ 5,588,699	\$ 6,580,701	\$ 1,416,161
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,989)	\$ 290,345	\$ 263,356	\$ 145,216	\$ 225,026	\$ 38,330
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 94,000	\$ 19,000	\$ (19,000)
Transfers Out	(121,179)	0	(121,179)	(239,216)	(244,026)	122,847
Total Other Financing Sources (Uses)	\$ (121,179)	\$ 0	\$ (121,179)	\$ (145,216)	\$ (225,026)	\$ 103,847
Net Change in Fund Balance	\$ (148,168)	\$ 290,345	\$ 142,177	\$ 0	\$ 0	\$ 142,177
Fund Balance, July 1, 2006	404,292	(290,345)	113,947	64,328	64,328	49,619
Fund Balance, June 30, 2007	\$ 256,124	\$ 0	\$ 256,124	\$ 64,328	\$ 64,328	\$ 191,796

Exhibit K-10

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 2,511,734	\$ 0	\$ 2,511,734	\$ 2,498,570	\$ 2,498,570	\$ 13,164
Other Local Revenues	83,867	0	83,867	67,360	67,360	16,507
State of Tennessee	57,455	0	57,455	58,000	58,000	(545)
Federal Government	2,444,658	0	2,444,658	2,273,916	2,273,916	170,742
Total Revenues	\$ 5,097,714	\$ 0	\$ 5,097,714	\$ 4,897,846	\$ 4,897,846	\$ 199,868
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 49,000	\$ 0	\$ 49,000	\$ 49,000	\$ 49,000	\$ 0
<u>Operation of Non-Instructional Services</u>						
Food Service	4,908,394	69,332	4,977,726	5,336,049	5,318,608	340,882
Total Expenditures	\$ 4,957,394	\$ 69,332	\$ 5,026,726	\$ 5,385,049	\$ 5,367,608	\$ 340,882
Excess (Deficiency) of Revenues Over Expenditures	\$ 140,320	\$ (69,332)	\$ 70,988	\$ (487,203)	\$ (469,762)	\$ 540,750
Net Change in Fund Balance	\$ 140,320	\$ (69,332)	\$ 70,988	\$ (487,203)	\$ (469,762)	\$ 540,750
Fund Balance, July 1, 2006	1,457,748	0	1,457,748	1,457,748	1,457,748	0
Fund Balance, June 30, 2007	\$ 1,598,068	\$ (69,332)	\$ 1,528,736	\$ 970,545	\$ 987,986	\$ 540,750

MISCELLANEOUS SCHEDULES

Exhibit L-1

Maury County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
 Primary Government and Discretely Presented Maury County School Department
 For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT</u>									
<u>NOTES PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Asbestos Removal - EPA #2	\$ 240,499	0	% 6-11-1987	6-11-07	\$ 6,681	\$ 0	\$ 6,681	\$ 0	\$ 0
County Equipment, Highway, School Buses	1,840,000	2.26	9-22-03	12-28-06	613,334	0	613,334	0	0
County Buildings, Equipment, Vehicles, School Renovations	2,000,000	3.69	12-28-05	12-28-08	2,000,000	0	222,220	1,215,000	562,780
Jail and Fire Station Buildings, Equipment, Vehicles, School Buildings, School Buses, and Refunding	15,185,000	3.64	12-19-06	4-1-17	0	15,185,000	0	0	15,185,000
Energy Efficiency Improvements	500,000	3	2-12-07	2-1-14	0	500,000	0	0	500,000
Total Notes Payable					\$ 2,620,015	\$ 15,685,000	\$ 842,235	\$ 1,215,000	\$ 16,247,780
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through Special Purpose Fund</u>									
School Computers	355,632	5.549	6-1-06	6-1-08	\$ 230,632	\$ 0	\$ 112,202	\$ 0	\$ 118,430
School Computers	355,638	4.9	3-20-07	10-1-09	0	355,638	0	0	355,638
Total Capital Leases Payable					\$ 230,632	\$ 355,638	\$ 112,202	\$ 0	\$ 474,068
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Refunding Bond	3,821,170	2 to 2.75	8-15-03	6-1-07	\$ 658,822	\$ 0	\$ 658,822	\$ 0	\$ 0
Refunding Bond	21,420,000	4 to 5	3-1-04	4-1-11	18,420,000	0	2,900,000	0	15,520,000
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	15,900,000	0	100,000	0	15,800,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	4-1-20	13,835,000	0	165,000	0	13,670,000
Total Bonds Payable					\$ 48,813,822	\$ 0	\$ 3,823,822	\$ 0	\$ 44,990,000
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>									
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through General Purpose School Fund</u>									
Lighting Equipment	1,598,657	4.8	11-1-06	11-1-13	\$ 0	\$ 1,598,657	\$ 0	\$ 0	\$ 1,598,657
Total Capital Leases Payable					\$ 0	\$ 1,598,657	\$ 0	\$ 0	\$ 1,598,657

Exhibit L-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 4,605,000	\$ 1,550,595	\$ 6,155,595
2009	4,645,000	1,411,121	6,056,121
2010	4,905,000	1,236,345	6,141,345
2011	5,135,000	1,053,941	6,188,941
2012	2,685,000	866,435	3,551,435
2013	2,780,000	826,698	3,606,698
2014	2,875,000	757,160	3,632,160
2015	2,985,000	701,035	3,686,035
2016	2,700,000	589,475	3,289,475
2017	2,765,000	467,475	3,232,475
2018	2,855,000	358,875	3,213,875
2019	2,970,000	244,675	3,214,675
2020	3,085,000	125,875	3,210,875
Total	<u>\$ 44,990,000</u>	<u>\$ 10,189,705</u>	<u>\$ 55,179,705</u>

Exhibit L-3

Maury County, Tennessee
Schedule of Investments
June 30, 2007

<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	\$ 36,511

Exhibit L-4

Maury County, Tennessee
Schedule of Notes Receivable
June 30, 2007

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Special Purpose Fund	Maury County Arts Guild	\$ 45,268	6-14-1996	12-14-08	0 %	<u>\$ 5,368</u>
Total						<u>\$ 5,368</u>

Exhibit L-5

Maury County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Drug Control	Budgeted allocation of phone commission	\$ 3,600
Special Purpose	General	Funds for industrial development	160,000
Special Purpose	General	Funds for operations	900,000
Special Purpose	General	Funds for library operations	75,000
Special Purpose	Central Maintenance	Funds for operations	33,250
Adequate Facilities Tax	Highway Capital Projects	Funds for capital projects	<u>16,243</u>
Total Transfers Primary Government			<u>\$ 1,188,093</u>
<u>Discretely Presented Maury</u>			
<u>County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 121,179</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 121,179</u>

Exhibit L-6

Maury County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 78,924	\$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	72,138	100,000	RLI Insurance Company
Director of Schools	State Board of Education and Local Board of Education	104,368 (1)	100,000	Travelers Casualty & Surety Company
Trustee	Section 8-24-102, <u>TCA</u>	65,574	2,563,697	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	65,574	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	65,574	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk Clerk and Master	Section 8-24-102, <u>TCA</u>	65,574	50,000	"
	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	66,446 (2)	50,000	RLI Insurance Company
Register	Section 8-24-102, <u>TCA</u>	65,574	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	76,281 (3)	25,000	Cincinnati Insurance Company
Director of Accounts and Budgets	Chapter 233, Private Acts of 1963, as amended	72,894 (4)	25,000	RLI Insurance Company
Director of Human Resources: Debbie Rutherford (7-1-06 through 6-15-07)	Chapter 91, Private Acts of 2004	63,072	(5)	
Dana Gibson (6-16-07 through 6-30-07)	Chapter 91, Private Acts of 2004	2,487	(5)	
<u>Other Bonds</u>				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			50,000	Indiana Insurance Company

(1) Includes \$1,000 chief executive officer supplement.

(2) Includes special commissioner fees totaling \$872.

(3) Includes \$3,024 for serving as workhouse superintendent and \$1,119 for law enforcement training supplements for 2005-06 and 2006-07.

(4) Includes \$300 longevity.

(5) Covered under county's blanket bond.

Exhibit L-7

Maury County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2007

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 8,307,494	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,860,887	\$ 3,987,596	\$ 0	\$ 14,155,977
Trustee's Collections - Prior Year	277,304	0	0	0	0	61,627	134,808	0	473,739
Trustee's Collections - Bankruptcy	4,756	0	0	0	0	1,077	2,336	0	8,169
Circuit/Clerk & Master Collections - Prior Years	116,383	0	0	0	0	26,070	55,864	0	198,317
Interest and Penalty	70,203	0	0	0	0	15,606	34,135	0	119,944
Pick-up Taxes	117,643	0	0	0	0	26,186	57,040	0	200,869
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	9,360	0	9,360
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	251,221	0	251,221
Payments in-Lieu-of Taxes - Other	0	2,250,000	0	0	0	0	108,803	0	2,358,803
<u>County Local Option Taxes</u>									
Local Option Sales Tax	456,623	0	0	0	0	0	0	0	456,623
Hotel/Motel Tax	377,283	0	0	0	0	0	0	0	377,283
Wheel Tax	0	0	0	0	0	0	1,758,030	0	1,758,030
Litigation Tax - General	439,170	0	0	0	0	0	46,003	0	485,173
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	50,305	0	50,305
Business Tax	868,354	0	0	0	0	0	0	0	868,354
Mineral Severance Tax	0	0	0	0	0	206,184	0	0	206,184
Adequate Facilities/Development Tax	0	0	0	1,576,092	0	0	0	0	1,576,092
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	259,022	0	259,022
Wholesale Beer Tax	236,591	0	0	0	0	0	0	0	236,591
Interstate Telecommunications Tax	2,607	0	0	0	0	0	0	0	2,607
Total Local Taxes	\$ 11,274,411	\$ 2,250,000	\$ 0	\$ 1,576,092	\$ 0	\$ 2,197,637	\$ 6,754,523	\$ 0	\$ 24,052,663
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 113,120	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113,120
<u>Permits</u>									
Beer Permits	1,905	0	0	0	0	0	0	0	1,905
Building Permits	241,556	0	0	0	0	0	0	0	241,556
Other Permits	11,440	0	0	0	0	0	0	0	11,440
Total Licenses and Permits	\$ 368,021	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 368,021

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 17,165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,165
Officers Costs	18,794	0	0	0	0	0	0	0	18,794
Drug Control Fines	0	0	5,915	0	0	0	0	0	5,915
Drug Court Fees	22,472	0	0	0	0	0	0	0	22,472
DUI Treatment Fines	4,239	0	0	0	0	0	0	0	4,239
Data Entry Fee - Circuit Court	3,316	0	0	0	0	0	0	0	3,316
Courtroom Security Fee	501	0	0	0	0	0	0	0	501
<u>Criminal Court</u>									
Fines	0	0	152	0	0	0	0	0	152
<u>General Sessions Court</u>									
Fines	102,873	0	0	0	0	0	0	0	102,873
Fines for Littering	2,565	0	0	0	0	0	0	0	2,565
Officers Costs	93,192	0	0	0	0	0	0	0	93,192
Game and Fish Fines	3,429	0	0	0	0	0	0	0	3,429
Drug Control Fines	0	0	8,015	0	0	0	0	0	8,015
DUI Treatment Fines	16,172	0	0	0	0	0	0	0	16,172
Data Entry Fee - General Sessions Court	47,644	0	0	0	0	0	0	0	47,644
<u>Chancery Court</u>									
Officers Costs	11,253	0	0	0	0	0	0	0	11,253
Data Entry Fee - Chancery Court	4,366	0	0	0	0	0	0	0	4,366
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	110,515	0	0	0	0	0	110,515
Other Fines, Forfeitures, and Penalties	11,875	0	0	0	0	0	0	0	11,875
Total Fines, Forfeitures, and Penalties	\$ 359,856	\$ 0	\$ 124,597	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	484,453
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Patient Charges	\$ 389	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	389
<u>Fees</u>									
Subdivision Lot Fees	114,977	0	0	0	0	0	0	0	114,977
Recreation Fees	23,663	0	0	0	0	0	0	0	23,663
Copy Fees	6,225	0	0	0	0	0	0	0	6,225

