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# ANNUAL FINANCIAL REPORT MAURY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



**ANNUAL FINANCIAL REPORT**  
**MAURY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

***DEPARTMENT OF AUDIT***  
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***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
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***JACOB KENNEDY***  
***State Auditors***

This financial report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)

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## MAURY COUNTY, TENNESSEE TABLE OF CONTENTS

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	Exhibit	Page(s)
Audit Highlights		7-8
<u>INTRODUCTORY SECTION</u>		9
Maury County Officials		10
<u>FINANCIAL SECTION</u>		11
Independent Auditor's Report		12-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Assets	A	16-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Proprietary Funds:		
Statement of Net Assets	D-1	25
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	26
Statement of Cash Flows	D-3	27-28
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	29
Notes to the Financial Statements		30-94
REQUIRED SUPPLEMENTARY INFORMATION:		95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget: General Fund	F-1	96-99
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Maury County School Department	F-2	100

	Exhibit	Page(s)
Schedule of Funding Progress – Pension Plan – Discretely Presented Maury County Emergency Communications District	F-3	101
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Maury County School Department	F-4	102
Notes to the Required Supplementary Information		103
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		104
Nonmajor Governmental Funds:		105-106
Combining Balance Sheet	G-1	107-108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	109-112
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Special Purpose Fund	G-3	113
Drug Control Fund	G-4	114
Adequate Facilities/Development Tax Fund	G-5	115
Other Special Revenue Fund	G-6	116
Highway/Pubic Works Fund	G-7	117
Other Capital Projects Fund	G-8	118
Major Governmental Fund:		119
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	120
Fiduciary Funds:		121
Combining Statement of Fiduciary Assets and Liabilities	I-1	122
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	123
Component Unit:		
Discretely Presented Maury County School Department:		124
Statement of Activities	J-1	125
Balance Sheet – Governmental Funds	J-2	126
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	127
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	128
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	129
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	131

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	132-133
School Federal Projects Fund	J-9	134
Central Cafeteria Fund	J-10	135
Miscellaneous Schedules:		136
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds – Primary Government and Discretely Presented Maury County School Department	K-1	137-138
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Maury County School Department	K-2	139-140
Schedule of Investments	K-3	141
Schedule of Transfers – Primary Government and Discretely Presented Maury County School Department	K-4	142
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Maury County School Department	K-5	143
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	144-153
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Maury County School Department	K-7	154-155
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	156-188
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Maury County School Department	K-9	189-204
Schedule of Detailed Revenues and Expenses – Central Maintenance/Garage Fund (Internal Service Fund)	K-10	205-206
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (Enterprise Fund)	K-11	207-210
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-12	211
 <u>SINGLE AUDIT SECTION</u>		 212
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		213-215
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		216-218

	Exhibit	Page(s)
Schedule of Expenditures of Federal Awards and State Grants		219-220
Schedule of Audit Findings Not Corrected		221
Schedule of Findings and Questioned Costs		222-232
Auditee Reporting Responsibilities		233

***Audit Highlights***  
Annual Financial Report  
Maury County, Tennessee  
For the Year Ended June 30, 2010

***Scope***

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2010.

***Results***

Our report on the financial statements of Maury County is unqualified.

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

***Findings and Best Practice***

The following are summaries of the audit findings and best practice:

**OFFICE OF COUNTY MAYOR**

- ◆ Unauthorized maintenance fees were collected at the Memorial Building by county employees for their personal benefit.
- ◆ The Building and Zoning Department does not issue official receipts.
- ◆ The building permits software did not have adequate application controls.
- ◆ The Solid Waste Department did not review software audit logs.

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**OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ Maury County did not comply with the reporting requirements of the American Recovery and Reinvestment Act.
- ◆ Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories.

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**OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories.
  - ◆ The accounting software did not have adequate application controls.
-

## **OFFICE OF SHERIFF**

- ◆ The office did not prepare an annual financial report.
- 

## **OFFICE OF REGISTER**

- ◆ Duties were not adequately segregated in the office.
- 

## **BEST PRACTICE**

Maury County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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# Maury County Officials

## June 30, 2010

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### Officials

Jim Bailey, County Mayor  
Van Boshers, Road Superintendent  
Edward Hickman, Director of Schools  
Steve Konz, Trustee  
Jim Dooley, Assessor of Property  
Nancy Thompson, County Clerk  
Kathy Kelly, Circuit and General Sessions Courts Clerk  
Cheryl Church, Clerk and Master  
John Fleming, Register  
Enoch George, Sheriff  
James Bracken, Director of Accounts and Budgets  
Dana Gibson, Director of Human Resources  
Buddy Harlan, Purchasing Agent

### Board of County Commissioners

Tom Primm, Chairman  
Jewel Scott  
John Goodloe  
Dr. Lucy Ledbetter  
Felicia McClain  
Eugene Richardson  
June Beckum  
Roben Mounger  
Eddie Baker  
Andy Jackson  
Gerald Adkison

Joe Roberson  
Arch Patterson  
Linda Whiteside  
Glenda Bolton  
Judy Vick  
Glen Hasse  
Rick Miller  
Wilma Dugger  
Tommy Wolaver  
Gwynne Evans  
Bob Farmer

### Board of Education

Shaw Daniels, Chairman  
Rob Burcham  
Talvin Barner  
Jim Morrison  
James Pennings  
Jerry Lassiter

Loretta Goodloe  
Steve Kindler  
Joe Foster  
Daniel McCulley  
Tommy Dudley

### Budget Committee

Jim Bailey, County Mayor  
James Bracken, Director of Accounts and Budgets  
Tommy Wolaver  
Tom Primm, Chairman

Joe Roberson  
Glen Hasse  
Rick Miller  
Bob Farmer

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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**

March 2, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Maury County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Maury County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Maury Regional Hospital (major proprietary fund), which represent 93.6 percent and 98.5 percent, respectively, of the assets and revenues of the business-type activities. In addition, we did not audit the financial statements of the Maury County Board of Public Utilities Water System, which represent 17.7 percent and four percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Maury County Emergency Communications District, which represent .8 percent and 1.4 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 Maury Regional Hospital, Maury County Board of Public Utilities Water System, and Maury County Emergency Communications District, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2011, on our consideration of Maury County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Maury County has implemented the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

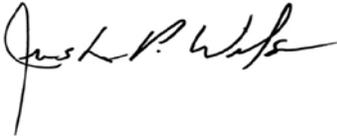
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 96 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Maury County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, 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 by us 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

Maury County, Tennessee  
Statement of Net Assets  
June 30, 2010

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communications District	
<u>ASSETS</u>							
Cash	\$ 192,040	\$ 40,084,243	\$ 40,276,283	\$ 4,685	\$ 3,054,923	\$ 636,614	
Equity in Pooled Cash and Investments	23,664,636	3,384,262	27,048,898	6,905,264	0	0	
Investments	0	4,260,579	4,260,579	0	2,888,400	0	
Accounts Receivable	348,508	64,963,576	65,312,084	58,328	290,334	39,361	
Allowance for Uncollectibles	0	(35,800,000)	(35,800,000)	0	0	0	
Property Taxes Receivable	20,380,686	1,685,561	22,066,247	20,162,314	0	0	
Allowance for Uncollectible Property Taxes	(820,884)	0	(820,884)	(800,987)	0	0	
Accrued Interest Receivable	0	0	0	0	33,587	0	
Due from Other Governments	857,850	55,959	913,809	2,612,286	0	0	
Prepaid Items	166,329	3,186,079	3,352,408	0	117	1,578	
Deferred Charges - Debt Issuance Costs	781,368	0	781,368	0	0	0	
Inventories	0	5,105,451	5,105,451	0	93,439	0	
Other	0	1,870,194	1,870,194	0	0	0	
Restricted Assets:							
Customer Deposits	0	0	0	0	21,440	0	
Capital Assets:							
Assets Not Depreciated:							
Land	7,660,098	5,916,745	13,576,843	3,019,939	287,025	74,380	
Construction in Progress	973,573	1,103,375	2,076,948	28,113,403	12,094	0	
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	29,773,649	89,261,243	119,034,892	78,471,845	151,701	444,498	
Infrastructure	24,118,372	0	24,118,372	0	0	0	
Other Capital Assets	2,666,165	26,852,474	29,518,639	4,492,294	24,259,716	288,131	
Total Assets	\$ 110,762,390	\$ 211,929,741	\$ 322,692,131	\$ 143,039,371	\$ 31,092,776	\$ 1,484,562	

(Continued)

Exhibit A

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

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communi- cations District	
Accounts Payable	\$ 34,749	\$ 17,543,966	\$ 17,578,715	\$ 18,951	\$ 1,311	\$ 8,966	
Accrued Payroll	0	4,557,718	4,557,718	13,872	19,201	18,142	
Payroll Deductions Payable	225,494	8,696	234,190	5,248	0	0	
Compensated Absences Payable	0	4,359,148	4,359,148	0	20,416	0	
Accrued Interest Payable	781,261	153,833	935,094	34,997	0	0	
Due to Litigants, Heirs, and Others	1,467	0	1,467	0	0	0	
Customer Deposits Payable	33,061	0	33,061	0	21,440	0	
Due to State of Tennessee	0	0	0	3,034	0	0	
Deferred Revenue - Current Property Taxes	18,775,849	1,677,190	20,453,039	18,607,643	0	0	
Noncurrent Liabilities:							
Due Within One Year	9,043,856	4,667,191	13,711,047	1,226,704	278,796	0	
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	70,683,890	28,524,326	99,208,216	7,364,680	7,744,049	0	
Total Liabilities	\$ 99,579,627	\$ 61,492,068	\$ 161,071,695	\$ 27,275,129	\$ 8,085,213	\$ 27,108	

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communi- cations District
Invested in Capital Assets,						
Net of Related Debt	\$ 47,949,352	\$ 90,745,569	\$ 138,694,921	\$ 0	\$ 16,966,487	\$ 0
Invested in Capital Assets Restricted for:	0	1,934,437	1,934,437	114,097,481	0	807,009
Capital Projects	3,408,801	0	3,408,801	876,270	0	0
Debt Service	12,205,404	0	12,205,404	0	1,650,000	0
Special Purpose	529,354	0	529,354	0	0	0
Highway/Public Works	2,919,390	0	2,919,390	0	0	0
Central Maintenance Garage	355,725	0	355,725	0	0	0
Drug Control	177,604	0	177,604	0	0	0
Drug Court	109,118	0	109,118	0	0	0
Computer System - Register	111,298	0	111,298	0	0	0
Automation Purposes - General Sessions Court	258,342	0	258,342	0	0	0
Central Cafeteria	0	0	0	1,760,541	0	0
Federal Projects	0	0	0	400,625	0	0
Basic Education Program	0	0	0	533,933	0	0
Career Ladder	0	0	0	2,673	0	0
Career Ladder Extended Contracts	0	0	0	158,653	0	0
Other Purposes	190,085	0	190,085	0	0	0
Unrestricted	(57,031,710)	57,757,667	725,957	(2,065,914)	4,391,076	650,445
Total Net Assets	\$ 11,182,763	\$ 150,437,673	\$ 161,620,436	\$ 115,764,242	\$ 23,007,563	\$ 1,457,454

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



Exhibit B

Mauzy County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
				Governmental Activities	Business-type Activities	Maury County School Department	Board of Public Utilities Water System
<b>General Revenues:</b>							
Taxes:							
Property Taxes Levied for General Purposes		\$ 14,813,809	\$ 1,725,488	\$ 16,539,297	\$ 19,547,406	\$ 0	\$ 0
Property Taxes Levied for Debt Service		5,490,063	0	5,490,063	0	0	0
Local Option Sales Tax		313,107	0	313,107	10,019,170	0	0
Hotel/Motel Tax		342,316	0	342,316	0	0	0
Wheel Tax		1,868,415	0	1,868,415	0	0	0
Litigation Tax - General		579,119	0	579,119	0	0	0
Litigation Tax - Jail		381,738	0	381,738	0	0	0
Business Tax		799,348	0	799,348	0	0	0
Mineral Severance Tax		77,767	0	77,767	0	0	0
Adequate Facilities/Development Tax		353,236	0	353,236	0	0	0
Wholesale Beer Tax		320,390	0	320,390	0	0	0
Interstate Telecommunications Tax		1,556	0	1,556	6,581	0	0
Grants and Contributions Not Restricted to Specific Programs		4,239,823	935,464	5,175,287	43,642,093	0	22,009
Unrestricted Investment Earnings		812,684	375,950	1,188,634	11,368	81,826	5,297
Miscellaneous		497,351	360,404	857,755	29,158	0	0
Gain on Disposal of Capital Assets		43,780	0	43,780	0	17,545	0
<b>Total General Revenues</b>		<b>\$ 30,934,502</b>	<b>\$ 3,397,306</b>	<b>\$ 34,331,808</b>	<b>\$ 73,255,776</b>	<b>\$ 99,371</b>	<b>\$ 27,306</b>
Change in Net Assets		\$ 3,430,858	\$ 7,102,349	\$ 10,533,207	\$ 601,958	\$ 546,674	\$ 146,485
Prior-period Adjustment		3,279,000	0	3,279,000	0	0	0
<b>Net Assets, July 1, 2009</b>		<b>4,472,905</b>	<b>143,335,324</b>	<b>147,808,229</b>	<b>115,162,284</b>	<b>22,460,889</b>	<b>1,310,969</b>
<b>Net Assets, June 30, 2010</b>		<b>\$ 11,182,763</b>	<b>\$ 150,437,673</b>	<b>\$ 161,620,436</b>	<b>\$ 115,764,242</b>	<b>\$ 23,007,563</b>	<b>\$ 1,457,454</b>

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

## Exhibit C-1

Maury County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2010

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	Other Govern- mental Funds	
		General	Service	
<u>ASSETS</u>				
Cash	\$ 63	\$ 0	\$ 191,977	\$ 192,040
Equity in Pooled Cash and Investments	4,029,578	12,673,778	6,627,268	23,330,624
Accounts Receivable	251,627	62,966	33,915	348,508
Due from Other Governments	421,001	0	436,849	857,850
Property Taxes Receivable	11,412,695	5,735,398	3,232,593	20,380,686
Allowance for Uncollectible Property Taxes	(456,550)	(226,573)	(137,761)	(820,884)
Prepaid Items	138,030	0	25,108	163,138
<b>Total Assets</b>	<b>\$ 15,796,444</b>	<b>\$ 18,245,569</b>	<b>\$ 10,409,949</b>	<b>\$ 44,451,962</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 30,098	\$ 0	\$ 4,621	\$ 34,719
Payroll Deductions Payable	187,831	0	32,750	220,581
Due to Litigants, Heirs, and Others	0	0	1,467	1,467
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	112	0	32,949	33,061
Deferred Revenue - Current Property Taxes	10,523,306	5,296,946	2,955,597	18,775,849
Deferred Revenue - Delinquent Property Taxes	378,430	185,245	121,732	685,407
Other Deferred Revenues	27,082	0	198,159	225,241
<b>Total Liabilities</b>	<b>\$ 11,146,859</b>	<b>\$ 5,482,191</b>	<b>\$ 3,347,275</b>	<b>\$ 19,976,325</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 122,740	\$ 0	\$ 609,531	\$ 732,271
Reserved for Litter Enforcement Awards	2,815	0	0	2,815
Reserved for Drug Court	35,104	0	0	35,104
Reserved for Sexual Offender Registration	4,432	0	0	4,432
Reserved for Courthouse and Jail Maintenance	0	3,811,078	0	3,811,078
Reserved for Computer System - Register	121,222	0	0	121,222
Reserved for Automation Purposes - Circuit Court	15,261	0	0	15,261
Reserved for Automation Purposes - General Sessions Court	271,073	0	0	271,073
Reserved for Automation Purposes - Chancery Court	22,902	0	0	22,902
Reserved for Automation Purposes - Sheriff	30,852	0	0	30,852
Reserved for Automation Purposes - County Clerk	12,688	0	0	12,688
Reserved for ARRA Grant # 1	68,145	0	0	68,145
Unreserved, Reported In:				
General Fund	3,942,351	0	0	3,942,351
Special Revenue Funds	0	0	4,710,575	4,710,575
Debt Service Funds	0	8,952,300	0	8,952,300
Capital Projects Funds	0	0	1,742,568	1,742,568
<b>Total Fund Balances</b>	<b>\$ 4,649,585</b>	<b>\$ 12,763,378</b>	<b>\$ 7,062,674</b>	<b>\$ 24,475,637</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,796,444</b>	<b>\$ 18,245,569</b>	<b>\$ 10,409,949</b>	<b>\$ 44,451,962</b>

