

**ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

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

JAMES R. ARNETTE
Director

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Audit Manager

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WENDY HEATH, CFE
State Auditors

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

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MONTGOMERY COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		9
<u>INTRODUCTORY SECTION</u>		11
Montgomery County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23-25
Statement of Activities	B	26-27
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	30-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	32
Proprietary Funds:		
Statement of Net Assets	D-1	33
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	34-35
Statement of Cash Flows	D-3	36
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	37
Notes to the Financial Statements		39-96
REQUIRED SUPPLEMENTARY INFORMATION:		97
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Fund	F-1	99-102
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Montgomery County School Department	F-2	103

	Exhibit	Page(s)
Schedule of Other Postemployment Benefits Plan – Primary Government and Discretely Presented Montgomery County School Department	F-3	104
Notes to the Required Supplementary Information		105
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		107
Nonmajor Governmental Funds:		109-110
Combining Balance Sheet	G-1	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	112
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Drug Control Fund	G-3	113
Highway/Public Works Fund	G-4	114-115
Major Governmental Fund:		117
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	119
Proprietary Funds:		121
Combining Statement of Net Assets	I-1	123
Combining Statement of Revenues, Expenses, and Changes in Net Assets	I-2	124
Combining Statement of Cash Flows	I-3	125
Fiduciary Funds:		127
Combining Statement of Fiduciary Assets and Liabilities	J-1	129
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	130-131
Component Unit:		
Discretely Presented Montgomery County School Department:		133
Statement of Activities	K-1	135
Balance Sheet – Governmental Funds	K-2	136
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	K-3	137
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	138
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	139
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	141
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	142-143
School Federal Projects Fund	K-9	144
Central Cafeteria Fund	K-10	145

	Exhibit	Page(s)
School Transportation Fund	K-11	146
Extended School Program Fund	K-12	147
Miscellaneous Schedules:		149
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	L-1	151
Schedule of Long-term Debt Requirements by Year	L-2	152-153
Schedule of Transfers – Primary Government and Discretely Presented Montgomery County School Department	L-3	154
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Montgomery County School Department	L-4	155
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	156-160
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Montgomery County School Department	L-6	161-163
Schedule of Detailed Expenditures – All Governmental Fund Types	L-7	164-204
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Montgomery County School Department	L-8	205-223
Schedule of Detailed Revenues and Expenses – All Proprietary Funds	L-9	224-225
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-10	226
 <u>SINGLE AUDIT SECTION</u>		 227
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>		229-231
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>		233-235
Schedule of Expenditures of Federal Awards and State Grants		237-238
Schedule of Audit Findings Not Corrected		239
Schedule of Findings and Questioned Costs		241-246
Auditee Reporting Responsibilities		247

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Audit Highlights
Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Montgomery County as of and for the year ended June 30, 2009.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The county's actuarial study did not segregate other postemployment benefits information between the primary government and two component units.
 - ◆ The Ambulance Service had operating deficiencies.
-

OFFICE OF COUNTY CLERK

- ◆ An employee knowingly made false entries in the governmental records.
-

OFFICE OF SHERIFF

- ◆ The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.

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INTRODUCTORY SECTION

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Montgomery County Officials
June 30, 2009

Officials

Carolyn Bowers, County Mayor
Mike Frost, Highway Supervisor
Michael Harris, Director of Schools
Brenda Radford, Trustee
Betty Burchett, Assessor of Property
Kellie Jackson, County Clerk
Cheryl Castle, Circuit and General Sessions Courts Clerk
Ted A. Crozier, Jr., Clerk and Master
Connie Bell, Register
Norman Lewis, Sheriff
Erinne Hester, Director of Accounts and Budgets
Jane Davis, Purchasing Agent

Board of County Commissioners

Carolyn Bowers, County Mayor, Chairperson	Martha Brockman
John M. Gannon, Sr.	Joe Creek
Keith Politi	Nick Robards
Edward Baggett	Loretta Bryant
Benny Skinner	Nancy Kahihikolo
John Genis	Ginger Miles
Robert Gibbs, Jr.	Lettie Kendall
Dalton Harrison	Mark Kelly
Ruth Ann Milliken	Mark Banasiak
Ronald Sokol	Dwain Etterling
Charles Keene	Jerry Allbert

Highway Commission

Mike Frost, Highway Supervisor
Edgar Ray Groves
Milan Lewis

Board of Education

George Giles, Chairman	Carol Smithson
Horace Murphy, Jr.	Eula Dowdy
James Mann	Ernest Brockman
Jimmie Garland	

Audit Committee

Nick Robards, Chairman	Dwain Etterling
Keith Politi	Robert Gibbs, Jr.
Ronald Sokol	

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

February 3, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Montgomery County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montgomery County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clarksville-Montgomery County Industrial Development Board, which represent 6.5 percent and 7.7 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the Bi-County Solid Waste Management System, which represent 4.4 percent and 2.9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Clarksville-Montgomery County Industrial Development Board and the Bi-County Solid Waste Management 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 Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library, component units 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 Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library, 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, based on our audit and the reports of other auditors, except for the effects of not including the financial statements of the Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Montgomery County, Tennessee, as of June 30, 2009, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of June 30, 2009, 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.

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2010, on our consideration of Montgomery County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

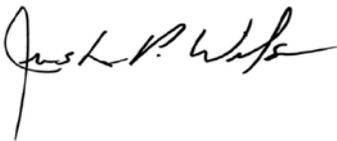
As described in Note V.B., Montgomery County has adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting by Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

The management of Montgomery County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 99 through 105 are not required parts of the basic financial statements but they do provide supplementary information required by the accounting principles generally accepted in the United States of America. 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 Montgomery 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 Montgomery 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 Montgomery County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, 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 black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Montgomery County, Tennessee
Statement of Net Assets
June 30, 2009

	Component Units				
	Primary Governmental Activities	Clarksville- Montgomery County			Bi-County Solid Waste Management System
		Montgomery County School Department	Industrial Development Board	Montgomery County Industrial Development Board	
\$	25,640	176,076	1,860,450	\$	9,729,772
Equity in Pooled Cash and Investments	60,185,927	46,937,699	0	0	0
Inventories	39,560	604,255	14,330,420	14,715	14,715
Accounts Receivable	4,657,463	569,612	929,581	515,233	515,233
Allowance for Uncollectibles	(1,383,717)	0	0	0	0
Due from Other Governments	1,572,550	7,742,967	1,415,209	100,832	100,832
Due from Primary Government	0	37,750	0	0	0
Due from Component Units	466,832	0	0	0	0
Notes Receivable	0	0	4,947,586	0	0
Property Taxes Receivable	59,031,876	27,739,490	0	0	0
Allowance for Uncollectible Property Taxes	(1,099,768)	(547,168)	0	0	0
Prepaid Items	0	50,000	0	0	0
Deferred Charges - Debt Issuance Costs	1,575,177	0	0	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	23,762,095	12,556,577	37,641	708,009	708,009
Construction in Progress	643,952	46,839,052	274,907	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	83,968,808	194,372,536	1,875,705	1,829,700	1,829,700
Other Capital Assets	6,555,349	13,707,066	116,380	4,455,454	4,455,454
Infrastructure	26,382,406	0	0	0	0
Total Assets	\$ 266,384,150	\$ 350,785,912	\$ 25,787,879	\$	17,353,715

(Continued)

Exhibit A

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

	Component Units			
	Primary Governmental Activities	Montgomery County School Department	Clarksville-Montgomery County Industrial Development Board	Bi-County Solid Waste Management System
Accounts Payable	\$ 1,073,575	\$ 2,211,793	\$ 8,216,548	\$ 406,334
Accrued Payroll	1,082,777	10,670,702	0	74,545
Payroll Deductions Payable	190,774	4,517,165	0	33,269
Contracts Payable	0	889,300	0	0
Retainage Payable	0	52,245	0	0
Accrued Interest Payable	2,847,432	0	0	0
Deferred Compensation Payable	0	289,220	0	0
Due to State of Tennessee	455	0	0	0
Due to Primary Government	0	466,832	0	0
Due to Component Units	37,750	0	0	0
Due to Litigants, Heirs, and Others	19,236	0	0	0
Other Current Liabilities	1,250,000	0	0	0
Customer Deposits Payable	200	163,356	0	0
Deferred Revenue - Current Taxes	56,090,932	26,216,104	0	0
Noncurrent Liabilities:				
Due Within One Year	18,783,413	1,515,254	165,735	0
Due in More Than One Year (net of unamortized premiums and deferred amount on refunding)	302,762,990	1,237,196	2,038,602	10,181,860
Total Liabilities	\$ 384,139,534	\$ 48,229,167	\$ 10,420,885	\$ 10,696,008

(Continued)

Exhibit A

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

	Component Units			
	Primary Governmental Activities	Montgomery County School Department	Clarksville-Montgomery County Industrial Development Board	Bi-County Solid Waste Management System
Invested in Capital Assets,				
Net of Related Debt	\$ 49,769,625	\$ 0	\$ 210,927	\$ 0
Invested in Capital Assets	0	267,475,231	0	6,993,163
Restricted for:				
Capital Projects	2,426,516	0	0	0
School Capital Projects	0	6,125,853	0	0
School Federal Projects	0	291,128	0	0
Debt Service	30,261,821	0	0	0
Highway	1,304,506	0	0	0
Central Cafeteria	0	3,670,113	0	0
School Transportation	0	819,195	0	0
Extended School Program	0	74,300	0	0
Automation Purposes - Register	191,167	0	0	0
Automation Purposes - General Sessions Court	120,547	0	0	0
Drug Control	92,842	0	0	0
Alcohol and Drug Treatment	183,056	0	0	0
Career Ladder - Extended Contract	0	458,448	0	0
Career Ladder Program	0	33,381	0	0
Victims Assistance Programs	60,928	0	0	0
Other Purposes	273,561	0	0	0
Unrestricted	(202,439,953)	23,609,096	15,156,067	(335,456)
Total Net Assets	\$ (117,755,384)	\$ 302,556,745	\$ 15,366,994	\$ 6,657,707

NET ASSETS

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

Exhibit B

Montgomery County, Tennessee
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Montgomery County School Department	Clarksville-Montgomery County Industrial Development Board	Bi-County Solid Waste Management System		
Primary Government:										
Governmental Activities:										
General Government	\$ 24,764,062	\$ 2,181,813	\$ 79,162	\$ 0	\$ (22,503,087)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	4,618,875	4,086,204	38,805	0	(493,866)	0	0	0	0	0
Administration of Justice	5,985,924	4,760,603	658,548	9,000	(557,773)	0	0	0	0	0
Public Safety	23,110,830	1,710,312	832,894	533,406	(20,034,218)	0	0	0	0	0
Public Health and Welfare	10,451,611	2,972,819	1,587,828	32,982	(5,857,982)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,659,618	2,175	0	0	(1,657,443)	0	0	0	0	0
Agriculture and Natural Resources	425,303	0	0	0	(425,303)	0	0	0	0	0
Other Operations	4,893,764	0	0	0	(4,893,764)	0	0	0	0	0
Highways/Public Works	7,901,220	48,907	2,780,525	3,079,683	(1,992,105)	0	0	0	0	0
Education	64,968,626	22,906,276	0	0	(42,062,350)	0	0	0	0	0
Interest on Long-term Debt	13,721,521	0	0	0	(13,721,521)	0	0	0	0	0
Other Debt Service	598,099	0	515,417	0	(82,682)	0	0	0	0	0
Total Primary Government	\$ 163,099,453	\$ 38,669,109	\$ 6,493,179	\$ 3,655,071	\$ (114,282,094)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
School Department	\$ 213,233,099	\$ 5,244,013	\$ 19,366,671	\$ 39,239,101	\$ 0	\$ (149,383,314)	\$ 0	\$ 0	\$ 0	\$ 0
Industrial Development Board	24,329,212	196,098	0	0	0	0	(24,133,114)	0	0	0
Bi-County Solid Waste Management System	9,459,995	7,640,043	102,984	0	0	0	0	(1,716,968)	0	0
Total Component Units	\$ 247,022,306	\$ 13,080,154	\$ 19,469,655	\$ 39,239,101	\$ 0	\$ (149,383,314)	\$ (24,133,114)	\$ (1,716,968)	\$ 0	\$ 0

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Montgomery County School Department	Montgomery County Industrial Development Board
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 29,839,987	\$ 27,446,827	\$ 0
Property Taxes Levied for Debt Service				23,149,178	0	0
Local Option Sales Tax				2,986,337	32,144,548	0
Hotel/Motel Tax				1,278,103	0	0
Wheel Tax				0	3,710,968	0
Business Tax				708,686	833,845	0
Adequate Facilities/Development Tax				881,008	0	0
Litigation Tax				1,172,614	0	0
Wholesale Beer Tax				369,596	0	0
Mineral Severance Tax				239,659	0	0
Interstate Telecommunications Tax				3,805	0	0
Other Local Taxes				0	16,376	0
Grants and Contributions Not Restricted to Specific Programs				4,110,277	122,740,818	20,931,373
Interest Income				2,719,413	32,130	24,088
Gain on Disposal of Capital Assets				0	6,255	366,071
Refund of Telecommunication and Internet Fees (E-Rate)				0	118,463	0
				780,964	214,399	0
Total General Revenues				\$ 68,239,627	\$ 187,264,629	\$ 21,321,532
Change in Net Assets				\$ (46,042,467)	\$ 37,881,315	\$ (2,811,582)
Net Assets, July 1, 2008				(71,712,917)	264,675,430	18,178,576
Prior-period Adjustment				0	0	0
Net Assets, June 30, 2009				\$ (117,755,384)	\$ 302,556,745	\$ 15,366,994
						\$ 6,657,707

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

Exhibit C-1

Montgomery County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	General Capital Projects	Other Governmental Funds	
	General	Debt Service	General Capital Projects	Other Governmental Funds	
ASSETS					
Cash	\$ 24,980	\$ 0	\$ 0	\$ 660	\$ 25,640
Equity in Pooled Cash and Investments	20,401,141	26,539,987	8,043,496	1,217,025	56,201,649
Inventories	39,560	0	0	0	39,560
Accounts Receivable	4,267,700	195,938	1,099	37,293	4,502,030
Allowance for Uncollectibles	(1,383,717)	0	0	0	(1,383,717)
Due from Other Governments	484,280	520,394	0	567,876	1,572,550
Due from Other Funds	0	474,277	0	0	474,277
Due from Component Units	0	446,765	0	0	446,765
Property Taxes Receivable	28,325,051	25,608,011	1,438,383	3,660,431	59,031,876
Allowance for Uncollectible Property Taxes	(524,113)	(478,759)	(28,025)	(68,871)	(1,099,768)
Total Assets	\$ 51,634,882	\$ 53,306,613	\$ 9,454,953	\$ 5,414,414	\$ 119,810,862
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 598,886	\$ 316	\$ 409,176	\$ 39,485	\$ 1,047,863
Accrued Payroll	1,011,220	0	0	69,026	1,080,246
Payroll Deductions Payable	161,481	0	0	27,974	189,455
Due to Other Funds	857,155	0	22,585	223,382	1,103,122
Due to State of Tennessee	455	0	0	0	455
Due to Litigants, Heirs, and Others	16,680	0	0	2,556	19,236
Other Current Liabilities	0	1,250,000	0	0	1,250,000
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	200	0	0	0	200
Deferred Revenue - Current Property Taxes	26,930,597	24,324,410	1,361,009	3,474,916	56,090,932
Deferred Revenue - Delinquent Property Taxes	837,823	774,771	47,505	112,286	1,772,385
Other Deferred Revenues	1,359,030	267,436	0	327,815	1,954,281
Total Liabilities	\$ 31,773,527	\$ 26,616,933	\$ 1,840,275	\$ 4,277,440	\$ 64,508,175
Fund Balances					
Reserved for Encumbrances	\$ 106,972	\$ 0	\$ 1,961,153	\$ 134,233	\$ 2,202,358
Reserved for Alcohol and Drug Treatment	183,056	0	0	0	183,056
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	0	1,679,803	0	0	1,679,803
Reserved for Drug Court	30,836	0	0	0	30,836
Reserved for Sexual Offender Registration	728	0	0	0	728
Reserved for Courtroom Security	34,909	0	0	0	34,909
Reserved for Victims Assistance Programs	60,928	0	0	0	60,928
Reserved for Computer System - Register	191,167	0	0	0	191,167
Reserved for Automation Purposes - Circuit Court	25,700	0	0	0	25,700
Reserved for Automation Purposes - General Sessions Court	120,547	0	0	0	120,547
Reserved for Automation Purposes - Chancery Court	7,554	0	0	0	7,554
Reserved for Automation Purposes - County Clerk	8,943	0	0	0	8,943
Reserved for Fraud and Crimes Prosecution Act	37,234	0	0	0	37,234
Reserved for Other General Purposes	127,657	0	0	0	127,657
Unreserved, Reported In:					
General Fund	18,925,124	0	0	0	18,925,124
Special Revenue Funds	0	0	0	1,002,741	1,002,741
Debt Service Funds	0	25,009,877	0	0	25,009,877
Capital Projects Funds	0	0	5,653,525	0	5,653,525
Total Fund Balances	\$ 19,861,355	\$ 26,689,680	\$ 7,614,678	\$ 1,136,974	\$ 55,302,687
Total Liabilities and Fund Balances	\$ 51,634,882	\$ 53,306,613	\$ 9,454,953	\$ 5,414,414	\$ 119,810,862

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

Exhibit C-2

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2009

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)		\$	55,302,687
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	23,762,095	
Add: construction in progress		643,952	
Add: infrastructure net of accumulated depreciation		26,382,406	
Add: buildings and improvements net of accumulated depreciation		83,968,808	
Add: other capital assets net of accumulated depreciation		6,555,349	
Less: capital assets of internal service funds, which are included below in item (2)		(22,216)	141,290,394
(2) Internal service funds are used by management to charge the cost of liability, and workers' compensation insurance, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.			1,852,337
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(288,540,000)	
Less: notes payable		(6,850,000)	
Less: other loans payable		(20,278,371)	
Add: deferred amount on refunding		5,377,366	
Add: deferred charges - debt issuance costs		1,575,177	
Less: other deferred revenue - premium on debt		(6,062,020)	
Less: accrued interest on bonds, notes, and other loans		(2,847,432)	
Less: other postemployment benefits liability		(309,188)	
Less: compensated absences payable		(1,993,000)	(319,927,468)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			3,726,666
Net assets of governmental activities (Exhibit A)		\$	<u>(117,755,384)</u>

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

Exhibit C-3

Montgomery County, Tennessee
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2009

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Debt Service	General Capital Projects	Other Capital Projects #5	Other Capital Projects #6	Governmental Funds	Other		
							Governmental Funds	Other	
Revenues									
Local Taxes	\$ 28,350,643	\$ 27,834,934	\$ 1,380,453	\$ 0	\$ 0	\$ 3,579,364	\$ 61,145,394		
Licenses and Permits	583,159	0	0	0	0	0	583,159		
Fines, Forfeitures, and Penalties	1,421,253	0	0	0	0	12,580	1,433,833		
Charges for Current Services	4,560,107	0	0	0	0	155	4,560,262		
Other Local Revenues	3,774,063	417,343	111,242	0	0	92,603	4,395,251		
Fees Received from County Officials	7,629,627	0	0	0	0	0	7,629,627		
State of Tennessee	5,084,230	0	0	0	0	3,185,134	8,269,364		
Federal Government	887,770	0	0	0	0	0	887,770		
Other Governments and Citizens Groups	837,060	630,526	200	0	0	107,694	1,575,480		
Total Revenues	\$ 53,127,912	\$ 28,882,803	\$ 1,491,895	\$ 0	\$ 0	\$ 6,977,530	\$ 90,480,140		
Expenditures									
Current:									
General Government	\$ 5,936,583	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,936,583		
Finance	4,616,846	0	0	0	0	0	4,616,846		
Administration of Justice	5,329,629	0	0	0	0	0	5,329,629		
Public Safety	21,654,026	0	0	0	0	648	21,654,674		
Public Health and Welfare	9,274,928	0	0	0	0	0	9,274,928		
Social, Cultural, and Recreational Services	1,571,976	0	0	0	0	0	1,571,976		
Agriculture and Natural Resources	385,963	0	0	0	0	0	385,963		
Other Operations	3,947,336	0	0	0	0	0	3,947,336		
Highways	119,418	0	0	0	0	7,378,118	7,497,536		
Debt Service:									
Principal on Debt	0	12,936,081	0	0	0	0	12,936,081		
Interest on Debt	0	13,912,514	0	0	0	1,425	13,913,939		
Other Debt Service	0	557,617	0	0	0	182,910	740,527		
Capital Projects	0	0	17,105,712	16,631,705	26,936,788	0	60,674,205		
Total Expenditures	\$ 52,836,705	\$ 27,406,212	\$ 17,105,712	\$ 16,631,705	\$ 27,119,698	\$ 7,380,191	\$ 148,480,223		
Excess (Deficiency) of Revenues Over Expenditures	\$ 291,207	\$ 1,476,591	\$ (15,613,817)	\$ (16,631,705)	\$ (27,119,698)	\$ (402,661)	\$ (58,000,083)		

(Continued)

Exhibit C-3

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Capital Projects #5	Other Capital Projects #6	Other	Governmental Funds	Other	
Other Financing Sources (Uses)									
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,450,000	\$ 0	\$ 0	\$ 18,450,000	
Notes Issued	0	23,382	4,476,618	0	0	0	0	4,500,000	
Other Loans Issued	0	0	5,599,532	0	7,607,070	0	0	13,206,602	
Insurance Recovery	42,451	0	32,196	0	0	0	7,289	81,936	
Transfers In	0	448,640	13,381,970	8,466,405	0	0	0	22,297,015	
Transfers Out	0	0	0	(796,801)	(13,391,250)	(8,108,964)	0	(22,297,015)	
Total Other Financing Sources (Uses)	\$ 42,451	\$ 472,022	\$ 23,490,316	\$ 7,669,604	\$ 12,665,820	\$ (8,101,675)	\$ (8,101,675)	\$ 36,238,538	
Net Change in Fund Balances	\$ 333,658	\$ 1,948,613	\$ 7,876,499	\$ (8,962,101)	\$ (14,453,878)	\$ (8,504,336)	\$ (8,504,336)	\$ (21,761,545)	
Fund Balance, July 1, 2008	19,527,697	24,741,067	(261,821)	8,962,101	14,453,878	9,641,310	9,641,310	77,064,232	
Fund Balance, June 30, 2009	\$ 19,861,355	\$ 26,689,680	\$ 7,614,678	\$ 0	\$ 0	\$ 1,136,974	\$ 1,136,974	\$ 55,302,687	

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

Exhibit C-4

Montgomery 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, 2009

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)		\$ (21,761,545)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,315,995	
Less: current year depreciation expense	(4,168,052)	
Add: current year depreciation expense in internal service fund	<u>991</u>	(851,066)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 2,590,794	
Less: loss on disposal of capital assets	<u>(128,938)</u>	2,461,856
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2008	\$ (3,874,334)	
Add: deferred delinquent property taxes and other deferred June 30, 2009	<u>3,726,666</u>	(147,668)
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (18,450,000)	
Less: other loan proceeds	(13,206,602)	
Less: note proceeds	(4,500,000)	
Add: principal payments on notes	1,100,000	
Add: principal payments on bonds	11,400,000	
Add: principal payments on other loans	436,081	
Add: debt issuance cost on debt issued during year	142,428	
Less: debt issuance cost amortized during year	(114,625)	
Less: change in deferred amount on refunded debt	(125,447)	
Add: premium amortized during year	<u>532,505</u>	(22,785,660)
(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	\$ (100,015)	
Change in other postemployment benefits liability	(309,188)	
Change in compensated absences payable	<u>(151,610)</u>	(560,813)
(6) Internal service funds are used by management to charge the cost of liability, and workers' compensation insurance, and employee dental benefits to individual funds. The net expenses of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>(2,397,571)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (46,042,467)</u>

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

Exhibit D-1

Montgomery County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Governmental Activities - Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 3,984,278
Accounts Receivable	155,433
Due from Other Funds	629,025
Due from Component Units	20,067
Total Current Assets	<u>\$ 4,788,803</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(2,587)
Total Noncurrent Assets	<u>\$ 22,216</u>
Total Assets	<u>\$ 4,811,019</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 25,892
Accrued Payroll	2,531
Payroll Deductions Payable	1,319
Claims and Judgments Payable	1,479,345
Due to Component Units	37,750
Total Current Liabilities	<u>\$ 1,546,837</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 1,411,845
Total Noncurrent Liabilities	<u>\$ 1,411,845</u>
Total Liabilities	<u>\$ 2,958,682</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 1,852,337</u>
Total Net Assets	<u>\$ 1,852,337</u>

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

Exhibit D-2

Montgomery County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Governmental Activities - Internal Service Funds
	<hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 28,622,750
Total Operating Revenues	<u>\$ 28,622,750</u>
 <u>Operating Expenses</u>	
Other Facilities	\$ 4,807
County Buildings	257
Risk Management	112,060
County Clerk	2,573
Data Processing	354
Property Assessor's Office	8,158
Circuit Court	286
General Sessions Court	4,712
Sheriff's Department	6,734
Jail	18,323
Fire Prevention and Control	8,053
Rabies and Animal Control	3,164
Ambulance/Emergency Medical Services	44,976
Nursing Home	4,714
Other Local Health Services	2,002
Waste Pickup	2,269
Landfill Operation and Maintenance	10,623
Convenience Centers	1,421
Litter and Trash Collection	427
Highway and Bridge Maintenance	3,826
Depreciation	991
Other Charges	1,129,312
Employee Benefits	30,253,604
Total Operating Expenses	<u>\$ 31,623,646</u>
Operating Income (Loss)	<u>\$ (3,000,896)</u>

(Continued)

Exhibit D-2

Montgomery County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds (Cont.)

	Governmental Activities - Internal Service Funds
	<u> </u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 29,310
Miscellaneous Refunds	574,015
Total Nonoperating Revenues (Expenses)	<u>\$ 603,325</u>
Changes in Net Assets	\$ (2,397,571)
Net Assets, July 1, 2008	<u> 4,249,908</u>
Nets Assets, June 30, 2009	<u><u> 1,852,337</u></u>

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

Exhibit D-3

Montgomery County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Governmental Activities - Internal Service Funds
	<u> </u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 28,648,313
Other Self-Insured Claims	(31,544,866)
Other Receipts (Payments)	574,015
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,322,538)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 29,310
Net Cash Provided By (Used In) Investing Activities	<u>\$ 29,310</u>
Net Increase (Decrease) in Cash	\$ (2,293,228)
Cash, July 1, 2008	<u>6,277,506</u>
Cash, June 30, 2009	<u><u>\$ 3,984,278</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (3,000,896)
Miscellaneous Refunds	574,015
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	(47,180)
(Increase) Decrease in Due from Other Funds	45,302
(Increase) Decrease in Due from Component Units	29,097
Increase (Decrease) in Accounts Payable	(83,436)
Increase (Decrease) in Accrued Payroll	(212)
Increase (Decrease) in Payroll Deductions Payable	(133)
Increase (Decrease) in Due to Other Funds	(83,869)
Increase (Decrease) in Due to Component Units	2,540
Increase (Decrease) in Claims and Judgments Payable	241,243
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (2,322,538)</u></u>

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

Exhibit E

Montgomery County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,942,744
Equity in Pooled Cash and Investments	370,330
Accounts Receivable	65,629
Due from Other Governments	<u>1,962,778</u>
Total Assets	<u>\$ 10,341,481</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 57,132
Accrued Payroll	1,194
Due to Other Funds	180
Due to Other Taxing Units	1,957,735
Due to Litigants, Heirs, and Others	7,996,230
Due to Joint Ventures	<u>329,010</u>
Total Liabilities	<u>\$ 10,341,481</u>

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

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MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Montgomery 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 Montgomery County:

A. Reporting Entity

Montgomery County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Montgomery County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Montgomery County School Department operates the public school system in the county, and the voters of Montgomery 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 Emergency Communications District of Montgomery County provides a simplified means of securing emergency services through a uniform emergency number for the residents of Montgomery County, and the Montgomery County Commission and the Clarksville City Council appoint 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 Emergency Communications District of Montgomery County were not available from other auditors in time for inclusion in this report.

The Bi-County Solid Waste Management System provides landfill and collection services for Montgomery and Stewart counties, and Montgomery

County operates the transfer station. The joint participants appoint the board members of the system; however, Montgomery County appoints a voting majority of the board members and contributes the majority of funding for the system. This system is treated as a discrete component unit of Montgomery County since the county may unilaterally control the operations of the system.

The Clarksville-Montgomery County Industrial Development Board primarily provides inducements to industry to locate or remain in Montgomery County, and the Montgomery County Commission appoints its governing body. City and county appropriations provide the majority of its funding. On August 28, 2008, Montgomery County issued general obligation bonds totaling \$18,450,000 and used the funds to purchase land for the Clarksville-Montgomery County Industrial Development Board.

The Clarksville-Montgomery County Public Library provides for the maintenance and operation of the public library for the benefit of residents of Montgomery County, and the Montgomery County Commission appoints its seven board members. County appropriations and donations provide the majority of its funding. The financial statements of the Clarksville-Montgomery County Public Library were not available from other auditors in time for inclusion in this report.

The Montgomery County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Montgomery County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library were not available in time for inclusion, as previously mentioned. Complete financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Emergency Communications District of Montgomery County
P.O. Box 368
Clarksville, TN 37040

Bi-County Solid Waste Management System
P.O. Box 192
Woodlawn, TN 37191-0192

Clarksville-Montgomery County Industrial Development Board
P.O. Box 883
312 Madison Street
Clarksville, TN 37040

Clarksville-Montgomery County Public Library
350 Pageant Lane
Clarksville, TN 37040

Related Organization – The Montgomery County Public Building Authority is a related organization of Montgomery County. County officials are responsible for appointing members to the board of the Montgomery County Public Building Authority; however, the county’s accountability for this organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Montgomery County issues all debt for the discretely presented Montgomery County School Department. Net debt issues totaling \$39,054,924 were contributed by the county to the School Department during the year ended June 30, 2009.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds 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 Montgomery 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 category. Montgomery County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

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

Montgomery 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.

General Capital Projects Fund – This fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Other Capital Projects #5 Fund – This fund is used to account for debt proceeds received from the \$63,945,000 general obligation refunding bonds.

Other Capital Projects #6 Fund – This fund is used to account for debt proceeds received from the \$18,000,000 general obligation public improvement and school bonds and the \$20,140,987 variable rate loan.