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
Charges for Current Services (Cont.)									
Fees (Cont.)									
Library Fees	\$ 15,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,827
Telephone Commissions	15,076	0	0	0	0	0	0	0	15,076
Vending Machine Collections	877	0	0	0	0	0	0	0	877
Tourism Fees	12,513	0	0	0	0	0	0	0	12,513
Constitutional Officers' Fees and Commissions	0	0	0	0	711,049	0	0	0	711,049
Data Processing Fee - Register	43,338	0	0	0	0	0	0	0	43,338
Data Processing Fee - Sheriff	11,223	0	0	0	0	0	0	0	11,223
Sexual Offender Registration Fees - Sheriff	1,560	0	0	0	0	0	0	0	1,560
Total Charges for Current Services	\$ 245,668	\$ 0	\$ 0	\$ 0	\$ 711,049	\$ 0	\$ 0	\$ 0	\$ 956,717
Other Local Revenues									
Recurring Items									
Investment Income	\$ 0	\$ 17,950	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,102,672	\$ 3,178	\$ 2,123,800
Lease/Rentals	102,985	0	0	0	0	0	0	0	102,985
Sale of Materials and Supplies	212	0	0	0	0	6,533	0	0	6,745
Miscellaneous Refunds	2,407	0	2,481	0	0	2,704	0	1,000	8,592
Nonrecurring Items									
Sale of Equipment	905	1,854	8,275	0	0	185,910	0	0	196,944
Sale of Property	26,013	0	0	0	0	0	14,700	0	40,713
Contributions and Gifts	14,899	0	0	0	0	0	0	0	14,899
Other Local Revenues									
Other Local Revenues	404,148	0	0	0	0	0	0	0	404,148
Total Other Local Revenues	\$ 551,569	\$ 19,804	\$ 10,756	\$ 0	\$ 0	\$ 195,147	\$ 2,117,372	\$ 4,178	\$ 2,898,826
Fees Received from County Officials									
Excess Fees									
County Clerk	\$ 251,694	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 251,694
Clerk and Master	61,271	0	0	0	0	0	0	0	61,271
Fees-In-Lieu of Salary									
Circuit Court Clerk	1,014,097	0	0	0	0	0	0	0	1,014,097
Register	705,104	0	0	0	0	0	0	0	705,104
Sheriff	66,782	0	0	0	0	0	0	0	66,782

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>									
<u>Fees-In-Lieu of Salary (Cont.)</u>									
Trustee	\$ 1,173,995	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,173,995
Total Fees Received from County Officials	\$ 3,272,943	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,272,943
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 14,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,000
State Reappraisal Grant	23,059	0	0	0	0	0	0	0	23,059
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	33,600	0	0	0	0	0	0	0	33,600
<u>Health and Welfare Grants</u>									
Other Health and Welfare Grants	519,906	0	0	0	0	0	0	0	519,906
<u>Public Works Grants</u>									
Bridge Program	0	0	0	0	0	284,537	0	0	284,537
<u>Other State Revenues</u>									
Income Tax	176,192	0	0	0	0	0	0	0	176,192
Beer Tax	18,753	0	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	86,302	0	0	0	0	0	0	0	86,302
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	770,522	0	770,522
Board of Jurors	1,500	0	0	0	0	0	0	0	1,500
Contracted Prisoner Boarding	655,235	0	0	0	0	0	0	0	655,235
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,252,328	0	0	2,252,328
Petroleum Special Tax	0	0	0	0	0	55,906	0	0	55,906
Registrar's Salary Supplement	12,285	0	0	0	0	0	0	0	12,285
Other State Grants	0	12,705	0	0	0	0	0	0	12,705
Other State Revenues	25,793	0	0	0	0	287,956	0	0	313,749
Total State of Tennessee	\$ 1,566,625	\$ 12,705	\$ 0	\$ 0	\$ 0	\$ 2,880,727	\$ 770,522	\$ 0	\$ 5,230,579
<u>Federal Government</u>									
<u>Federal Through State</u>									
Homeland Security Grants	\$ 399,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	399,758
Law Enforcement Grants	2,782	0	0	0	0	0	0	0	2,782
Other Federal through State	10,252	0	0	0	0	0	0	0	10,252

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Federal Government (Cont.)</u>									
<u>Direct Federal Revenue</u>									
Other Direct Federal Revenue	\$ 11,582	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,582
Total Federal Government	\$ 424,374	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 424,374
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	\$ 122,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 122,793
Contributions	2,974	124,750	0	650	0	0	49,171	17,965	195,510
<u>Citizens Groups</u>									
Donations	51,949	0	0	0	0	0	0	0	51,949
<u>Other</u>									
Other	89,234	0	0	0	0	0	0	0	89,234
Total Other Governments and Citizens Groups	\$ 266,950	\$ 124,750	\$ 0	\$ 650	\$ 0	\$ 0	\$ 49,171	\$ 17,965	\$ 459,486
Total	\$ 18,330,417	\$ 2,407,259	\$ 135,353	\$ 1,576,742	\$ 711,049	\$ 5,273,511	\$ 9,691,588	\$ 22,143	\$ 38,148,062

Exhibit L-8

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 17,611,914	\$ 0	\$ 0	\$ 0	\$ 17,611,914
Trustee's Collections - Prior Year	589,306	0	0	0	589,306
Trustee's Collections - Bankruptcy	10,254	0	0	0	10,254
Circuit/Clerk & Master Collections - Prior Years	246,733	0	0	0	246,733
Interest and Penalty	149,225	0	0	0	149,225
Pick-up Taxes	249,870	0	0	0	249,870
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,197,981	0	0	0	10,197,981
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	14,149	0	0	0	14,149
Total Local Taxes	\$ 29,069,432	\$ 0	\$ 0	\$ 0	\$ 29,069,432
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,292	\$ 0	\$ 0	\$ 0	\$ 5,292
Total Licenses and Permits	\$ 5,292	\$ 0	\$ 0	\$ 0	\$ 5,292
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 244	\$ 0	\$ 0	\$ 0	\$ 244
<u>Education Charges</u>					
Tuition - Regular Day Students	46,094	0	0	0	46,094
Tuition - Other	84	0	0	0	84
Lunch Payments - Children	0	0	1,397,196	0	1,397,196
Lunch Payments - Adults	0	0	154,088	0	154,088
Income from Breakfast	0	0	218,157	0	218,157
A la carte Sales	0	0	659,407	0	659,407
Receipts from Individual Schools	306,104	0	0	0	306,104
<u>Other Charges for Services</u>					
Other Charges for Services	20	0	82,886	0	82,906
Total Charges for Current Services	\$ 352,546	\$ 0	\$ 2,511,734	\$ 0	\$ 2,864,280
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 50,662	\$ 0	\$ 50,662
Lease/Rentals	4,121	0	0	0	4,121
Sale of Materials and Supplies	10,751	0	0	0	10,751
Refund of Telecommunication and Internet Fees (E-Rate)	58,855	0	0	0	58,855
Miscellaneous Refunds	32,682	0	29,686	0	62,368
<u>Nonrecurring Items</u>					
Sale of Equipment	17,688	0	3,519	0	21,207
Damages Recovered from Individuals	5,316	0	0	0	5,316
Contributions and Gifts	812	0	0	0	812
<u>Other Local Revenues</u>					
Other Local Revenues	12,581	0	0	0	12,581
Total Other Local Revenues	\$ 142,806	\$ 0	\$ 83,867	\$ 0	\$ 226,673

(Continued)

Exhibit L-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	\$ 40,461,060	\$ 0	\$ 0	\$ 0	\$ 40,461,060
School Food Service	0	0	57,455	0	57,455
Other State Education Funds	972,683	0	0	0	972,683
Career Ladder Program	640,496	0	0	0	640,496
Career Ladder - Extended Contract	238,686	0	0	0	238,686
<u>Other State Revenues</u>					
Mixed Drink Tax	56,031	0	0	0	56,031
Other State Grants	60,177	0	0	0	60,177
Other State Revenues	184,142	0	0	0	184,142
Total State of Tennessee	\$ 42,613,275	\$ 0	\$ 57,455	\$ 0	\$ 42,670,730
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,886,417	\$ 0	\$ 1,886,417
Breakfast	0	0	555,787	0	555,787
USDA - Other	0	0	2,454	0	2,454
Vocational Education - Basic Grants to States	0	209,489	0	0	209,489
Title I Grants to Local Education Agencies	0	1,821,825	0	0	1,821,825
Innovative Education Program Strategies	0	90,963	0	0	90,963
Special Education - Grants to States	80,518	2,691,269	0	0	2,771,787
Special Education Preschool Grants	0	85,000	0	0	85,000
Eisenhower Professional Development State Grants	0	426,975	0	0	426,975
Other Federal through State	472,037	102,375	0	0	574,412
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	99,741	0	0	0	99,741
Other Direct Federal Revenue	76,250	0	0	0	76,250
Total Federal Government	\$ 728,546	\$ 5,427,896	\$ 2,444,658	\$ 0	\$ 8,601,100
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 500,000	\$ 0	\$ 0	\$ 6,205,503	\$ 6,705,503
Total Other Governments and Citizens Groups	\$ 500,000	\$ 0	\$ 0	\$ 6,205,503	\$ 6,705,503
Total	\$ 73,411,897	\$ 5,427,896	\$ 5,097,714	\$ 6,205,503	\$ 90,143,010

Exhibit L-9

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	47,125	
Social Security		2,922	
Employer Medicare		683	
Dues and Memberships		2,100	
Legal Notices, Recording, and Court Costs		610	
Travel		100	
Food Supplies		1,108	
Office Supplies		875	
Other Charges		524	
Total County Commission			\$ 56,047

Board of Equalization

Board and Committee Members Fees	\$	550	
Social Security		34	
Employer Medicare		8	
Legal Notices, Recording, and Court Costs		42	
Total Board of Equalization			634

Other Boards and Committees

Other Per Diem and Fees	\$	450	
Social Security		28	
Employer Medicare		7	
Total Other Boards and Committees			485

County Mayor/Executive

County Official/Administrative Officer	\$	78,924	
Assistant(s)		32,050	
Clerical Personnel		30,558	
Longevity Pay		550	
Social Security		8,838	
State Retirement		12,702	
Life Insurance		182	
Medical Insurance		14,567	
Dental Insurance		602	
Disability Insurance		782	
Unemployment Compensation		140	
Employer Medicare		2,067	
Communication		510	
Dues and Memberships		2,250	
Maintenance Agreements		810	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Postal Charges	\$	436	
Printing, Stationery, and Forms		523	
Travel		1,059	
Office Supplies		1,406	
Periodicals		857	
Total County Mayor/Executive			\$ 189,813

Personnel Office

County Official/Administrative Officer	\$	65,559	
Clerical Personnel		132,322	
Longevity Pay		900	
Social Security		12,088	
State Retirement		17,771	
Life Insurance		308	
Medical Insurance		23,458	
Dental Insurance		986	
Disability Insurance		1,072	
Unemployment Compensation		350	
Employer Medicare		2,827	
Communication		256	
Legal Notices, Recording, and Court Costs		1,196	
Maintenance Agreements		951	
Postal Charges		1,031	
Printing, Stationery, and Forms		336	
Travel		2,614	
Other Contracted Services		184	
Office Supplies		2,513	
Periodicals		434	
Other Charges		13,805	
Furniture and Fixtures		487	
Total Personnel Office			281,448