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

Maury County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2010

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)		\$ 24,475,637
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,660,098	
Add: construction in progress	973,573	
Add: buildings and improvements net of accumulated depreciation	29,773,649	
Add: infrastructure net of accumulated depreciation	24,118,372	
Add: other capital assets net of accumulated depreciation	2,666,165	
Less: capital assets of internal service funds that are also included in item (2) below.	<u>(100,763)</u>	65,091,094
(2) An internal service fund is used by management to charge the costs of a central maintenance garage to applicable profit due business-type funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		433,023
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (18,258,238)	
Less: capital leases payable	(41,859)	
Less: bonds payable	(59,735,000)	
Add: deferred amount on refunding	25,312	
Add: deferred charges - debt issuance costs	781,368	
Less: compensated absences payable	(1,084,918)	
Less: accrued interest on bonds, notes, and capital leases	(781,261)	
Less: other deferred revenue - premium on debt	<u>(633,043)</u>	(79,727,639)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>910,648</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 11,182,763</u>

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

Exhibit C-3

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2010

	<u>Major Funds</u>		<u>Nonmajor</u> <u>Funds</u>	
		<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Debt</u> <u>Service</u>	<u>Govern-</u> <u>mental</u> <u>Funds</u>	<u>Governmental</u> <u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 13,453,492	\$ 8,720,227	\$ 6,251,712	\$ 28,425,431
Licenses and Permits	245,776	0	0	245,776
Fines, Forfeitures, and Penalties	478,735	0	44,126	522,861
Charges for Current Services	258,116	0	811,786	1,069,902
Other Local Revenues	567,516	800,684	190,181	1,558,381
Fees Received from County Officials	2,835,002	0	0	2,835,002
State of Tennessee	1,973,232	800,480	2,500,909	5,274,621
Federal Government	382,578	0	209,145	591,723
Other Governments and Citizens Groups	125,961	0	197,840	323,801
<b>Total Revenues</b>	<b>\$ 20,320,408</b>	<b>\$ 10,321,391</b>	<b>\$ 10,205,699</b>	<b>\$ 40,847,498</b>
<u>Expenditures</u>				
Current:				
General Government	\$ 2,958,018	\$ 0	\$ 13	\$ 2,958,031
Finance	2,088,654	0	736,720	2,825,374
Administration of Justice	2,177,580	0	283,836	2,461,416
Public Safety	10,252,197	0	85,071	10,337,268
Public Health and Welfare	1,001,738	0	457,677	1,459,415
Social, Cultural, and Recreational Services	1,258,789	0	27,787	1,286,576
Agriculture and Natural Resources	166,195	0	0	166,195
Other Operations	1,370,230	0	326,100	1,696,330
Highways	0	0	5,079,943	5,079,943
Operation of Non-Instructional Services	0	0	105,980	105,980
Debt Service:				
Principal on Debt	128,079	7,219,000	273,197	7,620,276
Interest on Debt	23,055	3,416,564	14,984	3,454,603
Other Debt Service	0	155,594	0	155,594
Capital Projects	0	0	3,262,532	3,262,532
Capital Projects - Donated	0	0	934,800	934,800
<b>Total Expenditures</b>	<b>\$ 21,424,535</b>	<b>\$ 10,791,158</b>	<b>\$ 11,588,640</b>	<b>\$ 43,804,333</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,104,127)	\$ (469,767)	\$ (1,382,941)	\$ (2,956,835)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 29,132	\$ 0	\$ 99,093	\$ 128,225
Transfers In	1,286,784	0	201,948	1,488,732
Transfers Out	(150,000)	0	(1,371,982)	(1,521,982)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,165,916</b>	<b>\$ 0</b>	<b>\$ (1,070,941)</b>	<b>\$ 94,975</b>
Net Change in Fund Balances	\$ 61,789	\$ (469,767)	\$ (2,453,882)	\$ (2,861,860)
Fund Balance, July 1, 2009	4,587,796	13,233,145	9,516,556	27,337,497
Fund Balance, June 30, 2010	\$ 4,649,585	\$ 12,763,378	\$ 7,062,674	\$ 24,475,637

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

Maury County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2010

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)		\$ (2,861,860)
(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	\$ 3,883,140	
Less: current year depreciation expense	<u>(5,309,007)</u>	(1,425,867)
(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	\$ 43,780	
Less: revenue from the sale of capital assets	<u>(82,759)</u>	(38,979)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 910,648	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(1,048,104)</u>	(137,456)
(4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in premium on debt issuances	\$ 348,210	
Less: change in deferred debt issuance costs	(92,893)	
Add: principal payments on bonds	5,005,000	
Add: principal payments on notes	2,342,079	
Add: principal payments on capital leases	273,197	
Less: change in deferred amount on refunding debt	<u>(51,148)</u>	7,824,445
(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	\$ 95,808	
Change in compensated absences payable	<u>(102,531)</u>	(6,723)
(6) Internal service funds are used by management to charge the costs of a central maintenance garage to applicable profit due business-type funds. The net revenue of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>77,298</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,430,858</u>

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

Exhibit D-1

Maury County, Tennessee  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major	Nonmajor	Total	
	Fund	Fund		
	Maury Regional Hospital	Solid Waste Disposal		
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 40,084,043	\$ 200	\$ 40,084,243	\$ 0
Equity in Pooled Cash and Investments	0	3,384,262	3,384,262	334,012
Investments	1,510,731	0	1,510,731	0
Accounts Receivable	64,605,056	358,520	64,963,576	0
Allowance for Uncollectible Accounts	(35,800,000)	0	(35,800,000)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	1,685,561	1,685,561	0
Due from Other Governments	0	55,959	55,959	0
Inventories	5,105,451	0	5,105,451	0
Prepaid Items	3,179,010	7,069	3,186,079	3,191
Other	1,870,194	0	1,870,194	0
<b>Total Current Assets</b>	<b>\$ 80,554,485</b>	<b>\$ 5,491,571</b>	<b>\$ 86,046,056</b>	<b>\$ 337,203</b>
Noncurrent Assets:				
Investments	\$ 2,749,848	\$ 0	\$ 2,749,848	\$ 0
Capital Assets:				
Assets not Depreciated:				
Land	5,098,378	818,367	5,916,745	25,000
Construction in Progress	1,103,375	0	1,103,375	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	89,005,875	255,368	89,261,243	47,520
Other Capital Assets	25,991,772	860,702	26,852,474	28,243
<b>Total Noncurrent Assets</b>	<b>\$ 123,949,248</b>	<b>\$ 1,934,437</b>	<b>\$ 125,883,685</b>	<b>\$ 100,763</b>
<b>Total Assets</b>	<b>\$ 204,503,733</b>	<b>\$ 7,426,008</b>	<b>\$ 211,929,741</b>	<b>\$ 437,966</b>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 17,543,966	\$ 0	\$ 17,543,966	\$ 30
Accrued Payroll	4,557,718	0	4,557,718	0
Payroll Deductions Payable	0	8,696	8,696	4,913
Compensated Absences Payable	4,313,344	45,804	4,359,148	0
Accrued Liability for Landfill Postclosure Care Cost	0	40,011	40,011	0
Accrued Interest Payable	153,833	0	153,833	0
Deferred Revenue - Current Property Taxes	0	1,677,190	1,677,190	0
Current Portion of Long-term Debt	4,627,180	0	4,627,180	0
<b>Total Current Liabilities</b>	<b>\$ 31,196,041</b>	<b>\$ 1,771,701</b>	<b>\$ 32,967,742</b>	<b>\$ 4,943</b>
Noncurrent Liabilities:				
Accrued Liability for Landfill Postclosure Care Cost	\$ 0	\$ 514,248	\$ 514,248	\$ 0
Other Long-term Liabilities	2,183,427	0	2,183,427	0
Bonds and Other Long-term Debt	25,826,651	0	25,826,651	0
<b>Total Noncurrent Liabilities</b>	<b>\$ 28,010,078</b>	<b>\$ 514,248</b>	<b>\$ 28,524,326</b>	<b>\$ 0</b>
<b>Total Liabilities</b>	<b>\$ 59,206,119</b>	<b>\$ 2,285,949</b>	<b>\$ 61,492,068</b>	<b>\$ 4,943</b>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 90,745,569	\$ 0	\$ 90,745,569	\$ 0
Invested in Capital Assets	0	1,934,437	1,934,437	100,763
Unrestricted	54,552,045	3,205,622	57,757,667	332,260
<b>Total Net Assets</b>	<b>\$ 145,297,614</b>	<b>\$ 5,140,059</b>	<b>\$ 150,437,673</b>	<b>\$ 433,023</b>

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

Exhibit D-2

Maury County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2010

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
<u>Operating Revenues</u>				
Charges for Current Services	\$ 252,285,547	\$ 1,738,967	\$ 254,024,514	\$ 1,871,484
Other Local Revenues	5,578,651	157,729	5,736,380	4,974
Total Operating Revenues	<u>\$ 257,864,198</u>	<u>\$ 1,896,696</u>	<u>\$ 259,760,894</u>	<u>\$ 1,876,458</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 144,888,681	\$ 0	\$ 144,888,681	\$ 0
Other General Administration	0	0	0	1,818,837
Other Operations	19,347,521	4,291	19,351,812	0
Fees and Professional Services	25,983,067	0	25,983,067	0
Supplies and Other Expenses	43,998,068	0	43,998,068	0
Waste Pickup	0	45,615	45,615	0
Convenience Centers	0	832,674	832,674	0
Landfill Operation and Maintenance	0	2,535,830	2,535,830	0
Depreciation and Amortization Expense	16,632,885	294,238	16,927,123	13,573
Total Operating Expenses	<u>\$ 250,850,222</u>	<u>\$ 3,712,648</u>	<u>\$ 254,562,870</u>	<u>\$ 1,832,410</u>
Operating Income (Loss)	<u>\$ 7,013,976</u>	<u>\$ (1,815,952)</u>	<u>\$ 5,198,024</u>	<u>\$ 44,048</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 1,725,488	\$ 1,725,488	\$ 0
General Government Grants	0	306,676	306,676	0
Other Local Revenues - Nonrecurring	0	88,475	88,475	0
Contributions	628,788	0	628,788	0
Interest Income	375,950	0	375,950	0
Interest Expense	(1,492,981)	0	(1,492,981)	0
Minority Interest in Loss of Subsidiaries	214,890	0	214,890	0
Other	57,039	0	57,039	0
Total Nonoperating Revenues (Expenses)	<u>\$ (216,314)</u>	<u>\$ 2,120,639</u>	<u>\$ 1,904,325</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 6,797,662	\$ 304,687	\$ 7,102,349	\$ 44,048
Transfers In (Out)	0	0	0	33,250
Change in Net Assets	\$ 6,797,662	\$ 304,687	\$ 7,102,349	\$ 77,298
Net Assets, July 1, 2009	138,499,952	4,835,372	143,335,324	355,725
Nets Assets, June 30, 2010	<u>\$ 145,297,614</u>	<u>\$ 5,140,059</u>	<u>\$ 150,437,673</u>	<u>\$ 433,023</u>

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

Maury County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	Business-type Activities			Total	Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund	Solid Waste Disposal		
<u>Cash Flows from Operating Activities</u>					
Receipts from Customers and Users	\$ 263,706,658	\$ 1,631,990	\$ 265,338,648	\$ 1,886,774	
Other Cash Receipts (Payments)	6,587,824	169,874	6,757,698	4,974	
Payments to Suppliers	(90,200,342)	0	(90,200,342)	0	
Payments to Employees	(144,097,500)	0	(144,097,500)	0	
Central Maintenance Garage Activity - Uses	0	0	0	(1,818,487)	
Waste Collection and Disposal Activity - Uses	0	(3,440,572)	(3,440,572)	0	
Net Cash Provided By (Used In) Operating Activities	\$ 35,996,640	\$ (1,638,708)	\$ 34,357,932	\$ 73,261	
<u>Cash Flows from Capital and Related Financing Activities</u>					
Acquisition of Capital Assets	\$ (7,337,407)	\$ (258,338)	\$ (7,595,745)	\$ 0	
Proceeds from Sale of Equipment	431,787	58,200	489,987	0	
Grant Proceeds	0	206,670	206,670	0	
Principal Payments on Long-term Debt	(7,023,685)	0	(7,023,685)	0	
Interest Paid on Long-term Debt	(1,512,037)	0	(1,512,037)	0	
Net Cash Provided By (Used In) Capital and Related Financing Activities	\$ (15,441,342)	\$ 6,532	\$ (15,434,810)	\$ 0	
<u>Cash Flows from Noncapital Financing Activities</u>					
Grants Received	\$ 0	\$ 44,047	\$ 44,047	\$ 0	
Local Taxes	0	1,720,399	1,720,399	0	
Contributions and Gifts	628,788	30,275	659,063	0	
Operating Transfers In	0	0	0	33,250	
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 628,788	\$ 1,794,721	\$ 2,423,509	\$ 33,250	
<u>Cash Flows from Investing Activities</u>					
Investment Income	\$ 375,950	\$ 0	\$ 375,950	\$ 0	
Purchase of Investments	(4,260,579)	0	(4,260,579)	0	
Contribution from Minority Shareholder	73,500	0	73,500	0	
Net Cash Provided By (Used In) Investing Activities	\$ (3,811,129)	\$ 0	\$ (3,811,129)	\$ 0	
Net Increase (Decrease) in Cash	\$ 17,372,957	\$ 162,545	\$ 17,535,502	\$ 106,511	
Cash, July 1, 2009	22,711,086	3,221,917	25,933,003	227,501	
Cash, June 30, 2010	\$ 40,084,043	\$ 3,384,462	\$ 43,468,505	\$ 334,012	

(Continued)

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

	Business-type Activities			Total	Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund	Solid Waste Disposal		
	\$ 7,013,976	\$ (1,815,952)	\$	5,198,024	\$ 44,048
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities					
Operating Income (Loss)	16,632,885	294,238		16,927,123	13,573
Net Cash Provided By (Used In) Operating Activities:	31,558,791	0		31,558,791	0
Provision for Uncollectible Accounts	(24,912,849)	(106,456)		(25,019,305)	15,177
(Increase) Decrease in Accounts Receivable	0	12,145		12,145	0
(Increase) Decrease in Due from Other Governments	(773,591)	0		(773,591)	0
(Increase) Decrease in Inventories	(1,382,151)	(521)		(1,382,672)	113
(Increase) Decrease in Prepaid Items	5,784,342	0		5,784,342	0
(Increase) Decrease in Other Assets	1,284,056	(1,466)		1,282,590	(12)
Increase (Decrease) in Payroll Deductions Payable	0	777		777	362
Increase (Decrease) in Accounts Payable	0	(28,611)		(28,611)	0
Increase (Decrease) in Postclosure Care Costs	0	(704)		(704)	0
Increase (Decrease) in Due to State of Tennessee	233,427	0		233,427	0
Increase (Decrease) in Other Long-term Liabilities	0	7,842		7,842	0
Increase (Decrease) in Accrued Leave	557,754	0		557,754	0
Increase (Decrease) in Accrued Expenses					
Net Cash Provided By (Used In) Operating Activities	\$ 35,996,640	\$ (1,638,708)	\$	34,357,932	\$ 73,261
Reconciliation of Cash with Statement of Net Assets					
Cash per Net Assets	\$ 40,084,043	\$ 200	\$	40,084,243	\$ 0
Equity in Pooled Cash and Investments per Net Assets	0	3,384,262		3,384,262	334,012
Cash, June 30, 2010	\$ 40,084,043	\$ 3,384,462	\$	43,468,505	\$ 334,012

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

Exhibit E

Maury County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,871,095
Investments	38,137
Due from Other Governments	<u>1,557,151</u>
Total Assets	<u>\$ 3,466,383</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,557,151
Due to Litigants, Heirs, and Others	<u>1,909,232</u>
Total Liabilities	<u>\$ 3,466,383</u>

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

**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Maury County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Maury County:

**A. Reporting Entity**

Maury County is a public municipal corporation governed by an elected 22-member board. As required by GAAP, these financial statements present Maury County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

The Maury County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Maury County, and the Maury County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

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

Administrative Offices:

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

Maury County Emergency  
Communications District  
2907 Cayce Lane  
Columbia, TN 38401

**B. Government-wide and Fund Financial Statements**

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

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

Maury County issues most debt for the discretely presented Maury County School Department. No debt was issued and contributed by the county to the

School Department during the year ended June 30, 2010; however, debt issued in a prior year totaling \$2,211,306 was transferred during the year.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major and nonmajor enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Maury County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Maury County reports three proprietary funds (one internal service fund and two enterprise funds).