Additionally, Montgomery 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 Self-Insurance, the Workers’ Compensation, and the Unemployment Compensation funds, are used to account for risk management activities for employees’ health insurance, workers’ compensation, on the job injury, and unemployment compensation provided to other departments on a cost-reimbursement basis.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Montgomery County and revenues, which are held in trust for the benefit of the judicial district drug task force. 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 Montgomery 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 the receipt of debt issued by Montgomery County and contributed to the School Department for building construction and renovations.

Additionally, the Montgomery 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.

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 three proprietary funds, internal service funds, used to account for the employees’ health insurance, workers’

compensation, on the job injury, and unemployment compensation programs. 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 internal service funds are charges for services. Operating expenses for the internal service funds include administrative 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, cash includes 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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds of Montgomery County, the Montgomery County School Department, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Montgomery County Rail Service Authority (joint venture). 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 and General Debt Service funds. Montgomery County and the Montgomery 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 ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

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.

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$3,795,067 are discussed in Note V.A. Risk Management.

Retainage payable in the discretely presented School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Education Capital Projects Fund.

3. Inventories and Prepaid Items

Inventories of governmental funds consist of expendable supplies held for consumption and are valued at cost, on the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding two years (one year for the School Department). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5-50
Other Capital Assets	4-20
Infrastructure:	
Roads	100
Bridges	50

5. Compensated Absences

It is the county's and the School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Montgomery 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 and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net 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, claims and judgments, and other postemployment benefits, 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, 2009, Montgomery County had \$220,730,411 in outstanding debt for capital purposes for the discretely presented Montgomery County School Department. This debt is a liability of Montgomery County, but the capital assets acquired are reported in the financial statements of the Montgomery County School Department. Therefore, Montgomery 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, 2009:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Insurance	\$ 15,231
Mobile Data Terminals	61,190
Veterans' Services	9,221
Child Advocacy Center	91,275
Inmate Medical Services	151,782
GIS System	58,193
General Debt Service:	
Loan Program	3,895,627
General Purpose School (School Department):	
Workers' Compensation	1,375,218
Property and Liability Insurance	1,475,000

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 Montgomery 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 Montgomery 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 funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

B. Fund Deficit

The discretely presented School Federal Projects Fund had a deficit in unreserved fund balance of \$81,039 at June 30, 2009. This deficit resulted from outstanding purchase orders of \$209,064 being reserved as encumbrances.

C. Appropriations Exceeding Available Funding

The budget and subsequent amendments submitted to and approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding available funding by \$59,876.

The budget and subsequent amendments submitted to and approved by the County Commission for the discretely presented School Federal Projects Fund resulted in appropriations exceeding available funding by \$19,682.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Fiscal Services major appropriation category (the legal level of control) of the School Transportation Fund by \$1,803. Such overexpenditures are a violation of state statutes. This overexpenditure was funded from available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, Montgomery County had the following investments carried at cost. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Montgomery County and the discretely presented Montgomery County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 5,129,271

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. Montgomery 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. Montgomery County has no investment policy that would further limit its investment choices. As of June 30, 2009, Montgomery County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 23,664,082	\$ 136,399	\$ (38,386)	\$ 23,762,095
Construction in Progress	2,445,379	1,749,974	(3,551,401)	643,952
Total Capital Assets Not Depreciated	\$ 26,109,461	\$ 1,886,373	\$ (3,589,787)	\$ 24,406,047
Capital Assets Depreciated:				
Buildings and Improvements	\$ 97,864,146	\$ 3,558,028	\$ 0	\$ 101,422,174
Infrastructure	42,859,868	2,630,835	(10,447)	45,480,256
Other Capital Assets	16,413,309	1,382,954	(482,659)	17,313,604
Total Capital Assets Depreciated	\$ 157,137,323	\$ 7,571,817	\$ (493,106)	\$ 164,216,034
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 15,033,897	\$ 2,419,469	\$ 0	\$ 17,453,366
Infrastructure	18,735,741	366,717	(4,608)	19,097,850
Other Capital Assets	9,774,335	1,381,866	(397,946)	10,758,255
Total Accumulated Depreciation	\$ 43,543,973	\$ 4,168,052	\$ (402,554)	\$ 47,309,471
Total Capital Assets Depreciated, Net	\$ 113,593,350	\$ 3,403,765	\$ (90,552)	\$ 116,906,563
Governmental Activities Capital Assets, Net	\$ 139,702,811	\$ 5,290,138	\$ (3,680,339)	\$ 141,312,610

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

Governmental Activities:

General Government	\$	711,286
Finance		211,994
Administration of Justice		553,881
Public Safety		1,570,601
Public Health and Welfare		283,478
Social, Cultural, and Recreational Services		156,816
Agriculture and Natural Resources		35,667
Highway/Public Works		<u>644,329</u>
Total Depreciation Expense - Governmental Activities	\$	<u>4,168,052</u>

Discretely Presented Montgomery County School Department**Governmental Activities:**

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 12,556,577	\$ 0	\$ 0	\$ 12,556,577
Construction in Progress	28,660,541	29,764,983	(11,586,472)	46,839,052
Total Capital Assets Not Depreciated	<u>\$ 41,217,118</u>	<u>\$ 29,764,983</u>	<u>\$ (11,586,472)</u>	<u>\$ 59,395,629</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 245,247,797	\$ 13,504,638	\$ 0	\$ 258,752,435
Other Capital Assets	23,787,449	3,867,498	(867,666)	26,787,281
Total Capital Assets Depreciated	<u>\$ 269,035,246</u>	<u>\$ 17,372,136</u>	<u>\$ (867,666)</u>	<u>\$ 285,539,716</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 58,919,222	\$ 5,460,677	\$ 0	\$ 64,379,899
Other Capital Assets	12,342,733	1,571,606	(834,124)	13,080,215
Total Accumulated Depreciation	<u>\$ 71,261,955</u>	<u>\$ 7,032,283</u>	<u>\$ (834,124)</u>	<u>\$ 77,460,114</u>
Total Capital Assets Depreciated, Net	<u>\$ 197,773,291</u>	<u>\$ 10,339,853</u>	<u>\$ (33,542)</u>	<u>\$ 208,079,602</u>
Governmental Activities Capital Assets, Net	<u>\$ 238,990,409</u>	<u>\$ 40,104,836</u>	<u>\$ (11,620,014)</u>	<u>\$ 267,475,231</u>

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

Governmental Activities:

Instruction	\$ 10,758
Support Services	6,962,295
Operation of Non-Instructional Services	<u>59,230</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,032,283</u>

C. Construction Commitments

At June 30, 2009, the General Capital Projects Fund had uncompleted construction contracts of approximately \$1,961,153 for various construction projects. Funding for these future expenditures has been received.

At June 30, 2009, the discretely presented School Department's Education Capital Projects Fund had uncompleted construction contracts of approximately \$4,223,325, for various construction projects. Funding for these future expenditures is expected to be received from the issuance of debt.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	General	\$ 398,310
General Debt Service	General Capital Projects	22,585
General Debt Service	Nonmajor governmental	53,382
Internal Service	General	458,845
Internal Service	Nonmajor governmental	170,000
Internal Service	Agency	180
School Department Component Unit:		
General Purpose School	Education Capital Projects	93,096
General Purpose School	Nonmajor governmental	292,860
Education Capital Projects	General Purpose School	97,996
Education Capital Projects	Nonmajor governmental	13,519
Nonmajor governmental	General Purpose School	10,816

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
General Debt Service	General Purpose School	\$ 418,842
General Debt Service	School Transportation	27,923
Self-Insurance (Internal Service)	General Purpose School	10,007
Self-Insurance (Internal Service)	School Transportation	10,060
	Component Unit:	
	School Department:	
	General Purpose School	37,284
	School Federal Projects	235
	Central Cafeteria	77
	School Transportation	154
	Primary Government:	
	Self-Insurance (Internal Service)	37,284
	Self-Insurance (Internal Service)	235
	Self-Insurance (Internal Service)	77
	Self-Insurance (Internal Service)	154

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Debt Service Fund	General Capital Projects Fund	Other Capital Projects #5 Fund
Other Capital Projects #5 Fund	\$ 0	\$ 796,801	\$ 0
Other Capital Projects #6 Fund	448,640	4,476,205	8,466,405
Nonmajor governmental funds	0	8,108,964	0
Total	\$ 448,640	\$ 13,381,970	\$ 8,466,405

Discretely Presented Montgomery County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	Education Capital Projects Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 79,700	\$ 0
Nonmajor governmental funds	287,618	0	1,282,915
Total	\$ 287,618	\$ 79,700	\$ 1,282,915

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to seven years for notes, and up to 15 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital outlay notes outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	2 to 5.625%	\$ 123,450,000	\$ 120,150,000
General Obligation Bonds - Refunding	2 to 5.12095	257,550,000	168,390,000
Capital Outlay Notes	2.65 to 5	10,085,000	6,850,000
Other Loans	variable	22,292,538	20,278,371

In prior years, Montgomery County entered into loan agreements with the Tennessee State School Bond Authority. Under these loan agreements, the authority borrowed \$2,470,731 (Series 2001) and \$3,675,088 (Series 2005) Qualified Zone Academy Bonds and loaned the proceeds to Montgomery County for various renovation and construction projects. These loans are repayable at zero percent interest with annual administrative fees of \$847 and \$1,246, respectively.

In prior years, Montgomery County entered into a loan agreement with the City of Clarksville Public Building Authority. This loan agreement provided for the authority to make \$20,140,987 available for loan to Montgomery County on an as-needed basis for various renovation and construction projects. As of June 30, 2009, Montgomery County had borrowed \$16,146,719 of the available \$20,140,987. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2009, the variable interest rate was .39 percent and other fees totaled approximately .15 percent (letter of credit), .1 percent (remarketing) of the outstanding loan principal, and \$85 per month trustee fee.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 12,525,000	\$ 13,530,989	\$ 26,055,989
2011	13,365,000	12,979,988	26,344,988
2012	15,200,000	12,379,126	27,579,126
2013	16,985,000	11,676,124	28,661,124
2014	18,015,000	10,892,975	28,907,975
2015-2019	102,960,000	41,099,391	144,059,391
2020-2024	87,630,000	16,275,287	103,905,287
2025-2028	21,860,000	1,616,113	23,476,113
Total	\$ 288,540,000	\$ 120,449,993	\$ 408,989,993

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 1,650,000	\$ 245,031	\$ 1,895,031
2011	1,700,000	166,000	1,866,000
2012	3,500,000	92,750	3,592,750
Total	\$ 6,850,000	\$ 503,781	\$ 7,353,781

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	\$ 1,136,068	\$ 62,972	\$ 43,446	\$ 1,242,486
2011	1,173,081	60,242	41,697	1,275,020
2012	1,199,081	57,368	39,856	1,296,305
2013	1,226,081	54,392	37,950	1,318,423
2014	1,253,080	51,311	35,977	1,340,368
2015-2019	6,187,960	206,454	145,254	6,539,668
2020-2024	5,691,288	111,558	79,043	5,881,889
2025-2026	2,411,732	14,155	11,106	2,436,993
Total	\$ 20,278,371	\$ 618,452	\$ 434,329	\$ 21,331,152

There is \$25,009,877 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,141, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$2,343, based on the 2000 federal census.

Changes in Long-term liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:	Other		
	Bonds	Notes	Loans
Balance, July 1, 2008	\$ 281,490,000	\$ 3,450,000	\$ 7,507,850
Additions	18,450,000	4,500,000	13,206,602
Deductions	(11,400,000)	(1,100,000)	(436,081)
Balance, June 30, 2009	\$ 288,540,000	\$ 6,850,000	\$ 20,278,371
Balance Due Within One Year	\$ 12,525,000	\$ 1,650,000	\$ 1,136,068

	Compensated Absences	Other Postemployment Benefits	Claims and Judgments
Balance, July 1, 2008	\$ 1,841,390	\$ 0	\$ 2,649,947
Additions	2,487,302	350,621	28,015,601
Deductions	(2,335,692)	(41,433)	(27,774,358)
Balance, June 30, 2009	<u>\$ 1,993,000</u>	<u>\$ 309,188</u>	<u>\$ 2,891,190</u>
Balance Due Within One Year	<u>\$ 1,993,000</u>	<u>\$ 0</u>	<u>\$ 1,479,345</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 320,861,749
Less: Due Within One Year	(18,783,413)
Add: Unamortized Premium on Debt	6,062,020
Less: Deferred Amount on Refunding	<u>(5,377,366)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 302,762,990</u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities. Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Defeasance of Prior Debt

In prior years, Montgomery County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2009, the following outstanding bond is considered defeased:

2001 General Obligation Series	\$42,345,000
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Discretely Presented Montgomery County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Montgomery County School Department for the year ended June 30, 2009, was as follows:

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2008	\$ 0	\$ 1,016,533	\$ 1,102,330
Additions	1,330,852	961,332	166,265
Deductions	(534,021)	(926,123)	(364,718)
Balance, June 30, 2009	<u>\$ 796,831</u>	<u>\$ 1,051,742</u>	<u>\$ 903,877</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,020,189</u>	<u>\$ 495,065</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 2,752,450
Less: Due Within One Year	<u>(1,515,254)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,237,196</u>

Claims and judgments for the School Department's workers' compensation program will be retired from the General Purpose School Fund. Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Montgomery County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2009, were \$68,211. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Montgomery County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works and General Capital Projects funds. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

	7-1-08	Issued	Paid	6-30-09
Tax Anticipation				
Notes	\$ 0	\$ 650,000	\$ (650,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Montgomery County and the Montgomery County School Department, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, component units, have chosen to establish the Self-Insurance Fund for risks associated with the employees' health insurance plan. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$175,000 per specific loss. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability. The county carries no aggregate reinsurance coverage.

All full-time and part-time employees of the primary government and the above-noted discretely presented component units are eligible to participate. A premium charge is allocated to each fund that accounts for all eligible participating employees. This charge is based on actuarial estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 3,608,299	\$ 21,129,157	\$ (22,618,009)	\$ 2,119,447
2008-09	2,119,447	28,015,601	(27,767,522)	2,367,526

Montgomery County has decided to maintain a self-insurance plan for risks associated with workers' compensation claims. Claims are paid from the Workers' Compensation Fund. The county administers this plan internally instead of contracting out this service. The county retains the risk of loss to a

limit of \$350,000 per specific loss. Montgomery County has obtained a stop/loss commercial insurance policy to cover claims beyond this liability.

All employees of Montgomery County, the Bi-County Solid Waste Management System, and the Emergency Communications District of Montgomery County participate. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 631,260	\$ 0	\$(168,260)	\$ 463,000
2008-09	463,000	0	(6,836)	456,164

On December 1, 2004, Montgomery County decided to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the Workers' Compensation Fund (internal service fund) where assets are set aside for claims settlements. All employees of the primary government, the Emergency Communications District of Montgomery County, and the Bi-County Solid Waste Management System are eligible to participate. Qualified individuals shall receive a portion of their salary, not to exceed six months of benefits, provided there is medical documentation from a county-designated physician. Benefits shall not extend beyond one calendar year from the date of injury or illness. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the current fiscal year are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 479,440	\$ 90,070	\$(502,010)	\$ 67,500
2008-09	67,500	204,474	(204,474)	67,500

Montgomery County, the Montgomery County School Department, the Emergency Communications District of Montgomery County, and the Bi-County Solid Waste Management System decided to maintain a self-insurance plan

for risks associated with unemployment compensation claims. The county and the above-noted component units participate in the unemployment compensation program administered by the State of Tennessee. The fund is financed from interest earnings, and each fund is assessed for excess claims filed.

Montgomery County and the discretely presented Montgomery County School Department are exposed to various risks related to general liability, property, and casualty losses. Officials decided it was more economically feasible to join a public entity risk pool for general liability, property, and casualty insurance coverage. Montgomery County and the School Department 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. Montgomery County and the School Department pay annual premiums 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.

The School Department decided to maintain a self-insurance plan for risks associated with workers' compensation claims. Claims are paid from the General Purpose School Fund, and the plan is administered by Brentwood Services. The School Department retains the risk of loss to a limit of \$275,000 per specific loss. The School Department has obtained a stop/loss commercial insurance policy to cover claims beyond this liability.

All employees of the School Department participate. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 1,175,309	\$ 0	(104,918)	\$ 1,070,391
2008-09	1,070,391	0	(252,768)	817,623

On January 1, 2006, the School Department decided to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the General Purpose School Fund where assets are set aside for claims settlements. All employees of the

School Department are eligible to participate. Qualified individuals shall receive a portion of their salary, not to exceed three months of benefits, provided there is medical documentation from a county-designated physician. Benefits shall not extend beyond one calendar year from the date of injury or illness. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 25,617	\$ 69,817	\$(63,495)	\$ 31,939
2008-09	31,939	166,265	(111,950)	86,254

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county’s financial statements. In previous years, Montgomery County had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Montgomery County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Montgomery County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Montgomery County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Montgomery County could have endowment investments in subsequent years.

C. Subsequent Events

On August 10, 2009, the Montgomery County Commission authorized the issuance of general obligation bonds not to exceed \$30,000,000.

On December 17, 2009, Montgomery County issued \$20,000,000 in Qualified School Construction Bonds.

As of the date of the auditor's report, Montgomery County requested draws of \$88,899 from the \$3,894,000 Qualified Zone Academy Bonds.

D. Contingent Liabilities

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

E. Change in Administration

On September 1, 2008, Ronnie Boyd left the Office of Assessor of Property and was succeeded by Betty Burchett.

F. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its 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 Bi-County Solid Waste Management System, a component unit, will report 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.

G. Joint Ventures

The Montgomery County Rail Service Authority provides a continuation of rail service within the area of Montgomery County, and its governing body comprises four members. The county mayor serves as a member of the authority and appoints another member subject to the County Commission's

approval. The mayor of the City of Clarksville serves as a member and appoints another member subject to the Clarksville City Council's approval. State grants provide the majority of funding for the rail authority.

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Airport and the Clarksville Montgomery County Regional Planning Commission. These joint ventures are operated by county/city-appointed boards/commissions for the benefit of all citizens of the two entities. Montgomery County has control over budgeting and financing the joint ventures only to the extent of representation by the board members appointed. Each entity is responsible for funding 50 percent of any deficits from operations if not covered by prior earnings. Montgomery County contributed \$72,811 to the operations of the airport during the year ended June 30, 2009.

The Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2008-09 year.

The Clarksville-Montgomery County Sports Authority promotes and develops sports and recreational opportunities in Montgomery County. The county and the City of Clarksville jointly appoint the 11-member board. Montgomery County has control over budgeting and financing the joint venture only to the extent of representation by the board members appointed.

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2008-09 year.

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

Administrative Offices:

Montgomery County Rail Service Authority
Montgomery County Mayor
P.O. Box 368
Clarksville, TN 37040

Clarksville Montgomery County Airport
200 Airport Road
Clarksville, TN 37042

Clarksville Montgomery County Regional
Planning Commission
329 Main Street
Clarksville, TN 37040

Economic and Community Development Board
329 Main Street
Clarksville, TN 37040

Montgomery County Sports Authority
c/o Economic Development Council
312 Madison Street
Clarksville, TN 37040

Office of District Attorney General
Nineteenth Judicial District Drug Task Force
P.O. Box 3203
Clarksville, TN 37043

H. Jointly Governed Organizations

The county and the City of Clarksville jointly appoint the 13-member board of the Clarksville-Montgomery County Community Health Foundation, Inc. The foundation is designed to facilitate activities that promote the general health of the community. The county and city do not have any ongoing financial interest or responsibility for the foundation.

The county, in conjunction with the City of Clarksville, has created the Clarksville-Montgomery County Tourism Commission. The nine-member Tourism Commission is selected by and with the joint approval of the city mayor and county mayor. Major funding for this organization is from the hotel/motel tax; however, the county and city do not have any ongoing financial interest or responsibility for this entity.

I. Retirement Commitments

Employees

Plan Description

Employees of Montgomery 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 Montgomery County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 14.18 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Montgomery County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Montgomery County's annual pension cost of \$8,182,159 to TCRS was equal to the county's required and actual

contributions. The required contribution was determined as part of the July 1, 2007, 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 postretirement 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. Montgomery 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, 2007, was eight years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$8,182,159	100%	\$0
6-30-08	7,731,682	100	0
6-30-07	7,116,217	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 86.26 percent funded. The actuarial accrued liability for benefits was \$125.96 million, and the actuarial value of assets was \$108.66 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$17.3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$49.01 million, and the ratio of the UAAL to the covered payroll was 35.3 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry

age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

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

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

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, 2009, was 6.42 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, 2009, 2008, and 2007, were \$6,367,471, \$5,948,996, and \$5,301,689, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

All full-time employees and eligible retirees of the primary government and the discretely presented Montgomery County School Department are eligible to participate in the health and dental insurance cost sharing plan accounted for in the Self-Insurance Fund (internal service fund). For accounting purposes, the plan is an agent single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

An employee who retires from Montgomery County becomes eligible for retiree health coverage if they have 20 years of service and were enrolled in the health insurance program for at least two years. Montgomery County pays a portion of the premium for retirees and their spouses. Once the retirees or their dependent(s) become eligible for Medicare, the county coverage will become the secondary insurance provider.

The School Department also offers postemployment health care benefits to employees who have 30 years of verified Tennessee Consolidated Retirement System service, or have reached 55 years of age with a minimum of 20 years of service. The School Department provides retirees and their spouses with the same health insurance coverage that full-time employees receive if the eligible employees were covered with the same before their retirement. A portion of the cost of the insurance premium will be paid by the School Department. The insurance coverage will remain in effect until the retiree attains the age of 65 or ten years of service, whichever comes first.

The School Department also provides postemployment life insurance benefits to certified employees with 20 years of service. The School Department pays 100 percent of life insurance premiums (\$7,000 policy) until death.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department	Total
ARC	\$ 350,621	\$ 1,330,852	\$ 1,681,473
Interest on the NPO	0	0	0
Adjustment to the ARC	0	0	0
Annual OPEB cost	\$ 350,621	\$ 1,330,852	\$ 1,681,473
Amount of contribution	(41,433)	(534,021)	(575,454)
Increase/decrease in NPO	\$ 309,188	\$ 796,831	\$ 1,106,019
Net OPEB obligation, 7-1-08	0	0	0
Net OPEB obligation, 6-30-09	\$ 309,188	\$ 796,831	\$ 1,106,019

Fiscal Year Ended*	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government	\$ 350,621	12 %	\$ 309,188
6-30-09	School Department	1,330,852	40	796,831

* Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Primary Government	School Department
Actuarial valuation date	7-1-08	7-1-08
Actuarial accrued liability (AAL)	\$ 3,752,716	\$ 13,820,222
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,752,716	\$ 13,820,222
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 25,358,977	\$ 124,117,232
UAAL as a % of covered payroll	15%	11%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required

supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of five percent for 2009, with the assumption that annual medical costs will increase five percent per year. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

K. Office of Central Accounting, Budgeting, and Purchasing

Montgomery County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering funds administered by the county mayor and highway supervisor. These funds are maintained in the Offices of Central Accounting and Budgeting and Central Purchasing under the supervision of the director of accounts and budgets and the purchasing agent.

L. Purchasing Laws

Office of Central Purchasing

Purchasing for the County Mayor's Office and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., Tennessee Code Annotated (TCA). Purchases for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. Section 5-14-101 et seq., TCA, provides for a purchasing agent, appointed by the county mayor and approved by the Montgomery County Commission, to make all purchases. This statute also provides for a County Purchasing Commission to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the 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 provides for the School Department, which has a purchasing division, to use a comprehensive vendor list to solicit competitive bids on all purchases exceeding \$10,000 provided the vendors on such list are given notice to bid. This statute also requires the purchasing division to periodically advertise in a county newspaper of general circulation for vendors and to update the list of vendors following such advertisement.

VI. **OTHER NOTES – DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT BOARD**

A. **Summary of Significant Accounting Policies**

1. **Financial Reporting Entity**

The Clarksville-Montgomery County Industrial Development Board is a nonprofit corporate agency and instrumentality of Montgomery County, Tennessee, organized under Title 7, Chapter 53 of the Tennessee Code Annotated. The board has as its main purpose maintaining and increasing employment opportunities and furthering the use of Montgomery County's agricultural products and natural resources by promoting industry, trade, commerce, and construction by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, and recreational enterprises to locate in or remain in this area.

The board is a component unit of Montgomery County, Tennessee, which is the principal reporting entity and primary government. The county is responsible for appointing the majority of the board of directors and provides its primary funding support.

The board applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements or opinions conflict with or contradict GASB pronouncements. The board is treated as a discrete component unit of Montgomery County since Montgomery County may unilaterally control the operations of the board. The financial reporting entity of the board only includes the assets and operations of the board and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

In fiscal year 1995, the Clarksville-Montgomery County Tourism Commission (Tourism), the Clarksville Area Chamber of Commerce (Chamber), and the board organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate,

and implement a comprehensive marketing plan relating to economic development in Montgomery County and to advance the general welfare and economic prosperity of Clarksville-Montgomery County and the surrounding area.

The board is responsible for one-third of the EDC staff's salary, payroll taxes, benefits, and certain other operating costs and expenses related to general administration of the EDC. The Chamber and Tourism each are also responsible for one-third of the expenses related to the EDC staff and general administration expenses. All other expenses of the EDC are shared based on usage allocations.

The EDC issues a publicly available financial report. Copies of that report may be obtained by contacting Shannon Green, 25 Jefferson Street, Suite 300, Clarksville, TN 37040.

2. Basis of Presentation

The financial statements of the governmental activities and major fund are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The board considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related liability is incurred.

In preparing the Statement of Net Assets and the Statement of Activities, the board uses the accrual basis of accounting. The economic resources measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Allocations of costs, such as depreciation, are recorded. All assets and liabilities (whether current or noncurrent) associated with the board's activities are reported.

3. Funding

The board receives operating subsidies from Montgomery County. A major reduction of funds by this supporting organization could have a significant effect on the future operations of the board.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates, and the variances could be material to the financial statements.

5. Concentrations of Credit Risk

Financial instruments that potentially subject the board to significant concentrations of credit risk consist principally of cash and accounts receivable. The board is exposed to concentration of credit risk by placing its deposits in financial institutions. The board has mitigated this risk because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee bank collateral pool. With respect to accounts receivable, credit risk is primarily limited to amounts due from escrow agents in connection with the sale of property.

6. Restricted Assets

When an expense is incurred for which both restricted and unrestricted resources are available, the board first applies restricted resources to these expenses.

7. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The board does not have a material amount of donated assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. All assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years are capitalized.

8. Property Held for Sale or Lease

Property held for sale or lease is recorded at cost. The cost of property sold is charged to expense using the specific identification method.

9. Accrued Compensated Absences

Employees are required to take earned vacation days within the fiscal year, and sick days are not paid upon separation. Therefore, there are no accrued compensated absences at the financial statement date.

10. Uncollectible Accounts

Accounts receivable are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles.

11. Date of Management's Review

Subsequent events have been evaluated through December 15, 2009, which is the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Custodial credit risk for the board's deposits is the risk that in the event of a bank failure, the board's deposits may not be returned to it. As required by state statutes, the board's policy is to require that financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the board or its agent in the board's name.

At June 30, 2009, cash in banks and certificates of deposit totaling \$1,860,450 in the financial statements were represented by bank balances totaling \$3,895,433, all of which were insured by the FDIC or the State of Tennessee Collateral Pool.

C. Investments and Other Deposits

Investments and other deposits are restricted by state law to deposits with financial institutions and certain obligations guaranteed by the United States government. Investments and other deposits are stated at cost or amortized cost, which approximates fair value at June 30, 2009. The following is a summary of the board's certificates of deposit at June 30, 2009, all of which were insured by the FDIC or the State of Tennessee Collateral Pool.

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	\$ 564,243	\$ 564,243

D. Note Receivable from Sale of Land

The Three C Group, LLC note is a non-interest bearing note receivable, secured by a subordinate deed of trust on the eight acres sold and improvements. The Hemlock Semiconductor, LLC (HSC) note is a non-interest bearing note receivable received in exchange for land.

	<u>Balance 6-30-09</u>
Three C Group, LLC note	\$ 233,300
Hemlock Semiconductor, LLC note	4,714,286
	<u>\$ 4,947,586</u>

The Three C Group, LLC note is due and payable upon the earlier of: (1) the date Three C Group, LLC obtains a binding lease for all or substantially all of the improvements on the property; or (2) the closing date for sale of the property. The HSC note is due in six annual installments of \$785,714 with the last payment occurring on January 1, 2015.

E. Capital Assets

A summary of changes in capital assets and accumulated depreciation follows:

Capital Assets	Balance 7-1-08	Additions	Deletions	Balance 6-30-09
Equipment	\$ 53,301	\$ 37,289	\$ 16,093	\$ 74,497
Vehicles	28,282	36,790	28,282	36,790
Leasehold Improvements	48,793	0	0	48,793
Buildings	0	1,883,553	0	1,883,553
Land	0	37,641	0	37,641
Software	0	1,385	0	1,385
Total	\$ 130,376	\$ 1,996,658	\$ 44,375	\$ 2,082,659

Accumulated Depreciation

Equipment	\$ 44,437	\$ 4,442	\$ 15,745	\$ 33,134
Vehicles	28,282	3,975	28,282	3,975
Leasehold Improvements	4,608	3,253	0	7,861
Buildings	0	7,848	0	7,848
Software	0	115	0	115
Total	\$ 77,327	\$ 19,633	\$ 44,027	\$ 52,933

Land is not depreciated or amortized. Capital assets with net book values totaling \$1,935,550 were pledged as collateral for debt at June 30, 2009.

F. Construction in Progress

A summary of changes in construction in progress follows:

	Balance 7-1-08	Additions	Deletions	Balance 6-30-09
Rail to Park Expansion	\$ 175,804	\$ 25,602	\$ 0	\$ 201,406
Teeter Property	118,057	17,710,392	17,828,449	0
Kimbrough Property	32,000	0	32,000	0
Hagewood Property	45,456	103,551	149,007	0
Ladd Property	0	14,662	14,662	0
Rehab Center	295,582	1,633,280	1,928,862	0
Speculative Building	45,636	27,865	0	73,501
Pad-Ready Site	394,700	696,021	1,090,721	0
Total	<u>\$ 1,107,235</u>	<u>\$ 20,211,373</u>	<u>\$ 21,043,701</u>	<u>\$ 274,907</u>

Construction in progress is not depreciated until placed in service.

G. Property Held for Sale or Lease

	Acres Available	At Cost
Land-Park Expansion	893.21	\$ 12,194,757
Goodpasture Property	33.09	204,918
Bell Property	54.18	199,398
Hamill Property	7.75	44,602
Darnell Property	28.84	35,949
Homemax Property	2	13,965
Pad-Ready Site	40	1,636,831
Total		<u>\$ 14,330,420</u>

Access property is included in the acres available shown above. All acres are approximate.