County Attorney

County Official/Administrative Officer	\$	47,508
Longevity Pay		1,000
Social Security		3,007
State Retirement		4,337
Life Insurance		59
Medical Insurance		4,856
Dental Insurance		201

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Disability Insurance	\$	261	
Unemployment Compensation		70	
Employer Medicare		703	
Total County Attorney			\$ 62,002

Election Commission

County Official/Administrative Officer	\$	59,016
Clerical Personnel		55,438
Part-time Personnel		12,348
Longevity Pay		1,200
Overtime Pay		79
Other Salaries and Wages		1,510
Election Commission		3,235
Election Workers		67,650
Social Security		9,700
State Retirement		10,481
Life Insurance		182
Medical Insurance		14,567
Dental Insurance		602
Disability Insurance		619
Unemployment Compensation		215
Employer Medicare		2,269
Communication		1,331
Contracts with Public Carriers		4,000
Data Processing Services		3,600
Dues and Memberships		200
Legal Notices, Recording, and Court Costs		7,187
Maintenance Agreements		533
Maintenance and Repair Services - Buildings		416
Maintenance and Repair Services - Equipment		11,385
Pest Control		42
Postal Charges		11,953
Printing, Stationery, and Forms		6,866
Rentals		1,920
Travel		1,727
Data Processing Supplies		1,199
Electricity		3,835
Natural Gas		1,399
Office Supplies		1,510
Other Charges		13

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Equipment	\$	5,832	
Office Equipment		125	
Voting Machines		387,317	
Total Election Commission			\$ 691,501

Register of Deeds

County Official/Administrative Officer	\$	65,574	
Clerical Personnel		145,592	
Longevity Pay		2,150	
Social Security		13,211	
State Retirement		19,034	
Life Insurance		323	
Medical Insurance		28,291	
Dental Insurance		1,170	
Disability Insurance		1,131	
Unemployment Compensation		384	
Employer Medicare		3,090	
Data Processing Services		16,284	
Dues and Memberships		617	
Maintenance Agreements		4,709	
Postal Charges		2,828	
Printing, Stationery, and Forms		60	
Data Processing Supplies		3,039	
Office Supplies		3,026	
Data Processing Equipment		1,317	
Furniture and Fixtures		3,623	
Total Register of Deeds			315,453

Development

County Official/Administrative Officer	\$	94,930	
Secretary(ies)		36,629	
Clerical Personnel		30,181	
Longevity Pay		3,400	
Other Salaries and Wages		94,188	
Social Security		15,994	
State Retirement		15,288	
Life Insurance		367	
Medical Insurance		29,134	
Dental Insurance		1,204	
Disability Insurance		1,358	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Unemployment Compensation	\$	490	
Employer Medicare		3,741	
Communication		762	
Consultants		38,975	
Dues and Memberships		580	
Legal Notices, Recording, and Court Costs		2,898	
Maintenance Agreements		1,420	
Maintenance and Repair Services - Vehicles		1,325	
Postal Charges		2,429	
Printing, Stationery, and Forms		895	
Travel		1,300	
Gasoline		5,625	
Office Supplies		3,606	
Periodicals		559	
Other Charges		5,958	
Furniture and Fixtures		1,294	
Other Equipment		400	
Total Development			\$ 394,930

County Buildings

Supervisor/Director	\$	44,574
Custodial Personnel		63,820
Longevity Pay		5,050
Overtime Pay		1,639
Other Salaries and Wages		155,074
Social Security		16,619
State Retirement		20,730
Life Insurance		479
Medical Insurance		38,844
Dental Insurance		1,605
Disability Insurance		1,342
Unemployment Compensation		707
Employer Medicare		3,887
Communication		2,534
Laundry Service		1,260
Licenses		1,170
Maintenance Agreements		10,476
Maintenance and Repair Services - Buildings		41,618
Maintenance and Repair Services - Equipment		425
Maintenance and Repair Services - Vehicles		819

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Pest Control	\$	2,372	
Rentals		161	
Disposal Fees		11,432	
Other Contracted Services		28,681	
Custodial Supplies		7,280	
Electricity		136,046	
Equipment and Machinery Parts		753	
Gasoline		5,412	
Natural Gas		25,013	
Office Supplies		171	
Small Tools		401	
Other Supplies and Materials		33	
Boiler Insurance		8,738	
Building and Contents Insurance		53,013	
Other Charges		108	
Building Improvements		374	
Other Equipment		416	
Total County Buildings			\$ 693,076

Other General Administration

Audit Services	\$	15,765	
Consultants		5,795	
Dues and Memberships		7,785	
Legal Services		64,584	
Maintenance and Repair Services - Vehicles		1,184	
Remittance of Revenue Collected		1,358	
Gasoline		1,227	
Judgments		13,575	
Liability Insurance		212,960	
Premiums on Corporate Surety Bonds		7,665	
Vehicle and Equipment Insurance		77,505	
Workers' Compensation Insurance		238,666	
Other Charges		1,020	
Total Other General Administration			649,089

Preservation of Records

County Official/Administrative Officer	\$	49,092	
Assistant(s)		27,711	
Part-time Personnel		3,045	
Longevity Pay		250	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	4,928	
State Retirement		6,439	
Life Insurance		111	
Medical Insurance		7,715	
Dental Insurance		318	
Disability Insurance		372	
Unemployment Compensation		259	
Employer Medicare		1,153	
Advertising		471	
Communication		660	
Dues and Memberships		80	
Janitorial Services		2,030	
Maintenance Agreements		3,171	
Maintenance and Repair Services - Equipment		471	
Postal Charges		117	
Printing, Stationery, and Forms		277	
Travel		1,295	
Custodial Supplies		208	
Data Processing Supplies		408	
Library Books/Media		4,462	
Office Supplies		4,436	
Office Equipment		506	
Other Capital Outlay		24,792	
Total Preservation of Records			\$ 144,777

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	72,594
Assistant(s)		44,344
Accountants/Bookkeepers		136,427
Clerical Personnel		104,936
Longevity Pay		4,100
Social Security		22,336
State Retirement		32,296
Life Insurance		474
Medical Insurance		36,849
Dental Insurance		1,522
Disability Insurance		1,714
Unemployment Compensation		641
Employer Medicare		5,224

(Continued)

Exhibit L-9

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

Communication	\$	212	
Dues and Memberships		850	
Legal Notices, Recording, and Court Costs		412	
Licenses		539	
Maintenance Agreements		1,728	
Postal Charges		1,709	
Printing, Stationery, and Forms		558	
Travel		4,890	
Office Supplies		6,192	
Periodicals		945	
Other Charges		106	
Furniture and Fixtures		6,858	
Office Equipment		2,058	
Total Accounting and Budgeting			\$ 490,514

Purchasing

Assistant(s)	\$	46,758	
Longevity Pay		800	
Social Security		2,949	
State Retirement		4,252	
Life Insurance		62	
Medical Insurance		4,856	
Dental Insurance		201	
Disability Insurance		254	
Unemployment Compensation		70	
Employer Medicare		690	
Dues and Memberships		520	
Legal Notices, Recording, and Court Costs		1,685	
Postal Charges		449	
Travel		2,592	
Office Supplies		294	
Total Purchasing			66,432

Property Assessor's Office

County Official/Administrative Officer	\$	65,574	
Clerical Personnel		122,299	
Longevity Pay		4,450	
Other Salaries and Wages		163,878	
In-Service Training		930	
Social Security		21,555	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

State Retirement	\$	21,213	
Life Insurance		583	
Medical Insurance		43,700	
Dental Insurance		1,806	
Disability Insurance		1,812	
Unemployment Compensation		700	
Employer Medicare		5,041	
Audit Services		17,226	
Communication		478	
Data Processing Services		17,478	
Dues and Memberships		1,883	
Maintenance Agreements		984	
Maintenance and Repair Services - Office Equipment		214	
Maintenance and Repair Services - Vehicles		2,993	
Postal Charges		2,732	
Printing, Stationery, and Forms		330	
Travel		5,247	
Data Processing Supplies		1,760	
Gasoline		3,978	
Office Supplies		2,538	
Other Charges		21	
Data Processing Equipment		7,870	
Office Equipment		959	
Other Equipment		785	
Total Property Assessor's Office			\$ 521,017

Reappraisal Program

Clerical Personnel	\$	27,795
Temporary Personnel		16,641
Longevity Pay		1,300
Overtime Pay		306
Other Salaries and Wages		69,484
Social Security		7,143
State Retirement		8,840
Life Insurance		185
Medical Insurance		14,567
Dental Insurance		602
Disability Insurance		545
Unemployment Compensation		325
Employer Medicare		1,670

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Communication	\$	570	
Data Processing Services		9,590	
Maintenance Agreements		484	
Maintenance and Repair Services - Vehicles		571	
Postal Charges		1,001	
Printing, Stationery, and Forms		45	
Travel		1,033	
Data Processing Supplies		623	
Gasoline		978	
Office Supplies		534	
Other Charges		14	
Data Processing Equipment		486	
Other Equipment		430	
Total Reappraisal Program			\$ 165,762

County Trustee's Office

County Official/Administrative Officer	\$	65,574	
Clerical Personnel		124,979	
Temporary Personnel		11,078	
Longevity Pay		3,000	
Social Security		12,376	
State Retirement		17,304	
Life Insurance		306	
Medical Insurance		24,278	
Dental Insurance		1,003	
Disability Insurance		1,053	
Unemployment Compensation		391	
Employer Medicare		2,894	
Data Processing Services		8,614	
Dues and Memberships		797	
Legal Notices, Recording, and Court Costs		160	
Maintenance Agreements		485	
Postal Charges		6,871	
Travel		1,427	
Office Supplies		1,364	
Periodicals		249	
Office Equipment		3,586	
Total County Trustee's Office			287,789

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

State Retirement	\$	41,030	
Life Insurance		885	
Medical Insurance		72,178	
Dental Insurance		2,982	
Disability Insurance		2,618	
Unemployment Compensation		972	
Data Processing Services		11,044	
Dues and Memberships		847	
Maintenance Agreements		1,615	
Postal Charges		23,754	
Printing, Stationery, and Forms		7,808	
Travel		874	
Data Processing Supplies		178	
Office Supplies		6,109	
Periodicals		79	
Other Charges		28	
Furniture and Fixtures		712	
Office Equipment		3,763	
Total County Clerk's Office			\$ 177,476

Data Processing

County Official/Administrative Officer	\$	69,144
Data Processing Personnel		103,230
Longevity Pay		950
Social Security		10,648
State Retirement		15,495
Life Insurance		182
Medical Insurance		9,711
Dental Insurance		401
Disability Insurance		933
Unemployment Compensation		210
Employer Medicare		2,490
Communication		811
Dues and Memberships		178
Postal Charges		172
Travel		684
Data Processing Supplies		194
Office Supplies		166
Periodicals		500
Small Tools		210

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Other Charges	\$ 92	
Total Data Processing		\$ 216,401

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 65,574	
Clerical Personnel	489,590	
Part-time Personnel	24,907	
Longevity Pay	7,450	
Jury and Witness Fees	30,490	
Other Per Diem and Fees	16,150	
Social Security	37,042	
State Retirement	44,602	
Life Insurance	986	
Medical Insurance	79,873	
Dental Insurance	3,289	
Disability Insurance	3,021	
Unemployment Compensation	1,276	
Employer Medicare	8,663	
Data Processing Services	12,615	
Dues and Memberships	587	
Legal Notices, Recording, and Court Costs	356	
Maintenance Agreements	5,315	
Postal Charges	10,760	
Printing, Stationery, and Forms	15,808	
Travel	483	
Office Supplies	7,353	
Periodicals	320	
Other Charges	6,251	
Office Equipment	10,890	
Total Circuit Court		883,651