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major and nonmajor enterprise 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 fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as

all eligibility requirements imposed by the provider have been met and the revenues are available. Maury County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary funds and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Maury County reports the following major governmental funds:

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

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

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

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

**Capital Projects Funds** – These funds account for financial resources that are to be used for the acquisition or construction of major capital assets.

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

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

The discretely presented Maury County School Department reports the following major governmental fund:

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

Additionally, the Maury County School Department 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.

**Capital Projects Fund** – The Education Capital Projects Fund accounts for financial resources that are to be used for building, construction, and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. Maury County has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has three proprietary funds to account for solid waste disposal (enterprise fund), a regional hospital (enterprise fund), and a central maintenance/garage (internal service fund). Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services. Operating expenses for the proprietary funds include general operating expenses.

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows of the primary government (excluding the Maury Regional Hospital), cash includes cash on hand and cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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 (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Constitutional Officers - Agency Fund. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7

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

**2. Receivables and Payables**

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

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

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

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

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

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

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**4. Capital Assets**

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

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

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

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

Property, plant, equipment, intangibles, and infrastructure of the primary government (excluding Maury Regional Hospital) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Other Capital Assets	3 - 7
Infrastructure:	
Roads	5 - 15
Bridges	50
Intangibles	5

**5. Compensated Absences**

**Primary Government**

The policy of Maury County (with the exception of the Maury Regional Hospital) permits employees to accumulate earned but unused

vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Maury County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

### **Discretely Presented Maury County School Department**

It is the policy of the discretely presented Maury County School Department to permit employees to accumulate varying amounts of earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. It is also the policy of the discretely presented School Department to permit employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, employees will be paid either \$50 (professional) or \$10 (certain nonprofessional) per day for unused sick leave. This payment will be made after the employee's retirement has been approved by the Tennessee Consolidated Retirement System. During the year, 24 employees retired and received sick leave payments totaling \$150,502. All vacation and sick leave is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **6. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

## **7. Net Assets and Fund Equity**

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

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

As of June 30, 2010, Maury County had \$60,915,019 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2010:

Fund/Purpose	Amount
Primary Government:	
General:	
Libraries	\$ 44,789
Archives	69,625
Nonqualified Retirement	675,001
Emergency Management	64,632
Tower Rentals	22,805
Special Purpose:	
Park Bleachers	122,213
Surplus Equipment	3,692
Data Processing Equipment	624
Discretely Presented School Department:	
General Purpose School:	
Reading First Grant	4,536
HIV Training Grant	216
Dine-Out for Education	784
E-rate Funds	1,108
Lost and Damaged Textbooks	5,078

**8. Prior-period Adjustment**

The county was a defendant in litigation alleging that many retired and still employed county employees who were employed prior to 1999 and participated in the county's Life of Georgia Pension Plan in effect until that time should be credited for retirement benefit calculations with up to three years of service. On April 18, 2007, the trial judge ruled that the county is liable for damages and ordered an actuarial study be conducted to determine the damages. The study was completed as of April 6, 2009. Estimated cost of additional benefits payable to the Tennessee Consolidated Retirement System for the county are \$366,000 in retroactive payments and \$2,913,000 in future payments. The future payments could be paid in a lump sum without interest or amortized over 15 or 30 years with a 7.5 percent interest rate. On May 8, 2009, the trial judge awarded the plaintiffs' attorney ten percent of the recovery amount to be paid in a lump sum. The county appealed the ruling. The appeals court ruled in the county's favor on March 16, 2010. The plaintiff's appealed to the Supreme Court of Tennessee; however, on August 25, 2010, the Supreme Court denied the case. Therefore, judgments were restated \$3,279,000 from the prior year.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

**Discretely Presented Maury County School Department**

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

**Primary Government**

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

**Discretely Presented Maury County School Department**

Exhibit J-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 (except for the Other Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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, Other Boards and Committees, County Mayor/Executive, 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. Expenditures Exceeded Appropriations**

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

<b>Primary Government:</b>	Amount
<u>Fund/Purpose</u>	<u>Overspent</u>
General:	
Other Boards and Committees	\$ 5,237
General Sessions Court	35,486
Courtroom Security	2,637
Administration of the Sexual Offender Registry	1,350
Appropriation to State	17,474
Contributions to Other Agencies	7,353
Miscellaneous	7,817
Special Purpose Fund:	
Parks and Fairboards	90,745
General Debt Service:	
Other Debt Service - General Government	7,594

**Discretely Presented Maury County School Department:**

<u>Fund/Purpose</u>	<u>Amount Overspent</u>
General Purpose School:	
Alternative Instruction Program	\$ 15,422
Board of Education	59,786

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

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Maury County (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

**Deposits**

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

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

## Investments

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

**Investment Balances.** As of June 30, 2010, Maury County (excluding the Maury Regional Hospital) had the following investments carried at cost. All investments are in the Constitutional Officers - Agency Fund and were made on behalf of litigants at the direction of a court order.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
Merrill Lynch	Daily	\$ 38,137

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

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

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Maury County does not have a formal policy that limits custodial credit risk for investments. It should be noted that the above-noted amount is invested on behalf of litigants at the

order of the court, and the county has no custodial credit risk for this investment.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

**Primary Government (Excluding Maury Regional Hospital)**

**Governmental Activities (Includes Internal Service Fund):**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 7,663,650	\$ 22,800	\$ (26,352)	\$ 7,660,098
Construction in Progress	2,017,191	3,043,714	(4,087,332)	973,573
Total Capital Assets Not Depreciated	<u>\$ 9,680,841</u>	<u>\$ 3,066,514</u>	<u>\$ (4,113,684)</u>	<u>\$ 8,633,671</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 36,456,009	\$ 1,439,410	\$ 0	\$ 37,895,419
Infrastructure	43,056,507	3,226,090	0	46,282,597
Other Capital Assets	11,054,504	238,458	(79,535)	11,213,427
Total Capital Assets Depreciated	<u>\$ 90,567,020</u>	<u>\$ 4,903,958</u>	<u>\$ (79,535)</u>	<u>\$ 95,391,443</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,323,642	\$ 798,128	\$ 0	\$ 8,121,770
Infrastructure	18,988,809	3,175,416	0	22,164,225
Other Capital Assets	7,265,134	1,349,036	(66,908)	8,547,262
Total Accumulated Depreciation	<u>\$ 33,577,585</u>	<u>\$ 5,322,580</u>	<u>\$ (66,908)</u>	<u>\$ 38,833,257</u>
Total Capital Assets Depreciated, Net	<u>\$ 56,989,435</u>	<u>\$ (418,622)</u>	<u>\$ (12,627)</u>	<u>\$ 56,558,186</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,670,276</u>	<u>\$ 2,647,892</u>	<u>\$ (4,126,311)</u>	<u>\$ 65,191,857</u>

**Business-type Activities (Excluding Maury Regional Hospital):**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Total Capital Assets Not Depreciated	<u>\$ 818,367</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 818,367</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,266,752	\$ 0	\$ 0	\$ 1,266,752
Other Capital Assets	2,429,168	258,338	(914)	2,686,592
Total Capital Assets Depreciated	<u>\$ 3,695,920</u>	<u>\$ 258,338</u>	<u>\$ (914)</u>	<u>\$ 3,953,344</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 956,241	\$ 55,143	\$ 0	\$ 1,011,384
Other Capital Assets	1,587,709	239,095	(914)	1,825,890
Total Accumulated Depreciation	<u>\$ 2,543,950</u>	<u>\$ 294,238</u>	<u>\$ (914)</u>	<u>\$ 2,837,274</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,151,970</u>	<u>\$ (35,900)</u>	<u>\$ 0</u>	<u>\$ 1,116,070</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,970,337</u>	<u>\$ (35,900)</u>	<u>\$ 0</u>	<u>\$ 1,934,437</u>

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

**Governmental Activities:**

General Government	\$ 546,021
Finance	60,773
Administration of Justice	43,512
Public Safety	903,371
Public Health and Welfare	13,631
Social, Cultural, and Recreational Services	136,418
Agriculture and Natural Resources	5,860
Other Operations	12,637
Highways	<u>3,600,357</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,322,580</u>

**Business-type Activities:**

Solid Waste Disposal Fund \$ 294,238

**Discretely Presented Maury County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 3,019,939	\$ 0	\$ 0	\$ 3,019,939
Construction in Progress	18,372,847	11,177,164	(1,436,608)	28,113,403
Total Capital Assets Not Depreciated	<u>\$ 21,392,786</u>	<u>\$ 11,177,164</u>	<u>\$ (1,436,608)</u>	<u>\$ 31,133,342</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 126,863,455	\$ 1,429,363	\$ (13,054)	\$ 128,279,764
Other Capital Assets	13,600,393	1,355,863	(372,325)	14,583,931
Total Capital Assets Depreciated	<u>\$ 140,463,848</u>	<u>\$ 2,785,226</u>	<u>\$ (385,379)</u>	<u>\$ 142,863,695</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 46,674,412	\$ 3,146,561	\$ (13,054)	\$ 49,807,919
Other Capital Assets	9,230,690	1,233,272	(372,325)	10,091,637
Total Accumulated Depreciation	<u>\$ 55,905,102</u>	<u>\$ 4,379,833</u>	<u>\$ (385,379)</u>	<u>\$ 59,899,556</u>
Total Capital Assets Depreciated, Net	<u>\$ 84,558,746</u>	<u>\$ (1,594,607)</u>	<u>\$ 0</u>	<u>\$ 82,964,139</u>
Governmental Activities Capital Assets, Net	<u>\$ 105,951,532</u>	<u>\$ 9,582,557</u>	<u>\$ (1,436,608)</u>	<u>\$ 114,097,481</u>

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

**Governmental Activities:**

Instruction	\$ 2,778,179
Support Services	1,460,394
Operation of Non-Instructional Services	<u>141,260</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,379,833</u>

**C. Construction Commitments**

At June 30, 2010, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$316,908 in the General Capital Projects Fund. Funding has been received for these future expenditures.

At June 30, 2010, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$471,078 in the Education Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2010, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Department		
Component Unit:		
General Purpose School	Nonmajor governmental	\$ 413,526
Nonmajor governmental	General Purpose School	100,589

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

**Interfund Transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Nonmajor Governmental Funds	Internal Service Fund
General Fund	\$ 0	\$ 150,000	\$ 0
Nonmajor governmental funds	1,286,784	51,948	33,250
Total	<u>\$ 1,286,784</u>	<u>\$ 201,948</u>	<u>\$ 33,250</u>

**Discretely Presented Maury County School Department**

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 423,820

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

**E. Capital Leases**

**Primary Government (Excluding Maury Regional Hospital)**

On March 20, 2007, Maury County entered into a three-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$355,638 plus interest of 4.9 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the Special Purpose Fund.

On April 17, 2008, Maury County entered into a two-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$344,760 plus interest of 4.5 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the Special Purpose Fund.

On December 1, 2008, Maury County entered into a two-year lease-purchase agreement for data processing equipment. The terms of the agreement

require total lease payments of \$125,675 plus interest of 4.8 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the Special Purpose Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 43,921
Total Minimum Lease Payments	\$ 43,921
Less: Amount Representing Interest	(2,062)
Present Value of Minimum Lease Payments	<u>\$ 41,859</u>

**Discretely Presented Maury County School Department**

On November 1, 2006, the discretely presented Maury County School Department entered into a seven-year lease-purchase agreement for lighting equipment. The terms of the agreement require total lease payments of \$1,598,657 plus interest of 4.8 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the General Purpose School Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 274,281
2012	274,281
2013	274,280
2014	274,280
Total Minimum Lease Payments	\$ 1,097,122
Less: Amount Representing Interest	(120,001)
Present Value of Minimum Lease Payments	<u>\$ 977,121</u>

**F. Long-term Debt**

**Primary Government (Excluding Maury Regional Hospital)**

**General Obligation Bonds and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 20 years for bonds and ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General and General Debt Service funds.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2010, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
General Obligation Bonds	3 to 5%	\$ 59,000,000	\$ 55,865,000
General Obligation Bonds - Refunding	4 to 5	21,420,000	3,870,000
Capital Outlay Notes	3.49 to 4.5	23,082,396	18,258,238
Capital Leases	4.8	125,675	41,859

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 5,235,000	\$ 2,407,853	\$ 7,642,853
2012	3,185,000	2,170,447	5,355,447
2013	3,380,000	2,061,998	5,441,998
2014	3,575,000	1,921,060	5,496,060
2015	3,985,000	1,788,035	5,773,035
2016-2020	23,125,000	6,459,250	29,584,250
2021-2025	10,800,000	2,662,625	13,462,625
2026-2028	6,450,000	545,562	6,995,562
Total	<u>\$ 59,735,000</u>	<u>\$ 20,016,830</u>	<u>\$ 79,751,830</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 2,682,079	\$ 683,561	\$ 3,365,640
2012	4,413,079	584,414	4,997,493
2013	2,158,080	417,968	2,576,048
2014	2,105,000	331,005	2,436,005
2015	2,195,000	246,805	2,441,805
2016-2017	4,705,000	256,980	4,961,980
Total	<u>\$ 18,258,238</u>	<u>\$ 2,520,733</u>	<u>\$ 20,778,971</u>

There is \$12,763,378 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$860, based on the 2000 federal census. Debt per capita, including bonds, notes, and capital leases totaled \$1,123, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2010, was as follows:

**Governmental Activities:**

	Bonds	Notes	Capital Leases
Balance, July 1, 2009	\$ 64,740,000	\$ 20,600,317	\$ 315,056
Additions	0	0	0
Deductions	(5,005,000)	(2,342,079)	(273,197)
Balance, June 30, 2010	<u>\$ 59,735,000</u>	<u>\$ 18,258,238</u>	<u>\$ 41,859</u>
Balance Due Within One Year	<u>\$ 5,235,000</u>	<u>\$ 2,682,079</u>	<u>\$ 41,859</u>

	Compensated	
	Absences	Judgments
Balance, July 1, 2009	\$ 982,387	\$ 3,279,000
Additions	1,096,865	0
Deductions	(994,334)	(3,279,000)
Balance, June 30, 2010	<u>\$ 1,084,918</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 1,084,918</u>	<u>\$ 0</u>

## Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 79,120,015
Less: Due Within One Year	(9,043,856)
Add: Unamortized Premium on Debt	633,043
Less: Deferred Amount on Refunding	<u>(25,312)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 70,683,890</u>

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. Judgments were removed by a prior-period adjustment. See footnote I.D.8.

**Maury County Solid Waste Disposal Fund (Enterprise Fund)**Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2010, was as follows:

**Business-type Activities:**

	<u>Postclosure Care Costs</u>
Balance, July 1, 2009	\$ 582,870
Deductions	<u>(28,611)</u>
Balance, June 30, 2010	<u>\$ 554,259</u>
Balance Due Within One Year	<u>\$ 40,011</u>

**Discretely Presented Maury County School Department**Notes

Maury County issues capital outlay notes on-behalf of the School Department to fund capital facilities and other capital outlay purchases such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for original terms of up to seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2010, will be retired from the General Purpose School Fund.

Capital outlay notes and capital leases outstanding as of June 30, 2010, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
Capital Outlay Notes	3 %	\$ 500,000	\$ 298,309
Capital Leases	4.8	1,598,657	977,121

The annual requirements to amortize all notes outstanding as of June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 71,304	\$ 8,949	\$ 80,253
2012	73,443	6,810	80,253
2013	75,646	4,607	80,253
2014	77,916	2,338	80,254
Total	\$ 298,309	\$ 22,704	\$ 321,013

Debt per capita, including notes and capital leases totaled \$18, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Maury County School Department for the year ended June 30, 2010, was as follows:

#### **Governmental Activities:**

	Notes	Capital Leases
Balance, July 1, 2009	\$ 367,536	\$ 1,194,085
Deductions	(69,227)	(216,964)
Balance, June 30, 2010	\$ 298,309	\$ 977,121
Balance Due Within One Year	\$ 71,304	\$ 227,379

#### **Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 3,767,375	\$ 2,576,506
Additions	1,004,849	2,178,122
Deductions	(900,991)	(1,309,907)
Balance, June 30, 2010	\$ 3,871,233	\$ 3,444,721
Balance Due Within One Year	\$ 928,021	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 8,591,384
Less: Due Within One Year	<u>(1,226,704)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,364,680</u>

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

**G. On-Behalf Payments – Discretely Presented Maury County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Maury County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$373,467 and \$66,096, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Maury County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General and General Purpose School 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, 2010, was as follows:

**Primary Government:**

	Balance 7-1-09	Issued	Paid	Balance 6-30-10
Tax Anticipation Notes	\$ 0	\$ 2,000,000	\$ (2,000,000)	\$ 0

**Discretely Presented Maury County School Department:**

	Balance 7-1-09	Issued	Paid	Balance 6-30-10
Tax Anticipation Notes	\$ 0	\$ 4,000,000	\$ (4,000,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

Maury County (excluding the Maury Regional Hospital) is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

The county (excluding the Maury Regional Hospital) continues to carry commercial insurance for employees' health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The county does not allow pre-65 age retirees to stay in the health insurance program.