H. Land Sale Options

The board had three land sales options from prospective buyers outstanding at June 30, 2009. The first option, granted in fiscal year 2004, allows the holder to purchase a 20-acre tract of land at \$16,000 per acre. The option was given for a \$6,400 consideration, with \$7,200 additional consideration received in fiscal year 2009. This option expires in 2010.

The second option, granted in fiscal year 2006, allows the holder to purchase 12 acres of land at \$240,000. This option was given for the initial consideration of \$5,000 and additional consideration of \$1,000 payable annually for the next five years.

On August 1, 2008, the board entered into a letter of agreement in which a developer would purchase or lease a 225-acre lot for the development of approximately two million square feet of Class A bulk warehouse,

manufacturing, office, and flex distribution space thereon. Once the option is final, the developer will pay \$5,000 initial consideration and \$50,000 earnest money. The purchase price of the lot is \$34,000 per acre. The option will expire five years after being finalized, at which time additional consideration of \$5,000 will be due if the developer has not acquired all of the property. On June 10, 2009, the board extended the letter of agreement for one year.

I. Land Purchase Options

The board exercised four land purchase options with sellers during the fiscal year ended June 30, 2009. The first option, granted in fiscal year 2004, allowed the board to purchase a 988-acre tract of land for \$16,740 per acre for which \$9,610 was given as consideration for the option. This option was exercised on August 28, 2008, for \$17,674,912. The funding for this purchase was provided by bonds issued by Montgomery County. On January 30, 2009, this land was leased to HSC in exchange for a \$5,500,000 non-interest bearing note receivable pursuant to a payment-in-lieu-of-tax (PILOT) agreement.

The second option, purchased in fiscal year 2005, allowed the board to purchase 338 acres for \$17,600 per acre. This option was purchased for the initial consideration of \$8,000 and an additional consideration of \$8,000 payable annually for four years. This option was exercised on January 30, 2009, for an option price of \$6,239,072. The funding for this purchase was provided by HSC pursuant to a PILOT agreement.

The third option, purchased in fiscal year 2008, allowed the board to purchase a 514-acre tract of land for \$20,545 per acre for which \$25,000 was given as consideration for the option. This option expired March 31, 2008. From April 1 to August 31, 2008, the board kept the option open by paying monthly installments of \$3,000. The option to extend with monthly payments of \$25,000 was from September to December 31, 2008, and was exercised on January 30, 2009, for an option price of \$9,575,000. The funding for this purchase was provided by HSC pursuant to a PILOT agreement.

The fourth option, purchased in fiscal year 2008, allowed the board to purchase 86 acres at \$20,000 per acre. This option was purchased for the initial consideration of \$10,000. This option expired December 31, 2008, and was renewed for one month for an additional consideration of \$3,000. This option was exercised on January 30, 2009, for \$1,699,200. The funding for this purchase was provided by HSC pursuant to a PILOT agreement.

J. Operating Leases

Beginning December 2006, the board began subleasing office space in the Green Bank building from the EDC under a five-year agreement. Rental expense under the operating lease was \$18,698 for the year ended

June 30, 2009. The board has designated funds totaling the long-term portion of the operating lease obligation.

Future payments on lease obligations are as follows:

2010	\$ 18,700
2011	18,700
2012	<u>6,233</u>
Total	<u>\$ 43,633</u>

K. Lease Contracts

On June 27, 2008, the board entered into a lease contract with the State of Tennessee for rental of a medical office building. The lease contract began January 1, 2009, and ends December 31, 2020. Under the terms of the lease, the state will make monthly lease payments of \$21,542 to the board. The state has one option to renew the lease for an additional ten years with monthly rent of \$15,866.

Future cash flows from this lease contract are expected to be as follows:

<u>Year Ending June 30</u>	<u>Lease Payments</u>
2010	\$ 258,513
2011	258,513
2012	258,513
2013	258,513
2014	258,513
2015 and thereafter	1,680,335

L. Long-term Debt

Long-term debt consists of the following:

	<u>2009</u>
Notes payable bearing interest at a fixed rate of 5.5% secured by approximately 55.29 acres of land; principal and interest are payable in quarterly installments, maturing March 25, 2013.	\$ 140,227

Long-term Debt (Cont.)

	<u>2009</u>
Note payable bearing interest at 5.5% secured by land and a building; principal and interest paid in monthly installments, maturing May 2021.	\$ 2,041,194
Note payable bearing interest at 3.9% secured by a vehicle; principal and interest are payable in monthly installments, maturing November 2013.	<u>22,916</u>
Total Long-term Debt	\$ 2,204,337
Less: Current Portion	<u>(165,735)</u>
Total Long-term Debt Excluding Current Portion	<u>\$ 2,038,602</u>

Changes in long-term debt (including current portions) for the year ended June 30, 2009, were as follows:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09	Amount Due in Year Ending 6-30-10
Notes Payable	\$ 269,897	\$ 2,004,465	\$ 70,025	\$ 2,204,337	\$ 165,735

Future payments on notes payable are as follows:

Year Ending June 30	Total Principal	Total Interest
2010	\$ 165,735	\$ 117,539
2011	175,003	108,272
2012	184,790	98,484
2013	185,249	88,127
2014	159,743	78,634
2015-2019	930,700	249,417
2020-2021	<u>403,117</u>	<u>22,205</u>
Total	<u>\$ 2,204,337</u>	<u>\$ 762,678</u>

M. Retirement Plan

The EDC maintains a defined contribution 401(k) plan administered by American Chamber of Commerce Executives (ACCE) under which employees of the board can participate. Substantially all employees who have completed one year of service, reached age 21, and work 1,000 hours or more per year

are eligible to participate. For each plan year that an employee participates, the board will contribute an amount equal to four percent of the participant's total annual earnings as the employer's basic contribution. Employees can make pre-tax contributions from one to 100 percent of total annual earnings in which they are immediately vested. As the employer, the board will match 100 percent of pre-tax contributions up to a maximum of four percent. With regard to contributions of the board, vesting occurs immediately.

During the fiscal year ended June 30, 2009, contributions totaling \$17,507 were paid and expensed by the board. Employee contributions to the plan were \$19,491 for the year ended June 30, 2009.

N. Conduit Debt Obligations

The board has participated in several issues of industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The board is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements. The principal balance outstanding as of June 30, 2009, totaled \$92,225,859.

O. Related Party Transactions

The board paid EDC \$233,465 for its share of EDC expenses during the year ended June 30, 2009. The board had related party payables at June 30, 2009, totaling \$22,446, and related party receivables of \$17,005. Included in related party receivables at June 30, 2009, is \$17,000 that was advanced to the EDC to facilitate payment of routine board expenses and is not expected to be collected within one year.

P. Annual Budget Procedures

There is no requirement for the board to legally adopt a budget. However, an annual budget is prepared by management and approved by the board of directors. The budget is prepared using the cash basis of accounting and is primarily used as a cash management tool. The board members review the board's needs for the year as well as prior-year expenditures to arrive at the current-year budget. There is no requirement that the budget be amended for variances that are inconsequential and which occur as the result of normal operations. The encumbrance method of budgeting and accounting for expenditures is not used.

Q. Commitments and Contingencies

Under terms of an interlocal agreement among Montgomery County, Tennessee, the City of Clarksville, Tennessee, and the board, the sales price of property held for sale or lease will be split 90 percent to the city and ten percent to the board. Any revenue in excess of the first \$10,000 per acre

(per transaction) will be split 45 percent to the city, 45 percent to the county, and ten percent to the board. The splitting of the proceeds will remain in effect until such time as either the city annexes the land being purchased for expansion or the city has recovered its investment, which shall include interest paid. After such time as the city has either annexed the land being purchased or recovered its investment, the sale of the land shall be divided equally between the city and county after ten percent is deducted for the board. At June 30, 2009, there was an accrued liability of \$613,679 to the city and \$313,889 to the county for sales of land that took place during the fiscal years ended June 30, 2009, and 2008.

Effective December 14, 2006, the board was awarded a grant from the State of Tennessee FastTrack Infrastructure Development Program totaling \$648,978 for costs associated with the rail spur connection to the Florim Corporation. The grant requires the grantee to provide matching funds of \$483,615. At June 30, 2009, the board had accrued a liability of \$340,618 for the rail spur connection with payments of \$44,322 paid to contractors to date.

The board's exposure to property loss and general liability is handled through the purchase of commercial insurance. Insurance coverage was adequate to cover settlements for the past three fiscal years.

VII. OTHER NOTES – DISCRETELY PRESENTED BI-COUNTY SOLID WASTE MANAGEMENT SYSTEM

A. Summary of Significant Accounting Policies

Bi-County Solid Waste Management System was established by inter-local agreement on July 22, 1974, by Montgomery County, Stewart County, and the City of Clarksville for the joint and cooperative operation and maintenance of a solid waste collection and disposal system. The system currently operates a solid waste balefill (permit number SNL 63-102-0108 MOD), a transfer station, and numerous convenience centers. The system office is located at the landfill site, which is on Highway 79, east of Oakwood, and approximately ten miles west of Clarksville, Tennessee.

The financial statements of Bi-County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies for Bi-County are described as follows:

1. Financial Reporting Entity

Bi-County, a component unit of Montgomery County, Tennessee, provides landfill and collection services for Montgomery and Stewart counties. The board members of Bi-County are appointed by the joint

participants; however, Montgomery County appoints a voting majority of the board members. Bi-County is treated as a discrete component unit of Montgomery County since Montgomery County may unilaterally control the operations of Bi-County. The financial reporting entity of Bi-County only includes the assets and operations of Bi-County and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

2. Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for Bi-County.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of Bi-County's assets and liabilities, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of Bi-County's activities. Direct expenses are those that are specifically associated with a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants and contributions that have been obtained to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each function of Bi-County is self-financed or draws from general revenues.

3. Fund Financial Statements and Measurement Focus

Fund financial statements report detailed information about Bi-County. The focus of the fund financial statements is on major funds rather than fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus and modified accrual basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures, and changes in Fund Balances, which reports on sources and uses of current financial resources.

Proprietary funds are reported using the economic resources measurements focus and the accrual basis of accounting. This reporting focuses on the determination of operating income, and changes in net assets, financial position, and cash flows. The financial statement requirements are a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

The various funds are grouped in the financial statements into two broad fund categories as follows:

Governmental Fund

Special Revenue Fund

The special revenue fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Fund

Enterprise Fund

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund utilizes the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. 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, Bi-County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All major revenues are susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund utilizes the accrual basis of accounting. Its revenues are recognized when earned, and its expenses are recognized when incurred.

Bi-County is subject to the accounting directives issued by the Governmental Accounting Standards Board (GASB) and, therefore, has adopted, in all material respects, the provisions of all applicable GASB pronouncements and all applicable pronouncements of the Financial Accounting Standards Board issued through November 30, 1989, which do not conflict with GASB pronouncements.

5. Budgetary Control

Bi-County, as a component unit of Montgomery County, is required by state statute to adopt an annual budget. Expenditures may not legally exceed appropriations authorized by the Bi-County Board of Directors, and any authorized revisions. Appropriations lapse at the end of each year.

The budgetary level of control is at the major category level. Management may make revisions within major categories except for certain line items such as salaries, but only the governing body may transfer appropriations between major categories.

Bi-County's budgetary basis of accounting is consistent with generally accepted accounting principles.

6. Inventories

Inventories consist of expendable supplies, primarily fuel held for consumption, and are valued at cost on the average cost method. The cost thereof is expensed at the time individual items or quantities are used and not at the time purchased.

7. Property, Plant, and Equipment

All property, plant, and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant, and equipment are valued at their estimated fair value on the date donated. Bi-County does not have a material amount of donated assets. Property items with cost or value of less than \$5,000 are recorded as a current year expense, and therefore, are not included on the balance sheet, except that all real property is recorded as a capital asset. No interest costs were capitalized during the year ended June 30, 2009.

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

<u>Assets</u>	<u>Years</u>
Building and Improvements	15-30
Equipment and Vehicles	5-10
Cell Construction	5

8. Compensated Absences

Bi-County's policy is to permit employees to accumulate a limited amount of earned but unused vacation benefits, as well as unused compensatory time, which will be paid to employees upon separation from service. Compensatory time is to be paid within 45 days of being accrued. The granting of sick leave has no guaranteed payment attached, either through official policy or custom, and is therefore not required to be accrued or recorded.

9. Interfund Transactions

All interfund transactions are accounted for as transfers. Nonrecurring or nonroutine transfers of equity are considered residual equity transfers, and all other transfers are treated as operating transfers. Operating transfers were used to account for funding of operating deficiencies.

10. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and on deposit with the Montgomery County Trustee and certificates of deposits, which have an original maturity of three months or less when purchased.

11. Management 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.

12. Concentration of Credit Risk

Financial instruments that potentially subject Bi-County to concentrations of credit risk consist principally of cash deposits. The Montgomery County Trustee generally limits Bi-County's exposure to this credit risk by maintaining cash deposits only in financial institutions covered by FDIC insurance and/or members of the state collateral pool.

13. Classification of Proprietary Fund Revenue

Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. The principal operating revenues for the proprietary fund are charges for services and user fees. Operating expenses are the costs of providing services and include administrative expenses and depreciation. Other revenues and expenses are classified as non-operating in the financial statements.

14. Other Significant Accounting Policies

Other significant accounting policies are described throughout the notes section of this audit report or disclosed in the statement format.

B. Deposits and Investments

1. Deposits

Cash deposits are carried at cost, which approximates market value. The carrying amount of deposits is \$9,729,772. At June 30, 2009, the deposits of Bi-County totaled \$9,786,649 and were held by the Montgomery County Trustee in a combined fund with other Montgomery County deposits. The deposits of the Montgomery County Trustee, that exceed FDIC insurance limits, are further insured by securities set aside as collateral and pledged to the state treasurer of Tennessee. This pledging is accomplished as prescribed by Tennessee Code Annotated, Public Funds Collateral Pool Board. These securities are held at the Federal Reserve Branch in Nashville, Tennessee, for the State of Tennessee. Interest income of \$311,260 earned by these deposits has been recorded or disclosed in these financial statements. Interest earned by the combined county funds is allocated by direction of the Montgomery County Commission.

2. Investments

Bi-County is 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. These investments may not have maturity greater than two years. Bi-County may make investments with longer maturities if it follows various restrictions set out in state law. Bi-County is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements.

C. Retirement Commitments

Plan Description

Certain employees of Bi-County (as employees of Montgomery County) are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefits 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 the system 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 Montgomery County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Montgomery County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 14.18 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirements for Montgomery County are established and may be amended by the TCRS Board of Trustees.

Annual Pension Costs and Actuarial Information

Pension costs and actuarial information for Bi-County Solid Waste Management System cannot be separately stated. Bi-County is a component

unit of Montgomery County, and aggregated pension information is reported for all Montgomery County employees in the June 30, 2009, Montgomery County Annual Financial Report.

D. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require Bi-County to place a final cover on its 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, Bi-County will report 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. Closure/postclosure costs are calculated from an engineering evaluation. The \$9,992,800 reported as landfill closure and postclosure care liability at June 30, 2009, represents the cumulative amount reported to date, based on the use of 54 percent of the estimated capacity of the landfill. The landfill will recognize an additional estimated cost of closure and postclosure care of \$8,757,224 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Depending upon volume received at the landfill, Bi-County expects to close the landfill in the year 2017. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Also, expansion of the landfill property could change these estimates.

Montgomery and Stewart counties have executed a “Contract in-Lieu-of Performance Bond” of \$18,750,024 to provide financial assurance to the State of Tennessee for the estimated operation, closure, and postclosure costs.

Changes in Long-term Obligation for Closure and Postclosure Costs:

Accrued liability at July 1, 2008	\$ 9,091,000
Current year accrual	<u>901,800</u>
Accrued liability at June 30, 2009	<u><u>\$ 9,992,800</u></u>

These calculations are based upon a closure/postclosure study conducted in June 2000, but estimated costs have been updated for inflation by the State of Tennessee, Department of Environment and Conservation.

E. Accounts Receivable

Accounts receivable at June 30, 2009, consist of the following categories of receivables:

	<u>Proprietary Fund</u>
Customer Receivables	\$ 515,233
Other	<u>100,832</u>
Total Accounts Receivable	<u>\$ 616,065</u>

F. Schedule of Changes in Property, Plant, and Equipment

	Balance 7-1-08	Additions	Transfers or Retirements	Balance 6-30-09
<u>Enterprise Assets-Landfill</u>				
Land - Held for Expansion	\$ 616,156	\$ 0	\$ 0	\$ 616,156
Land	43,849	0	0	43,849
Construction in Progress	15,000	108,871	123,871	0
Total Capital Assets Not Depreciated	<u>\$ 675,005</u>	<u>\$ 108,871</u>	<u>\$ 123,871</u>	<u>\$ 660,005</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,425,061	\$ 0	\$ 0	\$ 2,425,061
Machinery and Equipment	6,396,057	1,744,202	149,911	7,990,348
Other Property	845,863	0	0	845,863
Total Capital Assets Depreciated	<u>\$ 9,666,981</u>	<u>\$ 1,744,202</u>	<u>\$ 149,911</u>	<u>\$ 11,261,272</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 613,226	\$ 71,133	\$ 0	\$ 684,359
Machinery and Equipment	3,694,215	476,534	43,268	4,127,481
Other Property	842,619	929	0	843,548
Total Accumulated Depreciation	<u>\$ 5,150,060</u>	<u>\$ 548,596</u>	<u>\$ 43,268</u>	<u>\$ 5,655,388</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,516,921</u>	<u>\$ 1,195,606</u>	<u>\$ 106,643</u>	<u>\$ 5,605,884</u>
Total Enterprise Assets, Net	<u>\$ 5,191,926</u>	<u>\$ 1,304,477</u>	<u>\$ 230,514</u>	<u>\$ 6,265,889</u>
<u>Governmental Assets</u>				
Capital Assets Not Depreciated:				
Land	\$ 17,987	\$ 30,017	\$ 0	\$ 48,004
Capital Assets Depreciated:				
Buildings and Improvements	\$ 280,743	\$ 0	\$ 0	\$ 280,743
Machinery and Equipment	1,776,977	22,489	0	1,799,466
Total Capital Assets Depreciated	<u>\$ 2,057,720</u>	<u>\$ 22,489</u>	<u>\$ 0</u>	<u>\$ 2,080,209</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 184,548	\$ 7,197	\$ 0	\$ 191,745
Machinery and Equipment	1,118,545	90,649	0	1,209,194
Total Accumulated Depreciation	<u>\$ 1,303,093</u>	<u>\$ 97,846</u>	<u>\$ 0</u>	<u>\$ 1,400,939</u>
Total Capital Assets Depreciated, Net	<u>\$ 754,627</u>	<u>\$ (75,357)</u>	<u>\$ 0</u>	<u>\$ 679,270</u>
Total Governmental Assets, Net	<u>\$ 772,614</u>	<u>\$ (45,340)</u>	<u>\$ 0</u>	<u>\$ 727,274</u>

G. Sources of Revenue

Bi-County receives a substantial amount of its charges for services (tipping fees) from Cheatham County and three haulers: Clarksville Disposal, Mid East Services, and Waste Industries. Bi-County also collects a user fee from each household in Montgomery and Stewart counties. A major reduction in revenue from any of the above sources, should this occur, may have a significant effect on the future operation of Bi-County.

H. Risk Management

Bi-County 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. Bi-County through its primary government, Montgomery County, has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the Tennessee County Services Association Pool. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

Bi-County Solid Waste Management System, along with other Montgomery County component units, has chosen to establish a combined Self-Insurance Fund for risks associated with the employees' health insurance plan, workers' compensation claims (including on-the-job injury) and unemployment compensation claims.

I. Operating Leases

Bi-County has convenience centers in 18 locations in Montgomery and Stewart counties. These convenience centers are located on leased property. The lease payments for the year ended June 30, 2009, were \$28,800, and are included in the contracted services category on the Statement of Revenues, Expenditures and Changes in Fund Balances. None of these are considered to be capital leases and a schedule of future required minimum rental payments is not presented. Leases are noncancelable and renew annually.

J. Changes in Long-term Debt

	Balance 7-1-08		Balance 6-30-09
Accrued Compensated Absences	\$ 125,646	\$ 63,414	\$ 189,060

K. Prior-period Adjustment

	<u>Bi-County Solid Waste Management System</u>
Fund Balance/Net Assets at 7-1-08, Unadjusted	\$ 7,970,147
Deduction of Expenses for On-Job-Injury Previously Left Out of Expenditures/Expenses	(153,222)
Addition of Maintenance Equipment to Capital Assets Previously Charged to Proprietary Expenses (Net)	85,000
Addition of Equipment to Capital Assets Previously Charged to Proprietary Expenses (Net)	<u>160,132</u>
Fund Balance/Net Assets at 7-1-08, Adjusted	<u><u>\$ 8,062,057</u></u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 28,350,643	\$ 0	\$ 28,350,643	\$ 28,629,044	\$ 28,754,709	\$ (404,066)
Licenses and Permits	583,159	0	583,159	726,500	726,500	(143,341)
Fines, Forfeitures, and Penalties	1,421,253	0	1,421,253	1,375,920	1,391,298	29,955
Charges for Current Services	4,560,107	0	4,560,107	4,919,590	4,939,522	(379,415)
Other Local Revenues	3,774,063	0	3,774,063	3,596,798	3,635,051	139,012
Fees Received from County Officials	7,629,627	0	7,629,627	7,567,989	7,567,989	61,638
State of Tennessee	5,084,230	0	5,084,230	4,267,885	4,999,960	84,270
Federal Government	887,770	0	887,770	709,308	1,831,364	(943,594)
Other Governments and Citizens Groups	837,060	0	837,060	614,126	672,003	165,057
Total Revenues	\$ 53,127,912	\$ 0	\$ 53,127,912	\$ 52,407,160	\$ 54,518,396	\$ (1,390,484)
Expenditures						
General Government						
County Commission	\$ 183,770	\$ 0	\$ 183,770	\$ 193,890	\$ 193,890	\$ 10,120
Board of Equalization	3,955	0	3,955	6,001	6,001	2,046
Beer Board	1,450	0	1,450	3,075	3,075	1,625
Other Boards and Committees	2,745	0	2,745	2,314	3,314	569
County Mayor/Executive	387,366	0	387,366	398,325	398,325	10,959
Personnel Office	278,581	0	278,581	300,039	300,039	21,458
County Attorney	36,697	0	36,697	24,000	39,000	2,303
Election Commission	569,018	0	569,018	556,626	620,876	51,858
Register of Deeds	409,986	0	409,986	428,699	445,699	35,713
Planning	342,929	0	342,929	342,929	342,929	0
Building	69,275	0	69,275	73,297	73,297	4,022
Codes Compliance	502,771	0	502,771	539,977	539,977	37,206

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Expenditures (Cont.)						
<u>General Government (Cont.)</u>						
Geographical Information Systems	\$ 57,209	\$ 0	\$ 57,209	\$ 84,896	\$ 84,896	\$ 27,687
County Buildings	1,329,782	2,429	1,332,211	1,396,077	1,377,087	44,876
Other Facilities	1,178,676	0	1,178,676	1,248,819	1,248,819	70,143
Other General Administration	472,161	0	472,161	501,833	501,833	29,672
Preservation of Records	110,212	0	110,212	114,567	114,959	4,747
<u>Finance</u>						
Accounting and Budgeting	350,151	0	350,151	464,726	464,726	114,575
Purchasing	246,782	0	246,782	263,411	263,411	16,629
Property Assessor's Office	740,250	0	740,250	832,512	832,512	92,262
Reappraisal Program	119,277	0	119,277	143,074	143,074	23,797
County Trustee's Office	449,571	0	449,571	459,715	460,651	11,080
County Clerk's Office	1,434,148	150	1,434,298	1,513,525	1,513,525	79,227
Data Processing	1,236,499	0	1,236,499	1,432,475	1,432,475	195,976
Other Finance	40,168	0	40,168	44,600	43,664	3,496
<u>Administration of Justice</u>						
Circuit Court	1,735,536	0	1,735,536	1,918,172	1,918,172	182,636
General Sessions Court	1,557,139	0	1,557,139	1,808,201	1,768,225	211,086
Drug Court	49,384	0	49,384	50,000	50,000	616
Chancery Court	446,160	0	446,160	476,578	476,578	30,418
District Attorney General	36,746	0	36,746	55,400	55,400	18,654
Judicial Commissioners	208,047	0	208,047	214,197	229,197	21,150
Other Administration of Justice	533,504	0	533,504	92,565	581,798	48,294
Probation Services	763,113	0	763,113	814,059	814,059	50,946

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Expenditures (Cont.)						
<u>Public Safety</u>						
Sheriff's Department	\$ 6,286,989	\$ 0	\$ 6,286,989	\$ 6,766,424	\$ 6,913,525	\$ 626,536
Special Patrols	1,482,229	0	1,482,229	1,515,499	1,615,499	133,270
Traffic Control	22,754	0	22,754	0	22,754	0
Administration of the Sexual Offender Registry	8,226	0	8,226	13,057	13,057	4,831
Jail	10,618,338	0	10,618,338	10,654,378	11,484,892	866,554
Workhouse	1,409,255	0	1,409,255	1,553,353	1,553,353	144,098
Correctional Incentive Program Improvements	441,405	0	441,405	503,540	478,843	37,438
Juvenile Services	207,535	0	207,535	156,399	227,328	19,793
Fire Prevention and Control	171,673	0	171,673	212,750	261,244	89,571
Civil Defense	366,883	0	366,883	384,283	385,883	19,000
Other Emergency Management	498,899	104,393	603,292	643,242	1,425,902	822,610
County Coroner/Medical Examiner	139,840	0	139,840	170,500	210,500	70,660
<u>Public Health and Welfare</u>						
Local Health Center	225,777	0	225,777	261,779	271,435	45,658
Rabies and Animal Control	400,769	0	400,769	370,000	411,896	11,127
Ambulance/Emergency Medical Services	6,816,706	0	6,816,706	7,144,205	7,155,641	338,935
Other Local Health Services	1,587,829	0	1,587,829	1,850,700	1,910,200	322,371
Regional Mental Health Center	10,000	0	10,000	10,000	10,000	0
Appropriation to State	130,068	0	130,068	130,068	130,068	0
Other Local Welfare Services	73,779	0	73,779	71,825	77,825	4,046
Other Public Health and Welfare	30,000	0	30,000	30,000	30,000	0
<u>Social, Cultural, and Recreational Services</u>						
Libraries	1,527,721	0	1,527,721	1,527,251	1,527,721	0
Parks and Fair Boards	36,396	0	36,396	48,840	48,370	11,974

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	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 (Cont.)</u>						
Other Social, Cultural, and Recreational	\$ 7,859	\$ 0	\$ 7,859	\$ 8,582	\$ 8,582	\$ 723
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	334,799	0	334,799	345,799	345,799	11,000
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	49,164	0	49,164	50,114	50,114	950
<u>Other Operations</u>						
Tourism	1,012,257	0	1,012,257	1,039,000	1,039,000	26,743
Industrial Development	537,700	0	537,700	537,700	537,700	0
Airport	72,811	0	72,811	54,133	72,811	0
Veterans' Services	295,566	0	295,566	341,043	341,043	45,477
Other Charges	1,545,597	0	1,545,597	1,418,091	1,550,828	5,231
Contributions to Other Agencies	163,749	0	163,749	199,191	199,191	35,442
Employee Benefits	310,711	0	310,711	312,300	332,300	21,589
Miscellaneous	8,945	0	8,945	18,700	18,700	9,755
<u>Highways</u>						
Litter and Trash Collection	119,418	0	119,418	127,693	127,693	8,275
Total Expenditures	\$ 52,836,705	\$ 106,972	\$ 52,943,677	\$ 55,271,013	\$ 58,133,180	\$ 5,189,503
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 291,207	\$ (106,972)	\$ 184,235	\$ (2,863,853)	\$ (3,614,784)	\$ 3,799,019
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 42,451	\$ 0	\$ 42,451	\$ 0	\$ 26,436	\$ 16,015
Transfers In	0	0	0	2,863,856	2,863,856	(2,863,856)
Total Other Financing Sources (Uses)	\$ 42,451	\$ 0	\$ 42,451	\$ 2,863,856	\$ 2,890,292	\$ (2,847,841)
<u>Net Change in Fund Balance</u>						
Fund Balance, July 1, 2008	\$ 333,658	\$ (106,972)	\$ 226,686	\$ 3	\$ (724,492)	\$ 951,178
Fund Balance, June 30, 2009	19,527,697	0	19,527,697	16,144,917	16,144,917	3,382,780
Fund Balance, June 30, 2009	\$ 19,861,355	\$ (106,972)	\$ 19,754,383	\$ 16,144,920	\$ 15,420,425	\$ 4,333,958

Exhibit F-2

Montgomery County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Montgomery County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 108,665	\$ 125,967	17,302	86.26 %	\$ 49,014	35.30 %
6-30-08	7-1-07	108,665	125,967	17,302	86.26	49,014	35.30

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit F-3

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Montgomery County School Department
June 30, 2009

(Dollar amounts in thousands)

Plans	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial		Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Value of Assets (a)	Accrued Liability (AAL) (b)				
Primary Government	6-30-09	7-1-08	\$ 0	\$ 3,753	\$ 3,753	0%	\$ 25,359	15%
School Department	6-30-09	7-1-08	0	13,820	13,820	0	124,117	11

*Data only available for one year.

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MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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 Montgomery County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

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

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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.

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

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

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

Other Capital Projects Fund #1 – The Other Capital Projects Fund #1 is used to account for the proceeds received from the \$68,725,000 general obligation public improvement and general obligation refunding bonds.

Other Capital Projects Fund #2 – The Other Capital Projects Fund #2 is used to account for the proceeds received from the issuance of \$25,000,000 in bonds for various capital projects.

Other Capital Projects Fund #3 – The Other Capital Projects Fund #3 is used to account for the proceeds received from the \$22,000,000 general obligation public improvement bonds.

Other Capital Projects Fund #4 – The Other Capital Projects Fund #4 is used to account for the proceeds received from the \$40,000,000 general obligation public improvement bonds.