General Sessions Court

Judge(s)	\$ 397,737
Clerical Personnel	96,554
Temporary Personnel	33,256
Longevity Pay	2,250
Overtime Pay	18
Other Salaries and Wages	114,217
Social Security	34,564

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

State Retirement	\$	53,177	
Life Insurance		526	
Medical Insurance		42,902	
Dental Insurance		1,772	
Disability Insurance		3,157	
Unemployment Compensation		667	
Employer Medicare		9,179	
Communication		5,697	
Dues and Memberships		50	
Licenses		30	
Maintenance Agreements		1,730	
Pest Control		391	
Printing, Stationery, and Forms		888	
Travel		3,024	
Electricity		5,138	
Office Supplies		1,130	
Periodicals		897	
Data Processing Equipment		3,035	
Furniture and Fixtures		5,718	
Office Equipment		720	
Total General Sessions Court			\$ 818,424

Chancery Court

State Retirement	\$	21,465	
Life Insurance		406	
Medical Insurance		32,326	
Dental Insurance		1,338	
Disability Insurance		1,262	
Unemployment Compensation		459	
Data Processing Services		5,890	
Dues and Memberships		587	
Maintenance Agreements		978	
Postal Charges		9,915	
Printing, Stationery, and Forms		5,269	
Travel		969	
Office Supplies		3,179	
Periodicals		514	
Other Charges		218	
Office Equipment		152	
Total Chancery Court			84,927

(Continued)

Exhibit L-9

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		65,708	
Total District Attorney General			\$ 68,208

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	72,138
Deputy(ies)		1,756,059
Investigator(s)		396,485
Captain(s)		131,574
Lieutenant(s)		198,395
Sergeant(s)		361,380
Dispatchers/Radio Operators		167,748
Clerical Personnel		159,411
Part-time Personnel		24,278
Longevity Pay		29,400
Overtime Pay		217,778
In-Service Training		63,166
Social Security		219,427
State Retirement		293,865
Life Insurance		4,920
Medical Insurance		388,187
Dental Insurance		16,556
Disability Insurance		17,433
Unemployment Compensation		6,123
Employer Medicare		51,317
Advertising		59
Communication		20,490
Data Processing Services		45,443
Dues and Memberships		3,205
Laundry Service		109
Maintenance Agreements		7,465
Maintenance and Repair Services - Equipment		831
Maintenance and Repair Services - Office Equipment		152
Maintenance and Repair Services - Vehicles		32,450
Postal Charges		3,650
Printing, Stationery, and Forms		2,073
Travel		41,714
Veterinary Services		196
Other Contracted Services		1,442

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Animal Food and Supplies	\$	384	
Data Processing Supplies		5,301	
Food Supplies		78	
Gasoline		148,722	
Law Enforcement Supplies		28,529	
Lubricants		4,305	
Office Supplies		8,992	
Periodicals		1,804	
Tires and Tubes		10,939	
Uniforms		38,002	
Vehicle Parts		43,514	
Other Charges		406	
Communication Equipment		16,159	
Data Processing Equipment		8,384	
Furniture and Fixtures		200	
Law Enforcement Equipment		18,465	
Office Equipment		336	
Other Equipment		4,233	
Total Sheriff's Department			\$ 5,073,672

Jail

County Official/Administrative Officer	\$	3,024
Maintenance Personnel		34,946
Longevity Pay		5,900
Overtime Pay		202,662
Other Salaries and Wages		1,349,288
Social Security		97,266
State Retirement		134,641
Life Insurance		2,634
Medical Insurance		207,151
Dental Insurance		8,599
Disability Insurance		7,046
Unemployment Compensation		4,012
Employer Medicare		22,748
Communication		9,200
Contracts with Government Agencies		54,648
Contracts with Private Agencies		1,096
Licenses		30
Maintenance Agreements		17,726
Maintenance and Repair Services - Buildings		46,628

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Equipment	\$	1,047	
Maintenance and Repair Services - Vehicles		5,677	
Medical and Dental Services		114,751	
Pest Control		1,632	
Postal Charges		2,703	
Printing, Stationery, and Forms		5,891	
Travel		4,403	
Disposal Fees		1,810	
Other Contracted Services		377	
Custodial Supplies		20,753	
Drugs and Medical Supplies		105,498	
Electricity		108,143	
Food Supplies		183,186	
Gasoline		23,268	
Law Enforcement Supplies		2,106	
Lubricants		598	
Natural Gas		42,381	
Prisoners Clothing		3,672	
Tires and Tubes		1,437	
Uniforms		11,255	
Vehicle Parts		6,802	
Other Charges		160	
Communication Equipment		5,277	
Food Service Equipment		155	
Law Enforcement Equipment		469	
Other Equipment		3,277	
Total Jail			\$ 2,865,973

Juvenile Services

Assistant(s)	\$	23,933
Probation Officer(s)		24,814
Youth Service Officer(s)		42,432
Longevity Pay		500
Social Security		5,612
State Retirement		4,358
Life Insurance		182
Medical Insurance		14,567
Dental Insurance		602
Disability Insurance		493
Unemployment Compensation		210

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Employer Medicare	\$	1,313	
Communication		258	
Dues and Memberships		90	
Postal Charges		80	
Travel		4,502	
Other Contracted Services		177,650	
Drugs and Medical Supplies		259	
Office Supplies		180	
Total Juvenile Services			\$ 302,035

Civil Defense

Contributions	\$	98,275	
Vehicle and Equipment Insurance		30,152	
Total Civil Defense			128,427

Other Emergency Management

Communication	\$	8,143	
Consultants		250	
Data Processing Services		173	
Dues and Memberships		140	
Maintenance Agreements		350	
Maintenance and Repair Services - Vehicles		201	
Postal Charges		9	
Printing, Stationery, and Forms		1,275	
Travel		799	
Other Contracted Services		14,203	
Gasoline		1,218	
Instructional Supplies and Materials		130	
Office Supplies		761	
Periodicals		275	
Small Tools		4,457	
Uniforms		2,522	
Vehicle Parts		8,080	
Chemicals		1,329	
Other Supplies and Materials		5,825	
Vehicle and Equipment Insurance		4,211	
Other Charges		2,532	
Other Equipment		131,227	
Other Capital Outlay		255,000	
Total Other Emergency Management			443,110

(Continued)

Exhibit L-9

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	\$ 10,125		
Total County Coroner/Medical Examiner		\$	10,125

Public Safety Grant Programs

Uniforms	\$ 5,989		
Law Enforcement Equipment	6,685		
Total Public Safety Grant Programs			12,674

Public Health and Welfare

Local Health Center

Medical Personnel	\$ 242,070
Clerical Personnel	76,817
Part-time Personnel	42,311
Longevity Pay	800
Social Security	22,261
State Retirement	27,748
Life Insurance	631
Medical Insurance	49,709
Dental Insurance	2,023
Disability Insurance	1,444
Unemployment Compensation	1,717
Employer Medicare	5,206
Communication	10,825
Dues and Memberships	420
Janitorial Services	16,210
Maintenance Agreements	831
Maintenance and Repair Services - Buildings	1,494
Maintenance and Repair Services - Equipment	643
Maintenance and Repair Services - Office Equipment	1,017
Medical and Dental Services	1,372
Pest Control	391
Postal Charges	9
Printing, Stationery, and Forms	117
Rentals	26,400
Travel	6,471
Other Contracted Services	248
Electricity	14,955
Natural Gas	6,449
Office Supplies	1,796
Other Supplies and Materials	3

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Liability Insurance	\$	196	
Workers' Compensation Insurance		2,388	
Other Charges		60	
Office Equipment		3,829	
Total Local Health Center			\$ 568,861

Rabies and Animal Control

Part-time Personnel	\$	9,189	
Longevity Pay		500	
Other Salaries and Wages		60,403	
Social Security		4,202	
State Retirement		2,581	
Life Insurance		123	
Medical Insurance		9,711	
Dental Insurance		401	
Disability Insurance		325	
Unemployment Compensation		199	
Employer Medicare		983	
Advertising		385	
Communication		1,300	
Maintenance and Repair Services - Vehicles		1,699	
Printing, Stationery, and Forms		179	
Travel		150	
Drugs and Medical Supplies		1,733	
Gasoline		5,597	
Law Enforcement Supplies		64	
Office Supplies		13	
Other Supplies and Materials		129	
Other Charges		126,151	
Communication Equipment		127	
Total Rabies and Animal Control			226,144

Regional Mental Health Center

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

Appropriation to State

Contracts with Government Agencies	\$	69,900	
Total Appropriation to State			69,900

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Other Contracted Services	\$ 13,098	
Total Other Local Welfare Services		\$ 13,098

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

County Official/Administrative Officer	\$ 45,120
Librarians	196,698
Part-time Personnel	54,646
Longevity Pay	3,850
Social Security	18,201
State Retirement	23,216
Life Insurance	582
Medical Insurance	46,018
Dental Insurance	1,900
Disability Insurance	1,368
Unemployment Compensation	1,011
Employer Medicare	4,257
Communication	2,611
Data Processing Services	619
Janitorial Services	4,466
Licenses	400
Maintenance Agreements	6,670
Maintenance and Repair Services - Buildings	8,566
Maintenance and Repair Services - Equipment	1,054
Pest Control	646
Postal Charges	911
Printing, Stationery, and Forms	911
Travel	151
Other Contracted Services	204
Custodial Supplies	2,582
Electricity	24,300
Food Supplies	65
Instructional Supplies and Materials	2,053
Library Books/Media	39,076
Natural Gas	3,636
Office Supplies	6,701

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Periodicals	\$	5,905	
Building and Contents Insurance		891	
Liability Insurance		237	
Other Charges		274	
Data Processing Equipment		6,416	
Furniture and Fixtures		1,089	
Office Equipment		980	
Other Capital Outlay		35,066	
Total Libraries			\$ 553,347

Parks and Fair Boards

County Official/Administrative Officer	\$	61,698
Assistant(s)		67,086
Laborers		117,247
Temporary Personnel		54,780
Longevity Pay		2,000
Overtime Pay		5,361
Social Security		18,994
State Retirement		21,938
Life Insurance		389
Medical Insurance		31,329
Dental Insurance		1,296
Disability Insurance		1,242
Unemployment Compensation		1,098
Employer Medicare		4,442
Communication		1,691
Dues and Memberships		475
Laundry Service		2,690
Licenses		500
Maintenance Agreements		533
Maintenance and Repair Services - Buildings		1,769
Maintenance and Repair Services - Equipment		4,902
Maintenance and Repair Services - Vehicles		8,562
Medical and Dental Services		30
Pest Control		646
Postal Charges		211
Printing, Stationery, and Forms		183
Rentals		589
Travel		1,551
Other Contracted Services		12,945

(Continued)

Exhibit L-9

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.)