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

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

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2009.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Maury County and the Maury County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Maury County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Maury County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective)

derivative instruments are reported in the Statement of Net Assets as deferrals. Maury County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Maury County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

On September 15, 2010, the county's General Debt Service Fund issued a \$2,000,000 tax anticipation note to the General Fund for temporary operating funds.

On October 7, 2010, Maury County issued Qualified School Construction Bonds totaling \$4,408,000 for school construction and renovations. The county had requested draws of \$1,015,515 as of February 23, 2011.

On October 13, 2010, the county's General Debt Service Fund issued a \$4,000,000 tax anticipation note to the General Purpose School Fund for temporary operating funds. The notes were subsequently repaid to the General Debt Service Fund.

Larry M. Roe, Jr., was appointed clerk and master on November 1, 2010, succeeding Cheryl Church.

**D. Contingent Liabilities**

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

**E. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Maury County closed its sanitary landfill in 1997. The \$554,259 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Maury County Regional Airport Authority is a joint venture in which the county and the cities of Columbia and Mount Pleasant participate. The authority is governed by a three-member board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2010, Maury County contributed \$39,600 to the authority.

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

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

Administrative Offices:

Maury County Regional Airport Authority  
1200 North Main Street  
Mt. Pleasant, TN 38474

Volunteer State Cooperative  
P.O. Box 433  
110 Natcor Drive  
Dover, TN 37058

**G. Jointly Governed Organization**

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence counties. The TSRA's board includes the county mayors and a representative appointed by the respective

County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2010.

## **H. Retirement Commitments**

### **Employees**

#### **Plan Description**

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

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

#### **Funding Policy**

Maury County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 8.06 percent of annual covered payroll. The contribution requirement of plan

members is set by state statute. The contribution requirement for Maury County is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2010, Maury County’s annual pension cost of \$1,966,864 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. Maury County’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 13 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$1,966,864	100%	\$0
6-30-09	1,935,519	100	0
6-30-08	2,055,598	100	0

**Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 82.45 percent funded. The actuarial accrued liability for benefits was \$39.14 million, and the actuarial value of assets was \$32.27 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.87 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24.33 million, and the ratio of the UAAL to the covered payroll was 28.23 percent.

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

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **School Teachers**

### **Plan Description**

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, 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, 2010, 2009, and 2008, were \$2,970,762, \$2,837,917, and \$2,706,551, respectively, equal to the required contributions for each year.

## **I. Other Postemployment Benefits (OPEB)**

### Plan Description

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

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2010, the discretely presented Maury County School Department made contributions totaling \$1,309,907 for other postemployment benefits.

	Local Education Group Plan
	<hr/>
ARC	\$ 2,172,000
Interest on the NPO	115,943
Adjustment to the ARC	(109,821)
Annual OPEB cost	<hr/> \$ 2,178,122
Amount of contribution	(1,309,907)
Increase/decrease in NPO	<hr/> \$ 868,215
Net OPEB obligation, 7-1-09	<hr/> 2,576,506
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 3,444,721

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 2,301,000	46.4 %	\$ 1,232,644
6-30-09	"	2,327,481	42	2,576,506
6-30-10	"	2,178,122	60.1	3,444,721

#### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 18,714,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 18,714,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 54,657,504
UAAL as a % of covered payroll	34%

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

presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

#### **J. Offices of Accounting and Budgeting, and Human Resources**

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

Maury County also operates under provisions of Chapter 91, Private Acts of 2004, which provide for an Office of Human Resources under the direction of the administrative committee of the County Commission. The Office of Human Resources handles all human resource duties and responsibilities.

#### **K. Purchasing Laws**

##### Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes require that purchase orders be issued for all purchases and sealed bids be solicited on purchases exceeding \$10,000 for the Offices of County Mayor and Road Superintendent.

Office of Director of Schools

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

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

**A. Organization**

Maury Regional Hospital is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 125 of the Tennessee Private Acts of 1996. The federal, state, and local governments participated in the cost of constructing and equipping the hospital under the Hill-Burton Act. For financial reporting purposes, the hospital is considered an enterprise fund of Maury County, Tennessee.

The hospital's primary mission is to provide healthcare services to the residents of southern and middle Tennessee, including Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry, Wayne, and Williamson counties.

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

Maury Regional Medical Center, located in Columbia, Tennessee, has been in operation since 1953 and presently has a 275-bed capacity with 20 beds designated for skilled nursing care, and also includes five medical office buildings in its service area.

Marshall Medical Center is an acute-care hospital located in Lewisburg, Tennessee, which was acquired by the hospital in 1995 and, effective January 1, 2005, was designated a critical access hospital with 25 beds.

Wayne Medical Center is an acute-care hospital with an 80-bed capacity located in Waynesboro, Tennessee, and has been leased by the hospital since 1995.

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

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

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

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

Spring Hill Imaging Center, LLC, owns and operates an outpatient center that provides diagnostic and radiology services to patients in the hospital's service area. The Imaging Center is owned 51 percent by the hospital, and a minority interest has been recognized, which represents the interests of physician and other investors.

Maury Regional Healthcare Foundation is a nonprofit organization formed in 2007 to coordinate the fundraising activities of the hospital.

## **B. Summary of Significant Accounting Policies**

Method of Accounting – The hospital utilized the enterprise fund method of accounting. Revenues and expenses are recorded on the accrual basis. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended, the hospital applies all applicable pronouncements of the Financial Accounting Standards Board (FASB), including pronouncements issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Recently Issued Accounting Pronouncements – Effective September 2009, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), also known collectively as the “Codification,” became the single source of authoritative U.S. accounting and reporting standards, except for authoritative pronouncements, rules and interpretive releases issued by the Governmental Accounting Standards Board (GASB) if the organization is a governmental entity. FASB ASC 105-10 Generally Accepted Accounting Principles, became applicable during the fiscal year 2010. All accounting references have been updated, and therefore Statement of Financial Accounting Standards (SFAS) references have been replaced with ASC references.

In March 2009, the GASB issued statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards (the GASB Codification). This statement became effective upon issuance and addresses three issues not included in the authoritative literature that establishes accounting principles – related

party transactions, going concern considerations, and subsequent events. This statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. The hospital evaluated related-party transactions and determined that they are in compliance with all accounting and financial reporting standards. In addition, management has determined there are no substantial doubts regarding the hospital's ability to continue as a going concern. This statement also establishes general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued. The hospital evaluated all events or transactions that occurred after June 30, 2010, through October 12, 2010, the issuance date of the combined financial statements. During this period, management did not note any material recognizable subsequent events that required recognition or disclosure in the June 30, 2010 combined financial statements.

In June 2007, GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This statement is effective for years beginning after June 15, 2009, and provides guidance on financial statement recognition and amortization of certain intangible assets. The requirements of this statement were adopted by the hospital in fiscal year 2010 and the adoption did not have a material impact on the combined financial statements.

The hospital adopted the applicable provisions of FASB ASC 820, Fair Value Measurement and Disclosure (FASB ASC 820), during 2009, which defines fair value, establishes framework for measuring fair value under generally accepted accounting principles and expands disclosure about fair value measurements. FASB ASC 820 only applies to fair value measurements that are already required, or permitted, by other accounting standards. There was no significant impact on the combined financial statements from adopting this standard.

In January 2010, FASB issued Accounting Standard Update 2010-06, Improving Disclosures about Fair Value Measurements, as it relates to FASB ASC 820. This update provides amendments to FASB ASC 820 that requires both new disclosures and further clarifies existing disclosures. This update is effective for years beginning after December 15, 2009, except for disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which is effective for years beginning after December 15, 2010. Management of the hospital is evaluating the impact of this update on the combined financial statements but does not anticipate any material impact upon adoption.

Estimates – The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include investments with a maturity of three months or less when purchased.

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

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

Investments – Investments in debt and equity securities are reported at fair value. Interest, dividends, and gains and losses (realized and unrealized) are included in investment income.

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at the date of gift, if donated. Depreciation is calculated by the straight-line method to allocate the cost of the assets over their estimated useful lives, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight line method over the shorter of the useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements.

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

Costs of maintenance and repairs are charged to expense when incurred.

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

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

rates depending on years of service. Employees may accumulate sick leave up to a specified maximum. Employees are not paid for accumulated sick leave if they leave before retirement. However, employees who retire after the age of 60 may convert accumulated sick leave to termination payments. The estimated amount of sick leave payable as termination payments is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2011.

Net Assets – Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets, net of related debt.

Net Patient Service Revenue – Net patient service revenue is reported as services are rendered at estimated net realizable amounts, including estimated retroactive revenue adjustments under reimbursement agreements with third-party payors. Estimated settlements under third-party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. An estimated provision for bad debts is included in net patient service revenue.

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

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

Contributions and Grants – Revenues from contributions and grants are recognized when all eligibility requirements, including time requirements are met. Contributions and grants may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

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

Procedure 95-48. Certain combined entities are taxable for federal purposes and account for income taxes in accordance with Financial Accounting Standards Board Accounting Codification 740, Income Taxes. Due to current-year and prior-year operating losses, no tax expense or benefit has been recognized in the accompanying combined financial statements.

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

The hospital has agreements with various third-party payors that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payors is recorded as a reduction of gross patient service charges. Revenues for patient service charges have been adjusted to the amounts estimated to be receivable under third-party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments, which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2011. Net patient service revenue for the year ended June 30, 2010, was increased by approximately \$1,050,000 due to adjustments of estimates of final settlements or prior periods.

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

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services on a per diem or on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low-income patients. Approximately \$9,500,000 of net patient accounts receivable is due from the Medicare program at June 30, 2010.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts. Approximately \$1,900,000 of net patient accounts receivable was from the TennCare program at June 30, 2010. During 2010, the hospital received additional distributions under the TennCare Essential Access program totaling approximately \$1,350,000. Future distributions under this program are not guaranteed.

Other – The hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and

preferred provider organizations. The basis for payment to the hospital under these agreements includes prospectively determined rates, discounts from established charges, and prospectively determined per diem amounts.

A reconciliation of the services provided to patients at established rates to net patient service revenue is as follows at June 30, 2010:

Patient Service Charges	\$ 658,588,796
Less: Estimated Contractual Adjustments	(361,995,480)
Less: Estimated Provision for Bad Debts	(31,558,791)
Less: Charity Care	<u>(12,748,978)</u>
Total	<u><u>\$ 252,285,547</u></u>

**D. Cash, Cash Equivalents, and Certificates of Deposit**

The carrying amount of deposits and investments included in the hospital's balance sheets is as follows:

Deposits	\$ 40,084,043
Investments	<u>4,260,579</u>
Total	<u><u>\$ 44,344,622</u></u>

The hospital holds deposits only in banks participating in the State of Tennessee Collateral Pool, in banks that provide collateral for all deposits, or banks that are members of the Federal Deposit Insurance Corporation (FDIC). Additionally, the hospital's deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure. Certificates of deposits in excess of the FDIC insurance limit must be issued by a bank that is a member of the Certificate of Deposit Account Registry Service.

At June 30, 2010, the hospital's bank balances for deposits totaled \$43,641,661, a majority of which was insured by the Federal Deposit Insurance Corporation or by the bank's participation in the State of Tennessee's collateral pool. Deposits totaling \$1,482,159 are collateralized by securities held by the financial institution in the hospital's name.

The estimated fair values and maturities for investments at June 30, 2010, are summarized below:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Mutural Funds - Fixed Income	Less than 1 year	\$ 1,510,731
Government Agency Bonds	1 to 5 years	2,511,100
Corporate Bonds	1 to 5 years	<u>238,748</u>
Total		<u>\$ 4,260,579</u>

Interest Rate Risk – As a means to limiting exposure to fair value losses by rising interest rates the hospital’s investment policy limits, investment in U.S. treasury securities, government agency bonds or notes, corporate bonds, and municipal bonds to those with maturities of less than five years.

Credit Risk – The hospital’s investment policy restricts investments in corporate bonds and municipal bonds to those with a credit rating of at least AA. At June 30, 2010, investment in corporate bonds were rated AAA by Standard and Poor’s.

Concentration of Credit Risk – The hospital’s investment policy limits investments in corporate bonds to 50 percent of total investments with no individual security exceeding five percent of total investments and municipal bonds to 25 percent of total investments with no individual security exceeding five percent of total investments. There is no limit on investments in U.S. treasury securities, government agency bonds, or notes. Mutual funds containing corporate bonds should not exceed 50 percent of total investments.

Custodial Credit Risk – For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the hospital will be able to recover the value of its investment or collateral. All investments are in the hospitals name at a custodial bank.

**E. Property, Plant, and Equipment**

A summary of changes in properties and related accumulated depreciation for the year ended June 30, 2010, is as follows:

	Balance 7-1-09	Additions/ Transfers	Retirements	Balance 6-30-10
<b>Capital Assets Depreciated:</b>				
Land Improvements	\$ 5,421,136	\$ 3,480	\$ 0	\$ 5,424,616
Buildings	163,923,772	2,528,477	0	166,452,249
Equipment	130,844,689	4,949,339	(1,748,723)	134,045,305
<b>Total Capital Assets Depreciated</b>	<b>\$ 300,189,597</b>	<b>\$ 7,481,296</b>	<b>\$ (1,748,723)</b>	<b>\$ 305,922,170</b>
<b>Less Accumulated Depreciation For:</b>				
Land Improvements	\$ 3,360,964	\$ 178,574	\$ 0	\$ 3,539,538
Buildings	72,154,230	7,177,222	0	79,331,452
Equipment	100,281,020	9,132,507	(1,359,994)	108,053,533
<b>Total Accumulated Depreciation</b>	<b>\$ 175,796,214</b>	<b>\$ 16,488,303</b>	<b>\$ (1,359,994)</b>	<b>\$ 190,924,523</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 124,393,383</b>	<b>\$ (9,007,007)</b>	<b>\$ (388,729)</b>	<b>\$ 114,997,647</b>
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 5,098,378	\$ 0	\$ 0	\$ 5,098,378
Construction in Progress	1,247,264	(143,889)	0	1,103,375
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 6,345,642</b>	<b>\$ (143,889)</b>	<b>\$ 0</b>	<b>\$ 6,201,753</b>
<b>Total Capital Assets, Net</b>	<b>\$ 130,739,025</b>	<b>\$ (9,150,896)</b>	<b>\$ (388,729)</b>	<b>\$ 121,199,400</b>

During 2010, the hospital capitalized interest expense on construction projects totaling approximately \$28,000. Construction in progress at June 30, 2010, consisted primarily of facility renovations. Total estimated costs required to complete construction projects in progress as of June 30, 2010, totaled approximately \$3,900,000.

## **F. Long-term Debt**

Long-term debt consists of the following as of June 30, 2010:

### Bonds Payable

Series 2006B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4% to 4.25%, maturing over a 7-year period, with the final payment due June 1, 2014.	\$ 4,935,000
Series 2006, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4.5% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021.	15,520,000
Series 2005, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 3.25% to 4%, maturing over a 15-year period, with the final payment due June 1, 2020.	3,110,000

Bonds Payable (Cont.)

Series 2004B Refunding, Maury County General Obligation Refunding Bond issued on behalf of the hospital, with interest rates of 5%, maturing over a 10-year period, with the final payment due April 1, 2014.	\$ 4,225,000
Total bonds payable	<u>\$ 27,790,000</u>
Less unamortized loss on bond refunding	\$ (146,030)
Plus premium on bond refunding	<u>992,728</u>
Total bonds payable, net of unamortized loss and premiums	<u>\$ 28,636,698</u>

Other Long-term Debt

Notes payable with interest rates ranging from 5.8% to 6.38%, maturing through January 2014, and secured by equipment and property with a net book value of \$184,842 at June 30, 2010.	\$ 214,649
Lines of credit with interest rates of 5.25% due in 2012, maximum available of \$775,000.	735,243
Capital lease obligations - see Note H	<u>867,241</u>
Total other long-term debt	<u>\$ 1,817,133</u>
Total debt	\$ 30,453,831
Less: current portion	<u>(4,627,180)</u>
Total long-term debt	<u>\$ 25,826,651</u>

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

The Series 2006 Bonds maturing on or after June 1, 2017, are subject to redemption prior to maturity at the option of the county on June 1, 2016, or thereafter, at a redemption price of par plus accrued interest. The Series 2004B Refunding Bonds maturing on or after April 1, 2013, are subject to redemption prior to maturity at the option of the county on April 1, 2012, at 102 percent of par or on April 1, 2013, at 101 percent of par.