Exhibit G-1

Montgomery County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
<u>ASSETS</u>				
Cash	\$ 0	\$ 610	\$ 50	\$ 660
Equity in Pooled Cash and Investments	92,771	0	1,124,254	1,217,025
Accounts Receivable	71	1,946	35,276	37,293
Due from Other Governments	0	0	567,876	567,876
Property Taxes Receivable	0	0	3,660,431	3,660,431
Allowance for Uncollectible Property Taxes	0	0	(68,871)	(68,871)
Total Assets	<u>\$ 92,842</u>	<u>\$ 2,556</u>	<u>\$ 5,319,016</u>	<u>\$ 5,414,414</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 0	\$ 39,485	\$ 39,485
Accrued Payroll	0	0	69,026	69,026
Payroll Deductions Payable	0	0	27,974	27,974
Due to Other Funds	0	0	223,382	223,382
Due to Litigants, Heirs, and Others	0	2,556	0	2,556
Deferred Revenue - Current Property Taxes	0	0	3,474,916	3,474,916
Deferred Revenue - Delinquent Property Taxes	0	0	112,286	112,286
Other Deferred Revenues	0	0	327,815	327,815
Total Liabilities	<u>\$ 0</u>	<u>\$ 2,556</u>	<u>\$ 4,274,884</u>	<u>\$ 4,277,440</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 0	\$ 0	\$ 134,233	\$ 134,233
Unreserved	92,842	0	909,899	1,002,741
Total Fund Balances	<u>\$ 92,842</u>	<u>\$ 0</u>	<u>\$ 1,044,132</u>	<u>\$ 1,136,974</u>
Total Liabilities and Fund Balances	<u>\$ 92,842</u>	<u>\$ 2,556</u>	<u>\$ 5,319,016</u>	<u>\$ 5,414,414</u>

Exhibit G-2

Montgomery County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2009

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Drug Control	Highway / Public Works	Total	Other Capital Projects #1	Other Capital Projects #2	Other Capital Projects #3	Other Capital Projects #4	
Revenues								
Local Taxes	\$ 0	\$ 3,579,364	\$ 3,579,364	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,579,364
Fines, Forfeitures, and Penalties	12,580	0	12,580	0	0	0	0	12,580
Charges for Current Services	0	155	155	0	0	0	0	155
Other Local Revenues	0	56,128	56,128	0	18,389	18,086	0	92,603
State of Tennessee	0	3,185,134	3,185,134	0	0	0	0	3,185,134
Other Governments and Citizens Groups	0	107,694	107,694	0	0	0	0	107,694
Total Revenues	\$ 12,580	\$ 6,928,475	\$ 6,941,055	\$ 0	\$ 18,389	\$ 18,086	\$ 0	\$ 36,475
Expenditures								
Current:								
Public Safety	\$ 648	\$ 0	\$ 648	\$ 0	\$ 0	\$ 0	\$ 0	\$ 648
Highways	0	7,378,118	7,378,118	0	0	0	0	7,378,118
Debt Service:								
Interest on Debt	0	1,425	1,425	0	0	0	0	1,425
Total Expenditures	\$ 648	\$ 7,379,543	\$ 7,380,191	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,380,191
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,932	\$ (451,068)	\$ (439,136)	\$ 0	\$ 18,389	\$ 18,086	\$ 0	\$ (402,661)
Other Financing Sources (Uses)								
Insurance Recovery	\$ 0	\$ 7,289	\$ 7,289	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,289
Transfers Out	0	0	0	(459,998)	(2,508,998)	(4,783,543)	(356,425)	(8,108,964)
Total Other Financing Sources (Uses)	\$ 0	\$ 7,289	\$ 7,289	\$ (459,998)	\$ (2,508,998)	\$ (4,783,543)	\$ (356,425)	\$ (8,101,675)
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 11,932	\$ (443,779)	\$ (431,847)	\$ (459,998)	\$ (2,490,609)	\$ (4,765,457)	\$ (356,425)	\$ (8,504,336)
Fund Balance, June 30, 2009	\$ 92,842	\$ 1,044,132	\$ 1,136,974	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,136,974

Exhibit G-3

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 12,580	\$ 15,000	\$ 15,000	\$ (2,420)
Total Revenues	\$ 12,580	\$ 15,000	\$ 15,000	\$ (2,420)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 648	\$ 74,876	\$ 74,876	\$ 74,228
Total Expenditures	\$ 648	\$ 74,876	\$ 74,876	\$ 74,228
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,932	\$ (59,876)	\$ (59,876)	\$ 71,808
Net Change in Fund Balance	\$ 11,932	\$ (59,876)	\$ (59,876)	\$ 71,808
Fund Balance, July 1, 2008	80,910	0	0	80,910
Fund Balance, June 30, 2009	\$ 92,842	\$ (59,876)	\$ (59,876)	\$ 152,718

Exhibit G-4

Montgomery 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, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,579,364	\$ 0	\$ 3,579,364	\$ 3,479,446	\$ 3,496,558	\$ 82,806
Charges for Current Services	155	0	155	100	100	55
Other Local Revenues	56,128	0	56,128	135,000	50,889	5,239
State of Tennessee	3,185,134	0	3,185,134	2,888,417	3,082,306	102,828
Other Governments and Citizens Groups	107,694	0	107,694	0	97,000	10,694
Total Revenues	\$ 6,928,475	\$ 0	\$ 6,928,475	\$ 6,502,963	\$ 6,726,853	\$ 201,622
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 352,344	\$ 0	\$ 352,344	\$ 348,386	\$ 357,725	\$ 5,381
Highway and Bridge Maintenance	4,133,445	0	4,133,445	4,303,030	4,243,078	109,633
Operation and Maintenance of Equipment	1,063,545	0	1,063,545	1,262,499	1,265,399	201,854
Traffic Control	406,816	0	406,816	434,288	435,138	28,322
Other Charges	558,219	0	558,219	571,542	578,292	20,073
Employee Benefits	9,113	0	9,113	10,547	16,547	7,434
Capital Outlay	854,636	134,233	988,869	1,010,430	1,191,469	202,600
Interest on Debt	1,425	0	1,425	0	1,425	0
Highways and Streets	\$ 7,379,543	\$ 134,233	\$ 7,513,776	\$ 7,940,722	\$ 8,089,073	\$ 575,297
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	\$ (451,068)	\$ (134,233)	\$ (585,301)	\$ (1,437,759)	\$ (1,362,220)	\$ 776,919
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 7,289	\$ 0	\$ 7,289	\$ 0	\$ 0	\$ 7,289

(Continued)

Exhibit G-4

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Other Financing Sources (Uses) (Cont.)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 1,230,000	\$ 1,230,000	\$ (1,230,000)
Total Other Financing Sources (Uses)	\$ 7,289	\$ 0	\$ 7,289	\$ 1,230,000	\$ 1,230,000	\$ (1,222,711)
Net Change in Fund Balance	\$ (443,779)	\$ (134,233)	\$ (578,012)	\$ (207,759)	\$ (132,220)	\$ (445,792)
Fund Balance, July 1, 2008	1,487,911	0	1,487,911	1,797,426	1,797,426	(309,515)
Fund Balance, June 30, 2009	\$ 1,044,132	\$ (134,233)	\$ 909,899	\$ 1,589,667	\$ 1,665,206	\$ (755,307)

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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.

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Exhibit H

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 27,834,934	\$ 26,021,167	\$ 26,129,151	\$ 1,705,783
Other Local Revenues	417,343	750,000	889,690	(472,347)
Other Governments and Citizens Groups	630,526	0	860	629,666
Total Revenues	<u>\$ 28,882,803</u>	<u>\$ 26,771,167</u>	<u>\$ 27,019,701</u>	<u>\$ 1,863,102</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,256,135	\$ 3,756,135	\$ 3,756,135	\$ 500,000
Education	9,679,946	10,801,296	10,938,893	1,258,947
<u>Interest on Debt</u>				
General Government	4,430,647	3,773,134	4,430,648	1
Education	9,481,867	10,296,710	9,706,980	225,113
<u>Other Debt Service</u>				
General Government	178,784	168,000	180,200	1,416
Education	378,833	407,000	437,093	58,260
Total Expenditures	<u>\$ 27,406,212</u>	<u>\$ 29,202,275</u>	<u>\$ 29,449,949</u>	<u>\$ 2,043,737</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,476,591</u>	<u>\$ (2,431,108)</u>	<u>\$ (2,430,248)</u>	<u>\$ 3,906,839</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 23,382	\$ 0	\$ 23,382	\$ 0
Transfers In	448,640	2,132,000	2,107,758	(1,659,118)
Total Other Financing Sources (Uses)	<u>\$ 472,022</u>	<u>\$ 2,132,000</u>	<u>\$ 2,131,140</u>	<u>\$ (1,659,118)</u>
Net Change in Fund Balance	\$ 1,948,613	\$ (299,108)	\$ (299,108)	\$ 2,247,721
Fund Balance, July 1, 2008	<u>24,741,067</u>	<u>23,901,392</u>	<u>23,901,392</u>	<u>839,675</u>
Fund Balance, June 30, 2009	<u>\$ 26,689,680</u>	<u>\$ 23,602,284</u>	<u>\$ 23,602,284</u>	<u>\$ 3,087,396</u>

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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.

Self-Insurance Fund – The Self-Insurance Fund is used to account for transactions of the county’s self-insured group medical plan.

Workers’ Compensation Fund – The Workers’ Compensation Fund is used to account for the county’s self-insured workers’ compensation and on-the-job injury programs.

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

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Exhibit I-1

Montgomery County, Tennessee
 Combining Statement of Net Assets
 Proprietary Funds
 June 30, 2009

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>ASSETS</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 2,495,672	\$ 1,024,956	\$ 463,650	\$ 3,984,278
Accounts Receivable	1,827	153,381	225	155,433
Due from Other Funds	0	629,025	0	629,025
Due from Component Units	20,067	0	0	20,067
Total Current Assets	<u>\$ 2,517,566</u>	<u>\$ 1,807,362</u>	<u>\$ 463,875</u>	<u>\$ 4,788,803</u>
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	\$ 24,803	\$ 0	\$ 0	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(2,587)	0	0	(2,587)
Total Noncurrent Assets	<u>\$ 22,216</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,216</u>
Total Assets	<u>\$ 2,539,782</u>	<u>\$ 1,807,362</u>	<u>\$ 463,875</u>	<u>\$ 4,811,019</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 14,948	\$ 2,856	\$ 8,088	\$ 25,892
Accrued Payroll	0	2,531	0	2,531
Payroll Deductions Payable	0	1,319	0	1,319
Due to Component Units	37,750	0	0	37,750
Claims and Judgments Payable	1,183,763	295,582	0	1,479,345
Total Current Liabilities	<u>\$ 1,236,461</u>	<u>\$ 302,288</u>	<u>\$ 8,088</u>	<u>\$ 1,546,837</u>
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 1,183,763	\$ 228,082	\$ 0	\$ 1,411,845
Total Noncurrent Liabilities	<u>\$ 1,183,763</u>	<u>\$ 228,082</u>	<u>\$ 0</u>	<u>\$ 1,411,845</u>
Total Liabilities	<u>\$ 2,420,224</u>	<u>\$ 530,370</u>	<u>\$ 8,088</u>	<u>\$ 2,958,682</u>
<u>NET ASSETS</u>				
Unrestricted	<u>\$ 119,558</u>	<u>\$ 1,276,992</u>	<u>\$ 455,787</u>	<u>\$ 1,852,337</u>
Total Net Assets	<u>\$ 119,558</u>	<u>\$ 1,276,992</u>	<u>\$ 455,787</u>	<u>\$ 1,852,337</u>

Exhibit I-2

Montgomery County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 27,840,504	\$ 782,246	\$ 0	\$ 28,622,750
Total Operating Revenues	\$ 27,840,504	\$ 782,246	\$ 0	\$ 28,622,750
<u>Operating Expenses</u>				
Other Facilities	\$ 0	\$ 4,807	\$ 0	\$ 4,807
County Buildings	0	0	257	257
Risk Management	0	112,060	0	112,060
County Clerk	0	2,573	0	2,573
Data Processing	0	354	0	354
Property Assessor's Office	0	0	8,158	8,158
Circuit Court	0	286	0	286
General Sessions Court	0	0	4,712	4,712
Sheriff's Department	0	6,734	0	6,734
Jail	0	12,924	5,399	18,323
Fire Prevention and Control	0	8,053	0	8,053
Rabies and Animal Control	0	1,055	2,109	3,164
Ambulance/Emergency Medical Services	0	42,725	2,251	44,976
Nursing Home	0	4,714	0	4,714
Other Local Health Services	0	0	2,002	2,002
Waste Pickup	0	720	1,549	2,269
Landfill Operation and Maintenance	0	10,479	144	10,623
Convenience Centers	0	0	1,421	1,421
Litter and Trash Collection	0	0	427	427
Highway and Bridge Maintenance	0	3,826	0	3,826
Depreciation	991	0	0	991
Other Charges	1,064,663	0	64,649	1,129,312
Employee Benefits	30,253,604	0	0	30,253,604
Total Operating Expenses	\$ 31,319,258	\$ 211,310	\$ 93,078	\$ 31,623,646
Operating Income (Loss)	\$ (3,478,754)	\$ 570,936	\$ (93,078)	\$ (3,000,896)
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 14,155	\$ 6,296	\$ 8,859	\$ 29,310
Miscellaneous Refunds	574,015	0	0	574,015
Total Nonoperating Revenues (Expenses)	\$ 588,170	\$ 6,296	\$ 8,859	\$ 603,325
Changes in Net Assets	\$ (2,890,584)	\$ 577,232	\$ (84,219)	\$ (2,397,571)
Net Assets, July 1, 2008	3,010,142	699,760	540,006	4,249,908
Net Assets, June 30, 2009	\$ 119,558	\$ 1,276,992	\$ 455,787	\$ 1,852,337

Exhibit I-3

Montgomery County, Tennessee
 Combining Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2009

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Cash Flows From Operating Activities</u>				
Receipts from Interfund Services Provided	\$ 27,955,751	\$ 692,562	\$ 0	\$ 28,648,313
Other Self-Insured Claims	(31,139,764)	(311,962)	(93,140)	(31,544,866)
Other Receipts (Payments)	574,015	0	0	574,015
Net Cash Provided By (Used In) Operating Activities	\$ (2,609,998)	\$ 380,600	\$ (93,140)	\$ (2,322,538)
<u>Cash Flows From Investing Activities</u>				
Investment Income	\$ 14,155	\$ 6,296	\$ 8,859	\$ 29,310
Net Cash Provided By (Used In) Investing Activities	\$ 14,155	\$ 6,296	\$ 8,859	\$ 29,310
Net Increase (Decrease) in Cash	\$ (2,595,843)	\$ 386,896	\$ (84,281)	\$ (2,293,228)
Cash, July 1, 2008	5,091,515	638,060	547,931	6,277,506
Cash, June 30, 2009	\$ 2,495,672	\$ 1,024,956	\$ 463,650	\$ 3,984,278
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (3,478,754)	\$ 570,936	\$ (93,078)	\$ (3,000,896)
Miscellaneous Refunds	574,015	0	0	574,015
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation Expense	991	0	0	991
(Increase) Decrease in Accounts Receivable	59,637	(108,473)	1,656	(47,180)
(Increase) Decrease in Due from Other Funds	26,513	18,789	0	45,302
(Increase) Decrease in Due from Component Units	29,097	0	0	29,097
Increase (Decrease) in Accounts Payable	(72,116)	(9,602)	(1,718)	(83,436)
Increase (Decrease) in Accrued Payroll	0	(212)	0	(212)
Increase (Decrease) in Payroll Deductions Payable	0	(133)	0	(133)
Increase (Decrease) in Due to Other Funds	0	(83,869)	0	(83,869)
Increase (Decrease) in Due to Component Units	2,540	0	0	2,540
Increase (Decrease) in Claims and Judgments Payable	248,079	(6,836)	0	241,243
Net Cash Provided By (Used In) Operating Activities	\$ (2,609,998)	\$ 380,600	\$ (93,140)	\$ (2,322,538)

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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.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues that are held for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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Exhibit J-1

Montgomery County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>			
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 7,937,167	\$ 5,577	\$ 7,942,744
Equity in Pooled Cash and Investments	0	0	370,330	370,330
Accounts Receivable	0	59,063	6,566	65,629
Due from Other Governments	1,957,735	0	5,043	1,962,778
Total Assets	<u>\$ 1,957,735</u>	<u>\$ 7,996,230</u>	<u>\$ 387,516</u>	<u>\$ 10,341,481</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 57,132	\$ 57,132
Accrued Payroll	0	0	1,194	1,194
Due to Other Funds	0	0	180	180
Due to Other Taxing Units	1,957,735	0	0	1,957,735
Due to Litigants, Heirs, and Others	0	7,996,230	0	7,996,230
Due to Joint Ventures	0	0	329,010	329,010
Total Liabilities	<u>\$ 1,957,735</u>	<u>\$ 7,996,230</u>	<u>\$ 387,516</u>	<u>\$ 10,341,481</u>

Exhibit J-2

Montgomery County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,282,435	\$ 11,282,435	\$ 0
Due from Other Governments	1,876,325	1,957,735	1,876,325	1,957,735
Total Assets	\$ 1,876,325	\$ 13,240,170	\$ 13,158,760	\$ 1,957,735
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,876,325	\$ 13,240,170	\$ 13,158,760	\$ 1,957,735
Total Liabilities	\$ 1,876,325	\$ 13,240,170	\$ 13,158,760	\$ 1,957,735
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,168,924	\$ 37,454,415	\$ 36,686,172	\$ 7,937,167
Accounts Receivable	46,362	59,063	46,362	59,063
Total Assets	\$ 7,215,286	\$ 37,513,478	\$ 36,732,534	\$ 7,996,230
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,215,286	\$ 37,513,478	\$ 36,732,534	\$ 7,996,230
Total Liabilities	\$ 7,215,286	\$ 37,513,478	\$ 36,732,534	\$ 7,996,230
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 8,701	\$ 5,577	\$ 8,701	\$ 5,577
Equity in Pooled Cash and Investments	333,599	221,886	185,155	370,330
Accounts Receivable	519	6,566	519	6,566
Due from Other Governments	0	5,043	0	5,043
Total Assets	\$ 342,819	\$ 239,072	\$ 194,375	\$ 387,516
<u>Liabilities</u>				
Accounts Payable	\$ 1,811	\$ 57,132	\$ 1,811	\$ 57,132
Accrued Payroll	1,413	1,194	1,413	1,194
Payroll Deductions Payable	421	0	421	0
Due to Other Funds	360	180	360	180
Due to Joint Ventures	338,814	180,566	190,370	329,010
Total Liabilities	\$ 342,819	\$ 239,072	\$ 194,375	\$ 387,516

(Continued)

Exhibit J-2

Montgomery County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,177,625	\$ 37,459,992	\$ 36,694,873	\$ 7,942,744
Equity in Pooled Cash and Investments	333,599	11,504,321	11,467,590	370,330
Accounts Receivable	46,881	65,629	46,881	65,629
Due from Other Governments	1,876,325	1,962,778	1,876,325	1,962,778
Total Assets	<u>\$ 9,434,430</u>	<u>\$ 50,992,720</u>	<u>\$ 50,085,669</u>	<u>\$ 10,341,481</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,811	\$ 57,132	\$ 1,811	\$ 57,132
Accrued Payroll	1,413	1,194	1,413	1,194
Payroll Deductions Payable	421	0	421	0
Due to Other Funds	360	180	360	180
Due to Other Taxing Units	1,876,325	13,240,170	13,158,760	1,957,735
Due to Litigants, Heirs, and Others	7,215,286	37,513,478	36,732,534	7,996,230
Due to Joint Ventures	338,814	180,566	190,370	329,010
Total Liabilities	<u>\$ 9,434,430</u>	<u>\$ 50,992,720</u>	<u>\$ 50,085,669</u>	<u>\$ 10,341,481</u>

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Montgomery County School Department

This section presents combining and individual fund financial statements for the Montgomery County School Department, a discretely presented component unit. The Montgomery County School Department uses a General Fund, four 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 Funds – 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.

School Transportation Fund – The School Transportation Fund accounts for a local tax levy used to fund school transportation.

Extended School Program Fund – The Extended School Program Fund is used to account for transactions related to the after-school programs in the individual schools.

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

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Exhibit K-1

Montgomery County, Tennessee
 Statement of Activities
 Discretely Presented Montgomery County School Department
 For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions Contributions	
Governmental Activities:				
Instruction	\$ 115,533,178	\$ 161,430	\$ 8,453,565	\$ (106,893,435)
Support Services	84,717,744	163,419	2,635,016	(42,743,474)
Operation of Non-Instructional Services	12,466,760	4,919,164	8,278,090	769,012
Other Debt Service	515,417	0	0	(515,417)
Total Governmental Activities	\$ 213,233,099	\$ 5,244,013	\$ 19,366,671	\$ (149,383,314)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 27,446,827
Local Option Sales Tax				32,144,548
Wheel Tax				3,710,968
Business Tax				833,845
Other Local Taxes				16,376
Grants and Contributions Not Restricted to Specific Programs				122,740,818
Unrestricted Investment Earnings				32,130
Refund of Telecommunication and Internet Fees (E-Rate)				118,463
Gain on Disposal of Capital Assets				6,255
Miscellaneous				214,399
Total General Revenues				\$ 187,264,629
Change in Net Assets				\$ 37,881,315
Net Assets, July 1, 2008				264,675,430
Net Assets, June 30, 2009				\$ 302,556,745

Exhibit K-2

Montgomery County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Montgomery County School Department
 June 30, 2009

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 8,058	\$ 0	\$ 168,018	\$ 176,076
Equity in Pooled Cash and Investments	34,628,433	7,988,821	4,320,445	46,937,699
Inventories	322,707	0	281,548	604,255
Accounts Receivable	169,091	0	400,521	569,612
Due from Other Governments	6,550,516	0	1,192,451	7,742,967
Due from Other Funds	385,956	111,515	10,816	508,287
Due from Primary Government	37,284	0	466	37,750
Property Taxes Receivable	26,004,016	0	1,735,474	27,739,490
Allowance for Uncollectible Property Taxes	(512,952)	0	(34,216)	(547,168)
Prepaid Items	50,000	0	0	50,000
Total Assets	\$ 67,643,109	\$ 8,100,336	\$ 8,075,523	\$ 83,818,968
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 1,061,917	\$ 939,842	\$ 210,034	\$ 2,211,793
Accrued Payroll	10,148,503	0	522,199	10,670,702
Payroll Deductions Payable	4,282,383	0	234,782	4,517,165
Contracts Payable	0	889,300	0	889,300
Retainage Payable	0	52,245	0	52,245
Deferred Compensation Payable	289,220	0	0	289,220
Due to Other Funds	108,812	93,096	306,379	508,287
Due to Primary Government	428,849	0	37,983	466,832
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	163,356	163,356
Deferred Revenue - Current Property Taxes	24,575,860	0	1,640,244	26,216,104
Deferred Revenue - Delinquent Property Taxes	881,010	0	58,734	939,744
Other Deferred Revenues	3,087,689	0	0	3,087,689
Total Liabilities	\$ 44,864,243	\$ 1,974,483	\$ 3,173,711	\$ 50,012,437
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 3,237,753	\$ 4,223,325	\$ 328,579	\$ 7,789,657
Reserved for Career Ladder - Extended Contract	458,448	0	0	458,448
Reserved for Career Ladder Program	33,381	0	0	33,381
Reserved for Title I Grants to Local Education Agencies	0	0	58,896	58,896
Reserved for Innovative Education Program Strategies	0	0	10,146	10,146
Reserved for Special Education - Grants to States	0	0	147,547	147,547
Unreserved, Reported In:				
General Fund	19,049,284	0	0	19,049,284
Special Revenue Funds	0	0	4,356,644	4,356,644
Capital Projects Funds	0	1,902,528	0	1,902,528
Total Fund Balances	\$ 22,778,866	\$ 6,125,853	\$ 4,901,812	\$ 33,806,531
Total Liabilities and Fund Balances	\$ 67,643,109	\$ 8,100,336	\$ 8,075,523	\$ 83,818,968

Exhibit K-3

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Montgomery County School Department
June 30, 2009

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)		\$	33,806,531
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	12,556,577	
Add: construction in progress		46,839,052	
Add: buildings and improvements net of accumulated depreciation		194,372,536	
Add: other capital assets net of accumulated depreciation		<u>13,707,066</u>	267,475,231
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: claims and judgments payable	\$	(903,877)	
Less: other postemployment benefits liability		(796,831)	
Less: compensated absences payable		<u>(1,051,742)</u>	(2,752,450)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>4,027,433</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>302,556,745</u></u>

Exhibit K-4

Montgomery County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Montgomery County School Department
For the Year Ended June 30, 2009

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 58,458,075	\$ 0	\$ 5,407,107	\$ 63,865,182
Charges for Current Services	29,071	0	4,965,563	4,994,634
Other Local Revenues	398,773	0	228,184	626,957
State of Tennessee	111,240,714	0	6,161,319	117,402,033
Federal Government	4,465,042	0	19,147,506	23,612,548
Other Governments and Citizens Groups	25,118	39,054,924	0	39,080,042
Total Revenues	<u>\$ 174,616,793</u>	<u>\$ 39,054,924</u>	<u>\$ 35,909,679</u>	<u>\$ 249,581,396</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 105,931,862	\$ 0	\$ 8,833,329	\$ 114,765,191
Support Services	60,968,177	0	16,035,957	77,004,134
Operation of Non-Instructional Services	1,711,383	0	10,366,710	12,078,093
Debt Service:				
Other Debt Service	515,417	0	0	515,417
Capital Projects	0	36,165,418	0	36,165,418
Total Expenditures	<u>\$ 169,126,839</u>	<u>\$ 36,165,418</u>	<u>\$ 35,235,996</u>	<u>\$ 240,528,253</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 5,489,954	\$ 2,889,506	\$ 673,683	\$ 9,053,143
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 27,672	\$ 0	\$ 0	\$ 27,672
Transfers In	287,618	79,700	1,282,915	1,650,233
Transfers Out	(79,700)	0	(1,570,533)	(1,650,233)
Total Other Financing Sources (Uses)	<u>\$ 235,590</u>	<u>\$ 79,700</u>	<u>\$ (287,618)</u>	<u>\$ 27,672</u>
Net Change in Fund Balances				
Fund Balance, July 1, 2008	\$ 17,053,322	\$ 3,156,647	\$ 4,515,747	\$ 24,725,716
Fund Balance, June 30, 2009	<u>\$ 22,778,866</u>	<u>\$ 6,125,853</u>	<u>\$ 4,901,812</u>	<u>\$ 33,806,531</u>

Exhibit K-5

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Montgomery County School Department
For the Year Ended June 30, 2009

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)		\$	9,080,815
(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	\$	35,550,647	
Less: current year depreciation expense		<u>(7,032,283)</u>	28,518,364
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Add: gain on disposal of capital assets	\$	6,255	
Less: revenue from the sale of capital assets		<u>(39,797)</u>	(33,542)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2008	\$	(3,078,168)	
Add: deferred delinquent property taxes and other deferred June 30, 2009		<u>4,027,433</u>	949,265
(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 claims and judgments payable	\$	198,453	
Change in other postemployment benefits liability		(796,831)	
Change in compensated absences payable		<u>(35,209)</u>	<u>(633,587)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 37,881,315</u>

Montgomery County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Montgomery County School Department
 June 30, 2009

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor- tation	Extended School Program	
\$	0	\$ 168,018	\$ 0	\$ 0	\$ 168,018
	807,097	2,910,635	528,369	74,344	4,320,445
	0	281,548	0	0	281,548
	13	37,819	362,689	0	400,521
	688,145	504,306	0	0	1,192,451
	9,085	0	1,731	0	10,816
	235	77	154	0	466
	0	0	1,735,474	0	1,735,474
	0	0	(34,216)	0	(34,216)
	\$ 1,504,575	\$ 3,902,403	\$ 2,594,201	\$ 74,344	\$ 8,075,523

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Inventories	
Accounts Receivable	
Due from Other Governments	
Due from Other Funds	
Due from Primary Government	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable	
Accrued Payroll	
Payroll Deductions Payable	
Due to Other Funds	
Due to Primary Government	
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Total Liabilities	

Fund Balances

Reserved for Encumbrances	
Reserved for Title I Grants to Local Education Agencies	
Reserved for Innovative Education Program Strategies	
Reserved for Special Education - Grants to States	
Unreserved (Deficit)	
Total Fund Balances	

Total Liabilities and Fund Balances

\$	160,340	\$ 14,711	\$ 34,983	\$ 0	\$ 0	\$ 210,034
	492,145	0	30,054	0	0	522,199
	228,092	553	6,093	44	0	234,782
	279,384	1,346	25,649	0	0	306,379
	0	0	37,983	0	0	37,983
	0	163,356	0	0	0	163,356
	0	0	1,640,244	0	0	1,640,244
	0	0	58,734	0	0	58,734
	\$ 1,159,961	\$ 179,966	\$ 1,833,740	\$ 44	\$ 44	\$ 3,173,711
	\$ 209,064	\$ 116,784	\$ 2,675	\$ 56	\$ 56	\$ 328,579
	58,896	0	0	0	0	58,896
	10,146	0	0	0	0	10,146
	147,547	0	0	0	0	147,547
	(81,039)	3,605,653	757,786	74,244	74,244	4,356,644
	\$ 344,614	\$ 3,722,437	\$ 760,461	\$ 74,300	\$ 74,300	\$ 4,901,812
	\$ 1,504,575	\$ 3,902,403	\$ 2,594,201	\$ 74,344	\$ 74,344	\$ 8,075,523

Montgomery County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Discretely Presented Montgomery County School Department
 For the Year Ended June 30, 2009

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor- tation	Extended School Program	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 5,407,107	\$ 0	\$ 5,407,107
Charges for Current Services	0	4,829,568	0	135,995	4,965,563
Other Local Revenues	75	171,116	56,993	0	228,184
State of Tennessee	538,297	123,022	5,500,000	0	6,161,319
Federal Government	13,434,272	5,713,234	0	0	19,147,506
Total Revenues	\$ 13,972,644	\$ 10,836,940	\$ 10,964,100	\$ 135,995	\$ 35,909,679
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,664,094	\$ 0	\$ 0	\$ 169,235	\$ 8,833,329
Support Services	3,558,728	1,194	12,450,123	25,912	16,035,957
Operation of Non-Instructional Services	0	10,366,710	0	0	10,366,710
Total Expenditures	\$ 12,222,822	\$ 10,367,904	\$ 12,450,123	\$ 195,147	\$ 35,235,996
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,749,822	\$ 469,036	\$ (1,486,023)	\$ (59,152)	\$ 673,683
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 1,282,915	\$ 0	\$ 1,282,915
Transfers Out	(1,570,533)	0	0	0	(1,570,533)
Total Other Financing Sources (Uses)	\$ (1,570,533)	\$ 0	\$ 1,282,915	\$ 0	\$ (287,618)
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ 179,289	\$ 469,036	\$ (203,108)	\$ (59,152)	\$ 386,065
	165,325	3,253,401	963,569	133,452	4,515,747
Fund Balance, June 30, 2009	\$ 344,614	\$ 3,722,437	\$ 760,461	\$ 74,300	\$ 4,901,812