Custodial Supplies	\$	5,454	
Electricity		60,278	
Equipment Parts - Light		1,000	
Fertilizer, Lime, and Seed		6,070	
Gasoline		15,596	
Lubricants		1,132	
Natural Gas		7,811	
Office Supplies		248	
Uniforms		620	
Other Supplies and Materials		15,925	
Other Charges		10	
Building Improvements		1,061	
Furniture and Fixtures		424	
Site Development		1,019	
Other Capital Outlay		41,537	
Total Parks and Fair Boards			\$ 584,362

Agriculture and Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	200	
Social Security		12	
Employer Medicare		3	
Communication		184	
Contracts with Government Agencies		100,826	
Postal Charges		168	
Total Agriculture Extension Service			101,393

Forest Service

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

Soil Conservation

Other Salaries and Wages	\$	30,181	
Social Security		1,871	
State Retirement		2,698	
Life Insurance		59	
Medical Insurance		4,856	
Dental Insurance		201	
Disability Insurance		151	
Unemployment Compensation		70	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Employer Medicare	\$ 438	
Total Soil Conservation		\$ 40,525

Other Operations

Tourism

County Official/Administrative Officer	\$ 62,791	
Part-time Personnel	17,475	
Longevity Pay	1,350	
Other Salaries and Wages	75,032	
Social Security	9,675	
State Retirement	12,141	
Life Insurance	164	
Medical Insurance	13,303	
Dental Insurance	552	
Disability Insurance	683	
Unemployment Compensation	426	
Employer Medicare	2,263	
Advertising	48,778	
Communication	453	
Dues and Memberships	3,165	
Maintenance Agreements	396	
Maintenance and Repair Services - Vehicles	2,140	
Postal Charges	5,737	
Printing, Stationery, and Forms	9,002	
Rentals	50	
Travel	5,850	
Other Contracted Services	35,553	
Electricity	390	
Gasoline	898	
Natural Gas	244	
Office Supplies	1,949	
Periodicals	234	
Other Supplies and Materials	10,671	
Other Charges	10,810	
Furniture and Fixtures	489	
Total Tourism		332,664

Industrial Development

Contributions	\$ 150,000	
Electricity	1,579	
Total Industrial Development		151,579

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Contracted Services	\$	2,696	
Other Charges		<u>1,239</u>	
Total Other Economic and Community Development	\$		3,935

Airport

Contributions	\$	<u>30,000</u>	
Total Airport			30,000

Veterans' Services

Clerical Personnel	\$	29,102	
Part-time Personnel		18,318	
Longevity Pay		800	
Social Security		2,990	
State Retirement		2,673	
Life Insurance		62	
Medical Insurance		4,856	
Dental Insurance		201	
Disability Insurance		158	
Unemployment Compensation		140	
Employer Medicare		699	
Dues and Memberships		25	
Maintenance Agreements		385	
Postal Charges		302	
Travel		471	
Office Supplies		<u>232</u>	
Total Veterans' Services			61,414

Contributions to Other Agencies

Contributions	\$	<u>120,966</u>	
Total Contributions to Other Agencies			120,966

Employee Benefits

Medical and Dental Services	\$	<u>13,757</u>	
Total Employee Benefits			13,757

Miscellaneous

Other Contracted Services	\$	17,374	
Trustee's Commission		216,058	
Tax Relief Program		<u>94,633</u>	
Total Miscellaneous			<u>328,065</u>

Total General Fund \$ 19,339,882

(Continued)

Exhibit L-9

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

Special Purpose Fund

Finance

Data Processing

Communication	\$	62,969	
Data Processing Services		8,412	
Maintenance Agreements		28,848	
Maintenance and Repair Services - Equipment		151	
Data Processing Supplies		9,184	
Other Charges		93	
Data Processing Equipment		111,695	
Other Capital Outlay		<u>797</u>	
Total Data Processing	\$		222,149

Social, Cultural, and Recreational Services

Parks and Fair Boards

Other Capital Outlay	\$	<u>123,228</u>	
Total Parks and Fair Boards			123,228

Other Operations

Contributions to Other Agencies

Contributions	\$	<u>117,500</u>	
Total Contributions to Other Agencies			117,500

Payments to Cities

Contracts with Government Agencies	\$	<u>250,000</u>	
Total Payments to Cities			250,000

Miscellaneous

Consultants	\$	9,771	
Trustee's Commission		22,688	
Motor Vehicles		<u>17,866</u>	
Total Miscellaneous			50,325

Principal on Debt

Education

Principal on Capital Leases	\$	<u>112,202</u>	
Total Education			112,202

Interest on Debt

Education

Interest on Capital Leases	\$	<u>12,798</u>	
Total Education			12,798

(Continued)

Exhibit L-9

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

Special Purpose Fund (Cont.)

Capital Projects

General Administration Projects

Architects	\$	3,570	
Engineering Services		7,362	
Motor Vehicles		243,286	
Other Equipment		4,560	
Other Capital Outlay		101,213	
Total General Administration Projects			\$ 359,991

Capital Projects - Donated

Capital Projects Donated to School Department

Data Processing Equipment	\$	355,638	
Total Capital Projects Donated to School Department			<u>355,638</u>

Total Special Purpose Fund \$ 1,603,831

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	4,300	
Data Processing Services		600	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		285	
Maintenance and Repair Services - Vehicles		2,237	
Rentals		16,800	
Travel		5,304	
Other Contracted Services		85	
Electricity		5,219	
Gasoline		11,122	
Instructional Supplies and Materials		5,462	
Law Enforcement Supplies		763	
Office Supplies		23	
Tires and Tubes		457	
Uniforms		2,000	
Vehicle Parts		285	
Trustee's Commission		1,069	
Other Charges		8,623	
Data Processing Equipment		1,317	
Law Enforcement Equipment		463	
Motor Vehicles		22,448	
Total Drug Enforcement			<u>\$ 96,862</u>

Total Drug Control Fund 96,862

(Continued)

Exhibit L-9

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

Adequate Facilities/Development Tax Fund

Capital Projects

General Administration Projects

Architects	\$	7,278	
Building Construction		457	
Other Equipment		393	
Total General Administration Projects	\$		8,128

Public Safety Projects

Motor Vehicles	\$	279,000	
Total Public Safety Projects			279,000

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$	141,087	
Total Social, Cultural, and Recreation Projects			141,087

Other General Government Projects

Engineering Services	\$	1,718	
Other Equipment		1,725	
Total Other General Government Projects			3,443

Highway and Street Capital Projects

Highway Construction	\$	919,371	
Highway Equipment		58,757	
Other Capital Outlay		9,479	
Total Highway and Street Capital Projects			987,607

Total Adequate Facilities/Development Tax Fund \$ 1,419,265

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	457,793	
Total County Clerk's Office	\$		457,793

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	259,734	
Total Chancery Court			259,734

Total Constitutional Officers - Fees Fund 717,527

(Continued)

Exhibit L-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	72,138	
Clerical Personnel		26,695	
Longevity Pay		1,200	
Other Salaries and Wages		43,836	
Social Security		8,912	
State Retirement		12,862	
Life Insurance		182	
Medical Insurance		14,567	
Dental Insurance		602	
Disability Insurance		784	
Unemployment Compensation		140	
Employer Medicare		2,084	
Dues and Memberships		3,868	
Maintenance Agreements		506	
Maintenance and Repair Services - Office Equipment		222	
Postal Charges		359	
Printing, Stationery, and Forms		431	
Travel		1,048	
Office Supplies		1,857	
Other Charges		110	
Furniture and Fixtures		852	
Office Equipment		1,611	
Total Administration			\$ 194,866

Highway and Bridge Maintenance

Foremen	\$	62,088
Mechanic(s)		186,525
Equipment Operators - Heavy		403,921
Equipment Operators - Light		327,958
Truck Drivers		383,734
Laborers		50,340
Guards		63,013
Longevity Pay		20,600
Overtime Pay		14,527
Other Salaries and Wages		130,019
Social Security		100,512
State Retirement		127,768
Life Insurance		2,860
Medical Insurance		225,751
Dental Insurance		9,530

(Continued)

Exhibit L-9

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	\$	8,189	
Unemployment Compensation		9,781	
Employer Medicare		22,426	
Rentals		2,973	
Other Contracted Services		40	
Asphalt		168,941	
Concrete		9,849	
Crushed Stone		296,266	
Other Road Supplies		6,396	
Pipe		29,314	
Road Signs		11,291	
Salt		3,180	
Wood Products		858	
Other Charges		27	
Total Highway and Bridge Maintenance			\$ 2,678,677

Operation and Maintenance of Equipment

Communication	\$	3,962	
Maintenance Agreements		894	
Maintenance and Repair Services - Buildings		5,722	
Maintenance and Repair Services - Equipment		9,458	
Maintenance and Repair Services - Vehicles		12,026	
Diesel Fuel		300,414	
Equipment and Machinery Parts		82,781	
Garage Supplies		9,280	
Gasoline		35,815	
Lubricants		17,595	
Small Tools		8,624	
Tires and Tubes		54,326	
Vehicle Parts		88,899	
Other Supplies and Materials		20,424	
Right-of-Way		5,407	
Total Operation and Maintenance of Equipment			655,627

Other Charges

Communication	\$	4,674
Contributions		20,000
Laundry Service		14,470
Pest Control		357
Disposal Fees		493

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Electricity	\$	11,042	
Natural Gas		3,150	
Uniforms		990	
Building and Contents Insurance		1,748	
Liability Insurance		79,088	
Trustee's Commission		64,725	
Vehicle and Equipment Insurance		43,517	
Workers' Compensation Insurance		161,210	
Other Charges		<u>18,569</u>	
Total Other Charges	\$		424,033

Employee Benefits

Medical and Dental Services	\$	<u>876</u>	
Total Employee Benefits			876

Capital Outlay

Bridge Construction	\$	266,719	
Data Processing Equipment		4,170	
Highway Construction		399,129	
Motor Vehicles		<u>22,432</u>	
Total Capital Outlay			692,450

Capital Projects

Highway and Street Capital Projects

Other Capital Outlay	\$	<u>212,000</u>	
Total Highway and Street Capital Projects			<u>212,000</u>

Total Highway/Public Works Fund \$ 4,858,529

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	643,601	
Principal on Notes		<u>293,333</u>	
Total General Government	\$		936,934

Highways and Streets

Principal on Bonds	\$	296,967	
Principal on Notes		<u>180,000</u>	
Total Highways and Streets			476,967

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 2,883,254	
Principal on Notes	<u>1,583,902</u>	
Total Education		\$ 4,467,156

Interest on Debt

General Government

Interest on Bonds	\$ 269,871	
Interest on Notes	<u>99,196</u>	
Total General Government		369,067

Highways and Streets

Interest on Bonds	\$ 52,892	
Interest on Notes	<u>8,342</u>	
Total Highways and Streets		61,234

Education

Interest on Bonds	\$ 1,699,324	
Interest on Notes	<u>146,045</u>	
Total Education		1,845,369

Other Debt Service

General Government

Bank Charges	\$ 1,481	
Trustee's Commission	<u>137,961</u>	
Total General Government		139,442

Capital Projects

Other General Government Projects

Land	\$ <u>434,856</u>	
Total Other General Government Projects		434,856

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ <u>30,428</u>	
Total Capital Projects Donated to School Department		<u>30,428</u>

Total General Debt Service Fund \$ 8,761,453

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund</u>			
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Motor Vehicles	\$ 357,486		
Total Sheriff's Department		\$	357,486
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Other Contracted Services	\$ 44,480		
Underwriter's Discount	23,182		
Other Debt Issuance Charges	<u>50,775</u>		
Total General Administration Projects			118,437
<u>Public Safety Projects</u>			
Architects	\$ 182,374		
Motor Vehicles	3,429		
Other Capital Outlay	<u>17,965</u>		
Total Public Safety Projects			203,768
<u>Public Health and Welfare Projects</u>			
Architects	\$ 59,961		
Contracts with Other Public Agencies	151		
Building Construction	3,405,096		
Other Capital Outlay	<u>62,634</u>		
Total Public Health and Welfare Projects			3,527,842
<u>Other General Government Projects</u>			
Other Capital Outlay	\$ 3,350		
Total Other General Government Projects			<u>3,350</u>
Total General Capital Projects Fund		\$	4,210,883
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Underwriter's Discount	\$ 945		
Other Debt Issuance Charges	1,957		
Motor Vehicles	<u>359,250</u>		
Total Highway and Street Capital Projects		\$	<u>362,152</u>
Total Highway Capital Projects Fund			362,152
<u>Education Capital Projects Fund</u>			
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$ 6,799,825		
Underwriter's Discount	17,107		
Other Debt Issuance Charges	<u>37,405</u>		
Total Capital Projects Donated to School Department		\$	<u>6,854,337</u>
Total Education Capital Projects Fund			<u>6,854,337</u>
Total Governmental Funds - Primary Government		\$	<u><u>48,224,721</u></u>