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2010, (including the capital lease obligations and excluding unamortized premiums and loss on refunding) follows:

Year Ending June 30	Principal	Interest
2011	\$ 4,627,180	\$ 1,312,063
2012	4,927,369	1,109,011
2013	4,045,897	891,315
2014	4,166,689	712,800
2015	1,725,000	521,528
2016-2020	8,779,998	1,420,900
2021	1,335,000	58,407
Total	<u>\$ 29,607,133</u>	<u>\$ 6,026,024</u>

A schedule of changes in long-term debt for the year ended June 30, 2010, follows:

	Balance 7-1-09	Additions/ Amortization	Payments/ Maturities	Balance 6-30-10	Amounts Due Within One Year
Bonds payable, net of premium	\$ 33,120,000	\$ 0	\$ (5,330,000)	\$ 27,790,000	\$ 3,845,000
Unamortized loss on refunding	(185,856)	39,826	0	(146,030)	0
Unamortized premiums	1,199,585	(206,857)	0	992,728	0
Other long-term debt	3,510,818	0	(1,693,685)	1,817,133	782,180
Total	<u>\$ 37,644,547</u>	<u>\$ (167,031)</u>	<u>\$ (7,023,685)</u>	<u>\$ 30,453,831</u>	<u>\$ 4,627,180</u>

## G. Employee Benefit Plans

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

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) plan on May 1, 1997. As of May 1, 2010, 140 participants are earning future service accruals. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Defined Benefit Plan Funding Policy – Voluntary contributions may not be made by participants. The hospital’s contributions are based on an actuarially determined rate.

The hospital’s annual pension cost for 2010 was \$785,010. The hospital’s net pension obligation to the plan for 2010 was zero. The annual required contribution for the current year was determined as part of the May 1, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions used included the following:

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

**Three-year Trend Information**

Fiscal Year	Annual Required Contribution	Percentage Contributed	Pension Obligation
6-30-08	\$ 0	100%	\$ 0
6-30-09	0	100	0
6-30-10	785,010	100	0

The unfunded actuarial accrued liability as of June 30, 2010, will be amortized as a level percentage of covered payroll over 30 years beginning in fiscal 2010.

Defined Contribution Plan – Effective May 1, 1997, the hospital implemented a defined contribution plan, which includes a 403(b) feature and an employer-matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The hospital’s contribution consists of a base contribution of three percent of annual covered compensation and a matching contribution equal to 50 percent of the employees’ first five percent of annual compensation contributed. The hospital’s contributions for 2010 totaled approximately \$3,480,000.

**H. Leases**

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 4.7 percent to 7.88 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2010, is as follows:

Equipment Acquired Under Capital Leases	\$ 3,145,576
Less: Accumulated Depreciation	<u>(2,423,938)</u>
Total	<u><u>\$ 721,638</u></u>

The following is a schedule, by year, of the future minimum lease payments required under the capital leases as of June 30, 2010:

Year Ending June 30	
2011	\$ 644,705
2012	<u>257,540</u>
Total Minimum Lease Payments	\$ 902,245
Less: Amount Representing Interest	<u>(35,004)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 867,241</u></u>

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$3,890,000 for the year ended June 30, 2010. Future minimum lease commitments for all significant non-cancelable operating leases are as follows:

Year Ending June 30	
2011	\$ 2,756,455
2012	2,425,868
2013	1,840,809
2014	1,261,683
2015	905,808
2016 and After	<u>138,988</u>
Total	<u><u>\$ 9,329,611</u></u>

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

Rental income under these lease agreements totaled \$1,190,000 for the year ended June 30, 2010. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases are as follows:

Year Ending June 30	
2011	\$ 692,956
2012	98,360
2013	<u>51,405</u>
Total	<u><u>842,721</u></u>

**I. Leased Healthcare Facilities**

Effective July 1, 2005, the hospital entered into the first of two 5-year renewal options provided under a lease arrangement with the Board of Trustees of Wayne County General Hospital for the operation of several Wayne County healthcare facilities, including the county hospital, nursing home, ambulance service, and medical office buildings. The lease also extends to all equipment, improvements, fixtures, and related personal property. The annual lease expense under the first renewal consists of a base rent of \$175,000 and an annual capital improvement commitment of \$175,000. Effective July 1, 2010, the lease was amended to exclude the operations of the nursing home. The annual lease expense, as amended, is \$150,000 for the first year and an annual capital improvement commitment of \$200,000. The amended lease provides for two five-year renewal options, which occur automatically unless the hospital provides notice of its intent to terminate the lease at least 180 days in advance.

**J. Commitments and Contingencies**

General Liability Claims – The hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The hospital maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the hospital.

Malpractice Liability Claims – The hospital is also subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to \$350,000 for injury or death per person and \$700,000 in the aggregate per occurrence. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate with a retention of \$750,000 annual aggregate retention. The hospital has estimated and recorded a liability for reported claims totaling approximately \$1,290,000 at June 30, 2010. In management’s opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse

effect on the hospital's results of operations or financial condition. The hospital has not estimated any liability for claims incurred but not reported.

Workers' Compensation Claims – The hospital is covered for workers' compensation claims through an insurance policy with a deductible of \$500,000 per claim. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2010. The hospital has not estimated any liability for claims incurred but not reported.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependants. Stop-loss insurance is purchased for annual claims per individual exceeding \$175,000 with a life time maximum per individual totaling \$850,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately \$1,640,000 at June 30, 2010. Employees that retire after attaining age 60 and completing 20 years of service will receive continued coverage under the hospital's health benefit program until they attain age 65 or become eligible for Medicare benefits. The estimated amount of retirement benefits payable totaled approximately \$300,000 at June 30, 2010, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management's estimate could change in 2011.

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

## **K. Fair Value of Financial Instruments**

Management believes that book value approximates fair value for the majority of the hospital's financial assets and liabilities. The estimated fair value of bonds payable, which are general obligation bonds of Maury County, is \$28,355,473 at June 30, 2010.

Generally accepted accounting principles establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The hospital's investments are reported at fair value on a recurring basis on Level One at June 30, 2010.

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

### **A. Summary of Significant Accounting Policies**

#### **1. General**

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

#### **2. Accounting Method**

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

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

#### **3. Organization**

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

**4. Utility Plant and Equipment**

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

**5. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2010. Restricted assets are not treated as part of the entity's cash and cash equivalents.

**6. Use of Estimates**

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

**7. Inventory**

The water system's inventory of supplies is stated at cost using the first-in, first-out method. The costs of inventory items are recognized as expenses in the enterprise fund when used.

**B. Accounts Receivable**

Customer receivables are composed of the following aged categories:

	<u>Amount</u>
Current Billings	\$ 266,529
30 Days Past Due	15,825
60 Days Past Due	3,231
90 Days Past Due	<u>4,749</u>
Total	<u>\$ 290,334</u>

Bad debts are determined and written-off only by direct action of the system's board. The amount of \$11,410 was written-off for 2010.

**C. Deposits and Investments**

The system is subject to the Tennessee statute, which requires deposits in financial institutions be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2010, all deposits were insured or collateralized.

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

**D. Restricted Assets**

The restricted assets represent investment of construction reserves and customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2010, included \$21,440 for meter deposits of current customers.

**E. Utility Plant, Property, and Equipment**

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

<u>Assets</u>	<u>Years</u>
Water Grid and Improvements	50 - 100
Water Mains	40
Water Towers and Stations	40
Water Meters	10 - 40
Casting and Valves	20 - 50
Other Capitalized Costs	40
Equipment and Fixtures:	
Trucks	5
Small Tools and Equipment	3 - 5 - 10
Office Furniture and Equipment	5 - 10

**F. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

	Balance 7-1-09	Additions	Retirements	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 287,025	\$ 0	\$ 0	\$ 287,025
Total Capital Assets Not Depreciated	<u>\$ 287,025</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 287,025</u>
Capital Assets Depreciated:				
Building	\$ 225,077	\$ 0	\$ 0	\$ 225,077
Water Grid and Improvements	28,504,053	377,824	0	28,881,877
Equipment and Fixtures	653,243	52,448	(31,247)	674,444
Total Capital Assets Depreciated	<u>\$ 29,382,373</u>	<u>\$ 430,272</u>	<u>\$ (31,247)</u>	<u>\$ 29,781,398</u>
Less Accumulated Depreciation For:				
Building	\$ 66,960	\$ 6,416	\$ 0	\$ 73,376
Water Grid and Improvements	4,240,940	547,752	0	4,788,692
Equipment and Fixtures	477,143	62,017	(31,247)	507,913
Total Accumulated Depreciation	<u>\$ 4,785,043</u>	<u>\$ 616,185</u>	<u>\$ (31,247)</u>	<u>\$ 5,369,981</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,597,330</u>	<u>\$ (185,913)</u>	<u>\$ 0</u>	<u>\$ 24,411,417</u>
Business-type Activities Capital Assets, Net	<u>\$ 24,884,355</u>	<u>\$ (185,913)</u>	<u>\$ 0</u>	<u>\$ 24,698,442</u>

**G. Accrued Leave**

Accumulated annual leave at June 30, 2010, totaled \$20,416. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks of annual leave for personnel with one to five years continuous county service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

**H. Risk Management**

The system is exposed to losses that could arise from torts; asset theft, damage, or destruction; business interruption; errors or omissions; job-related illnesses or injuries to employees; acts of nature; and accident, health, dental, and other medical benefits to employees. Potential losses are covered by commercial insurance.

The system has not been involved in any significant litigation during the last four fiscal years.

**I. Long-term Debt**

The system's bonds payable are liabilities derived from various system water line upgrades, extensions, and improvements. Bonds payable consist of the following at June 30, 2010:

Bonds Payable

Series 2006, State Revolving Loan Fund: DWSRF 05-065: The principal will be amortized over 20 years with monthly payments of \$21,623 and an interest rate of 2.42%.	\$ 3,656,161
Series 2008, State Revolving Loan Fund: DWSRF 07-072: The principal will be amortized over 20 years with monthly payments of \$8,679 and an interest rate of 2.42%.	1,529,748
Series 2006, USDA Rural Development Loan: The principal will be amortized over 38 years with monthly payments of \$12,615 and an interest rate of 4.125%.	2,836,936
Total bonds payable	<u>\$ 8,022,845</u>
Less current portion	<u>\$ (278,796)</u>
Total Long-term bonds payable	<u><u>\$ 7,744,049</u></u>

The principal and interest requirements for outstanding bonds as of June 30, 2010 are as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 278,796	\$ 236,208	\$ 515,004
2012	280,180	234,824	515,004
2013	290,746	224,258	515,004
2014	298,525	216,479	515,004
2015	306,527	208,477	515,004
After 2016	<u>6,568,071</u>	<u>2,616,270</u>	<u>9,184,341</u>
Total	<u>\$ 8,022,845</u>	<u>\$ 3,736,516</u>	<u>\$ 11,759,361</u>

## VIII. OTHER NOTES – DISCRETELY PRESENTED MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

### A. Summary of Significant Accounting Policies

#### 1. Nature of Activities

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

The district is a discretely presented component unit of Maury County, Tennessee, and the financial statements are presented in both the district's separate financial report and within the Maury County, Tennessee financial report. The district is considered a discretely presented component unit of Maury County as defined under the criteria set forth in Governmental Accounting Standards Board Statement No. 14, because the district would be unable to issue debt without going through Maury County, Tennessee.

#### 2. Basis of Accounting and Financial Statement Presentation

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

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

**3. Use of Estimates**

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

**4. Cash and Cash Equivalents**

For purposes of the Statement of Net Assets and the Statement of Cash Flows, Maury County Emergency Communications District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**5. Capital Assets**

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	10 - 40
Furniture and Fixtures	7
Office Equipment	5 - 10
Communications Equipment	5 - 10
Vehicles	5

**6. Income Taxes**

Maury County Emergency Communications District is a tax-exempt organization under Section 115 of the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.

**7. Operating Revenues and Expenses**

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

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

**8. Budgetary Data**

The district is required by state statute to adopt an annual budget. The annual budget is prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenses must be presented at the legal level of control, which is defined to be at the line-item level. The district utilizes cash basis accounting for the budget as depreciation is not budgeted, and outlays for capital items are budgeted as expenses. Therefore the budget is not intended to be presented in accordance with generally accepted accounting principles. The budget may be amended by the board as conditions warrant throughout the year.

**9. Compensated Absences**

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

**B. Cash and Depository Collateral**

The district's current policies limit deposits of funds to accounts with commercial banks, which are required to pledge securities as collateral for the deposits should they be in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. The financial institution used by the district is a participant in the Tennessee Collateral Pool, which was established to provide security for public funds deposits in excess of FDIC coverage.

At year-end, the district's deposits of cash and certificates of deposit were fully insured by the FDIC or collateralized by the Tennessee Collateral Pool.

**C. Certificate of Deposit**

At June 30, 2010, the certificate of deposit was as follows:

	<u>Amount</u>
First Farmers and Merchants Bank, 1.5% maturing November 5, 2010	<u>\$ 150,000</u>

**D. Accounts Receivable**

The following schedule reflects the components of accounts receivable as of June 30, 2010:

	<u>Amount</u>
Emergency Telephone Service Charges	<u>\$ 39,361</u>
Total	<u>\$ 39,361</u>

**E. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

	<u>Balance 7-1-09</u>	<u>Additions</u>	<u>Balance 6-30-10</u>
Capital Assets Not Depreciated:			
Land	\$ 74,380	\$ 0	\$ 74,380
Total Capital Assets Not Depreciated	<u>\$ 74,380</u>	<u>\$ 0</u>	<u>\$ 74,380</u>
Capital Assets Depreciated:			
Building	\$ 493,082	\$ 0	\$ 493,082
Office Equipment	26,482	5,528	32,010
Furniture and Fixtures	3,482	0	3,482
Communications Equipment	457,170	0	457,170
Vehicles	26,247	0	26,247
Total Capital Assets Depreciated	<u>\$ 1,006,463</u>	<u>\$ 5,528</u>	<u>\$ 1,011,991</u>
Less Accumulated Depreciation For:			
Building	\$ 36,257	\$ 12,327	\$ 48,584
Office Equipment	3,518	1,042	4,560
Furniture and Fixtures	890	292	1,182
Communications Equipment	163,339	46,708	210,047
Vehicles	9,739	5,250	14,989
Total Accumulated Depreciation	<u>\$ 213,743</u>	<u>\$ 65,619</u>	<u>\$ 279,362</u>

Capital Assets (Cont.)	Balance 7-1-09	Additions	Balance 6-30-10
Total Capital Assets Depreciated, Net	\$ 792,720	\$ (60,091)	\$ 732,629
Business-type Activities Capital Assets, Net	\$ 867,100	\$ (60,091)	\$ 807,009

Depreciation charged to expense for the current year totaled \$65,619.

**F. Accrued Expenses**

Accrued expenses at June 30, 2010, consisted of the following:

	Amount
Accrued Payroll	\$ 10,479
Accrued Payroll Taxes	7,663
Total	\$ 18,142

**G. Long-term Debt**

Long-term debt activity for the current year was as follows:

	Balance 7-1-09	Reductions	Balance 6-30-10
First Farmers and Merchants Bank	\$ 88,321	\$ (88,321)	\$ 0

On February 24, 2010, the district paid off the remaining principal on the mortgage. Interest paid on the mortgage totaled \$3,329.

**H. Major Revenue Source**

Revenue for operation and maintenance of the district is generated by a surcharge placed on residential and business phone lines. The surcharge is collected by AT&T Telephone Company and remitted to the district monthly less a one percent administrative fee. In the current year, revenue from AT&T Telephone Company represented approximately 37 percent of total operating revenue. In fiscal year 2000, the district began collecting revenue generated by wireless phone users. The Tennessee Emergency Communications Board collects the revenue and distributes 25 percent of funds to the Emergency Communications Districts based on the proportion of the population of each district to that of the state, according to the latest census. The Tennessee Emergency Communications Board also distributes additional amounts as part of the operational funding program to assist districts with the basic costs of 911 service.

## I. Pension Expense

### Plan Description

Employees of the Maury County Emergency Communications District 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 the Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Maury County Emergency Communications District 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 Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tngov/treasury/tcrs/PS/>.