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Montgomery County School Department
General Purpose School Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2008	Encumbrances 6/30/2009			Original	Final	
Revenues								
Local Taxes	\$ 58,458,075	\$ 0	\$ 0	\$ 58,458,075	\$ 58,438,459	\$ 58,589,714	\$ (131,639)	
Charges for Current Services	29,071	0	0	29,071	37,000	37,000	(7,929)	
Other Local Revenues	398,773	0	0	398,773	505,000	488,440	(89,667)	
State of Tennessee	111,240,714	0	0	111,240,714	108,235,290	110,230,425	1,010,289	
Federal Government	4,465,042	0	0	4,465,042	4,400,000	4,400,000	65,042	
Other Governments and Citizens Groups	25,118	0	0	25,118	29,535	29,535	(4,417)	
Total Revenues	\$ 174,616,793	\$ 0	\$ 0	\$ 174,616,793	\$ 171,645,284	\$ 173,775,114	\$ 841,679	
Expenditures								
<u>Instruction</u>								
Regular Instruction Program	\$ 86,660,041	\$ (2,582,585)	\$ 2,379,184	\$ 86,456,640	\$ 90,701,522	\$ 90,611,331	\$ 4,154,691	
Alternative Instruction Program	759,044	0	0	759,044	747,611	782,650	23,606	
Special Education Program	14,423,985	(8,075)	129,985	14,545,895	15,037,398	15,058,839	512,944	
Vocational Education Program	4,088,792	(2,839)	16,072	4,102,025	4,077,998	4,298,909	196,884	
<u>Support Services</u>								
Attendance	561,717	0	22	561,739	602,342	597,876	36,137	
Health Services	933,264	0	7,351	940,615	1,012,773	1,007,873	67,258	
Other Student Support	6,654,301	(950)	0	6,653,351	6,855,256	6,887,802	234,451	
Regular Instruction Program	6,704,597	(12,520)	35,172	6,727,249	6,738,478	7,085,889	358,640	
Alternative Instruction Program	30,224	0	0	30,224	31,267	36,255	6,031	
Special Education Program	1,246,222	(685)	12	1,245,549	1,177,583	1,332,100	86,551	
Vocational Education Program	118,118	0	0	118,118	118,924	120,117	1,999	
Adult Programs	67,366	0	0	67,366	74,829	74,829	7,463	
Other Programs	68,211	0	0	68,211	0	68,211	0	

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2008	Encumbrances 6/30/2009			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
Board of Education	\$ 185,803	\$ 0	\$ 0	\$ 185,803	\$ 248,101	\$ 263,071	\$ 77,268	
Director of Schools	772,184	(26,031)	20,492	766,645	915,388	914,330	147,685	
Office of the Principal	11,978,175	0	0	11,978,175	12,213,170	12,384,805	406,630	
Fiscal Services	3,196,421	(17,228)	17,860	3,197,053	3,158,885	3,283,731	86,678	
Human Services/Personnel	3,152,276	(163,946)	87,807	3,076,137	2,511,397	3,262,826	186,689	
Operation of Plant	13,637,929	(124,937)	190,574	13,703,566	13,263,143	14,082,922	379,356	
Maintenance of Plant	4,332,541	(20,994)	145,968	4,457,515	4,635,409	4,615,106	157,591	
Central and Other	7,328,828	(175,476)	205,080	7,358,432	8,512,975	8,395,552	1,037,120	
<u>Operation of Non-Instructional Services</u>								
Early Childhood Education	1,711,383	0	2,174	1,713,557	1,707,316	1,791,137	77,580	
Other Debt Service								
Education	515,417	0	0	515,417	0	515,417	0	
<u>Total Expenditures</u>	<u>\$ 169,126,839</u>	<u>\$ (3,136,266)</u>	<u>\$ 3,237,753</u>	<u>\$ 169,228,326</u>	<u>\$ 174,341,765</u>	<u>\$ 177,471,578</u>	<u>\$ 8,243,252</u>	
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ 5,489,954</u>	<u>\$ 3,136,266</u>	<u>\$ (3,237,753)</u>	<u>\$ 5,388,467</u>	<u>\$ (2,696,481)</u>	<u>\$ (3,696,464)</u>	<u>\$ 9,084,931</u>	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 27,672	\$ 0	\$ 0	27,672	\$ 50,000	\$ 50,000	\$ (22,328)	
Transfers In	287,618	0	0	287,618	546,183	288,376	(758)	
Transfers Out	(79,700)	0	0	(79,700)	(515,417)	(79,700)	0	
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 235,590</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,590</u>	<u>\$ 80,766</u>	<u>\$ 258,676</u>	<u>\$ (23,086)</u>	
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2008</u>	<u>\$ 5,725,544</u>	<u>\$ 3,136,266</u>	<u>\$ (3,237,753)</u>	<u>\$ 5,624,057</u>	<u>\$ (2,615,715)</u>	<u>\$ (3,437,788)</u>	<u>\$ 9,061,845</u>	
	<u>17,053,322</u>	<u>(3,136,266)</u>	<u>0</u>	<u>13,917,056</u>	<u>11,492,305</u>	<u>11,492,305</u>	<u>2,424,751</u>	
<u>Fund Balance, June 30, 2009</u>	<u>\$ 22,778,866</u>	<u>\$ 0</u>	<u>\$ (3,237,753)</u>	<u>\$ 19,541,113</u>	<u>\$ 8,876,590</u>	<u>\$ 8,054,517</u>	<u>\$ 11,486,596</u>	

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Montgomery County School Department
School Federal Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 75	\$ 0	\$ 0	\$ 75	\$ 0	\$ 75	\$ 0
State of Tennessee	538,297	0	0	538,297	568,208	565,158	(26,861)
Federal Government	13,434,272	0	0	13,434,272	12,572,270	13,990,094	(555,822)
Total Revenues	\$ 13,972,644	\$ 0	\$ 0	\$ 13,972,644	\$ 13,140,478	\$ 14,555,327	\$ (582,683)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 5,788,667	(106)	1,241	\$ 5,789,802	\$ 4,874,115	\$ 5,886,705	\$ 96,903
Special Education Program	2,467,847	(5,814)	0	2,462,033	2,242,225	2,647,537	185,504
Vocational Education Program	317,178	0	29,676	346,854	326,221	355,624	8,770
Adult Education Program	90,402	0	0	90,402	140,864	129,745	39,343
<u>Support Services</u>							
Health Services	6,237	0	0	6,237	0	6,237	0
Other Student Support	207,036	0	2,355	209,391	260,695	215,473	6,082
Regular Instruction Program	2,119,271	(317,565)	170,292	1,971,998	2,060,116	2,477,075	505,077
Special Education Program	851,626	(2,500)	0	849,126	1,046,856	1,047,481	198,355
Vocational Education Program	43,799	0	0	43,799	4,500	43,800	1
Adult Programs	125,922	0	0	125,922	111,167	134,428	8,506
Operation of Plant	146,499	(20,625)	5,500	131,374	164,029	182,111	50,737
Transportation	58,338	0	0	58,338	1,350,533	93,304	34,966
Total Expenditures	\$ 12,222,822	\$ (346,610)	\$ 209,064	\$ 12,085,276	\$ 12,581,321	\$ 13,219,520	\$ 1,134,244
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,749,822	\$ 346,610	\$ (209,064)	\$ 1,887,368	\$ 559,157	\$ 1,335,807	\$ 551,561
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (1,570,533)	\$ 0	\$ 0	\$ (1,570,533)	\$ (559,157)	\$ (1,612,017)	\$ 41,484
Total Other Financing Sources (Uses)	\$ (1,570,533)	\$ 0	\$ 0	\$ (1,570,533)	\$ (559,157)	\$ (1,612,017)	\$ 41,484
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 179,289	\$ 346,610	\$ (209,064)	\$ 316,835	\$ 0	\$ (276,210)	\$ 593,045
Fund Balance, July 1, 2008	165,325	(346,610)	0	(181,285)	17	256,528	(437,813)
Fund Balance, June 30, 2009	\$ 344,614	\$ 0	\$ (209,064)	\$ 135,550	\$ 17	\$ (19,682)	\$ 155,232

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Montgomery County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,829,568	\$ 0	\$ 0	\$ 4,829,568	\$ 5,146,622	\$ 4,661,390	\$ 168,178
Other Local Revenues	171,116	0	0	171,116	280,000	191,870	(20,754)
State of Tennessee	123,022	0	0	123,022	130,000	123,022	0
Federal Government	5,713,234	0	0	5,713,234	5,522,117	5,462,678	250,556
Total Revenues	\$ 10,836,940	\$ 0	\$ 0	\$ 10,836,940	\$ 11,078,739	\$ 10,438,960	\$ 397,980
<u>Expenditures</u>							
<u>Support Services</u>							
Fiscal Services	\$ 1,194	\$ 0	\$ 0	1,194	2,810	2,810	1,616
Operation of Non-Instructional Services							
Food Service	10,366,710	(20,851)	116,784	10,462,643	11,153,789	11,064,760	602,117
Total Expenditures	\$ 10,367,904	\$ (20,851)	\$ 116,784	\$ 10,463,837	\$ 11,156,599	\$ 11,067,570	\$ 603,733
Excess (Deficiency) of Revenues Over Expenditures	\$ 469,036	\$ 20,851	\$ (116,784)	\$ 373,103	\$ (77,860)	\$ (628,610)	\$ 1,001,713
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 469,036	\$ 20,851	\$ (116,784)	\$ 373,103	\$ (77,860)	\$ (628,610)	\$ 1,001,713
	3,253,401	(20,851)	0	3,232,550	2,471,969	2,471,969	760,581
Fund Balance, June 30, 2009	\$ 3,722,437	\$ 0	\$ (116,784)	\$ 3,605,653	\$ 2,394,109	\$ 1,843,359	\$ 1,762,294

Exhibit K-11

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Montgomery County School Department
School Transportation Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,407,107	\$ 0	\$ 0	\$ 5,407,107	\$ 5,498,384	\$ 5,498,384	\$ (91,277)
Other Local Revenues	56,993	0	0	56,993	11,700	53,200	3,793
State of Tennessee	5,500,000	0	0	5,500,000	5,000,000	5,500,000	0
Federal Government	0	0	0	0	1,282,915	0	0
Total Revenues	\$ 10,964,100	\$ 0	\$ 0	\$ 10,964,100	\$ 11,792,999	\$ 11,051,584	\$ (87,484)
<u>Expenditures</u>							
<u>Support Services</u>							
Fiscal Services	\$ 71,782	\$ 0	\$ 0	\$ 71,782	\$ 69,979	\$ 69,979	\$ (1,803)
Transportation	12,378,341	(3,989)	2,675	12,377,027	13,823,172	12,790,222	413,195
Total Expenditures	\$ 12,450,123	\$ (3,989)	\$ 2,675	\$ 12,448,809	\$ 13,893,151	\$ 12,860,201	\$ 411,392
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,486,023)	\$ 3,989	\$ (2,675)	\$ (1,484,709)	\$ (2,100,152)	\$ (1,808,617)	\$ 323,908
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,378,270	\$ 0	\$ 0
Transfers In	1,282,915	0	0	1,282,915	0	1,282,915	0
Total Other Financing Sources (Uses)	\$ 1,282,915	\$ 0	\$ 0	\$ 1,282,915	\$ 2,378,270	\$ 1,282,915	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (203,108)	\$ 3,989	\$ (2,675)	\$ (201,794)	\$ 278,118	\$ (525,702)	\$ 323,908
Fund Balance, June 30, 2009	963,569	(3,989)	0	959,580	139,445	953,873	5,707
Fund Balance, June 30, 2009	\$ 760,461	\$ 0	\$ (2,675)	\$ 757,786	\$ 417,563	\$ 428,171	\$ 329,615

Exhibit K-12

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Montgomery County School Department
Extended School Program Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 135,995 \$	0 \$	135,995 \$	240,000 \$	155,350 \$	(19,355)
Total Revenues	\$ 135,995 \$	0 \$	135,995 \$	240,000 \$	155,350 \$	(19,355)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 169,235 \$	56 \$	169,291 \$	196,982 \$	196,324 \$	27,033
<u>Support Services</u>						
Office of the Principal	18,850	0	18,850	34,221	34,221	15,371
Fiscal Services	713	0	713	2,400	2,400	1,687
Operation of Plant	6,349	0	6,349	7,310	9,747	3,398
Total Expenditures	\$ 195,147 \$	56 \$	195,203 \$	240,913 \$	242,692 \$	47,489
Excess (Deficiency) of Revenues Over Expenditures	\$ (59,152) \$	(56) \$	(59,208) \$	(913) \$	(87,342) \$	28,134
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (59,152) \$	(56) \$	(59,208) \$	(913) \$	(87,342) \$	28,134
	133,452	0	133,452	98,450	98,450	35,002
Fund Balance, June 30, 2009	\$ 74,300 \$	(56) \$	74,244 \$	97,537 \$	11,108 \$	63,136

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MISCELLANEOUS SCHEDULES

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Exhibit L-1

Montgomery County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-09
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunding Capital Outlay Notes - Courts Center	\$ 5,585,000	4 to 5 %	3-15-04	5-1-11	\$ 3,450,000	0 \$	1,100,000 \$	2,350,000
Various Capital Projects	4,500,000	2.65	3-6-09	4-1-12	0	4,500,000	0	4,500,000
Total Notes Payable					\$ 3,450,000	\$ 4,500,000	\$ 1,100,000	\$ 6,850,000
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	\$ 1,411,845	0 \$	176,481 \$	1,235,364
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	3,148,818	7,070	259,600	2,896,288
School Projects	(2)	variable	6-6-08	5-5-26	2,947,187	13,199,532	0	16,146,719
Total Other Loans Payable					\$ 7,507,850	\$ 13,206,602	\$ 436,081	\$ 20,278,371
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
<u>General Obligation Public Improvement and General Obligation Refunding</u>								
Various County Capital Projects	68,725,000	5.12095	12-1-01	5-1-21	\$ 19,405,000	0 \$	1,500,000 \$	17,905,000
General Obligation Refunding	25,000,000	2 to 5	6-17-03	5-1-23	24,000,000	0	1,000,000	23,000,000
General Obligation Refunding	81,640,000	3 to 4.75	6-17-03	5-1-15	53,140,000	0	6,500,000	46,640,000
General Obligation Refunding	43,240,000	2 to 5	3-15-04	3-15-20	42,950,000	0	100,000	42,850,000
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-25	21,700,000	0	100,000	21,600,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-26	39,800,000	0	100,000	39,700,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	62,495,000	0	1,500,000	60,995,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	18,000,000	0	600,000	17,400,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	0	18,450,000	0	18,450,000
Total Bonds Payable					\$ 281,490,000	\$ 18,450,000	\$ 11,400,000	\$ 288,540,000

(1) Total amount available for draws is \$218,912 of an authorized \$3,894,000.

(2) Total amount available for draws is \$3,994,268 of an authorized \$20,140,987.

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 1,650,000	\$ 245,031	\$ 1,895,031
2011	1,700,000	166,000	1,866,000
2012	3,500,000	92,750	3,592,750
Total	<u>\$ 6,850,000</u>	<u>\$ 503,781</u>	<u>\$ 7,353,781</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest	Fees	
2010	\$ 1,136,068	\$ 62,972	\$ 43,446	\$ 1,242,486
2011	1,173,081	60,242	41,697	1,275,020
2012	1,199,081	57,368	39,856	1,296,305
2013	1,226,081	54,392	37,950	1,318,423
2014	1,253,080	51,311	35,977	1,340,368
2015	1,282,080	48,125	33,936	1,364,141
2016	1,312,080	44,826	31,823	1,388,729
2017	1,165,600	41,409	28,788	1,235,797
2018	1,197,600	37,876	26,525	1,262,001
2019	1,230,600	34,218	24,182	1,289,000
2020	1,264,600	30,431	21,756	1,316,787
2021	1,080,688	26,511	19,246	1,126,445
2022	1,077,000	22,455	15,402	1,114,857
2023	1,115,000	18,255	12,712	1,145,967
2024	1,154,000	13,906	9,927	1,177,833
2025	1,194,000	9,406	7,044	1,210,450
2026	1,217,732	4,749	4,062	1,226,543
Total	<u>\$ 20,278,371</u>	<u>\$ 618,452</u>	<u>\$ 434,329</u>	<u>\$ 21,331,152</u>

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 12,525,000	\$ 13,530,989	\$ 26,055,989
2011	13,365,000	12,979,988	26,344,988
2012	15,200,000	12,379,126	27,579,126
2013	16,985,000	11,676,124	28,661,124
2014	18,015,000	10,892,975	28,907,975
2015	19,050,000	10,059,474	29,109,474
2016	19,260,000	9,177,926	28,437,926
2017	20,545,000	8,272,124	28,817,124
2018	21,460,000	7,302,088	28,762,088
2019	22,645,000	6,287,779	28,932,779
2020	22,835,000	5,225,293	28,060,293
2021	23,155,000	4,120,006	27,275,006
2022	14,180,000	2,994,450	17,174,450
2023	14,180,000	2,308,050	16,488,050
2024	13,280,000	1,627,488	14,907,488
2025	11,180,000	980,138	12,160,138
2026	8,480,000	483,350	8,963,350
2027	1,100,000	101,750	1,201,750
2028	1,100,000	50,875	1,150,875
Total	<u>\$ 288,540,000</u>	<u>\$ 120,449,993</u>	<u>\$ 408,989,993</u>

Exhibit L-3

Montgomery County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Montgomery County School Department
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Other Capital Projects #1	General Capital Projects	Close fund	\$ 459,998
Other Capital Projects #2	General Capital Projects	Close fund	1,336,643
Other Capital Projects #2	General Capital Projects	Veterans Plaza	475,543
Other Capital Projects #2	General Capital Projects	Capital projects	696,812
Other Capital Projects #3	General Capital Projects	Industrial Park Expansion	106,858
Other Capital Projects #3	General Capital Projects	Close fund	4,459,634
Other Capital Projects #3	General Capital Projects	Industrial Development	217,051
Other Capital Projects #4	General Capital Projects	Close fund	356,425
Other Capital Projects #5	General Capital Projects	Close fund	796,801
Other Capital Projects #6	General Debt Service	Return of unspent bond proceeds	448,640
Other Capital Projects #6	General Capital Projects	Close fund	4,476,205
Other Capital Projects #6	Other Capital Projects #5	Capital projects	8,466,405
Total Transfers Primary Government			<u>\$ 22,297,015</u>
<u>DISCRETELY PRESENTED MONTGOMERY COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Architect fees	\$ 79,700
School Federal Projects	General Purpose School	Indirect costs	287,618
School Federal Projects	School Transportation	Salaries	1,282,915
Total Transfers Discretely Presented Montgomery County School Department			<u>\$ 1,650,233</u>

Exhibit L-4

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Montgomery County School Department
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 121,611	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, <u>TCA</u>	89,612	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	149,968 (1)		
Trustee	Section 8-24-102, <u>TCA</u>	82,056	4,995,000	Ohio Casualty Insurance Company
Assessor of Property:				
Ronnie Boyd (7-1-08 through 8-31-08)	Section 8-24-102, <u>TCA</u>	14,180	10,000	Auto-Owners Mutual Insurance Company
Betty Burchett (9-1-08 through 6-30-09)	Section 8-24-102, <u>TCA</u>	67,876	10,000	RLI Insurance Company
Director of Accounts (2)	County Commission	72,265	50,000	"
Purchasing Agent	County Commission	62,681	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	82,056	50,000	RLI Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	82,056	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Judge	82,056 (3)	50,000	Auto-Owners Mutual Insurance Company
Register	Section 8-24-102, <u>TCA</u>	82,056	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	105,450 (4)	25,000	"
<u>County Employees:</u>				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
<u>School Employees:</u>				
Public School System			250,000	"

- (1) Does not include a \$4,800 transportation supplement. Includes a \$700 CEO supplement and a \$2,510 payment for unused vacation days.
- (2) The former director of accounts received \$1,500 for assisting the transition of the new director.
- (3) Does not include special commissioner fees totaling \$22,230.
- (4) Includes \$7,500 as workhouse superintendent and \$600 for a law enforcement training supplement.

Exhibit L-5

Montgomery County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds				Debt Service Fund			Capital Projects Funds				Total
	General	Drug Control	Highway / Public Works		General Debt Service	General Capital Projects	Other Capital Projects #2	Other Capital Projects #3				
<u>Local Taxes</u>												
<u>County Property Taxes</u>												
Current Property Tax	\$ 23,216,449	\$ 0	\$ 3,107,125	\$ 21,439,161	\$ 1,314,552	\$ 0	\$ 0	\$ 0	\$ 49,077,287			
Trustee's Collections - Prior Year	818,058	0	109,637	756,492	46,385	0	0	0	1,730,572			
Interest and Penalty	193,301	0	25,906	178,754	10,960	0	0	0	408,921			
Payments in-Lieu-of-Taxes - T.V.A.	2,448	0	0	0	0	0	0	0	2,448			
Payments in-Lieu-of-Taxes - Local Utilities	762,603	0	0	0	0	0	0	0	762,603			
Payments in-Lieu-of-Taxes - Other	463,173	0	0	785,714	0	0	0	0	1,248,887			
<u>County Local Option Taxes</u>												
Local Option Sales Tax	1,182	0	0	2,973,898	0	0	0	0	2,975,080			
Hotel/Motel Tax	1,278,103	0	0	0	0	0	0	0	1,278,103			
Litigation Tax - General	466,681	0	0	283,770	0	0	0	0	750,451			
Litigation Tax - Special Purpose	86,236	0	0	0	0	0	0	0	86,236			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	335,927	0	0	0	0	335,927			
Business Tax	556,390	0	76,148	76,148	0	0	0	0	708,686			
Mineral Severance Tax	0	0	243,436	0	0	0	0	0	243,436			
Adequate Facilities/Development Tax	0	0	0	881,008	0	0	0	0	881,008			
<u>Statutory Local Taxes</u>												
Bank Excise Tax	132,618	0	17,112	124,062	8,556	0	0	0	282,348			
Wholesale Beer Tax	369,596	0	0	0	0	0	0	0	369,596			
Interstate Telecommunications Tax	3,805	0	0	0	0	0	0	0	3,805			
Total Local Taxes	\$ 28,350,643	\$ 0	\$ 3,579,364	\$ 27,834,934	\$ 1,380,453	\$ 0	\$ 0	\$ 0	\$ 61,145,394			
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Animal Registration	\$ 28,294	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,294			
Animal Vaccination	4,015	0	0	0	0	0	0	0	4,015			
Cable TV Franchise	184,924	0	0	0	0	0	0	0	184,924			
<u>Permits</u>												
Building Permits	305,193	0	0	0	0	0	0	0	305,193			
Plumbing Permits	5,938	0	0	0	0	0	0	0	5,938			
Other Permits	54,795	0	0	0	0	0	0	0	54,795			
Total Licenses and Permits	\$ 583,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 583,159			

(Continued)

Exhibit L-5

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

	Debt Service Fund										Total	
	Special Revenue Funds					Capital Projects Funds						
	General	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects #2	Other Capital Projects #3	General Capital Projects	Other Capital Projects	Other Capital Projects		
<u>Circuit Court</u>												
Fines	\$ 21,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	21,153
Officers Costs	31,126	0	0	0	0	0	0	0	0	0	0	31,126
Drug Court Fees	4,150	0	0	0	0	0	0	0	0	0	0	4,150
Jail Fees	53,138	0	0	0	0	0	0	0	0	0	0	53,138
Data Entry Fee - Circuit Court	6,002	0	0	0	0	0	0	0	0	0	0	6,002
Courtroom Security Fee	3,594	0	0	0	0	0	0	0	0	0	0	3,594
Victims Assistance Assessments	10,776	0	0	0	0	0	0	0	0	0	0	10,776
<u>General Sessions Court</u>												
Fines	370,517	0	0	0	0	0	0	0	0	0	0	370,517
Fines for Littering	1,354	0	0	0	0	0	0	0	0	0	0	1,354
Officers Costs	266,647	0	0	0	0	0	0	0	0	0	0	266,647
Game and Fish Fines	583	0	0	0	0	0	0	0	0	0	0	583
Drug Court Fees	17,887	0	0	0	0	0	0	0	0	0	0	17,887
Jail Fees	328,040	0	0	0	0	0	0	0	0	0	0	328,040
DUI Treatment Fines	36,346	0	0	0	0	0	0	0	0	0	0	36,346
Data Entry Fee - General Sessions Court	28,204	0	0	0	0	0	0	0	0	0	0	28,204
Courtroom Security Fee	4,027	0	0	0	0	0	0	0	0	0	0	4,027
Victims Assistance Assessments	55,086	0	0	0	0	0	0	0	0	0	0	55,086
<u>Juvenile Court</u>												
Fines	2,064	0	0	0	0	0	0	0	0	0	0	2,064
Jail Fees	90,123	0	0	0	0	0	0	0	0	0	0	90,123
Data Entry Fee - Juvenile Court	4,412	0	0	0	0	0	0	0	0	0	0	4,412
<u>Chancery Court</u>												
Officers Costs	25,988	0	0	0	0	0	0	0	0	0	0	25,988
Data Entry Fee - Chancery Court	2,108	0	0	0	0	0	0	0	0	0	0	2,108
<u>Other Courts - In-county</u>												
Fines	104	0	0	0	0	0	0	0	0	0	0	104
Drug Control Fines	0	12,580	0	0	0	0	0	0	0	0	0	12,580
Drug Court Fees	21,090	0	0	0	0	0	0	0	0	0	0	21,090
District Attorney General Fees	20,500	0	0	0	0	0	0	0	0	0	0	20,500

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund			Capital Projects Funds				Total
	General	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects #2	Other Capital Projects #3	General Capital Projects		Total		
								General	Other			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>												
<u>Other Fines, Forfeitures, and Penalties</u>												
Other Fines, Forfeitures, and Penalties	\$ 16,234	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,234
Total Fines, Forfeitures, and Penalties	\$ 1,421,253	\$ 12,580	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,433,833
<u>Charges for Current Services</u>												
<u>General Service Charges</u>												
Patient Charges	\$ 4,175,693	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,175,693
Zoning Studies	2,500	0	0	0	0	0	0	0	0	0	0	2,500
Other General Service Charges	44,136	0	0	0	0	0	0	0	0	0	0	44,136
<u>Fees</u>												
Recreation Fees	2,175	0	0	0	0	0	0	0	0	0	0	2,175
Copy Fees	9,583	0	0	0	0	0	0	0	0	0	0	9,583
Telephone Commissions	136,398	0	0	0	0	0	0	0	0	0	0	136,398
Vending Machine Collections	51,633	0	155	0	0	0	0	0	0	0	0	51,788
Data Processing Fee - Register	69,440	0	0	0	0	0	0	0	0	0	0	69,440
Probation Fees	7,708	0	0	0	0	0	0	0	0	0	0	7,708
Data Processing Fee - Sheriff	42,308	0	0	0	0	0	0	0	0	0	0	42,308
Sexual Offender Registration Fees - Sheriff	8,610	0	0	0	0	0	0	0	0	0	0	8,610
Data Processing Fee - County Clerk	8,943	0	0	0	0	0	0	0	0	0	0	8,943
<u>Other Charges for Services</u>												
Other Charges for Services	980	0	0	0	0	0	0	0	0	0	0	980
Total Charges for Current Services	\$ 4,560,107	\$ 0	\$ 155	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,560,262
<u>Other Local Revenues</u>												
<u>Recurring Items</u>												
Investment Income	\$ 2,234,921	\$ 0	\$ 0	\$ 417,343	\$ 1,364	\$ 18,389	\$ 18,086	\$ 2,690,103	\$ 0	\$ 0	\$ 0	\$ 576,509
Lease/Rentals	576,509	0	0	0	0	0	0	0	0	0	0	576,509
Sale of Gasoline	0	0	54,177	0	0	0	0	0	0	0	0	54,177
Sale of Maps	4,716	0	0	0	0	0	0	0	0	0	0	4,716
Miscellaneous Refunds	145,489	0	1,951	0	5,256	0	0	0	0	0	0	152,696

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund			Capital Projects Funds				Total
	General	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects #2	Other Capital Projects #3	General Capital Projects		Total		
								General Capital Projects	Other Capital Projects			
<u>Other Local Revenues (Cont.)</u>												
<u>Nonrecurring Items</u>												
Sale of Equipment	\$ 1,358	\$ 0	\$ 0	\$ 0	\$ 31,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,446
Contributions and Gifts	5,000	0	0	0	0	0	0	0	0	0	0	5,000
<u>Other Local Revenues</u>												
Other Local Revenues	806,070	0	0	0	73,534	0	0	0	0	0	0	879,604
Total Other Local Revenues	\$ 3,774,063	\$ 0	\$ 56,128	\$ 417,343	\$ 111,242	\$ 18,389	\$ 18,086	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,395,251
<u>Fees Received from County Officials</u>												
<u>Fees in-Lieu-of Salary</u>												
County Clerk	\$ 1,368,990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,368,990
Circuit Court Clerk	800,875	0	0	0	0	0	0	0	0	0	0	800,875
General Sessions Court Clerk	1,400,199	0	0	0	0	0	0	0	0	0	0	1,400,199
Clerk and Master	348,339	0	0	0	0	0	0	0	0	0	0	348,339
Juvenile Court Clerk	8,774	0	0	0	0	0	0	0	0	0	0	8,774
Register	969,049	0	0	0	0	0	0	0	0	0	0	969,049
Sheriff	30,117	0	0	0	0	0	0	0	0	0	0	30,117
Trustee	2,703,284	0	0	0	0	0	0	0	0	0	0	2,703,284
Total Fees Received from County Officials	\$ 7,629,627	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,629,627
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	\$ 597,132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 597,132
State Reappraisal Grant	38,805	0	0	0	0	0	0	0	0	0	0	38,805
Public Safety Grants	41,400	0	0	0	0	0	0	0	0	0	0	41,400
<u>Law Enforcement Training Programs</u>												
<u>Public Works Grants</u>												
Bridge Program	0	0	108,930	0	0	0	0	0	0	0	0	108,930
State Aid Program	0	0	379,959	0	0	0	0	0	0	0	0	379,959
Litter Program	76,694	0	0	0	0	0	0	0	0	0	0	76,694
Other Public Works Grants	100,000	0	0	0	0	0	0	0	0	0	0	100,000