Exhibit L-10

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,665,463	
Career Ladder Program	384,464	
Career Ladder Extended Contracts	210,900	
Homebound Teachers	51,169	
Educational Assistants	813,877	
Certified Substitute Teachers	104,520	
Non-certified Substitute Teachers	269,870	
Social Security	1,718,863	
State Retirement	1,727,478	
Life Insurance	52,206	
Medical Insurance	4,143,444	
Dental Insurance	136,547	
Employer Medicare	399,067	
Other Contracted Services	1,000	
Instructional Supplies and Materials	353,377	
Textbooks	406,379	
Other Supplies and Materials	18,205	
Fee Waivers	84,578	
Regular Instruction Equipment	101,069	
Total Regular Instruction Program		\$ 37,642,476

Alternative Instruction Program

Teachers	\$ 236,466	
Educational Assistants	26,015	
Certified Substitute Teachers	225	
Social Security	16,201	
State Retirement	16,822	
Life Insurance	619	
Medical Insurance	34,284	
Dental Insurance	1,264	
Employer Medicare	3,789	
Instructional Supplies and Materials	478	
Total Alternative Instruction Program		336,163

Special Education Program

Teachers	\$ 4,179,329
Career Ladder Program	50,961
Homebound Teachers	53,382
Educational Assistants	617,935

(Continued)

Exhibit L-10

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.)

Other Salaries and Wages	\$	37,771	
Certified Substitute Teachers		2,425	
Non-certified Substitute Teachers		9,875	
Social Security		299,239	
State Retirement		311,963	
Life Insurance		9,791	
Medical Insurance		633,538	
Dental Insurance		23,177	
Employer Medicare		69,983	
Contracts with Other Public Agencies		12,007	
Contracts with Private Agencies		124,136	
Operating Lease Payments		1,876	
Maintenance and Repair Services - Equipment		717	
Other Contracted Services		52,022	
Instructional Supplies and Materials		47,276	
Other Supplies and Materials		14,495	
Other Charges		4,462	
Special Education Equipment		46,674	
Total Special Education Program			\$ 6,603,034

Vocational Education Program

Teachers	\$	1,904,059	
Career Ladder Program		15,309	
Certified Substitute Teachers		3,950	
Non-certified Substitute Teachers		9,365	
Social Security		115,553	
State Retirement		116,469	
Life Insurance		3,804	
Medical Insurance		207,818	
Dental Insurance		7,114	
Employer Medicare		27,025	
Maintenance and Repair Services - Equipment		6,436	
Instructional Supplies and Materials		54,753	
Textbooks		7,303	
Other Supplies and Materials		8,327	
Other Charges		1,077	
Vocational Instruction Equipment		25,288	
Total Vocational Education Program			2,513,650

(Continued)

Exhibit L-10

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

Attendance

Supervisor/Director	\$	73,624	
Career Ladder Program		1,000	
Social Workers		28,963	
Clerical Personnel		104,993	
Other Salaries and Wages		89,950	
Social Security		18,218	
State Retirement		24,721	
Life Insurance		884	
Medical Insurance		43,608	
Dental Insurance		1,887	
Employer Medicare		4,261	
Communication		1,272	
Travel		3,065	
Other Contracted Services		1,225	
Other Supplies and Materials		15,863	
In Service/Staff Development		1,473	
Other Charges		6,270	
Attendance Equipment		5,967	
Total Attendance			\$ 427,244

Health Services

Medical Personnel	\$	176,586	
Social Security		10,739	
State Retirement		11,535	
Life Insurance		445	
Medical Insurance		24,909	
Dental Insurance		565	
Employer Medicare		2,512	
Communication		4,131	
Travel		4,665	
Drugs and Medical Supplies		5,231	
Other Supplies and Materials		817	
In Service/Staff Development		2,030	
Total Health Services			244,165

Other Student Support

Career Ladder Program	\$	18,700	
Guidance Personnel		1,210,732	
Social Security		74,921	

(Continued)

Exhibit L-10

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.)

Other Student Support (Cont.)

State Retirement	\$	75,365	
Life Insurance		2,277	
Medical Insurance		114,520	
Dental Insurance		4,457	
Employer Medicare		17,523	
Evaluation and Testing		25,373	
Postal Charges		98	
Travel		14,725	
Other Contracted Services		660	
Other Supplies and Materials		535	
Total Other Student Support			\$ 1,559,886

Regular Instruction Program

Supervisor/Director	\$	238,155	
Career Ladder Program		26,900	
Librarians		947,712	
Secretary(ies)		30,266	
Clerical Personnel		29,362	
Educational Assistants		143,325	
Certified Substitute Teachers		6,125	
Social Security		85,636	
State Retirement		88,419	
Life Insurance		2,990	
Medical Insurance		161,698	
Dental Insurance		4,887	
Employer Medicare		20,028	
Communication		44,796	
Travel		42,481	
Other Contracted Services		82,014	
Library Books/Media		101,411	
Periodicals		38,825	
Other Supplies and Materials		32,338	
In Service/Staff Development		21,849	
Other Charges		15,639	
Other Equipment		36,016	
Total Regular Instruction Program			2,200,872

Alternative Instruction Program

Supervisor/Director	\$	67,672	
---------------------	----	--------	--

(Continued)

Exhibit L-10

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.)

Alternative Instruction Program (Cont.)

Career Ladder Program	\$	1,000	
Guidance Personnel		26,680	
Clerical Personnel		21,653	
Social Security		7,226	
State Retirement		8,531	
Life Insurance		267	
Medical Insurance		14,353	
Dental Insurance		565	
Employer Medicare		1,690	
Communication		2,503	
Travel		931	
Other Supplies and Materials		342	
In Service/Staff Development		375	
Other Equipment		925	
Total Alternative Instruction Program			\$ 154,713

Special Education Program

Supervisor/Director	\$	75,869	
Career Ladder Program		10,227	
Psychological Personnel		319,322	
Assessment Personnel		202,925	
Secretary(ies)		29,562	
Clerical Personnel		11,805	
Other Salaries and Wages		62,144	
Social Security		43,074	
State Retirement		43,801	
Life Insurance		1,172	
Medical Insurance		63,667	
Dental Insurance		2,259	
Employer Medicare		10,074	
Communication		2,066	
Consultants		463	
Travel		29,897	
Other Supplies and Materials		12,767	
In Service/Staff Development		17,167	
Other Charges		569	
Total Special Education Program			938,830

(Continued)

Exhibit L-10

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.)

Vocational Education Program

Supervisor/Director	\$	64,197	
Career Ladder Program		4,000	
Clerical Personnel		20,700	
Social Security		5,512	
State Retirement		6,031	
Life Insurance		178	
Medical Insurance		9,710	
Dental Insurance		376	
Employer Medicare		1,289	
Communication		689	
Travel		11,169	
Other Contracted Services		15,353	
Other Supplies and Materials		5,770	
In Service/Staff Development		11,527	
Other Charges		1,433	
Total Vocational Education Program			\$ 157,934

Board of Education

Secretary to Board	\$	1,792	
Other Salaries and Wages		1,133	
Board and Committee Members Fees		11,000	
Social Security		8,194	
State Retirement		203	
Unemployment Compensation		108,598	
Employer Medicare		1,917	
Other Fringe Benefits		721,378	
Audit Services		19,272	
Dues and Memberships		8,132	
Legal Services		20,966	
Travel		299	
Liability Insurance		18,000	
Premiums on Corporate Surety Bonds		700	
Trustee's Commission		602,502	
Workers' Compensation Insurance		412,924	
Other Charges		8,952	
Total Board of Education			1,945,962

Director of Schools

County Official/Administrative Officer	\$	104,368	
--	----	---------	--

(Continued)

Exhibit L-10

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.)

Director of Schools (Cont.)

Secretary(ies)	\$	30,366	
Clerical Personnel		29,812	
Social Security		9,722	
State Retirement		11,778	
Life Insurance		267	
Medical Insurance		14,776	
Dental Insurance		662	
Employer Medicare		2,364	
Communication		1,127	
Dues and Memberships		5,972	
Postal Charges		13,506	
Travel		2,729	
Office Supplies		1,499	
In Service/Staff Development		125	
Other Charges		1,179	
Total Director of Schools			\$ 230,252

Office of the Principal

Principals	\$	1,496,138	
Career Ladder Program		45,668	
Career Ladder Extended Contracts		5,700	
Assistant Principals		1,017,170	
Secretary(ies)		524,606	
Clerical Personnel		617,770	
Social Security		224,926	
State Retirement		249,878	
Life Insurance		5,831	
Medical Insurance		401,185	
Dental Insurance		14,002	
Employer Medicare		52,631	
Communication		68,021	
Other Contracted Services		51,123	
Office Supplies		17,730	
Total Office of the Principal			4,792,379

Fiscal Services

Supervisor/Director	\$	72,000
Accountants/Bookkeepers		199,524
Clerical Personnel		32,638

(Continued)

Exhibit L-10

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.)

Fiscal Services (Cont.)

Social Security	\$	18,704	
State Retirement		27,192	
Life Insurance		771	
Medical Insurance		38,838	
Dental Insurance		1,475	
Employer Medicare		4,374	
Maintenance and Repair Services - Equipment		2,116	
Travel		2,662	
Other Contracted Services		23,760	
Office Supplies		14,862	
In Service/Staff Development		2,072	
Other Charges		3,464	
Administration Equipment		14,963	
Total Fiscal Services			\$ 459,415

Human Services/Personnel

Supervisor/Director	\$	79,894	
Clerical Personnel		79,443	
Social Security		9,879	
State Retirement		12,000	
Life Insurance		546	
Medical Insurance		16,575	
Dental Insurance		632	
Employer Medicare		2,310	
Advertising		1,491	
Communication		760	
Travel		893	
Other Contracted Services		16,003	
Office Supplies		2,489	
In Service/Staff Development		225	
Other Charges		12,452	
Administration Equipment		2,062	
Total Human Services/Personnel			237,654

Operation of Plant

Custodial Personnel	\$	1,382,468	
Social Security		85,069	
State Retirement		95,139	
Life Insurance		4,570	

(Continued)

Exhibit L-10

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.)

Medical Insurance	\$	339,439	
Dental Insurance		12,527	
Employer Medicare		19,895	
Rentals		26,571	
Disposal Fees		60,077	
Other Contracted Services		56,271	
Custodial Supplies		119,941	
Electricity		1,897,441	
Natural Gas		610,800	
Water and Sewer		180,600	
Building and Contents Insurance		269,844	
Total Operation of Plant			\$ 5,160,652

Maintenance of Plant

Secretary(ies)	\$	23,520	
Maintenance Personnel		529,342	
Social Security		33,462	
State Retirement		47,098	
Life Insurance		1,723	
Medical Insurance		80,832	
Dental Insurance		3,230	
Employer Medicare		7,826	
Communication		5,825	
Laundry Service		10,069	
Maintenance and Repair Services - Buildings		9,773	
Maintenance and Repair Services - Equipment		64,930	
Maintenance and Repair Services - Vehicles		14,832	
Other Contracted Services		20,101	
Other Supplies and Materials		174,878	
Other Charges		572	
Maintenance Equipment		51,307	
Total Maintenance of Plant			1,079,320

Transportation

Supervisor/Director	\$	38,632	
Bus Drivers		1,025,866	
Clerical Personnel		51,806	
Other Salaries and Wages		313,250	
Social Security		87,832	

(Continued)

Exhibit L-10

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.)