### Funding Policy

The Maury County Emergency Communications District requires employees to contribute five percent of their earnable compensation.

The Maury County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2010, was 9.24 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Maury County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2010, the Maury County Emergency Communications District’s annual pension cost of \$59,467 to TCRS was equal to the Maury County Emergency Communications District’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 to 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation of salaries), (c) projected 3.5 percent annual increase in the social security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period.

The Maury County Emergency Communications District’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 18 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$ 59,467	100 %	\$ 0
6-30-09	50,969	100	0
6-30-08	39,996	100	0

Funding Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 51.93 percent funded. The actuarial accrued liability for benefits was \$.48 million, and the actuarial value of assets was \$.25 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.23 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.47 million, and the ration of the UAAL to the covered payroll was 48.46 percent.

The annual required contribution (ARC) was calculated using the aggregate 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.

**J. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2010, the district was insured against potential losses associated with these risks through the purchase of commercial insurance for management liability and through a blanket general liability policy purchased by Maury County. There have been no losses in excess of insurance coverage during the last three years.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Maury County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Fund  
 For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 13,453,492	\$ 0	\$ 0	\$ 13,453,492	\$ 13,156,902	\$ 13,156,902	\$ 296,590
Licenses and Permits	245,776	0	0	245,776	277,000	277,000	(31,224)
Fines, Forfeitures, and Penalties	478,735	0	0	478,735	382,100	427,539	51,196
Charges for Current Services	258,116	0	0	258,116	254,800	254,800	3,316
Other Local Revenues	567,516	0	0	567,516	126,300	397,085	170,431
Fees Received from County Officials	2,835,002	0	0	2,835,002	2,740,000	2,740,000	95,002
State of Tennessee	1,973,232	0	0	1,973,232	1,832,607	2,059,707	(86,475)
Federal Government	382,578	0	0	382,578	200,431	1,047,139	(664,561)
Other Governments and Citizens Groups	125,961	0	0	125,961	95,100	102,722	23,239
<b>Total Revenues</b>	<b>\$ 20,320,408</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,320,408</b>	<b>\$ 19,065,240</b>	<b>\$ 20,462,894</b>	<b>\$ (142,486)</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 44,175	(75)	0	44,100	54,678	54,678	10,578
Board of Equalization	1,139	0	0	1,139	3,203	3,203	2,064
Other Boards and Committees	15,882	0	0	15,882	10,645	10,645	(5,237)
County Mayor/Executive	202,582	0	0	202,582	204,685	204,685	2,103
Personnel Office	215,278	0	0	215,278	217,234	217,235	1,957
County Attorney	86,338	0	0	86,338	87,243	87,243	905
Election Commission	202,936	(400)	0	202,536	218,390	218,391	15,855
Register of Deeds	307,504	0	0	307,504	337,706	337,705	30,201
Development	410,878	(18,275)	18,700	411,303	508,665	508,665	97,362
County Buildings	725,091	(200)	978	725,869	829,741	829,742	103,873
Other General Administration	629,952	0	3,995	633,947	721,040	721,040	87,093
Preservation of Records	116,263	0	0	116,263	134,775	134,815	18,552

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less:		Add: 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances				Original	Final	
		7/1/2009	6/30/2010					
<u>Expenditures (Cont.)</u>								
<u>Finance</u>								
Accounting and Budgeting	\$ 461,818	\$ 0	\$ 0	\$ 0	\$ 461,818	\$ 495,696	\$ 491,925	\$ 30,107
Purchasing	196,411	0	0	0	196,411	197,641	197,642	1,231
Property Assessor's Office	540,302	(6,350)	3,591	3,591	537,543	568,440	568,440	30,897
Reappraisal Program	174,795	0	91	91	174,886	218,139	218,140	43,254
County Trustee's Office	299,466	0	0	0	299,466	303,938	303,937	4,471
County Clerk's Office	175,415	0	447	447	175,862	194,478	194,478	18,616
Data Processing	240,447	0	0	0	240,447	236,491	240,447	0
<u>Administration of Justice</u>								
Circuit Court	1,039,377	0	570	570	1,039,947	1,020,207	1,129,327	89,380
General Sessions Court	946,415	0	0	0	946,415	910,928	910,929	(35,486)
Chancery Court	92,872	(518)	1,115	1,115	93,469	114,229	114,228	20,759
District Attorney General	69,625	0	0	0	69,625	81,675	81,675	12,050
Courtroom Security	4,072	0	0	0	4,072	6,435	1,435	(2,637)
Victims Assistance Programs	25,219	0	0	0	25,219	0	25,219	0
<u>Public Safety</u>								
Sheriff's Department	5,599,574	(13,130)	6,267	6,267	5,592,711	5,828,813	5,825,439	232,728
Administration of the Sexual Offender Registry	1,350	0	0	0	1,350	0	0	(1,350)
Jail	3,873,688	(27,947)	4,268	4,268	3,850,009	3,865,843	3,927,205	77,196
Juvenile Services	306,960	0	0	0	306,960	219,528	306,960	0
Civil Defense	226,343	0	0	0	226,343	172,321	227,457	1,114
Other Emergency Management	227,446	0	51,507	51,507	278,953	313,914	433,513	154,560
County Coroner/Medical Examiner	0	0	0	0	0	9,900	9,900	9,900
Public Safety Grant Programs	16,836	0	6,224	6,224	23,060	19,800	67,727	44,667

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 805,337	\$ (750)	\$ 8,942	\$ 813,529	\$ 963,330	\$ 1,190,431	\$ 376,902
Rabies and Animal Control	98,162	0	0	98,162	104,933	104,933	6,771
Regional Mental Health Center	0	0	0	0	9,900	9,200	9,200
Appropriation to State	87,375	0	0	87,375	69,201	69,901	(17,474)
Other Local Welfare Services	10,864	0	0	10,864	10,890	10,890	26
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	35,640	0	0	35,640	35,640	35,640	0
Libraries	575,359	0	0	575,359	581,829	581,828	6,469
Parks and Fair Boards	647,790	(13,885)	8,601	642,506	724,598	724,578	82,072
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	117,655	0	0	117,655	121,050	121,050	3,395
Forest Service	2,000	0	0	2,000	1,980	2,000	0
Soil Conservation	46,540	0	0	46,540	46,033	46,605	65
<u>Other Operations</u>							
Tourism	364,417	(8,140)	6,108	362,385	347,409	362,488	103
Industrial Development	175,253	(1,000)	0	174,253	179,190	179,190	4,937
Other Economic and Community Development	3,315	0	0	3,315	10,593	10,593	7,278
Airport	39,600	0	0	39,600	39,600	39,600	0
Veterans' Services	66,140	0	0	66,140	65,770	66,143	3
Contributions to Other Agencies	72,173	0	0	72,173	39,600	64,820	(7,353)
Employee Benefits	15,923	0	1,336	17,259	24,750	24,750	7,491
ARRA Grant # 1	47,300	0	0	47,300	0	474,000	426,700
ARRA Grant # 2	126,209	0	0	126,209	0	126,489	280
ARRA Grant # 6	35,715	0	0	35,715	0	47,400	11,685

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Miscellaneous	\$ 424,185	\$ 0	\$ 0	\$ 424,185	\$ 521,202	\$ 416,368	\$ (7,817)
Principal on Debt							
General Government	128,079	0	0	128,079	0	128,079	0
Interest on Debt							
General Government	23,055	0	0	23,055	0	23,055	0
Total Expenditures	\$ 21,424,535	\$ (90,670)	\$ 122,740	\$ 21,456,605	\$ 22,003,919	\$ 23,464,101	\$ 2,007,496
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,104,127)	\$ 90,670	\$ (122,740)	\$ (1,136,197)	\$ (2,938,679)	\$ (3,001,207)	\$ 1,865,010
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,132	\$ 0	\$ 0	\$ 29,132	\$ 0	\$ 27,165	\$ 1,967
Transfers In	1,286,784	0	0	1,286,784	2,186,784	1,286,784	0
Transfers Out	(150,000)	0	0	(150,000)	(632,215)	(150,000)	0
Total Other Financing Sources (Uses)	\$ 1,165,916	\$ 0	\$ 0	\$ 1,165,916	\$ 1,554,569	\$ 1,163,949	\$ 1,967
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 61,789	\$ 90,670	\$ (122,740)	\$ 29,719	\$ (1,384,110)	\$ (1,837,258)	\$ 1,866,977
Fund Balance, June 30, 2010	4,587,796	(90,670)	0	4,497,126	4,599,685	4,599,685	(102,559)
	\$ 4,649,585	\$ 0	\$ (122,740)	\$ 4,526,845	\$ 3,215,575	\$ 2,762,427	\$ 1,764,418

Exhibit F-2

Maury County, Tennessee  
Schedule of Funding Progress — Pension Plan  
Primary Government and Discretely Presented Maury County School Department  
June 30, 2010

(Dollar amounts in thousands)

Plans	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)
County Employees and School Department	7-1-07 #	\$ 26,608	\$ 29,702	\$ 3,094	89.58 %	\$ 21,348	14.49 %
"	7-1-09 #	32,270	39,140	6,870	82.45	24,334	28.23
Hospital Employees	5-1-07 *	42,314	39,373	(2,941)	100	6,877	(42.80)
"	5-1-08 *	43,136	41,325	(1,811)	100	6,645	(27.30)
"	5-1-09 *	38,788	42,379	3,591	92	6,225	57.70

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

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

Exhibit F-3

Maury County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Maury County Emergency Communications District  
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 107	\$ 192	\$ 85	55.73 %	\$ 416	20.43 %
7-1-09	248	478	230	51.93	474	48.46

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

Exhibit F-4

Maury County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Maury County School Department  
June 30, 2010

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
Local Education Group	7-1-07	\$ 0	\$ 19,760	\$ 19,760	0	\$ 51,832	38 %
"	7-1-09	0	18,714	18,714	0	54,658	34

\*Data only available for two actuarial valuations.

**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**A. BUDGETARY INFORMATION**

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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, Other Boards and Committees, County Mayor/Executive, 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. EXPENDITURES EXCEEDED APPROPRIATIONS**

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

<u>Fund/Purpose</u>	<u>Amount Overspent</u>
General:	
Other Boards and Committees	\$ 5,237
General Sessions Court	35,486
Courtroom Security	2,637
Administration of the Sexual Offender Registry	1,350
Appropriation to State	17,474
Contributions to Other Agencies	7,353
Miscellaneous	7,817

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions of the county’s animal shelter.

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

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

# Capital Projects Funds

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

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

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

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





Exhibit G-2

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2010

	Special Revenue Funds							Total
	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		
<u>Revenues</u>								
Local Taxes	\$ 2,250,000	\$ 0	\$ 353,236	\$ 0	\$ 0	\$ 2,576,647	\$ 5,179,883	
Fines, Forfeitures, and Penalties	0	44,126	0	0	0	0	44,126	
Charges for Current Services	0	0	0	0	811,786	0	811,786	
Other Local Revenues	12,760	0	0	118,735	0	57,045	188,540	
State of Tennessee	0	0	0	0	0	2,500,909	2,500,909	
Federal Government	0	30,517	0	0	0	178,628	209,145	
Other Governments and Citizens Groups	0	0	0	197,840	0	0	197,840	
<b>Total Revenues</b>	<b>\$ 2,262,760</b>	<b>\$ 74,643</b>	<b>\$ 353,236</b>	<b>\$ 316,575</b>	<b>\$ 811,786</b>	<b>\$ 5,313,229</b>	<b>\$ 9,132,229</b>	
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13	\$ 0	\$ 13	
Finance	207,377	0	0	0	529,343	0	736,720	
Administration of Justice	0	0	0	0	283,836	0	283,836	
Public Safety	0	77,567	0	0	104	0	77,671	
Public Health and Welfare	0	0	0	457,677	0	0	457,677	
Social, Cultural, and Recreational Services	27,787	0	0	0	0	0	27,787	
Other Operations	302,620	22	0	0	0	1,760	304,402	
Highways	0	0	0	0	0	5,079,943	5,079,943	
Operation of Non-Instructional Services	105,980	0	0	0	0	0	105,980	
Debt Service:								
Principal on Debt	273,197	0	0	0	0	0	273,197	
Interest on Debt	14,984	0	0	0	0	0	14,984	
Capital Projects	7,587	0	36,239	0	0	70,630	114,456	
Capital Projects - Donated	0	0	0	0	0	0	0	
<b>Total Expenditures</b>	<b>\$ 939,532</b>	<b>\$ 77,589</b>	<b>\$ 36,239</b>	<b>\$ 457,677</b>	<b>\$ 813,296</b>	<b>\$ 5,152,333</b>	<b>\$ 7,476,666</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,323,228</b>	<b>\$ (2,946)</b>	<b>\$ 316,997</b>	<b>\$ (141,102)</b>	<b>\$ (1,510)</b>	<b>\$ 160,896</b>	<b>\$ 1,655,563</b>	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 0	\$ 9,997	\$ 0	\$ 0	\$ 0	\$ 89,096	\$ 99,093	

(Continued)

Exhibit G-2

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

	Special Revenue Funds							Total
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		
Other Financing Sources (Uses) (Cont.)								
Transfers In	\$ 51,948	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 201,948
Transfers Out	(1,320,034)	0	0	0	0	(1,948)		(1,321,982)
Total Other Financing Sources (Uses)	\$ (1,268,086)	\$ 9,997	\$ 0	\$ 150,000	\$ 0	\$ 87,148	\$ (1,020,941)	
Net Change in Fund Balances	\$ 55,142	\$ 7,051	\$ 316,997	\$ 8,898	\$ (1,510)	\$ 248,044	\$ 634,622	
Fund Balance, July 1, 2009	475,415	177,604	995,279	30,002	192,887	2,497,389	4,368,576	
Fund Balance, June 30, 2010	\$ 530,557	\$ 184,655	\$ 1,312,276	\$ 38,900	\$ 191,377	\$ 2,745,433	\$ 5,003,198	

(Continued)

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

	Capital Projects Funds			Total	Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		
<u>Revenues</u>					
Local Taxes	\$ 0 \$	0 \$	1,071,829 \$	1,071,829 \$	6,251,712
Fines, Forfeitures, and Penalties	0	0	0	0	44,126
Charges for Current Services	0	0	0	0	811,786
Other Local Revenues	0	0	1,641	1,641	190,181
State of Tennessee	0	0	0	0	2,500,909
Federal Government	0	0	0	0	209,145
Other Governments and Citizens Groups	0	0	0	0	197,840
Total Revenues	\$ 0 \$	0 \$	1,073,470 \$	1,073,470 \$	10,205,699
<u>Expenditures</u>					
Current:					
General Government	\$ 0 \$	0 \$	0 \$	0 \$	13
Finance	0	0	0	0	736,720
Administration of Justice	0	0	0	0	283,836
Public Safety	0	0	7,400	7,400	85,071
Public Health and Welfare	0	0	0	0	457,677
Social, Cultural, and Recreational Services	0	0	0	0	27,787
Other Operations	0	0	21,698	21,698	326,100
Highways	0	0	0	0	5,079,943
Operation of Non-Instructional Services	0	0	0	0	105,980
Debt Service:					
Principal on Debt	0	0	0	0	273,197
Interest on Debt	0	0	0	0	14,984
Capital Projects	2,648,896	114	499,066	3,148,076	3,262,532
Capital Projects - Donated	0	0	934,800	934,800	934,800
Total Expenditures	\$ 2,648,896 \$	114 \$	1,462,964 \$	4,111,974 \$	11,588,640
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,648,896) \$	(114) \$	(389,494) \$	(3,038,504) \$	(1,382,941)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	99,093

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
Other Financing Sources (Uses) (Cont.)				
Transfers In	\$ 0 \$	0 \$	0 \$	0 \$
Transfers Out	0	0	(50,000)	(50,000)
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	(50,000) \$	(50,000) \$
Net Change in Fund Balances	\$ (2,648,896) \$	(114) \$	(439,494) \$	(3,088,504) \$
Fund Balance, July 1, 2009	4,390,330	85,653	671,997	5,147,980
Fund Balance, June 30, 2010	\$ 1,741,434 \$	85,539 \$	232,503 \$	2,059,476 \$
				7,062,674