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund			Capital Projects Funds				Total
	General	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects #2	Other Capital Projects #3	General Capital Projects		Other Capital Projects		
								General	Capital			
<u>State of Tennessee (Cont.)</u>												
<u>Other State Revenues</u>												
Flood Control	\$ 300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300
Beer Tax	18,701	0	0	0	0	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	154,635	0	0	0	0	0	0	0	0	0	0	154,635
State Revenue Sharing - T.V.A.	1,202,738	0	0	0	0	0	0	0	0	0	0	1,202,738
Board of Jurors	9,377	0	0	0	0	0	0	0	0	0	0	9,377
Prisoner Transportation	9,752	0	0	0	0	0	0	0	0	0	0	9,752
Contracted Prisoner Boarding	746,607	0	0	0	0	0	0	0	0	0	0	746,607
Gasoline and Motor Fuel Tax	0	0	2,588,012	0	0	0	0	0	0	0	0	2,588,012
Petroleum Special Tax	0	0	108,233	0	0	0	0	0	0	0	0	108,233
Registrar's Salary Supplement	14,912	0	0	0	0	0	0	0	0	0	0	14,912
Other State Grants	2,073,177	0	0	0	0	0	0	0	0	0	0	2,073,177
Total State of Tennessee	\$ 5,084,230	\$ 0	\$ 3,185,134	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,269,364
<u>Federal Government</u>												
<u>Federal Through State</u>												
Homeland Security Grants	\$ 589,111	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 589,111
Other Federal through State	256,561	0	0	0	0	0	0	0	0	0	0	256,561
<u>Direct Federal Revenue</u>												
Other Direct Federal Revenue	42,098	0	0	0	0	0	0	0	0	0	0	42,098
Total Federal Government	\$ 887,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 887,770
<u>Other Governments and Citizens Groups</u>												
<u>Other Governments</u>												
Prisoner Board	\$ 592,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 592,986
Paving and Maintenance	0	0	107,694	0	0	0	0	0	0	0	0	107,694
Contributions	112,603	0	0	630,526	0	0	0	0	0	0	0	743,129
<u>Citizens Groups</u>												
Donations	131,471	0	0	0	200	0	0	0	0	0	0	131,671
Total Other Governments and Citizens Groups	\$ 837,060	\$ 0	\$ 107,694	\$ 630,526	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,575,480
Total	\$ 53,127,912	\$ 12,580	\$ 6,928,475	\$ 28,882,803	\$ 1,491,895	\$ 18,389	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,086	\$ 90,480,140

Exhibit L-6

Montgomery County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Montgomery County School Department
 For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 23,782,017	\$ 0	\$ 0	\$ 1,627,545	\$ 0	\$ 0	\$ 25,409,562
Trustee's Collections - Prior Year	826,031	0	0	55,068	0	0	881,099
Interest and Penalty	202,896	0	0	13,526	0	0	216,422
Payments in-Lieu-of Taxes - Local Utilities	631,155	0	0	0	0	0	631,155
<u>County Local Option Taxes</u>							
Local Option Sales Tax	32,020,303	0	0	0	0	0	32,020,303
Wheel Tax	0	0	0	3,710,968	0	0	3,710,968
Business Tax	833,845	0	0	0	0	0	833,845
<u>Statutory Local Taxes</u>							
Bank Excise Tax	145,452	0	0	0	0	0	145,452
Interstate Telecommunications Tax	16,376	0	0	0	0	0	16,376
Total Local Taxes	\$ 58,458,075	\$ 0	\$ 0	\$ 5,407,107	\$ 0	\$ 0	\$ 63,865,182
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Tuition - Regular Day Students	\$ 8,633	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,633
Tuition - Summer School	0	0	0	0	135,545	0	135,545
Tuition - Out-of-State Systems	6,062	0	0	0	0	0	6,062
Tuition - Other	0	0	0	0	450	0	450
Lunch Payments - Children	0	0	2,672,846	0	0	0	2,672,846
Lunch Payments - Adults	0	0	180,007	0	0	0	180,007
Income from Breakfast	0	0	276,641	0	0	0	276,641
A la carte Sales	0	0	1,641,947	0	0	0	1,641,947
TBI Criminal Background Fees	14,376	0	0	0	0	0	14,376
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	58,127	0	0	0	58,127
Total Charges for Current Services	\$ 29,071	\$ 0	\$ 4,829,568	\$ 0	\$ 135,995	\$ 0	\$ 4,994,634
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 23,529	\$ 0	\$ 8,601	\$ 0	\$ 0	\$ 0	\$ 32,130
Lease/Rentals	121,366	0	0	0	0	0	121,366
Sale of Materials and Supplies	11,015	0	89,596	0	0	0	100,611

(Continued)

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Recycled Materials	\$ 818	\$ 0	\$ 0	\$ 1,466	\$ 0	\$ 0	\$ 2,284
Refund of Telecommunication & Internet Fees (E-Rate)	118,463	0	0	0	0	0	118,463
Miscellaneous Refunds	0	0	67,136	15,055	0	0	82,191
<u>Nonrecurring Items</u>							
Sale of Equipment	68,018	0	5,783	39,537	0	0	113,338
Damages Recovered from Individuals	30	0	0	935	0	0	965
Contributions and Gifts	55,534	75	0	0	0	0	55,609
Total Other Local Revenues	\$ 398,773	\$ 75	\$ 171,116	\$ 56,993	\$ 0	\$ 0	\$ 626,957
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
On-Behalf Contributions for OPEB	\$ 68,211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,211
<u>State Education Funds</u>							
Basic Education Program	105,621,400	0	0	5,500,000	0	0	111,121,400
Basic Education Program - ARRA	1,421,600	0	0	0	0	0	1,421,600
Early Childhood Education	1,767,085	0	0	0	0	0	1,767,085
School Food Service	0	0	123,022	0	0	0	123,022
Other State Education Funds	869,775	538,297	0	0	0	0	1,408,072
Career Ladder Program	903,476	0	0	0	0	0	903,476
Career Ladder - Extended Contract	314,900	0	0	0	0	0	314,900
<u>Other State Revenues</u>							
Mixed Drink Tax	274,267	0	0	0	0	0	274,267
Total State of Tennessee	\$ 111,240,714	\$ 538,297	\$ 123,022	\$ 5,500,000	\$ 0	\$ 0	\$ 117,402,033
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,424,431	\$ 0	\$ 0	\$ 0	\$ 4,424,431
Breakfast	0	0	1,288,803	0	0	0	1,288,803
Adult Education State Grant Program	0	153,674	0	0	0	0	153,674
Vocational Education - Basic Grants to States	0	394,762	0	0	0	0	394,762
Other Vocational	0	90,000	0	0	0	0	90,000
Title I Grants to Local Education Agencies	0	5,072,882	0	0	0	0	5,072,882
Innovative Education Program Strategies	0	22,643	0	0	0	0	22,643

(Continued)

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	Total
Federal Government (Cont.)							
<u>Federal Through State (Cont.)</u>							
Special Education - Grants to States	\$ 0	\$ 4,782,218	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,782,218
Special Education Preschool Grants	0	57,831	0	0	0	0	57,831
English Language Acquisition Grants	0	104,826	0	0	0	0	104,826
Safe and Drug-Free Schools - State Grants	0	830,254	0	0	0	0	830,254
Eisenhower Professional Development State Grants	0	1,282,273	0	0	0	0	1,282,273
Other Federal through State	0	44,735	0	0	0	0	44,735
<u>Direct Federal Revenue</u>							
Public Law 874 - Maintenance and Operation	4,042,323	0	0	0	0	0	4,042,323
ROTC Reimbursement	422,719	0	0	0	0	0	422,719
Other Direct Federal Revenue	0	598,174	0	0	0	0	598,174
Total Federal Government	\$ 4,465,042	\$ 13,434,272	\$ 5,713,234	\$ 0	\$ 0	\$ 0	\$ 23,612,548
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,054,924	\$ 39,054,924
Contracted Services	25,118	0	0	0	0	0	25,118
Total Other Governments and Citizens Groups	\$ 25,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,054,924	\$ 39,080,042
Total	\$ 174,616,793	\$ 13,972,644	\$ 10,836,940	\$ 10,964,100	\$ 135,995	\$ 39,054,924	\$ 249,581,396

Exhibit L-7

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Secretary(ies)	\$	26,479	
Board and Committee Members Fees		83,700	
Social Security		6,644	
State Retirement		3,633	
Life Insurance		33	
Medical Insurance		3,161	
Employer Medicare		1,554	
Advertising		504	
Audit Services		40,430	
Dues and Memberships		4,510	
Legal Notices, Recording, and Court Costs		3,541	
Postal Charges		2	
Travel		3,835	
Tuition		765	
Other Contracted Services		3,229	
Duplicating Supplies		400	
Food Supplies		1,146	
Office Supplies		204	
Total County Commission			\$ 183,770

Board of Equalization

Board and Committee Members Fees	\$	3,955	
Total Board of Equalization			3,955

Beer Board

Board and Committee Members Fees	\$	1,350	
Social Security		81	
Employer Medicare		19	
Total Beer Board			1,450

Other Boards and Committees

Board and Committee Members Fees	\$	2,550	
Social Security		158	
Employer Medicare		37	
Total Other Boards and Committees			2,745

County Mayor/Executive

County Official/Administrative Officer	\$	121,611	
Supervisor/Director		83,556	
Secretary(ies)		54,544	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Clerical Personnel	\$	21,628	
Social Security		15,319	
State Retirement		38,364	
Life Insurance		155	
Medical Insurance		15,296	
Employer Medicare		3,887	
Communication		2,554	
Dues and Memberships		598	
Licenses		15	
Maintenance and Repair Services - Vehicles		1,420	
Postal Charges		1,410	
Printing, Stationery, and Forms		310	
Rentals		2,559	
Travel		2,354	
Tuition		1,144	
Other Contracted Services		15,030	
Custodial Supplies		52	
Duplicating Supplies		159	
Food Supplies		455	
Gasoline		2,232	
Library Books/Media		232	
Office Supplies		1,535	
Periodicals		258	
Tires and Tubes		569	
Other Supplies and Materials		22	
Premiums on Corporate Surety Bonds		98	
Total County Mayor/Executive			\$ 387,366

Personnel Office

Supervisor/Director	\$	78,383
Accountants/Bookkeepers		36,668
Clerical Personnel		63,531
Overtime Pay		1,100
Social Security		10,116
State Retirement		24,482
Life Insurance		147
Medical Insurance		15,420
Employer Medicare		2,366
Communication		1,273
Dues and Memberships		979

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Evaluation and Testing	\$	11,630	
Legal Services		350	
Postal Charges		1,122	
Rentals		2,877	
Travel		991	
Tuition		3,037	
Other Contracted Services		12,139	
Data Processing Supplies		655	
Duplicating Supplies		746	
Riprap		2,185	
Instructional Supplies and Materials		3,632	
Office Supplies		3,635	
Periodicals		115	
Furniture and Fixtures		982	
Other Equipment		20	
Total Personnel Office			\$ 278,581

County Attorney

Legal Services	\$	36,697	
Total County Attorney			36,697

Election Commission

Supervisor/Director	\$	73,851	
Clerical Personnel		108,839	
Temporary Personnel		16,577	
Overtime Pay		11,392	
Election Commission		7,344	
Election Workers		123,207	
Social Security		12,938	
State Retirement		24,876	
Life Insurance		186	
Medical Insurance		25,330	
Employer Medicare		3,026	
Communication		3,803	
Legal Notices, Recording, and Court Costs		17,328	
Maintenance and Repair Services - Office Equipment		12,252	
Postal Charges		18,250	
Printing, Stationery, and Forms		5,292	
Rentals		69,320	
Travel		4,610	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Tuition	\$	2,210	
Other Contracted Services		18,464	
Data Processing Supplies		216	
Office Supplies		3,888	
Other Supplies and Materials		3,014	
Data Processing Equipment		525	
Office Equipment		<u>2,280</u>	
Total Election Commission			\$ 569,018

Register of Deeds

County Official/Administrative Officer	\$	82,056	
Deputy(ies)		157,710	
Social Security		13,960	
State Retirement		30,970	
Life Insurance		213	
Medical Insurance		36,994	
Employer Medicare		3,265	
Communication		559	
Data Processing Services		55,241	
Maintenance and Repair Services - Office Equipment		1,873	
Postal Charges		2,000	
Rentals		3,850	
Other Contracted Services		1,461	
Data Processing Supplies		574	
Duplicating Supplies		1,836	
Other Supplies and Materials		653	
Premiums on Corporate Surety Bonds		98	
Data Processing Equipment		<u>16,673</u>	
Total Register of Deeds			409,986

Planning

Contributions	\$	<u>342,929</u>	
Total Planning			342,929

Building

Supervisor/Director	\$	47,933	
Social Security		2,856	
State Retirement		6,771	
Life Insurance		37	
Medical Insurance		8,326	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Employer Medicare	\$	668	
Communication		1,131	
Maintenance and Repair Services - Vehicles		23	
Duplicating Supplies		27	
Gasoline		1,017	
Office Supplies		186	
Uniforms		300	
Total Building			\$ 69,275

Codes Compliance

Assistant(s)	\$	196,970
Supervisor/Director		60,333
Secretary(ies)		29,614
Clerical Personnel		40,871
Bonus Payments		786
Social Security		19,481
State Retirement		42,554
Life Insurance		326
Medical Insurance		45,842
Employer Medicare		4,556
Advertising		2,000
Communication		9,632
Contracts with Private Agencies		3,460
Dues and Memberships		1,453
Legal Services		1,190
Legal Notices, Recording, and Court Costs		1,689
Maintenance and Repair Services - Office Equipment		973
Maintenance and Repair Services - Vehicles		2,850
Postal Charges		1,477
Rentals		1,703
Travel		100
Tuition		2,786
Permits		2,500
Other Contracted Services		2,241
Data Processing Supplies		1,757
Gasoline		10,710
Library Books/Media		1,657
Office Supplies		1,451
Uniforms		964
Other Supplies and Materials		4,358

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Premiums on Corporate Surety Bonds	\$	172	
Furniture and Fixtures		6,315	
Total Codes Compliance			\$ 502,771

Geographical Information Systems

Contracts with Government Agencies	\$	57,209	
Total Geographical Information Systems			57,209

County Buildings

Supervisor/Director	\$	135,035	
Secretary(ies)		38,751	
Custodial Personnel		89,800	
Maintenance Personnel		295,092	
Overtime Pay		4,034	
Social Security		32,648	
State Retirement		71,725	
Life Insurance		637	
Medical Insurance		88,853	
Employer Medicare		7,635	
Communication		15,392	
Data Processing Services		764	
Evaluation and Testing		263	
Licenses		75	
Maintenance and Repair Services - Buildings		3,090	
Maintenance and Repair Services - Equipment		64,794	
Maintenance and Repair Services - Vehicles		3,523	
Pest Control		2,760	
Postal Charges		9	
Rentals		3,080	
Travel		135	
Disposal Fees		2,880	
Other Contracted Services		19,189	
Custodial Supplies		26,296	
Data Processing Supplies		579	
Drugs and Medical Supplies		135	
Duplicating Supplies		27	
Electricity		243,717	
Equipment Parts - Light		3,791	
Food Supplies		56	
Gasoline		13,511	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

General Construction Materials	\$	3,083	
Instructional Supplies and Materials		253	
Natural Gas		67,453	
Office Supplies		1,090	
Periodicals		159	
Uniforms		4,653	
Water and Sewer		11,508	
Other Supplies and Materials		34,823	
Boiler Insurance		1,055	
Building Improvements		1,354	
Communication Equipment		840	
Furniture and Fixtures		711	
Maintenance Equipment		1,455	
Other Equipment		6,981	
Other Capital Outlay		26,088	
Total County Buildings			\$ 1,329,782

Other Facilities

Supervisor/Director	\$	27,769
Secretary(ies)		33,691
Clerical Personnel		27,393
Custodial Personnel		125,109
Maintenance Personnel		162,765
Overtime Pay		4,969
Social Security		21,611
State Retirement		52,253
Life Insurance		491
Medical Insurance		73,355
Employer Medicare		4,909
Communication		8,640
Licenses		2,700
Maintenance and Repair Services - Equipment		113,693
Pest Control		1,200
Rentals		1,977
Disposal Fees		1,710
Other Contracted Services		4,674
Custodial Supplies		18,246
Electricity		290,159
Food Supplies		1,087
Natural Gas		128,129

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Uniforms	\$	1,116	
Water and Sewer		38,384	
Other Supplies and Materials		29,945	
Building and Contents Insurance		2,701	
Total Other Facilities			\$ 1,178,676

Other General Administration

County Official/Administrative Officer	\$	41,967	
Social Security		2,357	
State Retirement		5,719	
Life Insurance		37	
Medical Insurance		8,326	
Employer Medicare		551	
Communication		1,065	
Contracts with Other Public Agencies		399,439	
Legal Notices, Recording, and Court Costs		5,000	
Postal Charges		3	
Travel		1,563	
Tuition		810	
Other Contracted Services		4,574	
Other Supplies and Materials		750	
Total Other General Administration			472,161

Preservation of Records

Supervisor/Director	\$	39,202	
Clerical Personnel		21,504	
Part-time Personnel		9,164	
Board and Committee Members Fees		400	
Social Security		4,111	
State Retirement		8,273	
Life Insurance		87	
Medical Insurance		3,547	
Employer Medicare		962	
Communication		606	
Data Processing Services		7,050	
Dues and Memberships		216	
Maintenance and Repair Services - Office Equipment		2,579	
Postal Charges		33	
Rentals		1,248	
Travel		1,141	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Other Contracted Services	\$	1,252	
Data Processing Supplies		4	
Duplicating Supplies		588	
Library Books/Media		3,132	
Office Supplies		5,072	
Other Supplies and Materials		41	
Total Preservation of Records			\$ 110,212

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	73,765	
Accountants/Bookkeepers		137,641	
Clerical Personnel		14,672	
Overtime Pay		2,525	
Social Security		13,290	
State Retirement		27,931	
Life Insurance		190	
Medical Insurance		26,545	
Employer Medicare		3,108	
Communication		2,495	
Data Processing Services		12,668	
Dues and Memberships		1,025	
Legal Notices, Recording, and Court Costs		1,538	
Postal Charges		4,537	
Printing, Stationery, and Forms		552	
Rentals		2,107	
Travel		2,674	
Tuition		6,621	
Other Contracted Services		2,755	
Data Processing Supplies		6,688	
Duplicating Supplies		1,341	
Food Supplies		348	
Library Books/Media		1,437	
Office Supplies		2,420	
Periodicals		16	
Other Supplies and Materials		470	
Premiums on Corporate Surety Bonds		542	
Furniture and Fixtures		250	
Total Accounting and Budgeting			350,151

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

County Official/Administrative Officer	\$	62,681	
Purchasing Personnel		36,103	
Clerical Personnel		32,390	
Other Salaries and Wages		26,682	
Social Security		9,058	
State Retirement		21,510	
Life Insurance		147	
Medical Insurance		25,065	
Employer Medicare		2,119	
Communication		85	
Maintenance and Repair Services - Equipment		11,822	
Maintenance and Repair Services - Vehicles		65	
Postal Charges		1,547	
Printing, Stationery, and Forms		10	
Rentals		5,838	
Other Contracted Services		3,397	
Duplicating Supplies		3,697	
Gasoline		1,967	
Other Supplies and Materials		2,499	
Premiums on Corporate Surety Bonds		100	
Total Purchasing			\$ 246,782

Property Assessor's Office

County Official/Administrative Officer	\$	82,056
Deputy(ies)		351,850
Temporary Personnel		1,815
Overtime Pay		6,167
Social Security		24,703
State Retirement		55,008
Life Insurance		419
Medical Insurance		66,839
Employer Medicare		5,777
Audit Services		42,302
Communication		2,833
Data Processing Services		37,713
Dues and Memberships		2,841
Operating Lease Payments		210
Legal Services		105
Legal Notices, Recording, and Court Costs		185
Licenses		349

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	2,725	
Maintenance and Repair Services - Vehicles		4,357	
Postal Charges		3,501	
Printing, Stationery, and Forms		690	
Travel		1,106	
Tuition		654	
Other Contracted Services		14,451	
Data Processing Supplies		2,997	
Duplicating Supplies		1,467	
Equipment and Machinery Parts		242	
Food Supplies		459	
Gasoline		10,107	
Library Books/Media		176	
Office Supplies		2,317	
Other Supplies and Materials		856	
Premiums on Corporate Surety Bonds		50	
Data Processing Equipment		12,923	
Total Property Assessor's Office			\$ 740,250

Reappraisal Program

Clerical Personnel	\$	29,240	
Overtime Pay		337	
Other Salaries and Wages		22,286	
Social Security		4,326	
State Retirement		10,103	
Life Insurance		74	
Medical Insurance		15,614	
Employer Medicare		1,012	
Data Processing Services		262	
Postal Charges		31,137	
Rentals		929	
Gasoline		351	
Office Supplies		606	
Workers' Compensation Insurance		3,000	
Total Reappraisal Program			119,277

County Trustee's Office

County Official/Administrative Officer	\$	82,056	
Supervisor/Director		40,200	
Deputy(ies)		76,532	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Accountants/Bookkeepers	\$	41,534	
Part-time Personnel		34,306	
Overtime Pay		2,630	
Board and Committee Members Fees		150	
Social Security		15,978	
State Retirement		33,004	
Life Insurance		213	
Medical Insurance		34,761	
Employer Medicare		3,737	
Bank Charges		60	
Communication		3,980	
Data Processing Services		21,313	
Dues and Memberships		1,100	
Legal Notices, Recording, and Court Costs		1,484	
Postal Charges		28,626	
Printing, Stationery, and Forms		4,466	
Rentals		6,106	
Travel		2,529	
Tuition		275	
Food Supplies		55	
Office Supplies		5,810	
Periodicals		754	
Premiums on Corporate Surety Bonds		7,154	
Other Capital Outlay		758	
Total County Trustee's Office			\$ 449,571

County Clerk's Office

County Official/Administrative Officer	\$	82,056
Supervisor/Director		45,981
Deputy(ies)		790,982
Accountants/Bookkeepers		3,077
Part-time Personnel		30,527
Overtime Pay		3,875
Social Security		53,900
State Retirement		124,671
Life Insurance		1,175
Medical Insurance		168,192
Employer Medicare		12,605
Communication		4,621
Maintenance and Repair Services - Equipment		13,970

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Postal Charges	\$	34,211	
Printing, Stationery, and Forms		8,497	
Rentals		26,892	
Travel		1,258	
Other Contracted Services		1,427	
Custodial Supplies		7	
Data Processing Supplies		6,578	
Duplicating Supplies		2,763	
Food Supplies		389	
Office Supplies		8,034	
Other Supplies and Materials		2,001	
Premiums on Corporate Surety Bonds		98	
Other Capital Outlay		6,361	
Total County Clerk's Office			\$ 1,434,148

Data Processing

Supervisor/Director	\$	70,967
Computer Programmer(s)		310,969
Data Processing Personnel		160,124
Secretary(ies)		33,004
Overtime Pay		2,247
Social Security		33,832
State Retirement		78,868
Life Insurance		390
Medical Insurance		47,848
Employer Medicare		7,912
Communication		45,512
Data Processing Services		347,861
Dues and Memberships		195
Freight Expenses		224
Licenses		55,707
Maintenance and Repair Services - Equipment		91
Maintenance and Repair Services - Vehicles		798
Postal Charges		48
Printing, Stationery, and Forms		20
Rentals		1,555
Travel		4,776
Tuition		10,670
Custodial Supplies		118
Data Processing Supplies		15,961

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Food Supplies	\$	252	
Gasoline		597	
Instructional Supplies and Materials		923	
Library Books/Media		120	
Office Supplies		371	
Other Supplies and Materials		1,524	
Furniture and Fixtures		3,015	
Total Data Processing			\$ 1,236,499

Other Finance

Legal Notices, Recording, and Court Costs	\$	31,168	
Postal Charges		9,000	
Total Other Finance			40,168

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,056	
Assistant(s)		82,978	
Supervisor/Director		129,944	
Deputy(ies)		695,288	
Accountants/Bookkeepers		66,783	
Part-time Personnel		50,734	
Overtime Pay		18,603	
Jury and Witness Fees		38,815	
Social Security		64,221	
State Retirement		144,085	
Life Insurance		1,323	
Medical Insurance		189,435	
Employer Medicare		15,019	
Communication		6,966	
Data Processing Services		8,451	
Dues and Memberships		756	
Legal Notices, Recording, and Court Costs		2,107	
Postal Charges		13,607	
Printing, Stationery, and Forms		17,458	
Rentals		10,567	
Travel		5,696	
Tuition		850	
Other Contracted Services		7,628	
Custodial Supplies		283	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Data Processing Supplies	\$	10,090	
Duplicating Supplies		9,392	
Equipment and Machinery Parts		780	
Food Supplies		2,459	
Library Books/Media		1,443	
Office Supplies		7,694	
Other Supplies and Materials		150	
Premiums on Corporate Surety Bonds		196	
Building Improvements		2,980	
Data Processing Equipment		31,799	
Food Service Equipment		442	
Furniture and Fixtures		12,979	
Office Equipment		1,479	
Total Circuit Court			\$ 1,735,536

General Sessions Court

Judge(s)	\$	401,889	
Supervisor/Director		66,299	
Probation Officer(s)		47,032	
Youth Service Officer(s)		162,997	
Secretary(ies)		46,924	
Clerical Personnel		133,814	
Part-time Personnel		15,885	
Overtime Pay		12,748	
Social Security		45,722	
State Retirement		114,330	
Life Insurance		594	
Medical Insurance		98,692	
Employer Medicare		12,269	
Communication		6,776	
Operating Lease Payments		4,316	
Maintenance and Repair Services - Office Equipment		65	
Postal Charges		1,663	
Travel		14,814	
Tuition		1,425	
Other Contracted Services		343,265	
Library Books/Media		2,890	
Office Supplies		9,451	
Uniforms		780	
Furniture and Fixtures		12,499	
Total General Sessions Court			1,557,139

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Communication	\$	722	
Dues and Memberships		210	
Travel		7,759	
Tuition		85	
Other Contracted Services		23,227	
Instructional Supplies and Materials		884	
Office Supplies		16,497	
Total Drug Court			\$ 49,384

Chancery Court

County Official/Administrative Officer	\$	82,056	
Deputy(ies)		226,662	
Social Security		17,529	
State Retirement		41,049	
Life Insurance		318	
Medical Insurance		47,345	
Employer Medicare		4,100	
Communication		316	
Dues and Memberships		716	
Maintenance and Repair Services - Equipment		677	
Maintenance and Repair Services - Office Equipment		452	
Postal Charges		3,852	
Rentals		12,190	
Travel		1,003	
Data Processing Supplies		1,167	
Duplicating Supplies		1,094	
Library Books/Media		932	
Office Supplies		4,085	
Premiums on Corporate Surety Bonds		24	
Data Processing Equipment		593	
Total Chancery Court			446,160

District Attorney General

Communication	\$	1,972	
Dues and Memberships		645	
Janitorial Services		3,000	
Postal Charges		2,614	
Travel		11,713	
Tuition		2,795	
Other Contracted Services		1,812	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Custodial Supplies	\$	713	
Data Processing Supplies		46	
Duplicating Supplies		545	
Food Supplies		853	
Library Books/Media		3,563	
Office Supplies		991	
Other Supplies and Materials		3,077	
Premiums on Corporate Surety Bonds		39	
Data Processing Equipment		210	
Furniture and Fixtures		2,158	
Total District Attorney General	\$		36,746

Judicial Commissioners

Part-time Personnel	\$	55,766	
Other Salaries and Wages		92,991	
Social Security		8,487	
State Retirement		14,039	
Life Insurance		178	
Medical Insurance		27,207	
Employer Medicare		1,985	
Communication		2,508	
Rentals		1,620	
Travel		138	
Tuition		882	
Other Contracted Services		1,725	
Duplicating Supplies		105	
Office Supplies		142	
Furniture and Fixtures		274	
Total Judicial Commissioners			208,047

Other Administration of Justice

Supervisor/Director	\$	58,791	
Social Security		3,414	
State Retirement		8,012	
Life Insurance		37	
Medical Insurance		8,326	
Employer Medicare		798	
Communication		706	
Contracts with Private Agencies		449,257	
Dues and Memberships		695	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Postal Charges	\$	146	
Printing, Stationery, and Forms		755	
Travel		327	
Tuition		250	
Data Processing Supplies		28	
Duplicating Supplies		487	
Instructional Supplies and Materials		<u>1,475</u>	
Total Other Administration of Justice	\$		533,504

Probation Services

Assistant(s)	\$	27,223	
Supervisor/Director		56,920	
Probation Officer(s)		234,294	
Part-time Personnel		22,148	
Other Salaries and Wages		150,529	
Social Security		28,702	
State Retirement		66,909	
Life Insurance		538	
Medical Insurance		46,668	
Employer Medicare		6,712	
Communication		1,275	
Dues and Memberships		350	
Evaluation and Testing		47,518	
Licenses		810	
Postal Charges		747	
Printing, Stationery, and Forms		2,109	
Rentals		1,456	
Travel		1,519	
Tuition		3,656	
Other Contracted Services		19,127	
Data Processing Supplies		1,146	
Duplicating Supplies		1,063	
Instructional Supplies and Materials		23,911	
Office Supplies		4,960	
Other Supplies and Materials		5,190	
Communication Equipment		635	
Data Processing Equipment		5,762	
Furniture and Fixtures		<u>1,236</u>	
Total Probation Services			763,113

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	97,350
Assistant(s)		79,953
Supervisor/Director		50,515
Deputy(ies)		2,272,056
Investigator(s)		349,368
Captain(s)		197,133
Lieutenant(s)		181,378
Sergeant(s)		455,111
Secretary(ies)		28,343
Clerical Personnel		290,790
Part-time Personnel		31,849
Overtime Pay		226,893
In-Service Training		41,400
Social Security		250,527
State Retirement		572,091
Life Insurance		3,689
Medical Insurance		527,531
Employer Medicare		58,587
Communication		32,985
Contracts with Government Agencies		240
Dues and Memberships		2,000
Evaluation and Testing		1,354
Legal Services		16,082
Licenses		180
Maintenance and Repair Services - Buildings		995
Maintenance and Repair Services - Equipment		41,205
Maintenance and Repair Services - Office Equipment		85
Maintenance and Repair Services - Vehicles		33,465
Pest Control		656
Postal Charges		5,500
Printing, Stationery, and Forms		60
Rentals		13,057
Transportation - Other than Students		3,618
Travel		16,461
Tuition		11,395
Veterinary Services		1,083
Other Contracted Services		42,195
Animal Food and Supplies		786
Custodial Supplies		465
Data Processing Supplies		5,398

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Drugs and Medical Supplies	\$	442	
Duplicating Supplies		248	
Electricity		2,912	
Food Supplies		75	
Gasoline		166,865	
Law Enforcement Supplies		17,791	
Library Books/Media		63	
Natural Gas		1,738	
Office Supplies		9,084	
Periodicals		1,189	
Tires and Tubes		20,305	
Uniforms		42,350	
Vehicle Parts		1,642	
Water and Sewer		346	
Other Supplies and Materials		5,956	
Premiums on Corporate Surety Bonds		2,704	
Other Capital Outlay		69,450	
Total Sheriff's Department			\$ 6,286,989