State Retirement	\$	104,769	
Life Insurance		7,136	
Medical Insurance		461,830	
Dental Insurance		17,004	
Employer Medicare		20,538	
Communication		746	
Travel		257	
Other Contracted Services		193,564	
Diesel Fuel		438,908	
Tires and Tubes		85,986	
Vehicle Parts		176,584	
Other Supplies and Materials		1,038	
Vehicle and Equipment Insurance		132,158	
In Service/Staff Development		1,441	
Other Charges		27,818	
Transportation Equipment		13,410	
Total Transportation			\$ 3,200,573

Central and Other

Supervisor/Director	\$	77,611	
Other Salaries and Wages		317,542	
Social Security		23,976	
State Retirement		32,604	
Life Insurance		802	
Medical Insurance		37,267	
Dental Insurance		1,445	
Employer Medicare		5,607	
Communication		9,195	
Maintenance and Repair Services - Equipment		5,114	
Travel		274	
Other Contracted Services		67,467	
Office Supplies		306	
Other Supplies and Materials		184,063	
In Service/Staff Development		2,800	
Administration Equipment		3,877	
Data Processing Equipment		242,455	
Total Central and Other			1,012,405

(Continued)

Exhibit L-10

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

Building Improvements	\$ 2,383,988	
Total Regular Capital Outlay		\$ 2,383,988

Total General Purpose School Fund \$ 73,281,567

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,150,066	
Educational Assistants	178,921	
Certified Substitute Teachers	60,890	
Social Security	84,673	
State Retirement	70,399	
Life Insurance	2,155	
Medical Insurance	117,351	
Dental Insurance	4,111	
Unemployment Compensation	4,094	
Employer Medicare	19,784	
Maintenance and Repair Services - Equipment	350	
Other Contracted Services	8,045	
Instructional Supplies and Materials	146,467	
Other Supplies and Materials	5,767	
Regular Instruction Equipment	23,669	
Total Regular Instruction Program		\$ 1,876,742

Special Education Program

Teachers	\$ 144,310
Educational Assistants	614,527
Other Salaries and Wages	112,692
Certified Substitute Teachers	7,425
Non-certified Substitute Teachers	13,425
Social Security	54,594
State Retirement	66,809
Life Insurance	4,332
Medical Insurance	212,306
Dental Insurance	8,310
Unemployment Compensation	6,005
Employer Medicare	12,761
Contracts with Private Agencies	198,085

(Continued)

Exhibit L-10

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.)

Maintenance and Repair Services - Equipment	\$	2,528	
Other Contracted Services		161,339	
Instructional Supplies and Materials		150,802	
Other Supplies and Materials		66,039	
Special Education Equipment		146,322	
Total Special Education Program	\$		1,982,611

Vocational Education Program

Travel	\$	10,000	
Instructional Supplies and Materials		108,456	
Vocational Instruction Equipment		123,805	
Total Vocational Education Program			242,261

Support Services

Other Student Support

Evaluation and Testing	\$	121	
Travel		12,543	
Other Contracted Services		2,645	
Other Supplies and Materials		13,371	
In Service/Staff Development		10,575	
Other Charges		1,059	
Total Other Student Support			40,314

Regular Instruction Program

Supervisor/Director	\$	78,894	
Clerical Personnel		7,745	
Other Salaries and Wages		190,698	
Social Security		16,456	
State Retirement		16,338	
Life Insurance		402	
Medical Insurance		22,516	
Dental Insurance		817	
Unemployment Compensation		428	
Employer Medicare		3,849	
Travel		11,086	
Instructional Supplies and Materials		1,177	
Library Books/Media		5,958	
Other Supplies and Materials		24,874	
In Service/Staff Development		204,717	

(Continued)

Exhibit L-10

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 Charges	\$ 1,025	
Other Equipment	5,311	
Total Regular Instruction Program	\$ 592,291	

Special Education Program

Psychological Personnel	\$ 130,993	
Clerical Personnel	29,812	
Other Salaries and Wages	54,375	
Social Security	13,245	
State Retirement	13,824	
Life Insurance	557	
Medical Insurance	32,196	
Dental Insurance	692	
Unemployment Compensation	472	
Employer Medicare	3,100	
Consultants	12,306	
Travel	6,396	
Other Supplies and Materials	11,041	
In Service/Staff Development	43,150	
Other Charges	1,700	
Total Special Education Program	353,859	

Maintenance of Plant

Other Charges	\$ 300	
Total Maintenance of Plant	300	

Transportation

Bus Drivers	\$ 118,629	
Other Salaries and Wages	122,402	
Social Security	14,637	
State Retirement	16,797	
Life Insurance	1,331	
Medical Insurance	84,621	
Dental Insurance	3,079	
Unemployment Compensation	1,587	
Employer Medicare	3,424	
Total Transportation	366,507	

Total School Federal Projects Fund	\$ 5,454,885
------------------------------------	--------------

(Continued)

Exhibit L-10

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	\$ 49,000	
Total Board of Education		\$ 49,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 68,104	
Accountants/Bookkeepers	59,932	
Clerical Personnel	29,571	
Cafeteria Personnel	924,497	
Temporary Personnel	43,298	
Longevity Pay	44,950	
Other Salaries and Wages	563,054	
Social Security	106,237	
State Retirement	125,565	
Life Insurance	9,107	
Medical Insurance	397,667	
Dental Insurance	14,883	
Unemployment Compensation	10,274	
Employer Medicare	24,846	
Maintenance and Repair Services - Equipment	39,607	
Travel	9,680	
Other Contracted Services	36,949	
Food Preparation Supplies	218,152	
Food Supplies	2,104,643	
Office Supplies	10,482	
Other Supplies and Materials	1,475	
In Service/Staff Development	6,200	
Other Charges	75	
Food Service Equipment	59,146	
Total Food Service		<u>4,908,394</u>

Total Central Cafeteria Fund \$ 4,957,394

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 67,227
Engineering Services	146,838
Other Contracted Services	25,000

(Continued)

Exhibit L-10

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

Education Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Education Capital Projects (Cont.)

Building Construction	\$ 1,353,625	
Building Improvements	624,037	
Communication Equipment	75,022	
Data Processing Equipment	3,476	
Furniture and Fixtures	447,373	
Heating and Air Conditioning Equipment	8,340	
Office Equipment	21,653	
Site Development	8,001	
Transportation Equipment	652,020	
Other Capital Outlay	<u>1,686,851</u>	
Total Education Capital Projects		<u>\$ 5,119,463</u>

Total Education Capital Projects Fund \$ 5,119,463

Total Governmental Funds - Maury County School Department \$ 88,813,309

Exhibit L-11

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2007

	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	\$ 1,716,289
Total Charges for Current Services	<u>\$ 1,716,289</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 1,465
Sale of Equipment	3,200
Total Other Local Revenues	<u>\$ 4,665</u>
Total Revenues	<u>\$ 1,720,954</u>
<u>Other Sources</u>	
Transfers In	<u>\$ 33,250</u>
Total Revenues and Other Sources	<u>\$ 1,754,204</u>
<u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 59,700
Mechanic(s)	213,956
Clerical Personnel	38,524
Longevity Pay	5,450
Overtime	2,392
Social Security	19,138
State Retirement	28,610
Life Insurance	493
Medical Insurance	38,844
Dental Insurance	1,605
Disability Insurance	1,720
Unemployment Compensation	560
Employer Medicare	4,476
Communication	948
Laundry Service	3,851
Maintenance Agreements	2,674
Maintenance and Repair Services - Building	850
Maintenance and Repair Services - Equipment	3,374

(Continued)

Exhibit L-11

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
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>	
Maintenance and Repair Services - Office Equipment	\$ 186
Postal Charges	323
Printing, Stationery, and Forms	96
Disposal Fees	747
Other Contracted Services	31,968
Custodial Supplies	42
Diesel Fuel	632,465
Electricity	25,038
Equipment and Machinery Parts	191,569
Garage Supplies	1,670
Gasoline	320,920
Lubricants	8,791
Natural Gas	11,462
Office Supplies	1,061
Small Tools	859
Tires and Tubes	72,275
Depreciation	4,830
Data Processing Equipment	240
Office Equipment	3,129
Other Equipment	304
Other Capital Outlay	1,050
	<hr/>
Total Expenses	\$ 1,736,190
	<hr/> <hr/>

Exhibit L-12

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Residential Waste Collection Charge	\$ 5,366
Transfer Waste Stations Collection Charge	1,993
Tipping Fees	1,432,849
Solid Waste Disposal Fee	3,133
Other General Service Charges	296,882
Total Charges for Current Services	<u>\$ 1,740,223</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 142,663
Total Operating Revenues	<u>\$ 1,882,886</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 1,462,110
Trustee's Collections - Prior Year	620
Trustee's Collections - Bankruptcy	540
Interest and Penalty	12,589
Pick-up Taxes	21,131
<u>Other Local Revenues</u>	
<u>Nonrecurring Items</u>	
Sale of Equipment	3,341
Contributions and Gifts	4,800
Other Local Revenues	2,941
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	52,972
<u>Public Works Grants</u>	
Litter Program	46,844
<u>Other State Revenues</u>	
Other State Revenues	8,633
Total Nonoperating Revenues	<u>\$ 1,616,521</u>
Total Revenues	<u>\$ 3,499,407</u>

(Continued)

Exhibit L-12

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 27,352
Longevity Pay	300
Social Security	1,714
Life Insurance	31
Disability Insurance	22
Unemployment Compensation	70
Employer Medicare	401
Contributions	6,000
Other Supplies and Materials	15,189
Vehicle and Equipment Insurance	702
Workers' Compensation Insurance	3,283
Total Waste Pickup	<hr/> \$ 55,064
 <u>Convenience Centers</u>	
Equipment Operators	\$ 174,529
Laborers	281,258
Longevity Pay	3,350
Overtime Pay	12,302
Social Security	28,472
State Retirement	18,166
Life Insurance	391
Medical Insurance	26,915
Dental Insurance	1,104
Disability Insurance	997
Unemployment Compensation	2,402
Employer Medicare	6,659
Communication	5,936
Maintenance and Repair Services - Equipment	17,894
Maintenance and Repair Services - Vehicles	2,125
Medical and Dental Services	30
Pest Control	1,377
Postal Charges	156
Other Contracted Services	4,457
Crushed Stone	2,211
Custodial Supplies	3,920
Diesel Fuel	47,078
Drugs and Medical Supplies	470
Electricity	9,459
Equipment and Machinery Parts	18,987
Fuel Oil	1,362
Garage Supplies	1,031
Gasoline	2,672
Lubricants	2,743
Small Tools	133

(Continued)

Exhibit L-12

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
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>	
Tires and Tubes	\$ 22,080
Vehicle Parts	9,314
Other Supplies and Materials	38,646
Depreciation	18,762
Other Charges	4,371
Other Capital Outlay	11,130
Total Convenience Centers	<u>\$ 782,889</u>
 <u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 56,892
Equipment Operators	69,846
Laborers	98,628
Clerical Personnel	54,766
Longevity Pay	5,000
Overtime	2,149
Social Security	17,088
State Retirement	22,254
Life Insurance	481
Medical Insurance	33,612
Dental Insurance	1,388
Disability Insurance	1,331
Unemployment Compensation	684
Employer Medicare	3,996
Communication	3,330
Consultants	908
Dues and Memberships	100
Laundry Service	5,493
Legal Notices, Recording, and Court Costs	283
Licenses	6,147
Maintenance Agreements	657
Maintenance and Repair Services - Buildings	1,337
Maintenance and Repair Services - Equipment	18,121
Maintenance and Repair Services - Vehicles	3,755
Medical and Dental Services	1,135
Pest Control	255
Postal Charges	673
Printing, Stationery, and Forms	130
Rentals	136
Travel	1,255
Disposal Fees	1,400,190
Permits	1,500
Other Contracted Services	44,630
Crushed Stone	2,970