Exhibit G-3

Maury County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Special Purpose Fund  
 For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,250,000	\$ 0	\$ 0	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 0
Other Local Revenues	12,760	0	0	12,760	12,000	12,000	760
Total Revenues	\$ 2,262,760	\$ 0	\$ 0	\$ 2,262,760	\$ 2,262,000	\$ 2,262,000	\$ 760
<u>Expenditures</u>							
<u>Finance</u>							
Data Processing	\$ 207,377	\$ (9,753)	\$ 0	\$ 197,624	\$ 232,613	\$ 232,613	\$ 34,989
Social, Cultural, and Recreational Services							
Parks and Fair Boards	27,787	0	112,458	140,245	49,500	49,500	(90,745)
Other Operations							
Contributions to Other Agencies	30,000	0	0	30,000	30,000	30,000	0
Payments to Cities	250,000	0	0	250,000	250,000	250,000	0
Miscellaneous	22,620	0	0	22,620	24,750	25,050	2,430
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	105,980	(14,099)	0	91,881	164,000	110,359	18,478
Principal on Debt							
Education	273,197	0	0	273,197	114,846	273,197	0
Interest on Debt							
Education	14,984	0	0	14,984	5,157	14,993	9
<u>Capital Projects</u>							
General Administration Projects	7,587	(4,190)	0	3,397	48,480	48,480	45,083
Total Expenditures	\$ 939,532	\$ (28,042)	\$ 112,458	\$ 1,023,948	\$ 919,346	\$ 1,034,192	\$ 10,244
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,323,228	\$ 28,042	\$ (112,458)	\$ 1,238,812	\$ 1,342,654	\$ 1,227,808	\$ 11,004
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 51,948	\$ 0	\$ 0	\$ 51,948	\$ 0	\$ 0	\$ 51,948
Transfers Out	(1,320,034)	0	0	(1,320,034)	(1,320,034)	(1,320,034)	0
Total Other Financing Sources (Uses)	\$ (1,268,086)	\$ 0	\$ 0	\$ (1,268,086)	\$ (1,320,034)	\$ (1,320,034)	\$ 51,948
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 55,142	\$ 28,042	\$ (112,458)	\$ (29,274)	\$ 22,620	\$ (92,226)	\$ 62,952
Fund Balance, July 1, 2009	475,415	(28,042)	0	447,373	494,867	494,867	(47,494)
Fund Balance, June 30, 2010	\$ 530,557	\$ 0	\$ (112,458)	\$ 418,099	\$ 517,487	\$ 402,641	\$ 15,458

Exhibit G-4

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 44,126	0	\$ 44,126	\$ 74,775	\$ 74,775	\$ (30,649)
Federal Government	30,517	0	30,517	0	0	30,517
Total Revenues	\$ 74,643	0	\$ 74,643	\$ 74,775	\$ 74,775	\$ (132)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 77,567	(100)	\$ 77,467	\$ 94,298	\$ 104,270	\$ 26,803
<u>Other Operations</u>						
Miscellaneous	22	0	22	0	25	3
Total Expenditures	\$ 77,589	(100)	\$ 77,489	\$ 94,298	\$ 104,295	\$ 26,806
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,946)	100	\$ (2,846)	\$ (19,523)	\$ (29,520)	\$ 26,674
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,997	0	\$ 9,997	0	9,997	0
Transfers In	0	0	0	3,600	3,600	(3,600)
Total Other Financing Sources (Uses)	\$ 9,997	0	\$ 9,997	\$ 3,600	\$ 13,597	\$ (3,600)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 7,051	100	\$ 7,151	\$ (15,923)	\$ (15,923)	\$ 23,074
Fund Balance, July 1, 2009	177,604	(100)	177,504	177,503	177,503	1
Fund Balance, June 30, 2010	\$ 184,655	0	\$ 184,655	\$ 161,580	\$ 161,580	\$ 23,075

Exhibit G-5

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 353,236 \$	0 \$	353,236 \$	475,000 \$	475,000 \$	(121,764)
Total Revenues	\$ 353,236 \$	0 \$	353,236 \$	475,000 \$	475,000 \$	(121,764)
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 0 \$	0 \$	0 \$	410,000 \$	410,000 \$	410,000
Other General Government Projects	14,850	(14,850)	0	0	0	0
Highway and Street Capital Projects	21,389	(21,389)	0	0	0	0
Total Expenditures	\$ 36,239 \$	(36,239) \$	0 \$	410,000 \$	410,000 \$	410,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 316,997 \$	36,239 \$	353,236 \$	65,000 \$	65,000 \$	288,236
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 316,997 \$	36,239 \$	353,236 \$	65,000 \$	65,000 \$	288,236
	995,279	(36,239)	959,040	1,347,547	1,347,547	(388,507)
Fund Balance, June 30, 2010	\$ 1,312,276 \$	0 \$	1,312,276 \$	1,412,547 \$	1,412,547 \$	(100,271)

Exhibit G-6

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 118,735	\$ 560,904	\$ 330,451	\$ (211,716)
Other Governments and Citizens Groups	197,840	0	230,453	(32,613)
Total Revenues	<u>\$ 316,575</u>	<u>\$ 560,904</u>	<u>\$ 560,904</u>	<u>\$ (244,329)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Rabies and Animal Control	\$ 457,677	\$ 544,423	\$ 544,423	\$ 86,746
Total Expenditures	<u>\$ 457,677</u>	<u>\$ 544,423</u>	<u>\$ 544,423</u>	<u>\$ 86,746</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (141,102)</u>	<u>\$ 16,481</u>	<u>\$ 16,481</u>	<u>\$ (157,583)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 150,000	\$ 0	\$ 0	\$ 150,000
Total Other Financing Sources (Uses)	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150,000</u>
Net Change in Fund Balance	\$ 8,898	\$ 16,481	\$ 16,481	\$ (7,583)
Fund Balance, July 1, 2009	<u>30,002</u>	<u>30,419</u>	<u>30,419</u>	<u>(417)</u>
Fund Balance, June 30, 2010	<u>\$ 38,900</u>	<u>\$ 46,900</u>	<u>\$ 46,900</u>	<u>\$ (8,000)</u>

Exhibit G-7

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,576,647	\$ 0	\$ 0	\$ 2,576,647	\$ 2,552,810	\$ 2,552,810	\$ 23,837
Other Local Revenues	57,045	0	0	57,045	0	50,931	6,114
State of Tennessee	2,500,909	0	0	2,500,909	3,238,334	3,238,334	(737,425)
Federal Government	178,628	0	0	178,628	0	141,093	37,535
<b>Total Revenues</b>	<b>\$ 5,313,229</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,313,229</b>	<b>\$ 5,791,144</b>	<b>\$ 5,983,168</b>	<b>\$ (669,939)</b>
<u>Expenditures</u>							
<u>Other Operations</u>							
ARRA Grant # 6	\$ 1,760	\$ 0	\$ 0	\$ 1,760	\$ 0	\$ 2,500	\$ 740
<u>Highways</u>							
Administration	227,471	0	250	227,721	217,561	232,053	4,332
Highway and Bridge Maintenance	3,424,192	(306,042)	91,676	3,209,826	3,172,569	3,444,753	234,927
Operation and Maintenance of Equipment	692,096	(1,500)	936	691,532	928,538	882,176	190,644
Other Charges	379,306	(759)	0	378,547	415,582	415,582	37,035
Employee Benefits	1,681	0	0	1,681	8,500	8,500	6,819
Capital Outlay	355,197	(52,004)	87,303	390,496	1,141,566	1,168,229	777,733
<u>Capital Projects</u>							
Highway and Street Capital Projects	70,630	(69,755)	0	875	212,676	212,676	211,801
<b>Total Expenditures</b>	<b>\$ 5,152,333</b>	<b>\$ (430,060)</b>	<b>\$ 180,165</b>	<b>\$ 4,902,438</b>	<b>\$ 6,096,992</b>	<b>\$ 6,366,469</b>	<b>\$ 1,464,031</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 160,896</b>	<b>\$ 430,060</b>	<b>\$ (180,165)</b>	<b>\$ 410,791</b>	<b>\$ (305,848)</b>	<b>\$ (383,301)</b>	<b>\$ 794,092</b>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 89,096	\$ 0	\$ 0	\$ 89,096	\$ 0	\$ 65,478	\$ 23,618
Transfers Out	(1,948)	0	0	(1,948)	0	(1,948)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 87,148</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 87,148</b>	<b>\$ 0</b>	<b>\$ 63,530</b>	<b>\$ 23,618</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2009</b>	<b>\$ 248,044</b>	<b>\$ 430,060</b>	<b>\$ (180,165)</b>	<b>\$ 497,939</b>	<b>\$ (305,848)</b>	<b>\$ (319,771)</b>	<b>\$ 817,710</b>
	<b>2,497,389</b>	<b>(430,060)</b>	<b>0</b>	<b>2,067,329</b>	<b>2,194,869</b>	<b>2,194,869</b>	<b>(127,540)</b>
<b>Fund Balance, June 30, 2010</b>	<b>\$ 2,745,433</b>	<b>\$ 0</b>	<b>\$ (180,165)</b>	<b>\$ 2,565,268</b>	<b>\$ 1,889,021</b>	<b>\$ 1,875,098</b>	<b>\$ 690,170</b>

Exhibit G-8

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,071,829	\$ 1,039,677	\$ 1,039,677	\$ 32,152
Other Local Revenues	1,641	10,000	10,000	(8,359)
<b>Total Revenues</b>	<b>\$ 1,073,470</b>	<b>\$ 1,049,677</b>	<b>\$ 1,049,677</b>	<b>\$ 23,793</b>
<u>Expenditures</u>				
<u>Public Safety</u>				
Civil Defense	\$ 7,400	\$ 0	\$ 7,400	\$ 0
<u>Other Operations</u>				
Other Charges	528	0	528	0
Miscellaneous	21,170	6,305	21,170	0
<u>Support Services</u>				
Board of Education	0	934,000	0	0
<u>Capital Projects</u>				
Highway and Street Capital Projects	499,066	0	500,000	934
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	934,800	0	934,800	0
<b>Total Expenditures</b>	<b>\$ 1,462,964</b>	<b>\$ 940,305</b>	<b>\$ 1,463,898</b>	<b>\$ 934</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (389,494)	\$ 109,372	\$ (414,221)	\$ 24,727
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (50,000)	\$ 0	\$ (50,500)	\$ 500
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (50,000)</b>	<b>\$ 0</b>	<b>\$ (50,500)</b>	<b>\$ 500</b>
Net Change in Fund Balance	\$ (439,494)	\$ 109,372	\$ (464,721)	\$ 25,227
Fund Balance, July 1, 2009	671,997	671,410	671,410	587
<b>Fund Balance, June 30, 2010</b>	<b>\$ 232,503</b>	<b>\$ 780,782</b>	<b>\$ 206,689</b>	<b>\$ 25,814</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,720,227	\$ 7,786,445	\$ 7,786,445	\$ 933,782
Other Local Revenues	800,684	750,000	750,000	50,684
State of Tennessee	800,480	475,000	475,000	325,480
Federal Government	0	200	200	(200)
Total Revenues	<u>\$ 10,321,391</u>	<u>\$ 9,011,645</u>	<u>\$ 9,011,645</u>	<u>\$ 1,309,746</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,366,007	\$ 1,366,007	\$ 1,366,007	\$ 0
Highways and Streets	599,382	599,382	599,382	0
Education	5,253,611	5,253,613	5,253,613	2
<u>Interest on Debt</u>				
General Government	706,811	706,811	706,811	0
Highways and Streets	45,080	45,081	45,081	1
Education	2,664,673	2,664,674	2,664,674	1
<u>Other Debt Service</u>				
General Government	155,594	148,000	148,000	(7,594)
Total Expenditures	<u>\$ 10,791,158</u>	<u>\$ 10,783,568</u>	<u>\$ 10,783,568</u>	<u>\$ (7,590)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (469,767)</u>	<u>\$ (1,771,923)</u>	<u>\$ (1,771,923)</u>	<u>\$ 1,302,156</u>
Net Change in Fund Balance	\$ (469,767)	\$ (1,771,923)	\$ (1,771,923)	\$ 1,302,156
Fund Balance, July 1, 2009	13,233,145	13,223,597	13,223,597	9,548
Fund Balance, June 30, 2010	<u>\$ 12,763,378</u>	<u>\$ 11,451,674</u>	<u>\$ 11,451,674</u>	<u>\$ 1,311,704</u>

# Fiduciary Funds

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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.

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

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

Exhibit I-1

Maury County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,871,095	\$ 1,871,095
Investments	0	38,137	38,137
Due from Other Governments	1,557,151	0	1,557,151
	<hr/>		
Total Assets	\$ 1,557,151	\$ 1,909,232	\$ 3,466,383
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,557,151	\$ 0	\$ 1,557,151
Due to Litigants, Heirs, and Others	0	1,909,232	1,909,232
	<hr/>		
Total Liabilities	\$ 1,557,151	\$ 1,909,232	\$ 3,466,383
	<hr/>		

## Exhibit I-2

Maury County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,082,494	\$ 9,082,494	\$ 0
Due from Other Governments	1,559,797	1,557,151	1,559,797	1,557,151
<b>Total Assets</b>	<b>\$ 1,559,797</b>	<b>\$ 10,639,645</b>	<b>\$ 10,642,291</b>	<b>\$ 1,557,151</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,559,797	\$ 10,639,645	\$ 10,642,291	\$ 1,557,151
<b>Total Liabilities</b>	<b>\$ 1,559,797</b>	<b>\$ 10,639,645</b>	<b>\$ 10,642,291</b>	<b>\$ 1,557,151</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,051,806	\$ 15,864,161	\$ 16,044,872	\$ 1,871,095
Investments	38,181	38,137	38,181	38,137
<b>Total Assets</b>	<b>\$ 2,089,987</b>	<b>\$ 15,902,298</b>	<b>\$ 16,083,053</b>	<b>\$ 1,909,232</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,089,987	\$ 15,902,298	\$ 16,083,053	\$ 1,909,232
<b>Total Liabilities</b>	<b>\$ 2,089,987</b>	<b>\$ 15,902,298</b>	<b>\$ 16,083,053</b>	<b>\$ 1,909,232</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,051,806	\$ 15,864,161	\$ 16,044,872	\$ 1,871,095
Equity in Pooled Cash and Investments	0	9,082,494	9,082,494	0
Due from Other Governments	1,559,797	1,557,151	1,559,797	1,557,151
Investments	38,181	38,137	38,181	38,137
<b>Total Assets</b>	<b>\$ 3,649,784</b>	<b>\$ 26,541,943</b>	<b>\$ 26,725,344</b>	<b>\$ 3,466,383</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,559,797	\$ 10,639,645	\$ 10,642,291	\$ 1,557,151
Due to Litigants, Heirs, and Others	2,089,987	15,902,298	16,083,053	1,909,232
<b>Total Liabilities</b>	<b>\$ 3,649,784</b>	<b>\$ 26,541,943</b>	<b>\$ 26,725,344</b>	<b>\$ 3,466,383</b>

# Maury County School Department

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This section presents fund financial statements for the Maury County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and one Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

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

Exhibit J-1

Maury County, Tennessee  
Statement of Activities  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 65,436,612	\$ 283,896	\$ 9,904,577	\$ 897,720	\$	(54,350,419)
Support Services	20,667,415	289,182	446,817	2,211,306		(17,720,110)
Operation of Non-Instructional Services	6,307,472	2,199,355	3,585,362	0		(522,755)
Interest on Long-term Debt	60,534	0	0	0		(60,534)
Total Governmental Activities	<u>\$ 92,472,033</u>	<u>\$ 2,772,433</u>	<u>\$ 13,936,756</u>	<u>\$ 3,109,026</u>	<u>\$</u>	<u>(72,653,818)</u>
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	19,547,406
Local Option Sales Tax						10,019,170
Interstate Telecommunications Tax						6,581
Grants and Contributions Not Restricted to Specific Programs						43,642,093
Unrestricted Investment Earnings						11,368
Miscellaneous						29,158
Total General Revenues					<u>\$</u>	<u>73,255,776</u>
Change in Net Assets					\$	601,958
Net Assets, July 1, 2009						<u>115,162,284</u>
Net Assets, June 30, 2010					\$	<u>115,764,242</u>

Exhibit J-2

Maury County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Maury County School Department  
June 30, 2010