Special Patrols

Supervisor/Director	\$	94,389
Deputy(ies)		713,676
Investigator(s)		176,374
Sergeant(s)		45,071
Clerical Personnel		24,532
Overtime Pay		12,366
Social Security		61,906
State Retirement		141,877
Life Insurance		946
Medical Insurance		134,981
Employer Medicare		14,477
Communication		6,001
Licenses		45
Maintenance and Repair Services - Equipment		1,129
Maintenance and Repair Services - Vehicles		4,605
Postal Charges		40
Rentals		504
Travel		3,312
Tuition		3,468
Other Contracted Services		724

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Data Processing Supplies	\$	178	
Diesel Fuel		1,637	
Gasoline		22,482	
Law Enforcement Supplies		3,796	
Office Supplies		114	
Tires and Tubes		3,687	
Uniforms		5,283	
Vehicle Parts		225	
Other Supplies and Materials		3,204	
Other Equipment		1,200	
Total Special Patrols			\$ 1,482,229

Traffic Control

Engineering Services	\$	15,250	
Maintenance and Repair Services - Equipment		1,702	
Electricity		5,802	
Total Traffic Control			22,754

Administration of the Sexual Offender Registry

Overtime Pay	\$	3,640	
Communication		2,216	
Other Contracted Services		990	
Law Enforcement Supplies		274	
Office Supplies		2	
Uniforms		24	
Other Supplies and Materials		1,080	
Total Administration of the Sexual Offender Registry			8,226

Jail

Supervisor/Director	\$	65,711	
Deputy(ies)		3,839,579	
Lieutenant(s)		62,715	
Sergeant(s)		450,817	
Clerical Personnel		545,459	
Maintenance Personnel		160,506	
Temporary Personnel		18,633	
Overtime Pay		153,422	
Board and Committee Members Fees		2,250	
Social Security		307,529	
State Retirement		637,461	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	5,535
Medical Insurance		650,459
Employer Medicare		71,925
Communication		9,946
Evaluation and Testing		9,817
Laundry Service		5,341
Operating Lease Payments		600
Legal Services		23,809
Licenses		1,665
Maintenance and Repair Services - Buildings		4,086
Maintenance and Repair Services - Equipment		80,928
Maintenance and Repair Services - Vehicles		1,138
Medical and Dental Services		1,841,982
Pest Control		4,440
Postal Charges		258
Printing, Stationery, and Forms		3,509
Rentals		9,933
Travel		1,049
Tuition		270
Disposal Fees		22,585
Other Contracted Services		519,435
Custodial Supplies		57,732
Data Processing Supplies		2,604
Duplicating Supplies		5,119
Electricity		344,604
Equipment and Machinery Parts		2,155
Gasoline		6,614
Law Enforcement Supplies		20,960
Library Books/Media		545
Natural Gas		106,011
Office Supplies		2,097
Prisoners Clothing		6,902
Tires and Tubes		362
Uniforms		15,332
Water and Sewer		127,378
Other Supplies and Materials		45,379
Boiler Insurance		703
Building and Contents Insurance		150,249
Indirect Cost		216
Liability Insurance		144,666

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Building Improvements	\$	23,109	
Communication Equipment		1,400	
Data Processing Equipment		4,501	
Food Service Equipment		1,949	
Furniture and Fixtures		675	
Maintenance Equipment		9,518	
Other Equipment		24,766	
Total Jail			\$ 10,618,338

Workhouse

County Official/Administrative Officer	\$	7,500
Deputy(ies)		638,117
Sergeant(s)		51,849
Overtime Pay		10,727
Social Security		40,480
State Retirement		90,543
Life Insurance		698
Medical Insurance		63,213
Employer Medicare		9,467
Communication		2,998
Evaluation and Testing		392
Laundry Service		2,499
Licenses		44
Maintenance and Repair Services - Buildings		1,765
Maintenance and Repair Services - Equipment		2,152
Maintenance and Repair Services - Vehicles		365
Medical and Dental Services		254,000
Pest Control		360
Rentals		1,339
Disposal Fees		292
Other Contracted Services		123,757
Custodial Supplies		11,914
Diesel Fuel		2,990
Electricity		21,329
Gasoline		2,060
Law Enforcement Supplies		2,846
Natural Gas		7,983
Prisoners Clothing		2,628
Tires and Tubes		208
Uniforms		1,986

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Water and Sewer	\$	19,027	
Other Supplies and Materials		5,885	
Building and Contents Insurance		14,448	
Liability Insurance		10,960	
Furniture and Fixtures		100	
Other Equipment		2,334	
Total Workhouse			\$ 1,409,255

Correctional Incentive Program Improvements

Supervisor/Director	\$	55,641
Probation Officer(s)		205,800
Secretary(ies)		20,403
Social Security		16,355
State Retirement		38,625
Life Insurance		339
Medical Insurance		18,830
Employer Medicare		3,825
Communication		9,044
Maintenance and Repair Services - Office Equipment		95
Maintenance and Repair Services - Vehicles		186
Postal Charges		205
Printing, Stationery, and Forms		70
Rentals		31,692
Travel		5,234
Tuition		1,129
Other Contracted Services		12,096
Custodial Supplies		471
Data Processing Supplies		43
Duplicating Supplies		262
Electricity		1,107
Food Supplies		122
Gasoline		1,813
Natural Gas		997
Office Supplies		3,588
Water and Sewer		276
Other Supplies and Materials		3,853
Building and Contents Insurance		507
Liability Insurance		1,297
Vehicle and Equipment Insurance		1,620
Workers' Compensation Insurance		4,680

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Furniture and Fixtures	\$ 1,200	
Total Correctional Incentive Program Improvements		\$ 441,405

Juvenile Services

Supervisor/Director	\$ 42,612	
Probation Officer(s)	22,179	
Medical Personnel	36,144	
Clerical Personnel	16,532	
Social Security	5,537	
State Retirement	12,951	
Life Insurance	93	
Medical Insurance	17,435	
Employer Medicare	1,295	
Communication	3,052	
Dues and Memberships	630	
Operating Lease Payments	2,634	
Postal Charges	594	
Rentals	30,000	
Travel	1,985	
Other Contracted Services	1,947	
Custodial Supplies	142	
Duplicating Supplies	56	
Electricity	2,201	
Food Supplies	10	
Natural Gas	793	
Office Supplies	3,610	
Water and Sewer	674	
Other Supplies and Materials	309	
Building and Contents Insurance	750	
Liability Insurance	1,416	
Workers' Compensation Insurance	454	
Other Capital Outlay	1,500	
Total Juvenile Services		207,535

Fire Prevention and Control

Board and Committee Members Fees	\$ 1,650	
Social Security	102	
Employer Medicare	24	
Communication	1,847	
Contributions	1,000	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Maintenance and Repair Services - Equipment	\$	9,272	
Maintenance and Repair Services - Vehicles		27,612	
Other Contracted Services		4,855	
Diesel Fuel		8,433	
Equipment and Machinery Parts		41	
Food Supplies		295	
Gasoline		9,842	
Instructional Supplies and Materials		11,401	
Uniforms		12,405	
Utilities		23,226	
Chemicals		62	
Other Supplies and Materials		15,158	
Liability Insurance		6,897	
Communication Equipment		1,607	
Other Equipment		35,944	
Total Fire Prevention and Control			\$ 171,673

Civil Defense

Assistant(s)	\$	39,347	
Supervisor/Director		73,516	
Secretary(ies)		36,186	
Other Salaries and Wages		31,538	
Social Security		10,607	
State Retirement		24,609	
Life Insurance		138	
Medical Insurance		18,541	
Employer Medicare		2,481	
Communication		4,162	
Contracts with Private Agencies		960	
Maintenance and Repair Services - Vehicles		915	
Postal Charges		4	
Rentals		80,047	
Other Contracted Services		3,543	
Food Supplies		20	
Gasoline		1,911	
Utilities		35,941	
Other Supplies and Materials		2,417	
Total Civil Defense			366,883

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Other Contracted Services	\$	244	
Other Supplies and Materials		7,049	
Communication Equipment		320,986	
Other Equipment		170,620	
Total Other Emergency Management			\$ 498,899

County Coroner/Medical Examiner

Medical and Dental Services	\$	138,490	
Other Contracted Services		80	
Liability Insurance		1,270	
Total County Coroner/Medical Examiner			139,840

Public Health and Welfare

Local Health Center

Medical Personnel	\$	29,762	
Custodial Personnel		47,687	
Social Security		4,411	
State Retirement		10,458	
Life Insurance		98	
Medical Insurance		12,309	
Employer Medicare		1,032	
Communication		17,610	
Dues and Memberships		150	
Laundry Service		358	
Licenses		250	
Maintenance Agreements		5,200	
Maintenance and Repair Services - Buildings		3,275	
Maintenance and Repair Services - Equipment		2,377	
Pest Control		325	
Rentals		1,229	
Travel		177	
Disposal Fees		2,746	
Other Contracted Services		1,182	
Custodial Supplies		5,087	
Drugs and Medical Supplies		1,373	
Duplicating Supplies		1,181	
Electricity		52,310	
Food Preparation Supplies		45	
Riprap		50	
Instructional Supplies and Materials		837	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Natural Gas	\$	18,261	
Office Supplies		1,178	
Periodicals		95	
Water and Sewer		3,086	
Other Supplies and Materials		1,404	
Boiler Insurance		234	
Total Local Health Center			\$ 225,777

Rabies and Animal Control

Supervisor/Director	\$	47,208
Clerical Personnel		26,058
Overtime Pay		4,648
Other Salaries and Wages		123,541
Board and Committee Members Fees		400
Social Security		11,801
State Retirement		25,488
Life Insurance		256
Medical Insurance		50,084
Employer Medicare		2,760
Communication		5,272
Legal Services		52
Maintenance and Repair Services - Buildings		81
Maintenance and Repair Services - Equipment		99
Maintenance and Repair Services - Vehicles		5,132
Postal Charges		1
Printing, Stationery, and Forms		2,160
Rentals		1,227
Tuition		300
Veterinary Services		400
Other Contracted Services		3,157
Animal Food and Supplies		2,542
Custodial Supplies		7,431
Drugs and Medical Supplies		8,045
Electricity		20,446
Gasoline		11,128
Natural Gas		8,716
Office Supplies		186
Tires and Tubes		616
Uniforms		292
Water and Sewer		1,857

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Supplies and Materials	\$	23,730	
Other Capital Outlay		5,655	
Total Rabies and Animal Control			\$ 400,769

Ambulance/Emergency Medical Services

Assistant(s)	\$	65,341
Supervisor/Director		75,293
Captain(s)		222,769
Lieutenant(s)		197,319
Accountants/Bookkeepers		168,392
Medical Personnel		2,024,717
Secretary(ies)		44,755
Clerical Personnel		493
Part-time Personnel		169,183
Overtime Pay		1,451,681
Board and Committee Members Fees		2,350
Social Security		260,192
State Retirement		564,684
Life Insurance		3,841
Medical Insurance		579,828
Employer Medicare		60,852
Communication		21,912
Data Processing Services		9,457
Debt Collection Services		32,913
Freight Expenses		483
Janitorial Services		12,850
Laundry Service		8,673
Legal Services		1,085
Licenses		6,049
Maintenance and Repair Services - Buildings		4,151
Maintenance and Repair Services - Equipment		58,848
Maintenance and Repair Services - Vehicles		94,487
Medical and Dental Services		1,368
Pest Control		3,012
Postal Charges		9,216
Printing, Stationery, and Forms		487
Rentals		4,746
Travel		4,897
Tuition		23,825
Disposal Fees		4,326

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Other Contracted Services	\$	12,306	
Custodial Supplies		6,144	
Data Processing Supplies		1,810	
Diesel Fuel		167,285	
Drugs and Medical Supplies		215,147	
Duplicating Supplies		1,271	
Electricity		44,275	
Food Supplies		1,550	
Gasoline		8,375	
General Construction Materials		293	
Instructional Supplies and Materials		5,800	
Natural Gas		18,286	
Office Supplies		2,935	
Propane Gas		10,816	
Tires and Tubes		18,455	
Uniforms		32,672	
Vehicle Parts		4,452	
Water and Sewer		5,733	
Other Supplies and Materials		21,202	
Indirect Cost		42,514	
Other Equipment		910	
Total Ambulance/Emergency Medical Services			\$ 6,816,706

Other Local Health Services

Social Workers	\$	151,925
Medical Personnel		599,040
Clerical Personnel		342,581
Educational Assistants		23,299
Temporary Personnel		12,549
Part-time Personnel		33,381
Social Security		67,472
State Retirement		142,479
Life Insurance		1,100
Medical Insurance		142,335
Employer Medicare		15,893
Licenses		800
Pest Control		175
Rentals		3,060
Travel		8,549
Disposal Fees		369

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Office Supplies	\$	74	
Uniforms		74	
Liability Insurance		42,674	
Total Other Local Health Services			\$ 1,587,829

Regional Mental Health Center

Contributions	\$	10,000	
Total Regional Mental Health Center			10,000

Appropriation to State

Contributions	\$	130,068	
Total Appropriation to State			130,068

Other Local Welfare Services

Contributions	\$	60,000	
Maintenance and Repair Services - Buildings		76	
Pauper Burials		13,500	
Other Contracted Services		203	
Total Other Local Welfare Services			73,779

Other Public Health and Welfare

Contributions	\$	30,000	
Total Other Public Health and Welfare			30,000

Social, Cultural, and Recreational Services

Libraries

Communication	\$	470	
Contributions		1,527,251	
Total Libraries			1,527,721

Parks and Fair Boards

Communication	\$	1,958	
Dues and Memberships		125	
Engineering Services		2,500	
Legal Services		245	
Pest Control		125	
Postal Charges		49	
Rentals		635	
Travel		142	
Tuition		305	

(Continued)

Exhibit L-7

Montgomery 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.)

Disposal Fees	\$	520	
Permits		64	
Other Contracted Services		5,523	
Electricity		19,593	
Gasoline		669	
Office Supplies		355	
Periodicals		154	
Water and Sewer		1,450	
Other Supplies and Materials		810	
Data Processing Equipment		1,174	
Total Parks and Fair Boards			\$ 36,396

Other Social, Cultural, and Recreational

Maintenance and Repair Services - Vehicles	\$	288	
Postal Charges		42	
Gasoline		5,856	
Office Supplies		53	
Vehicle and Equipment Insurance		1,620	
Total Other Social, Cultural, and Recreational			7,859

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	61,059	
Salary Supplements		175,461	
Part-time Personnel		10,440	
Board and Committee Members Fees		750	
Social Security		9,365	
State Retirement		22,667	
Life Insurance		92	
Medical Insurance		26,952	
Employer Medicare		2,483	
Communication		3,456	
Rentals		2,963	
Other Contracted Services		17,400	
Office Supplies		1,551	
Workers' Compensation Insurance		160	
Total Agriculture Extension Service			334,799

Forest Service

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

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	36,103	
Social Security		2,114	
State Retirement		4,920	
Life Insurance		37	
Medical Insurance		3,547	
Employer Medicare		494	
Postal Charges		252	
Printing, Stationery, and Forms		117	
Tuition		42	
Other Contracted Services		204	
Office Supplies		634	
Other Supplies and Materials		700	
Total Soil Conservation			\$ 49,164

Other Operations

Tourism

Contracts with Government Agencies	\$	253,064	
Contracts with Other Public Agencies		759,193	
Total Tourism			1,012,257

Industrial Development

Contributions	\$	537,700	
Total Industrial Development			537,700

Airport

Contributions	\$	72,811	
Total Airport			72,811

Veterans' Services

Assistant(s)	\$	104,854	
Supervisor/Director		48,622	
Secretary(ies)		43,991	
Board and Committee Members Fees		1,400	
Social Security		11,576	
State Retirement		24,019	
Life Insurance		229	
Medical Insurance		33,519	
Employer Medicare		2,708	
Communication		1,702	
Postal Charges		2,117	

(Continued)

Exhibit L-7

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Rentals	\$	2,145	
Travel		4,135	
Other Contracted Services		577	
Custodial Supplies		28	
Electricity		3,952	
Food Supplies		546	
Natural Gas		48	
Water and Sewer		1,050	
Other Supplies and Materials		7,716	
Workers' Compensation Insurance		632	
Total Veterans' Services			\$ 295,566

Other Charges

Consultants	\$	2,500	
Boiler Insurance		10,359	
Building and Contents Insurance		337,125	
Premiums on Corporate Surety Bonds		1,560	
Trustee's Commission		744,053	
Workers' Compensation Insurance		450,000	
Total Other Charges			1,545,597

Contributions to Other Agencies

Contributions	\$	132,303	
Dues and Memberships		31,446	
Total Contributions to Other Agencies			163,749

Employee Benefits

Handling Charges and Administrative Costs	\$	1,827	
Medical Insurance		76,056	
Disability Insurance		205,594	
Other Fringe Benefits		15,892	
Other Contracted Services		11,342	
Total Employee Benefits			310,711

Miscellaneous

Advertising	\$	995	
Contributions		75	
Dues and Memberships		625	
Travel		122	
Other Contracted Services		7,118	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Supplies and Materials	\$ 10	
Total Miscellaneous		\$ 8,945

Highways

Litter and Trash Collection

Deputy(ies)	\$ 82,853	
Social Security	4,939	
State Retirement	11,292	
Life Insurance	74	
Employer Medicare	1,155	
Postal Charges	5	
Printing, Stationery, and Forms	4,790	
Other Contracted Services	9,800	
Other Supplies and Materials	4,510	
Total Litter and Trash Collection		<u>119,418</u>

Total General Fund		\$ 52,836,705
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Drug Control Fund

Public Safety

Sheriff's Department

Animal Food and Supplies	\$ 504	
Trustee's Commission	144	
Total Sheriff's Department		<u>\$ 648</u>

Total Drug Control Fund		648
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 89,612
Assistant(s)	58,021
Accountants/Bookkeepers	37,990
Secretary(ies)	32,325
Clerical Personnel	32,325
Overtime Pay	975
Board and Committee Members Fees	3,600
Social Security	15,176
State Retirement	35,058
Life Insurance	192

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Medical Insurance	\$	23,643	
Employer Medicare		3,549	
Dues and Memberships		4,102	
Legal Services		3,600	
Printing, Stationery, and Forms		397	
Rentals		2,725	
Travel		871	
Tuition		165	
Other Contracted Services		1,755	
Drugs and Medical Supplies		3,218	
Office Supplies		483	
Other Supplies and Materials		2,562	
Total Administration			\$ 352,344

Highway and Bridge Maintenance

Foremen	\$	379,465	
Mechanic(s)		113,694	
Equipment Operators - Heavy		453,692	
Equipment Operators - Light		179,404	
Truck Drivers		501,971	
Laborers		104,496	
Temporary Personnel		12,057	
Overtime Pay		28,226	
Social Security		103,555	
State Retirement		242,528	
Life Insurance		1,934	
Medical Insurance		314,175	
Employer Medicare		24,218	
Rentals		759	
Other Contracted Services		1,700	
Asphalt - Hot Mix		1,470,212	
Asphalt - Liquid		74,154	
Concrete		1,356	
Crushed Stone		50,039	
Fertilizer, Lime, and Seed		3,179	
Pipe - Metal		31,100	
Salt		33,754	
Structural Steel		1,966	
Other Supplies and Materials		5,811	
Total Highway and Bridge Maintenance			4,133,445

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	50,311	
Mechanic(s)		194,623	
Truck Drivers		28,692	
Clerical Personnel		32,410	
Overtime Pay		3,642	
Social Security		18,258	
State Retirement		42,731	
Life Insurance		290	
Medical Insurance		41,062	
Employer Medicare		4,270	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		5,819	
Maintenance and Repair Services - Vehicles		10,710	
Other Contracted Services		1,752	
Diesel Fuel		155,817	
Equipment and Machinery Parts		196,143	
Garage Supplies		4,691	
Gasoline		98,710	
Ice		2,679	
Lubricants		19,108	
Small Tools		12,803	
Tires and Tubes		46,822	
Vehicle Parts		66,291	
Other Supplies and Materials		25,031	
Total Operation and Maintenance of Equipment			\$ 1,063,545

Traffic Control

Foremen	\$	47,078
Equipment Operators - Heavy		69,950
Laborers		53,298
Overtime Pay		4,403
Social Security		10,388
State Retirement		23,195
Life Insurance		174
Medical Insurance		22,546
Employer Medicare		2,429
Operating Lease Payments		390
Other Contracted Services		6,246
Electricity		4,244
Road Signs		44,563

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Traffic Control (Cont.)

Small Tools	\$	9	
Uniforms		994	
Other Supplies and Materials		116,909	
Total Traffic Control			\$ 406,816

Other Charges

Communication	\$	7,095	
Licenses		852	
Other Contracted Services		2,807	
Electricity		21,688	
Natural Gas		12,881	
Water and Sewer		1,780	
Building and Contents Insurance		217,875	
Indirect Cost		8,807	
Premiums on Corporate Surety Bonds		792	
Trustee's Commission		96,997	
Workers' Compensation Insurance		170,000	
Liability Claims		16,645	
Total Other Charges			558,219

Employee Benefits

Medical Insurance	\$	9,113	
Total Employee Benefits			9,113

Capital Outlay

Bridge Construction	\$	119,700	
Building Construction		22,961	
Building Improvements		8,918	
Data Processing Equipment		395	
Heating and Air Conditioning Equipment		3,800	
Highway Construction		129,712	
Highway Equipment		14,600	
Motor Vehicles		16,000	
Office Equipment		251	
State Aid Projects		530,764	
Other Equipment		7,535	
Total Capital Outlay			854,636

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Notes	\$ 1,425	
Total Highways and Streets		\$ 1,425

Total Highway/Public Works Fund \$ 7,379,543

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 2,735,065	
Principal on Notes	521,070	
Total General Government		\$ 3,256,135

Education

Principal on Bonds	\$ 8,664,935	
Principal on Notes	578,930	
Principal on Other Loans	436,081	
Total Education		9,679,946

Interest on Debt

General Government

Interest on Bonds	\$ 4,348,934	
Interest on Notes	81,713	
Total General Government		4,430,647

Education

Interest on Bonds	\$ 9,327,273	
Interest on Notes	90,787	
Interest on Other Loans	63,807	
Total Education		9,481,867

Other Debt Service

General Government

Trustee's Commission	\$ 158,477	
Other Debt Issuance Charges	19,652	
Other Debt Service	655	
Total General Government		178,784

Education

Trustee's Commission	\$ 342,904	
Other Debt Issuance Charges	31,841	

(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education (Cont.)

Other Debt Service	\$ 4,088	
Total Education	<u>4,088</u>	\$ 378,833

Total General Debt Service Fund \$ 27,406,212

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Contracted Services	\$ 304	
Trustee's Commission	27,955	
Other Charges	6,500	
Building Construction	140,361	
Building Improvements	635,259	
Data Processing Equipment	588,585	
Furniture and Fixtures	44,278	
Highway Construction	323,909	
Office Equipment	8,361	
Other Equipment	<u>3,802</u>	
Total General Administration Projects		\$ 1,779,314

Public Safety Projects

Food Service Equipment	\$ 30,450	
Motor Vehicles	319,060	
Other Equipment	<u>36,543</u>	
Total Public Safety Projects		386,053

Public Health and Welfare Projects

Attendance Equipment	\$ 121,538	
Building Construction	194,241	
Communication Equipment	19,047	
Food Service Equipment	1,696	
Furniture and Fixtures	7,876	
Motor Vehicles	150,240	
Other Equipment	<u>14,582</u>	
Total Public Health and Welfare Projects		509,220

Social, Cultural, and Recreation Projects

Architects	\$ 143,905	
Printing, Stationery, and Forms	15,595	
Building Construction	83,867	

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects (Cont.)

Other Capital Outlay	\$ 1,098	
Total Social, Cultural, and Recreation Projects		\$ 244,465

Other General Government Projects

Building Improvements	\$ 563,769	
Other Equipment	176,152	
Other Capital Outlay	<u>141,858</u>	
Total Other General Government Projects		881,779

Education Capital Projects

Contributions	\$ 13,304,881	
Total Education Capital Projects		<u>13,304,881</u>

Total General Capital Projects Fund		\$ 17,105,712
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Other Capital Projects Fund #5

Capital Projects

Education Capital Projects

Contributions	\$ 16,631,705	
Total Education Capital Projects		<u>\$ 16,631,705</u>

Total Other Capital Projects Fund #5		16,631,705
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Other Capital Projects Fund #6

Other Debt Service

General Government

Underwriter's Discount	\$ 63,864	
Other Debt Issuance Charges	<u>119,046</u>	
Total General Government		\$ 182,910

Capital Projects

General Administration Projects

Land	\$ 17,818,450	
Total General Administration Projects		17,818,450

Education Capital Projects

Contributions	\$ 9,118,338	
Total Education Capital Projects		<u>9,118,338</u>

Total Other Capital Projects Fund #6		<u>27,119,698</u>
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Total Governmental Funds - Primary Government		<u>\$ 148,480,223</u>
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Exhibit L-8

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Montgomery County School Department
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 62,666,772	
Career Ladder Program	489,456	
Career Ladder Extended Contracts	184,710	
Homebound Teachers	182,037	
Educational Assistants	939,998	
Overtime Pay	10	
Social Security	3,874,729	
State Retirement	4,201,901	
Life Insurance	90,378	
Medical Insurance	7,374,233	
Employer Medicare	906,943	
Maintenance and Repair Services - Equipment	11,400	
Transportation - Other than Students	3,870	
Travel	20,771	
Tuition	156,499	
Contracts for Substitute Teachers - Certified	775,727	
Contracts for Substitute Teachers - Non-certified	825,801	
Other Contracted Services	49,098	
Basic Skills Materials	32,698	
Instructional Supplies and Materials	734,655	
Textbooks	2,813,959	
Fee Waivers	279,584	
Regular Instruction Equipment	44,812	
Total Regular Instruction Program		\$ 86,660,041

Alternative Instruction Program

Teachers	\$ 607,294	
Career Ladder Program	3,000	
Social Security	37,145	
State Retirement	39,181	
Life Insurance	793	
Medical Insurance	40,536	
Employer Medicare	8,687	
Rentals	971	
Contracts for Substitute Teachers - Certified	8,880	
Contracts for Substitute Teachers - Non-certified	9,759	
Instructional Supplies and Materials	2,798	
Total Alternative Instruction Program		759,044

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 7,924,646	
Career Ladder Program	89,457	
Career Ladder Extended Contracts	18,300	
Educational Assistants	1,411,631	
Speech Pathologist	988,811	
Overtime Pay	8	
Social Security	623,646	
State Retirement	767,246	
Life Insurance	15,238	
Medical Insurance	1,348,473	
Employer Medicare	145,853	
Contracts with Private Agencies	775,838	
Contracts for Substitute Teachers - Certified	79,776	
Contracts for Substitute Teachers - Non-certified	133,025	
Other Contracted Services	13,916	
Instructional Supplies and Materials	79,422	
Special Education Equipment	8,699	
Total Special Education Program		\$ 14,423,985

Vocational Education Program

Teachers	\$ 2,936,449	
Career Ladder Program	18,068	
Salary Supplements	27,341	
Social Security	178,799	
State Retirement	191,435	
Life Insurance	4,121	
Medical Insurance	385,272	
Employer Medicare	41,816	
Maintenance and Repair Services - Equipment	395	
Travel	432	
Contracts for Substitute Teachers - Certified	24,095	
Contracts for Substitute Teachers - Non-certified	45,386	
Instructional Supplies and Materials	126,683	
T&I Construction Materials	108,500	
Total Vocational Education Program		4,088,792

Support Services

Attendance

Supervisor/Director	\$ 87,688	
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(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Career Ladder Program	\$	6,167	
Career Ladder Extended Contracts		600	
Pupil Personnel		283,081	
Secretary(ies)		56,493	
Social Security		26,121	
State Retirement		32,248	
Life Insurance		475	
Medical Insurance		44,030	
Employer Medicare		6,109	
Dues and Memberships		75	
Travel		5,278	
Office Supplies		3,681	
In Service/Staff Development		9,671	
Total Attendance			\$ 561,717

Health Services

Medical Personnel	\$	671,628	
Overtime Pay		112	
Social Security		40,042	
State Retirement		88,267	
Life Insurance		1,058	
Medical Insurance		87,285	
Employer Medicare		9,365	
Dues and Memberships		126	
Other Contracted Services		8,054	
Other Supplies and Materials		14,913	
Health Equipment		12,414	
Total Health Services			933,264

Other Student Support

Career Ladder Program	\$	30,999	
Guidance Personnel		3,011,692	
Career Ladder Extended Contracts		6,300	
Social Workers		79,129	
Salary Supplements		1,730,283	
Clerical Personnel		264,438	
Educational Assistants		121,371	
Overtime Pay		62	
Other Salaries and Wages		32,484	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	317,730	
State Retirement		362,461	
Life Insurance		4,891	
Medical Insurance		452,658	
Employer Medicare		74,337	
Evaluation and Testing		164,929	
Other Contracted Services		537	
Total Other Student Support			\$ 6,654,301

Regular Instruction Program

Supervisor/Director	\$	896,511	
Career Ladder Program		72,653	
Career Ladder Extended Contracts		8,430	
Librarians		1,913,544	
Education Media Personnel		29,971	
Salary Supplements		176,675	
Secretary(ies)		58,232	
Clerical Personnel		26,106	
Educational Assistants		574,406	
Overtime Pay		28	
Other Salaries and Wages		821,885	
Social Security		274,032	
State Retirement		347,533	
Life Insurance		5,198	
Medical Insurance		483,088	
Employer Medicare		64,421	
Dues and Memberships		37,375	
Travel		9,843	
Other Contracted Services		7,376	
Data Processing Supplies		36,000	
Gasoline		422	
Library Books/Media		145,738	
Office Supplies		8,156	
Periodicals		33,200	
Other Supplies and Materials		400,150	
In Service/Staff Development		254,461	
Other Charges		19,163	
Total Regular Instruction Program			6,704,597

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Clerical Personnel	\$	17,793	
Social Security		961	
State Retirement		2,523	
Life Insurance		34	
Medical Insurance		8,688	
Employer Medicare		225	
Total Alternative Instruction Program			\$ 30,224