(Continued)

Exhibit L-12

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

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Custodial Supplies	\$ 1,319
Data Processing Supplies	1,260
Diesel Fuel	31,501
Drugs and Medical Supplies	1,457
Electricity	28,606
Equipment and Machinery Parts	21,680
Garage Supplies	9,617
Gasoline	3,569
Instructional Supplies and Materials	370
Lubricants	3,638
Natural Gas	11,616
Office Supplies	1,943
Tires and Tubes	5,591
Vehicle Parts	6,795
Other Supplies and Materials	12,065
Building and Contents Insurance	2,913
Liability Insurance	25,551
Trustee's Commission	42,868
Vehicle and Equipment Insurance	14,038
Workers' Compensation Insurance	69,671
Depreciation	132,100
Other Charges	151
Other Capital Outlay	4,551
Total Landfill Operation and Maintenance	<u>\$ 2,293,990</u>
Total Operating Expenses	<u>\$ 3,131,943</u>
Total Expenses	<u>\$ 3,131,943</u>

Exhibit L-13

Maury County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 8,786,389
Total Cash Receipts	<u>\$ 8,786,389</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 8,698,525
Trustee's Commission	<u>87,864</u>
Total Cash Disbursements	<u>\$ 8,786,389</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2006	<u>0</u>
 Cash Balance, June 30, 2007	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

March 4, 2008

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, 2007, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated March 4, 2008. Our report was modified to include a reference to other auditors. Our report was qualified due to not including the financial statements of the Maury County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Maury Regional Hospital (major proprietary fund) and the discretely presented Maury County Board of Public Utilities Water System as described in our report on Maury County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.03, 07.04, 07.06 and 07.07.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Maury County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07.07 to be a material weakness.

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 are described in the accompanying Schedule of Findings and Questioned Costs as items 07.02 and 07.05.

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

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

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

Very truly yours,

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

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

March 4, 2008

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, 2007. 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.

In our opinion, 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, 2007.

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.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2007, and have issued our report thereon dated March 4, 2008. Our report

on the aggregate discretely presented component units was qualified due to not including the financial statements of the Maury County Emergency Communications District, a discretely presented component unit, which were not available from other auditors as of the date of this report. 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.

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

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

Very truly yours,

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

John G. Morgan
Comptroller of the Treasury

JGM/sb

Maury County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Distribution (Noncash Assistance)	10.550	(2)	\$ 167,950
Cooperative Forestry Assistance	10.664	Z-06-002647-00	5,817
Rural Business Enterprise Grant	10.769	(2)	1,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	555,787
National School Lunch Program	10.555	(2)	1,886,417
Summer Food Service Program for Children	10.559	(2)	2,454
Total U.S. Department of Agriculture			<u>\$ 2,619,425</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 2,782
Total U.S. Department of Justice			<u>\$ 2,782</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-07-035884-00	\$ 4,995
Total U.S. Department of Transportation			<u>\$ 4,995</u>
U.S. Department of Education:			
Direct Program:			
Safe and Drug-Free Schools and Communities - National Program	84.184	N/A	\$ 30,016
Passed-through State Department of Education:			
Title I Grant to Local Educational Agencies	84.010	N/A	1,854,924
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,700,334
Special Education - Preschool Grants	84.173	N/A	98,845
Vocational Education - Basic Grants to States	84.048	N/A	263,679
Safe and Drug - Free Schools and Communities - State Grants	84.186	(2)	54,390
State Grants for Innovative Programs	84.298	N/A	97,752
Education Technology State Grants	84.318	N/A	14,027
Reading First State Grants	84.357	(2)	211,197
English Language Acquisition Grants	84.365	N/A	55,793
Improving Teacher Quality State Grants	84.367	N/A	482,838
Hurricane Education Recovery Act	84.938	(2)	89,719
Total U.S. Department of Education			<u>\$ 5,953,514</u>
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(3)	\$ 385,189
Total U.S. Elections Assistance Commission			<u>\$ 385,189</u>

(Continued)

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 Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022472-00	\$ 67,839
Homeland Security Grant Program	97.067	Z-05-025187-00	254,959
Urban Areas Security Initiative	97.008	GG-06-12203-00	7,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	33,365
Hazard Mitigation Grant	97.039	GG-04-11141-00	21,600
Emergency Management Performance Grants	97.042	Z-07-020622-00	10,000
Total U.S. Department of Homeland Security			<u>\$ 394,763</u>
Total Expenditures of Federal Awards			<u>\$ 9,360,668</u>

<u>State Grants</u>		<u>Contract Number</u>	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 23,059
Gates Library Computer Grants - Tennessee Secretary of State	N/A	Z-06-033580-00	9,537
Health Department Program - State Department of Health	N/A	(4)	519,906
Safe Schools Act 1998 - State Department of Education	N/A	(2)	60,177
Jobs for Tennessee Graduates - State Department of Education	N/A	(2)	25,000
Early Childhood Education - State Department of Education	N/A	Z-04-018357-00	192,570
Family Resource Center - State Department of Education	N/A	Z-04-017588-00	99,900
Litter Program - State Department of Transportation	N/A	Z-07-033828-00	46,844
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	52,972
Juvenile Justice and Delinquent Prevention - State Commission on Children and Youth	N/A	Z-07-036560-00	14,000
Total State Grants			<u>\$ 1,043,965</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) Z-06-032975-00: \$381,754; Z-07-037960-00: \$3,435.
- (4) Z-06-025966-00: \$35,550; Z-07-031546-00: \$484,356.

Maury County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

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, 2006, which have not been corrected.

OFFICE OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	224	The office paid several invoices without documentation of the receipt of the goods purchased or services received

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.05	227	The office paid several invoices without documentation of the receipt of the goods purchased or services received

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Maury County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Maury County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Special Education Cluster: the Special Education – Grants to States and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); the Help America Vote Act Requirements Payments (CFDA No. 90.401); and the Homeland Security Cluster: the State Domestic Preparedness Equipment Support Program and the Homeland Security Grant Program (CFDA Nos. 97.004 and 97.067) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Maury County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the director of schools and the management of the Maury Regional Hospital 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.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 07.01 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES (Internal Control – Significant Deficiency Under Government Auditing Standards)**

We noted the following deficiencies in purchasing procedures:

- A. Purchase orders were not issued in some required instances. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. Also, several purchase orders were issued after the invoice date. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.
- B. 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.
- C. In some instances, invoices were not on file to support the purchases. We extended our audit procedures and determined that these disbursements were for the benefit of the county.
- D. Several expenditures were coded to accounts that did not reflect the true nature of the transactions. Misclassifying expenditures diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary control.

RECOMMENDATION

The office should improve purchasing procedures by issuing purchase orders for all applicable purchases before purchases are made. Documentation should be obtained indicating that goods have been received and/or services have been rendered before invoices are paid. Invoices should be on file to support all purchases. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

FINDING 07.02 PRENUMBERED RECEIPTS WERE NOT ISSUED FOR SOME COLLECTIONS, AND SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under Government Auditing Standards)

During our examination, we noted the following deficiencies in the Finance Department and the Information Technology Department regarding the sale of surplus equipment:

- A. Official prenumbered receipts were not issued for some collections. Section 9-2-103, Tennessee Code Annotated (TCA), requires official prenumbered receipts to be issued when collections are received.
- B. Funds were not always deposited within three days of collection. Section 5-8-207, TCA, requires county officials to deposit public funds to the official bank account within three days of collection.

RECOMMENDATION

Official prenumbered receipts should be issued for all collections, and all funds should be deposited within three days of collection as required by state statutes.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 07.03 THE OFFICE PAID SEVERAL INVOICES WITHOUT DOCUMENTATION OF THE RECEIPT OF THE GOODS PURCHASED OR SERVICES RENDERED
(Internal Control – Significant Deficiency 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 SCHOOLS

We concur with the finding. The school’s Business and Finance Office has developed procedures to ensure that goods have been received or services have been rendered before invoices are paid and will continue to improve the procedures for documenting the receipt of goods and services.

FINDING 07.04 CENTRAL HIGH SCHOOL CAFETERIA FUNDS WERE STOLEN
(Internal Control – Significant Deficiency Under Government Auditing Standards)

On February 5, 2008, the food service supervisor received an allegation that funds were being misappropriated from the Central High School cafeteria by an employee. The allegation purported that a cafeteria employee was not recording some a la carte sales. The food service supervisor requested an investigation by the Maury County Sheriff's Department. On February 28, 2008, the employee pled guilty to one count of theft under \$500. The employee was ordered to pay the Maury County Board of Education restitution totaling \$501, and her employment was subsequently terminated.

RECOMMENDATION

Internal controls should be strengthened to ensure that sales transactions are accurately recorded.

OFFICE OF ROAD SUPERINTENDENT

FINDING 07.05 THE HIGHWAY DEPARTMENT VIOLATED THE FAIR LABOR STANDARDS ACT
(Noncompliance Under Government Auditing Standards)

The U.S. Department of Labor conducted an investigation under the Fair Labor Standards Act into alleged unfair labor practices at the Maury County Highway Department. This investigation was for the period April 15, 2005, through April 13, 2007. The investigation disclosed that the Highway Department failed to pay employees at least the applicable minimum wage for all hours worked and failed to pay statutory overtime for hours worked in excess of 40 hours per week. These violations resulted in underpayments totaling \$78,840 due to 64 employees plus applicable matching payroll taxes. The Highway Department was ordered to pay back wages to employees plus matching taxes totaling \$91,030. These amounts have been reflected as liabilities in the financial statements of this report. These assessments were paid to the employees on July 13, 2007.

RECOMMENDATION

The Highway Department should comply with the provisions of the Fair Labor Standards Act.

MAURY REGIONAL HOSPITAL (ENTERPRISE FUND)

The following two findings were included in the independent auditor's report issued on Maury County Regional Hospital for the year ended June 30, 2007:

FINDING 07.06 **CONSOLIDATED FINANCIAL STATEMENTS WERE NOT PREPARED**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The hospital does not prepare consolidated financial statements for interim or year-end reporting purposes.

RECOMMENDATION

The hospital should produce consolidated financial statements at least on a quarterly basis for Board review.

MANAGEMENT'S RESPONSE

The hospital will produce consolidated financial statements on a quarterly basis for Board review.



FINDING 07.07 **DEFICIENCIES IN MANAGEMENT'S ESTIMATES**
(Internal Control – Material Weakness Under Government Auditing Standards)

During our audit, we identified certain adjustments to management's estimates, which were material to the financial statements. Those adjustments indicate a significant deficiency in the financial statement estimation process related to contractual and bad debt allowances for patient accounts receivable that we consider to be a material weakness.

RECOMMENDATION

Management should review its financial statement estimation process for allowances on patient accounts receivable and refine the processes to increase the resources devoted to preparation, review, and monitoring of critical financial statement estimates.

MANAGEMENT'S RESPONSE

Management will continue to review its financial statement estimation process for contractual and bad debt allowances by considering all payers, providing a reserve for all patient accounts receivable that have an aging of greater than 150 days, and by including a review of cash received in the current fiscal year that is for accounts in the prior year.

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

There were no findings and questioned costs for federal awards.

**MAURY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007**

There were no audit findings relative to federal awards presented in the prior or current year's Schedule of Findings and Questioned Costs.