Special Education Program

Supervisor/Director	\$	80,042	
Career Ladder Program		16,911	
Psychological Personnel		590,824	
Career Ladder Extended Contracts		300	
Secretary(ies)		24,722	
Other Salaries and Wages		233,317	
Social Security		57,321	
State Retirement		62,659	
Life Insurance		885	
Medical Insurance		74,174	
Employer Medicare		13,406	
Dues and Memberships		1,300	
Travel		16,576	
Office Supplies		6,024	
Other Supplies and Materials		47,345	
In Service/Staff Development		20,416	
Total Special Education Program			1,246,222

Vocational Education Program

Supervisor/Director	\$	75,162	
Career Ladder Program		3,000	
Secretary(ies)		13,832	
Social Security		5,603	
State Retirement		6,979	
Life Insurance		81	
Medical Insurance		9,107	
Employer Medicare		1,310	
Dues and Memberships		75	
Travel		556	
Office Supplies		1,731	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

In Service/Staff Development	\$ 682	
Total Vocational Education Program	<u>682</u>	\$ 118,118

Adult Programs

Supervisor/Director	\$ 34,300	
Career Ladder Program	1,000	
Guidance Personnel	23,333	
Social Security	3,614	
State Retirement	2,275	
Life Insurance	139	
Medical Insurance	1,860	
Employer Medicare	<u>845</u>	
Total Adult Programs		67,366

Other Programs

On-Behalf Payments to OPEB	\$ 68,211	
Total Other Programs		68,211

Board of Education

Secretary to Board	\$ 24,755	
Board and Committee Members Fees	24,700	
Social Security	3,016	
State Retirement	3,510	
Life Insurance	31	
Medical Insurance	3,628	
Employer Medicare	706	
Dues and Memberships	29,896	
Legal Services	54,889	
In Service/Staff Development	33,455	
Other Charges	<u>7,217</u>	
Total Board of Education		185,803

Director of Schools

County Official/Administrative Officer	\$ 154,768
Education Media Personnel	84,919
Secretary(ies)	24,756
Clerical Personnel	91,906
Temporary Personnel	778
Other Salaries and Wages	138,063

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Social Security	\$	26,730	
State Retirement		64,987	
Life Insurance		410	
Medical Insurance		55,068	
Employer Medicare		6,971	
Dues and Memberships		4,175	
Postal Charges		41,183	
Travel		736	
Other Contracted Services		19,001	
Duplicating Supplies		19,706	
Food Supplies		1,370	
Instructional Supplies and Materials		344	
Office Supplies		6,565	
Periodicals		358	
Other Supplies and Materials		3,541	
In Service/Staff Development		19,936	
Other Equipment		5,913	
Total Director of Schools			\$ 772,184

Office of the Principal

Principals	\$	2,845,428	
Career Ladder Program		77,574	
Accountants/Bookkeepers		1,056,358	
Career Ladder Extended Contracts		89,145	
Assistant Principals		3,540,557	
Clerical Personnel		1,661,790	
Temporary Personnel		4,388	
Overtime Pay		238	
Social Security		556,796	
State Retirement		801,715	
Life Insurance		9,650	
Medical Insurance		1,156,089	
Employer Medicare		130,219	
Dues and Memberships		15,000	
Other Contracted Services		10,828	
In Service/Staff Development		14,462	
Administration Equipment		7,938	
Total Office of the Principal			11,978,175

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	257,718	
Accountants/Bookkeepers		607,508	
Purchasing Personnel		59,634	
Secretary(ies)		38,597	
Temporary Personnel		18,782	
Overtime Pay		8,409	
Other Salaries and Wages		335,483	
Social Security		79,443	
State Retirement		187,453	
Life Insurance		1,283	
Medical Insurance		156,504	
Employer Medicare		18,671	
Advertising		1,165	
Audit Services		48,000	
Bank Charges		17,420	
Dues and Memberships		1,385	
Laundry Service		4,921	
Maintenance and Repair Services - Equipment		1,725	
Travel		2,322	
Other Contracted Services		31,648	
Gasoline		11,308	
Office Supplies		19,690	
Other Supplies and Materials		732	
Premiums on Corporate Surety Bonds		8,000	
Trustee's Commission		1,050,590	
Liability Claims		49,944	
Other Self-Insured Claims		62,015	
In Service/Staff Development		14,115	
Other Charges		92,368	
Other Equipment		9,588	
Total Fiscal Services			\$ 3,196,421

Human Services/Personnel

Supervisor/Director	\$	405,653
Salary Supplements		8,300
Secretary(ies)		367,142
Clerical Personnel		192
Temporary Personnel		4,170
Overtime Pay		1,570

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Other Salaries and Wages	\$	30,889	
Other Per Diem and Fees		608,092	
Social Security		86,060	
State Retirement		153,473	
Life Insurance		1,539	
Medical Insurance		85,037	
Disability Insurance		379,463	
Employer Medicare		20,217	
Other Fringe Benefits		345,828	
Advertising		6,289	
Dues and Memberships		1,150	
Travel		7,909	
Other Contracted Services		32,666	
Office Supplies		11,210	
Other Supplies and Materials		143,680	
Workers' Compensation Insurance		330,455	
In Service/Staff Development		64,409	
Criminal Investigation of Applicants - TBI		51,704	
Administration Equipment		5,179	
Total Human Services/Personnel			\$ 3,152,276

Operation of Plant

Supervisor/Director	\$	186,516	
Salary Supplements		21,750	
Foremen		47,070	
Secretary(ies)		29,973	
Custodial Personnel		3,777,137	
Overtime Pay		11,297	
Social Security		242,286	
State Retirement		543,904	
Life Insurance		6,507	
Medical Insurance		856,996	
Employer Medicare		56,739	
Evaluation and Testing		3,750	
Laundry Service		64,648	
Licenses		4,188	
Travel		1,571	
Other Contracted Services		193,468	
Custodial Supplies		314,010	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$ 4,840,784	
Fertilizer, Lime, and Seed	30,000	
Fuel Oil	28,961	
Natural Gas	821,326	
Office Supplies	4,186	
Water and Sewer	624,318	
Gravel and Chert	14,127	
Other Supplies and Materials	30,409	
Building and Contents Insurance	740,642	
In Service/Staff Development	1,417	
Furniture and Fixtures	114,669	
Plant Operation Equipment	25,280	
Total Operation of Plant		\$ 13,637,929

Maintenance of Plant

Supervisor/Director	\$ 67,407
Foremen	49,906
Secretary(ies)	60,926
Maintenance Personnel	2,023,276
Overtime Pay	456
Social Security	132,054
State Retirement	312,170
Life Insurance	2,514
Medical Insurance	346,264
Employer Medicare	30,884
Dues and Memberships	190
Laundry Service	13,607
Maintenance and Repair Services - Equipment	267,935
Maintenance and Repair Services - Vehicles	4,732
Rentals	301
Other Contracted Services	68,556
Gasoline	145,201
Lubricants	2,374
Office Supplies	2,246
Tires and Tubes	10,351
Vehicle Parts	27,232
Chemicals	33,939
Other Supplies and Materials	665,006
Vehicle and Equipment Insurance	55,777

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

In Service/Staff Development	\$	4,996	
Maintenance Equipment		4,241	
Total Maintenance of Plant			\$ 4,332,541

Central and Other

Supervisor/Director	\$	152,043	
Computer Programmer(s)		193,571	
Data Processing Personnel		3,356	
Instructional Computer Personnel		842,531	
Salary Supplements		38,005	
Secretary(ies)		33,717	
Other Salaries and Wages		408,943	
Social Security		100,566	
State Retirement		205,505	
Life Insurance		1,508	
Medical Insurance		165,239	
Employer Medicare		23,601	
Communication		747,159	
Dues and Memberships		435	
Travel		30,636	
Other Contracted Services		1,604,793	
Data Processing Supplies		552,813	
Office Supplies		969	
In Service/Staff Development		53,323	
Data Processing Equipment		275,373	
Other Equipment		1,894,742	
Total Central and Other			7,328,828

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	830,574	
Educational Assistants		282,406	
Overtime Pay		169	
Other Salaries and Wages		55,067	
Social Security		69,880	
State Retirement		94,614	
Life Insurance		1,889	
Medical Insurance		160,108	
Employer Medicare		16,423	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	1,316	
Contracts for Substitute Teachers - Certified		12,844	
Contracts for Substitute Teachers - Non-certified		34,582	
Other Contracted Services		17,950	
Instructional Supplies and Materials		79,036	
In Service/Staff Development		18,181	
Other Equipment		36,344	
Total Early Childhood Education			\$ 1,711,383

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	515,417	
Total Education			515,417

Total General Purpose School Fund \$ 169,126,839

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,849,283	
Salary Supplements		535,697	
Educational Assistants		854,301	
Other Salaries and Wages		48,390	
Social Security		256,914	
State Retirement		343,568	
Life Insurance		5,728	
Medical Insurance		471,096	
Employer Medicare		60,084	
Travel		1,151	
Contracts for Substitute Teachers - Certified		26,369	
Contracts for Substitute Teachers - Non-certified		43,854	
Other Contracted Services		94,762	
Instructional Supplies and Materials		197,470	
Total Regular Instruction Program			\$ 5,788,667

Special Education Program

Teachers	\$	99,938	
Educational Assistants		1,651,043	
In-Service Training		910	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	103,798	
State Retirement		231,791	
Life Insurance		3,422	
Medical Insurance		297,945	
Employer Medicare		24,276	
Contracts for Substitute Teachers - Certified		548	
Contracts for Substitute Teachers - Non-certified		2,797	
Instructional Supplies and Materials		18,439	
Other Supplies and Materials		4,633	
Special Education Equipment		28,307	
Total Special Education Program			\$ 2,467,847

Vocational Education Program

Salary Supplements	\$	3,000	
Educational Assistants		18,497	
Social Security		1,180	
State Retirement		2,815	
Life Insurance		33	
Medical Insurance		7,257	
Employer Medicare		276	
Instructional Supplies and Materials		50,158	
Other Supplies and Materials		75,700	
Other Charges		399	
Vocational Instruction Equipment		157,863	
Total Vocational Education Program			317,178

Adult Education Program

Teachers	\$	68,883	
Social Security		3,754	
State Retirement		237	
Employer Medicare		1,001	
Instructional Supplies and Materials		16,527	
Total Adult Education Program			90,402

Support Services

Health Services

Other Salaries and Wages	\$	5,120	
Social Security		317	
State Retirement		726	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Employer Medicare	\$	74	
Total Health Services			\$ 6,237

Other Student Support

Other Salaries and Wages	\$	74,566	
Social Security		1,324	
State Retirement		1,617	
Life Insurance		113	
Medical Insurance		1,480	
Employer Medicare		1,077	
Travel		60,219	
Other Contracted Services		5,387	
Other Supplies and Materials		6,587	
In Service/Staff Development		29,063	
Other Charges		25,603	
Total Other Student Support			207,036

Regular Instruction Program

Supervisor/Director	\$	71,582	
Salary Supplements		1,954	
Secretary(ies)		33,292	
Clerical Personnel		18,705	
Other Salaries and Wages		982,436	
Social Security		63,815	
State Retirement		72,279	
Medical Insurance		60,767	
Employer Medicare		14,925	
Communication		720	
Dues and Memberships		2,625	
Travel		9,732	
Other Contracted Services		598,623	
Other Supplies and Materials		16,068	
In Service/Staff Development		124,740	
Other Equipment		47,008	
Total Regular Instruction Program			2,119,271

Special Education Program

Psychological Personnel	\$	234,459	
Assessment Personnel		167,698	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Secretary(ies)	\$	31,762	
Clerical Personnel		64,786	
Other Salaries and Wages		185,455	
Social Security		41,453	
State Retirement		53,098	
Life Insurance		797	
Medical Insurance		57,003	
Employer Medicare		9,910	
Consultants		2,500	
In Service/Staff Development		2,705	
Total Special Education Program			\$ 851,626

Vocational Education Program

Travel	\$	321	
Other Supplies and Materials		36,651	
In Service/Staff Development		5,363	
Other Charges		1,464	
Total Vocational Education Program			43,799

Adult Programs

Supervisor/Director	\$	34,300	
Clerical Personnel		24,988	
Other Salaries and Wages		30,597	
Social Security		5,310	
State Retirement		10,075	
Medical Insurance		12,799	
Employer Medicare		1,242	
Office Supplies		4,574	
In Service/Staff Development		2,037	
Total Adult Programs			125,922

Operation of Plant

Communication	\$	14,000	
Plant Operation Equipment		6,724	
Other Equipment		125,775	
Total Operation of Plant			146,499

Transportation

Bus Drivers	\$	31,000	
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(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	1,982	
State Retirement		4,460	
Life Insurance		41	
Contracts with Parents		10,299	
Travel		10,556	
Total Transportation			\$ 58,338

Total School Federal Projects Fund \$ 12,222,822

Central Cafeteria Fund

Support Services

Fiscal Services

Trustee's Commission	\$	1,194	
Total Fiscal Services			\$ 1,194

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	158,961	
Salary Supplements		14,530	
Truck Drivers		51,835	
Secretary(ies)		107,413	
Cafeteria Personnel		2,962,824	
Custodial Personnel		169,740	
Temporary Personnel		1,387	
Overtime Pay		23,471	
Other Salaries and Wages		259,689	
Social Security		221,400	
State Retirement		507,296	
Life Insurance		7,056	
Medical Insurance		746,028	
Employer Medicare		51,819	
Dues and Memberships		7,228	
Laundry Service		83,237	
Licenses		2,640	
Printing, Stationery, and Forms		3,520	
Travel		6,834	
Other Contracted Services		246,726	
Equipment and Machinery Parts		56,271	
Food Supplies		3,893,204	

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Gasoline	\$	6,862	
Lubricants		158	
Office Supplies		40,400	
Tires and Tubes		190	
Uniforms		6,324	
Utilities		230,500	
Vehicle Parts		659	
Other Supplies and Materials		381,691	
Workers' Compensation Insurance		3,258	
In Service/Staff Development		32,694	
Food Service Equipment		80,865	
Total Food Service			\$ 10,366,710

Total Central Cafeteria Fund \$ 10,367,904

School Transportation Fund

Support Services

Fiscal Services

Trustee's Commission	\$	71,782	
Total Fiscal Services			\$ 71,782

Transportation

Supervisor/Director	\$	174,066	
Salary Supplements		17,600	
Mechanic(s)		508,427	
Bus Drivers		3,538,969	
Dispatchers/Radio Operators		151,406	
Secretary(ies)		99,032	
Temporary Personnel		290,057	
Overtime Pay		9,951	
Other Salaries and Wages		745,076	
Social Security		334,582	
State Retirement		724,784	
Life Insurance		11,303	
Medical Insurance		957,756	
Employer Medicare		92,851	
Contracts with Parents		7,710	
Laundry Service		6,132	
Licenses		3,406	

(Continued)

Exhibit L-8

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Maintenance and Repair Services - Equipment	\$	18,894	
Maintenance and Repair Services - Vehicles		8,012	
Medical and Dental Services		19,853	
Transportation - Other than Students		136,500	
Other Contracted Services		5,358	
Garage Supplies		4,321	
Gasoline		817,139	
Lubricants		19,493	
Office Supplies		12,040	
Tires and Tubes		60,952	
Vehicle Parts		247,728	
Other Supplies and Materials		4,745	
Vehicle and Equipment Insurance		130,145	
In Service/Staff Development		7,409	
Transportation Equipment		3,212,644	
Total Transportation			\$ 12,378,341

Total School Transportation Fund \$ 12,450,123

Extended School Program Fund

Instruction

Regular Instruction Program

Teachers	\$	119,257	
Educational Assistants		6,552	
Social Security		7,800	
State Retirement		8,460	
Employer Medicare		1,824	
Other Contracted Services		23,800	
Instructional Supplies and Materials		1,542	
Total Regular Instruction Program			\$ 169,235

Support Services

Office of the Principal

Assistant Principals	\$	16,525	
Social Security		1,024	
State Retirement		1,061	
Employer Medicare		240	
Total Office of the Principal			18,850

(Continued)

Exhibit L-8

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

Extended School Program Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Trustee's Commission	\$ 713	
Total Fiscal Services		\$ 713

Operation of Plant

Custodial Personnel	\$ 5,210	
Social Security	323	
State Retirement	739	
Life Insurance	2	
Employer Medicare	75	
Total Operation of Plant		<u>6,349</u>

Total Extended School Program Fund		\$ 195,147
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 191,805	
Contributions	114,249	
Engineering Services	8,705	
Other Contracted Services	3,883	
Building Construction	29,211,354	
Building Improvements	2,174,680	
Data Processing Equipment	2,525,269	
Plant Operation Equipment	1,733,720	
Site Development	146,610	
Other Equipment	55,143	
Total Education Capital Projects		<u>\$ 36,165,418</u>

Total Education Capital Projects Fund		<u>36,165,418</u>
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Total Governmental Funds - Montgomery County School Department		<u>\$ 240,528,253</u>
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Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Funds		
	Self- Insurance	Workers' Compensation	Unemployment Compensation
<u>Revenues</u>			
<u>Operating Revenues</u>			
<u>Charges for Current Services</u>			
Self-Insurance Premiums/Contributions	\$ 25,023,493	\$ 782,246	\$ 0
Other Employee Benefit Charges	1,758,141	0	0
Other Charges for Services	32,504	0	0
Retirees' Insurance Payments	1,026,366	0	0
Total Operating Revenues	<u>\$ 27,840,504</u>	<u>\$ 782,246</u>	<u>\$ 0</u>
<u>Nonoperating Revenues</u>			
Investment Income	\$ 14,155	\$ 6,296	\$ 8,859
Miscellaneous Refunds	574,015	0	0
Total Nonoperating Revenues	<u>\$ 588,170</u>	<u>\$ 6,296</u>	<u>\$ 8,859</u>
Total Revenues	<u>\$ 28,428,674</u>	<u>\$ 788,542</u>	<u>\$ 8,859</u>
<u>Expenses</u>			
<u>Operating Expenses</u>			
<u>Risk Management</u>			
Supervisor/Director	\$ 0	\$ 38,411	\$ 0
Clerical Personnel	0	27,389	0
Overtime Pay	0	30	0
Social Security	0	3,768	0
State Retirement	0	7,028	0
Life Insurance	0	69	0
Medical Insurance	0	7,964	0
Employer Medicare	0	881	0
Communication	0	456	0
Consultants	0	13,900	0
Contracts with Private Agencies	0	11,492	0
Dues and Memberships	0	350	0
Legal Services	0	104	0
Postal Charges	0	218	0
Total Risk Management	<u>\$ 0</u>	<u>\$ 112,060</u>	<u>\$ 0</u>

(Continued)

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds (Cont.)

	Internal Service Funds		
	Self- Insurance	Workers' Compensation	Unemployment Compensation
<u>Expenses (Cont.)</u>			
<u>Other Charges</u>			
Unemployment Compensation	\$ 0	\$ 0	\$ 93,078
Other Contracted Services	861,508	0	0
Other Supplies and Materials	201,205	0	0
Depreciation	991	0	0
Furniture and Fixtures	1,950	0	0
Total Other Charges	<u>\$ 1,065,654</u>	<u>\$ 0</u>	<u>\$ 93,078</u>
<u>Employee Benefits</u>			
Life Insurance	\$ 245,359	\$ 0	\$ 0
Medical and Dental Services	168,121	0	0
Excess Risk Insurance	731,418	0	0
Medical Claims	24,826,695	0	0
Contracts with Private Agencies	1,641,544	0	0
Other Contracted Services	394,379	0	0
Other Charges	370,280	0	0
Other Self-Insured Claims	1,875,808	99,250	0
Total Employee Benefits	<u>\$ 30,253,604</u>	<u>\$ 99,250</u>	<u>\$ 0</u>
Total Expenses	<u>\$ 31,319,258</u>	<u>\$ 211,310</u>	<u>\$ 93,078</u>

Exhibit L-10

Montgomery County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 11,282,435
Total Cash Receipts	<u>\$ 11,282,435</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 11,169,611
Trustee's Commission	<u>112,824</u>
Total Cash Disbursements	<u>\$ 11,282,435</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION

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

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

February 3, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Montgomery County's basic financial statements and have issued our report thereon dated February 3, 2010. Our report was modified to include a reference to other auditors. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library, 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 Clarksville-Montgomery County Industrial Development Board and the Bi-County Solid Waste Management System, discretely presented component units, as described in our report on Montgomery 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 Montgomery 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 Montgomery County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Montgomery 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: 09.01 and 09.02(A).

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 Montgomery 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, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery 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

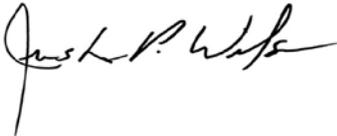
to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.02(B), 09.03, and 09.04.

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

Montgomery 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 Montgomery 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, highway supervisor, County Commission, Board of Education, Audit Committee, others within Montgomery County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

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

February 3, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Montgomery 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, 2009. Montgomery 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 Montgomery County's management. Our responsibility is to express an opinion on Montgomery County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Montgomery County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Montgomery County's compliance with those requirements.

In our opinion, Montgomery 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, 2009.

Internal Control Over Compliance

The management of Montgomery County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Montgomery County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Montgomery County's internal control over compliance.

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 internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

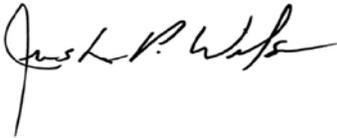
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County as of and for the year ended June 30, 2009, and have issued our report thereon dated February 3, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Emergency Communications District of Montgomery County and the Clarksville-Montgomery County Public Library, which were not available from other auditors as of the

date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Montgomery County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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.

Montgomery 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 Montgomery 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, highway supervisor, County Commission, Board of Education, Audit Committee, others within Montgomery 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.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Montgomery County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 469,760 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	1,288,803
National School Lunch Program	10.555	(2)	4,424,431 (3)
Total U.S. Department of Agriculture			\$ 6,182,994
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	(2)	\$ 30,514
Bulletproof Vest Partnership Program	16.607	(2)	9,784
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-08-23253	12,000
Drug Court Discretionary Grant Program	16.585	Z-05-025534	49,416
Passed-through the City of Clarksville:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	14,985
Total U.S. Department of Justice			\$ 116,699
U.S. Department of Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	GG-09-27135-00	\$ 32,982
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(4)	76,571
Total U.S. Department of Transportation			\$ 109,553
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 4,042,323
Safe and Drug-free Schools and Communities - National Programs	84.184	N/A	124,029
Fund for the Improvement of Education	84.215	N/A	474,146
Passed-through State Department of Education:			
Adult Education - Basic Grants to States	84.002	(2)	162,242
Title I Grants to Local Educational Agencies	84.010	N/A	5,010,683
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	4,734,841
Special Education - Preschool Grants	84.173	N/A	57,831
Career and Technical Education - Basic Grants to States	84.048	N/A	484,762
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	53,489
Twenty-first Century Community Learning Centers	84.287	(2)	775,092
State Grants for Innovative Programs	84.298	N/A	16,571
Education Technology State Grants	84.318	(2)	43,975
English Language Acquisition Grants	84.365	N/A	93,360
Improving Teacher Quality State Grants	84.367	N/A	1,212,563
State Fiscal Stabilization Funds - Education State Grants, Recovery Act	84.394	N/A	1,421,600
Total U.S. Department of Education			\$ 18,707,507
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	\$ 64,250
Total U.S. Election Assistance Commission			\$ 64,250
U.S. Department of Health and Human Services:			
Passed-through State Department of Children's Services:			
Child Welfare Services - State Grants	93.645	GG-08-22881	\$ 6,356
Total U.S. Department of Health and Human Services			\$ 6,356

(Continued)

Montgomery 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: Emergency Management Performance Grant	97.042	(6)	\$ 111,000
Assistance to Firefighters Grant	97.044	(2)	39,268
Homeland Security Grant Program	97.067	(7)	431,264
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	(2)	7,580
Total U.S. Department of Homeland Security			<u>\$ 589,112</u>
Total Federal Awards			<u>\$ 25,776,471</u>

State Grants		Contract Number	Expenditures
Early Childhood Education - State Department of Education	N/A	(2)	\$ 1,767,085
Coordinated School Health Expansion - State Department of Education	N/A	(2)	109,963
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	247,500
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	38,805
Safe Schools Act - State Department of Education	N/A	(2)	138,210
Adult Education - State Department of Education	N/A	(2)	54,081
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-09-22887-00	9,000
Child Advocacy Center - State Department of Children's Services	N/A	GG-09-25646	50,000
Juvenile Court Prevention - State Department of Children's Services	N/A	(8)	62,560
Forensic Child Interviews - State Department of Children's Services	N/A	GG-06-11868	35,316
Litter Program - State Department of Transportation	N/A	Z-09-212781	76,694
Community Correction Grant - State Department of Correction	N/A	Z-08-21322	476,349
Rural Local Health Services - State Department of Health	N/A	Z-09-213755	1,587,828
Teen Learning Center - State Department of Children's Services	N/A	(9)	449,257
Total State Grants			<u>\$ 5,102,648</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$4,894,191.
- (4) Z-08-024034: \$7,916; Z-09-214639: \$68,655.
- (5) Z-09-217199: \$60,500; Z-09-217220: \$3,750.
- (6) GG-08-25947: \$53,000; GG-09-24430: \$58,000.
- (7) GG-07-020591: \$69,802; GG-08-23850: \$361,462.
- (8) GG-08-21757: \$6,798; GG-09-26161: \$55,762.
- (9) GG-08-21694: \$27,175; GG-09-26175: \$422,082.

Montgomery County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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 Montgomery County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.06(A,D)	261	The Ambulance Service Department had operating deficiencies

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.10	265	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires

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MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

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, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Montgomery County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Montgomery County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), Improving Teacher Quality State Grants (CFDA No. 84.367), and State Fiscal Stabilization Funds – Education State Grants, Recovery Act (CFDA No. 84.394) were determined to be major programs.
8. A \$773,294 threshold was used to distinguish between Type A and Type B federal programs.
9. Montgomery 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 accounts and budgets are paraphrased in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 09.01 **THE COUNTY'S ACTUARIAL STUDY DID NOT SEGREGATE OTHER POSTEMPLOYMENT BENEFITS INFORMATION BETWEEN THE PRIMARY GOVERNMENT AND TWO COMPONENT UNITS**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Montgomery County obtained an actuarial study to determine the data necessary for the measurement, recognition, and display of other postemployment benefits (OPEB) information necessary to prepare government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. However, the actuarial study did not segregate the primary government's OPEB information and related liabilities from those of the Emergency Communications District of Montgomery County (component unit) and the Bi-County Solid Waste Management System (component unit).

RECOMMENDATION

The actuarial study should segregate OPEB information and related liabilities for all applicable entities that participate in the employee insurance plan.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management concurs. Montgomery County attempted to meet the new GASB Statement No. 45 requirement by having the actuarial study completed as of July 2008. The study included all of the employees for which Montgomery County processes employment benefits. However, it did not segregate the component units because the employees are members of the same insurance trust as those of the primary government. The second required actuarial study process was begun prior to County Audit's review of fiscal year 2009. The Office of Accounts and Budgets has already coordinated with the actuary to report separately the primary government and component units.

FINDING 09.02

THE AMBULANCE SERVICE HAD OPERATING DEFICIENCIES

(A. – Internal Control – Significant Deficiency Under Government Auditing Standards; B. – Noncompliance Under Government Auditing Standards)

Our examination of the Ambulance Service revealed the following operating deficiencies. These deficiencies exist because management failed to correct the finding noted in the prior-year audit report.

- A. The Ambulance Service Department has a write-off policy that was approved by the Emergency Management Services Committee; however, the policy does not address who approves the write-off of receivables. As a result, various employees can write-off accounts without any further review or approval.
- B. The office did not issue official receipts for all collections as required by Section 9-2-104, Tennessee Code Annotated. Receipts were not issued for payments received by mail. Instead, a transaction number was assigned by the computer system.

RECOMMENDATION

The write-off policy should establish an approval and review process. Official prenumbered receipts should be issued for all collections.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Prior to this year’s review as a result of the 2008 audit, several corrective steps have occurred. Responsibility of billing and collections was transferred to the Office of Accounts and Budgets. All suggested write-offs are accompanied by a form that includes required information as well as the signatures of the chief or deputy chief of Emergency Medical Services in addition to the director of accounts and budgets. The current write-off policy referred to in this finding has been reviewed and updated as well. It will be presented to the Emergency Medical Service Committee for their consideration in February 2010.

After extensive communications with the billing software vendor, it was determined the auditor recommended customization was not something that could be accommodated. We immediately implemented the use of pre-numbered official receipts for all over-the-counter transactions at considerable additional expense to the department. We are continuing work to devise a solution that provides the auditor recommended level of control that is also affordable, effective, and efficient to operations.

OFFICE OF COUNTY CLERK

FINDING 09.03 AN EMPLOYEE KNOWINGLY MADE FALSE ENTRIES IN THE GOVERNMENTAL RECORDS
(Noncompliance Under Government Auditing Standards)

On September 28, 2009, the Montgomery County Clerk received a phone call concerning a stolen vehicle. The clerk's investigation into this matter discovered that the vehicle owner's home address listed on the title application was the same address as one of her employees. This prompted the clerk to look for other title applications with the employee's home address. This search resulted in the clerk's discovery of two additional motor vehicles owned by other parties that reflected her employee's home address on the title application; however, the clerk knew these two parties did not live at that address. The clerk then requested an investigation by the Montgomery County Sheriff's Department and informed auditors about the false entries in the governmental records. On October 2, 2009, the employee was put on administrative leave while the Sheriff Department conducted an investigation. As a result of the Sheriff Department's investigation, the employee's employment was terminated on October 6, 2009. The former employee was indicted by the Montgomery County Grand Jury on January 7, 2010, for one count of official misconduct. Section 39-16-504, Tennessee Code Annotated states that it is unlawful to "knowingly make a false entry in, or false alteration of, a governmental record." The clerk advised that it has been alleged that the employee received no personal gain from the false entries, but falsified the records in an attempt to help the vehicle owners because they had no permanent home address. The case is pending judicial action.

RECOMMENDATION

The official should continually review internal control procedures and monitor the operations of her office.

OFFICE OF SHERIFF

FINDING 09.04 THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES
(Noncompliance Under Government Auditing Standards)

The sheriff did not obtain a letter of agreement or file suit in Circuit Court to authorize the number and salaries of his deputies. Section 8-20-101, Tennessee Code Annotated requires the sheriff to enter into a letter of agreement with the county mayor concerning the number and the salaries of deputies or to file suit in Circuit Court. This noncompliance is the result of management's decision based on the sheriff's interpretation that the statute does not require him to obtain a letter of agreement or file suit in Circuit Court.

RECOMMENDATION

The sheriff should obtain a letter of agreement with the county mayor or petition Circuit Court for the number and salaries of deputies as required by state statute.

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

There were no findings and questioned costs for federal awards.

**MONTGOMERY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

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