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<b><u>ASSETS</u></b>			
Cash	\$ 0	\$ 4,685	\$ 4,685
Equity in Pooled Cash and Investments	3,837,993	3,067,271	6,905,264
Accounts Receivable	57,496	832	58,328
Due from Other Governments	2,248,433	363,853	2,612,286
Due from Other Funds	413,526	100,589	514,115
Property Taxes Receivable	20,162,314	0	20,162,314
Allowance for Uncollectible Property Taxes	(800,987)	0	(800,987)
Total Assets	<u>\$ 25,918,775</u>	<u>\$ 3,537,230</u>	<u>\$ 29,456,005</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 0	\$ 18,951	\$ 18,951
Accrued Payroll	8,340	5,532	13,872
Payroll Deductions Payable	0	5,248	5,248
Due to Other Funds	100,589	413,526	514,115
Due to State of Tennessee	0	3,034	3,034
Deferred Revenue - Current Property Taxes	18,607,643	0	18,607,643
Deferred Revenue - Delinquent Property Taxes	658,943	0	658,943
Other Deferred Revenues	1,036,422	0	1,036,422
Total Liabilities	<u>\$ 20,411,937</u>	<u>\$ 446,291</u>	<u>\$ 20,858,228</u>
<b><u>Fund Balances</u></b>			
Reserved for Encumbrances	\$ 450,934	\$ 471,078	\$ 922,012
Reserved for Career Ladder - Extended Contract	17,819	0	17,819
Reserved for Career Ladder Program	2,673	0	2,673
Reserved for Basic Education Program	533,933	0	533,933
Reserved for Title I Grants to Local Education Agencies	0	51,919	51,919
Reserved for Special Education - Grants to States	0	323,795	323,795
Other Federal Reserves	0	24,911	24,911
Unreserved, Reported In:			
General Fund	4,501,479	0	4,501,479
Special Revenue Funds	0	1,814,044	1,814,044
Capital Projects Funds	0	405,192	405,192
Total Fund Balances	<u>\$ 5,506,838</u>	<u>\$ 3,090,939</u>	<u>\$ 8,597,777</u>
Total Liabilities and Fund Balances	<u>\$ 25,918,775</u>	<u>\$ 3,537,230</u>	<u>\$ 29,456,005</u>

Exhibit J-3

Maury County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
Discretely Presented Maury County School Department  
June 30, 2010

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	8,597,777
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	3,019,939	
Add: construction in progress		28,113,403	
Add: building and improvements net of accumulated depreciation		78,471,845	
Add: other capital assets net of accumulated depreciation		<u>4,492,294</u>	114,097,481
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(298,309)	
Less: capital leases payable		(977,121)	
Less: accrued interest on notes payable and capital leases		(34,997)	
Less: other postemployment benefits liability		(3,444,721)	
Less: compensated absences payable		<u>(3,871,233)</u>	(8,626,381)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,695,365</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>115,764,242</u></u>

Exhibit J-4

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 29,561,308	\$ 0	\$ 29,561,308
Licenses and Permits	5,710	0	5,710
Charges for Current Services	350,071	2,249,644	2,599,715
Other Local Revenues	91,927	31,159	123,086
State of Tennessee	46,053,098	116,709	46,169,807
Federal Government	487,367	11,144,135	11,631,502
Other Governments and Citizens Groups	0	2,211,306	2,211,306
Total Revenues	<u>\$ 76,549,481</u>	<u>\$ 15,752,953</u>	<u>\$ 92,302,434</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 48,275,135	\$ 4,654,637	\$ 52,929,772
Support Services	26,540,339	3,094,209	29,634,548
Operation of Non-Instructional Services	1,037,265	5,246,622	6,283,887
Debt Service:			
Principal on Debt	286,191	0	286,191
Interest on Debt	68,342	0	68,342
Capital Projects	0	9,846,548	9,846,548
Total Expenditures	<u>\$ 76,207,272</u>	<u>\$ 22,842,016</u>	<u>\$ 99,049,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 342,209</u>	<u>\$ (7,089,063)</u>	<u>\$ (6,746,854)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 423,820	\$ 0	\$ 423,820
Transfers Out	0	(423,820)	(423,820)
Total Other Financing Sources (Uses)	<u>\$ 423,820</u>	<u>\$ (423,820)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 766,029	\$ (7,512,883)	\$ (6,746,854)
Fund Balance, July 1, 2009	4,740,809	10,603,822	15,344,631
Fund Balance, June 30, 2010	<u>\$ 5,506,838</u>	<u>\$ 3,090,939</u>	<u>\$ 8,597,777</u>

Exhibit J-5

Maury County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (6,746,854)
(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	\$ 11,628,062	
Less: current year depreciation expense	<u>(4,379,833)</u>	7,248,229
(2) The net effect of donations involving capital assets is to increase net assets.		897,720
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 1,695,365	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(1,814,428)</u>	(119,063)
(4) The issuance of long-term debt (e.g., notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes	\$ 69,227	
Add: principal payment on capital lease	<u>216,964</u>	286,191
(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	\$ 7,808	
Change in compensated absences payable	(103,858)	
Change in other postemployment benefits liability	<u>(868,215)</u>	(964,265)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 601,958</u>



Exhibit J-7

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 2,249,644	\$ 2,249,644	\$ 0	\$ 2,249,644
Other Local Revenues	0	31,159	31,159	0	31,159
State of Tennessee	0	56,709	56,709	60,000	116,709
Federal Government	7,724,375	3,419,760	11,144,135	0	11,144,135
Other Governments and Citizens Groups	0	0	0	2,211,306	2,211,306
<b>Total Revenues</b>	<b>\$ 7,724,375</b>	<b>\$ 5,757,272</b>	<b>\$ 13,481,647</b>	<b>\$ 2,271,306</b>	<b>\$ 15,752,953</b>
<u>Expenditures</u>					
Current:					
Instruction	\$ 4,360,304	\$ 294,333	\$ 4,654,637	\$ 0	\$ 4,654,637
Support Services	3,035,266	58,943	3,094,209	0	3,094,209
Operation of Non-Instructional Services	0	5,246,622	5,246,622	0	5,246,622
Capital Projects	0	0	0	9,846,548	9,846,548
<b>Total Expenditures</b>	<b>\$ 7,395,570</b>	<b>\$ 5,599,898</b>	<b>\$ 12,995,468</b>	<b>\$ 9,846,548</b>	<b>\$ 22,842,016</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 328,805	\$ 157,374	\$ 486,179	\$ (7,575,242)	\$ (7,089,063)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (423,820)	\$ 0	\$ (423,820)	\$ 0	\$ (423,820)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (423,820)</b>	<b>\$ 0</b>	<b>\$ (423,820)</b>	<b>\$ 0</b>	<b>\$ (423,820)</b>
Net Change in Fund Balances	\$ (95,015)	\$ 157,374	\$ 62,359	\$ (7,575,242)	\$ (7,512,883)
Fund Balance, July 1, 2009	495,640	1,656,670	2,152,310	8,451,512	10,603,822
<b>Fund Balance, June 30, 2010</b>	<b>\$ 400,625</b>	<b>\$ 1,814,044</b>	<b>\$ 2,214,669</b>	<b>\$ 876,270</b>	<b>\$ 3,090,939</b>

Exhibit J-8

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 29,561,308	\$ 0	\$ 0	\$ 29,561,308	\$ 30,071,689	\$ 30,071,689	\$ (510,381)
Licenses and Permits	5,710	0	0	5,710	5,400	5,400	310
Charges for Current Services	350,071	0	0	350,071	295,000	402,023	(51,952)
Other Local Revenues	91,927	0	0	91,927	10,000	81,204	10,723
State of Tennessee	46,053,098	0	0	46,053,098	44,558,782	46,160,094	(106,996)
Federal Government	487,367	0	0	487,367	120,000	329,560	157,807
<b>Total Revenues</b>	<b>\$ 76,549,481</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 76,549,481</b>	<b>\$ 75,060,871</b>	<b>\$ 77,049,970</b>	<b>\$ (500,489)</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 37,965,663	(23,045)	\$ 195,582	\$ 38,138,200	\$ 37,841,059	\$ 38,994,865	\$ 856,665
Alternative Instruction Program	425,053	0	0	425,053	409,631	409,631	(15,422)
Special Education Program	7,202,371	(5,200)	0	7,197,171	7,398,175	7,491,481	294,310
Vocational Education Program	2,682,048	(7,449)	22,825	2,697,424	2,775,105	2,775,105	77,681
<b>Support Services</b>							
Attendance	471,386	(860)	0	470,526	497,803	497,803	27,277
Health Services	369,819	(464)	1,200	370,555	278,024	378,774	8,219
Other Student Support	1,725,359	(6,740)	6,604	1,725,223	1,838,374	1,842,374	117,151
Regular Instruction Program	2,576,092	(2,392)	113,064	2,686,764	2,635,856	2,841,252	154,488
Alternative Instruction Program	132,982	(390)	0	132,592	155,839	155,839	23,247
Special Education Program	919,010	0	231	919,241	906,675	921,325	2,084
Vocational Education Program	138,905	(1,464)	758	138,199	147,049	147,049	8,850
Other Programs	439,563	0	0	439,563	0	439,563	0
Board of Education	2,291,488	0	0	2,291,488	2,231,702	2,231,702	(59,786)

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 298,016	\$ (306)	\$ 1,465	\$ 299,175	\$ 304,094	\$ 304,094	\$ 4,919
Office of the Principal	5,489,123	(7)	1,059	5,490,175	5,583,329	5,583,329	93,154
Fiscal Services	533,244	(1,924)	2,217	533,537	543,066	543,066	9,529
Human Services/Personnel	236,321	(123)	3,918	240,116	264,906	264,906	24,790
Operation of Plant	5,417,146	(385)	1,295	5,418,056	5,947,218	5,947,218	529,162
Maintenance of Plant	1,149,234	(828)	16,664	1,165,070	1,212,010	1,212,010	46,940
Transportation	3,501,636	(23,373)	24,596	3,502,859	3,602,880	3,602,880	100,021
Central and Other	851,015	(106,696)	58,325	802,644	759,540	824,268	21,624
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,037,265	(3,086)	1,131	1,035,310	0	1,044,659	9,349
<u>Principal on Debt</u>							
Education	286,191	0	0	286,191	286,192	286,192	1
Interest on Debt	68,342	0	0	68,342	68,343	68,343	1
Education	\$ 76,207,272	\$ (184,732)	\$ 450,934	\$ 76,473,474	\$ 75,686,870	\$ 78,807,728	\$ 2,334,254
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 342,209	\$ 184,732	\$ (450,934)	\$ 76,007	\$ (625,999)	\$ (1,757,758)	\$ 1,833,765
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 423,820	\$ 0	\$ 0	\$ 423,820	\$ 130,000	\$ 527,440	\$ (103,620)
Transfers Out	0	0	0	0	(4,000)	(6,105)	6,105
Total Other Financing Sources (Uses)	\$ 423,820	\$ 0	\$ 0	\$ 423,820	\$ 126,000	\$ 521,335	\$ (97,515)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 766,029	\$ 184,732	\$ (450,934)	\$ 499,827	\$ (499,999)	\$ (1,236,423)	\$ 1,736,250
	4,740,809	(184,732)	0	4,556,077	3,686,681	3,686,681	869,396
Fund Balance, June 30, 2010	\$ 5,506,838	\$ 0	\$ (450,934)	\$ 5,055,904	\$ 3,186,682	\$ 2,450,258	\$ 2,605,646

Exhibit J-9

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Maury County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,724,375	\$ 8,696,140	\$ 11,660,054	\$ (3,935,679)
Total Revenues	\$ 7,724,375	\$ 8,696,140	\$ 11,660,054	\$ (3,935,679)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,973,267	\$ 2,312,846	\$ 2,548,860	\$ 575,593
Alternative Instruction Program	0	2,429	2,429	2,429
Special Education Program	2,243,442	2,673,832	4,182,530	1,939,088
Vocational Education Program	143,595	138,878	143,595	0
<u>Support Services</u>				
Health Services	207,275	254,874	348,383	141,108
Other Student Support	102,529	840,825	433,794	331,265
Regular Instruction Program	1,569,283	2,306,784	2,467,588	898,305
Special Education Program	496,366	471,601	1,072,458	576,092
Maintenance of Plant	1,752	15,239	15,239	13,487
Transportation	658,061	363,376	684,327	26,266
Total Expenditures	\$ 7,395,570	\$ 9,380,684	\$ 11,899,203	\$ 4,503,633
Excess (Deficiency) of Revenues Over Expenditures	\$ 328,805	\$ (684,544)	\$ (239,149)	\$ 567,954
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 383,198	\$ 113,095	\$ (113,095)
Transfers Out	(423,820)	(194,293)	(745,140)	321,320
Total Other Financing Sources (Uses)	\$ (423,820)	\$ 188,905	\$ (632,045)	\$ 208,225
Net Change in Fund Balance	\$ (95,015)	\$ (495,639)	\$ (871,194)	\$ 776,179
Fund Balance, July 1, 2009	495,640	495,639	871,194	(375,554)
Fund Balance, June 30, 2010	\$ 400,625	\$ 0	\$ 0	\$ 400,625

Exhibit J-10

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 2,249,644	\$ 0	\$ 2,249,644	\$ 2,713,759	\$ 2,713,759	\$ (464,115)
Other Local Revenues	31,159	0	31,159	43,000	43,000	(11,841)
State of Tennessee	56,709	0	56,709	58,000	58,000	(1,291)
Federal Government	3,419,760	0	3,419,760	2,947,684	3,242,017	177,743
Total Revenues	\$ 5,757,272	\$ 0	\$ 5,757,272	\$ 5,762,443	\$ 6,056,776	\$ (299,504)
<u>Expenditures</u>						
<u>Instruction</u>						
Vocational Education Program	\$ 294,333	\$ 0	\$ 294,333	\$ 0	\$ 294,333	\$ 0
<u>Support Services</u>						
Board of Education	58,943	0	58,943	70,000	70,000	11,057
<u>Operation of Non-Instructional Services</u>						
Food Service	5,246,622	(472)	5,246,150	5,692,443	5,842,443	596,293
Total Expenditures	\$ 5,599,898	\$ (472)	\$ 5,599,426	\$ 5,762,443	\$ 6,206,776	\$ 607,350
Excess (Deficiency) of Revenues Over Expenditures	\$ 157,374	\$ 472	\$ 157,846	\$ 0	\$ (150,000)	\$ 307,846
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 157,374	\$ 472	\$ 157,846	\$ 0	\$ (150,000)	\$ 307,846
	1,656,670	(472)	1,656,198	1,303,140	1,303,140	353,058
Fund Balance, June 30, 2010	\$ 1,814,044	\$ 0	\$ 1,814,044	\$ 1,303,140	\$ 1,153,140	\$ 660,904

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Maury County, Tennessee  
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
 Primary Government and Discretely Presented Maury County School Department  
 For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Matured During Period	Outstanding 6-30-10
<b>PRIMARY GOVERNMENT</b>							
<b>NOTES PAYABLE</b>							
<u>Payable through General Fund</u>							
Animal Shelter	\$ 640,396	4.5 %	11-30-08	11-1-12	\$ 512,317	\$ 128,079	\$ 384,238
Total Payable through General Fund					\$ 512,317	\$ 128,079	\$ 384,238
<u>Payable through General Debt Service Fund</u>							
School Buildings, School Buses, and Refunding	15,185,000	3.64	12-19-06	4-1-17	\$ 14,250,000	\$ 460,000	\$ 13,790,000
Various Construction Projects and Equipment	4,257,000	3.49	10-9-07	4-1-11	2,838,000	1,419,000	1,419,000
Various Construction Projects, Vehicles, and Equipment	3,000,000	3.53	12-12-08	4-1-12	3,000,000	335,000	2,665,000
Total Payable through General Debt Service Fund					\$ 20,088,000	\$ 2,214,000	\$ 17,874,000
Total Notes Payable					\$ 20,600,317	\$ 2,342,079	\$ 18,258,238
<b>CAPITAL LEASES PAYABLE</b>							
<u>Payable through Special Purpose Fund</u>							
School Computers	355,638	4.9	3-20-07	10-1-09	\$ 118,456	\$ 118,456	\$ 0
School Computers	344,760	4.5	4-17-08	5-5-10	114,846	114,846	0
School Computers	125,675	4.8	12-1-08	11-30-10	81,754	39,895	41,859
Total Capital Leases Payable					\$ 315,056	\$ 273,197	\$ 41,859
<b>BONDS PAYABLE</b>							
<u>Payable through General Debt Service Fund</u>							
Refunding Bond	21,420,000	4 to 5	3-1-04	4-1-11	\$ 7,820,000	\$ 3,950,000	\$ 3,870,000
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	15,600,000	100,000	15,500,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	4-1-20	12,320,000	855,000	11,465,000
Criminal Justice Center and School Construction	29,000,000	3.5 to 5	6-12-08	4-1-28	29,000,000	100,000	28,900,000
Total Bonds Payable					\$ 64,740,000	\$ 5,005,000	\$ 59,735,000

(Continued)

Exhibit K-1

Maury County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
Primary Government and Discretely Presented Maury County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or Matured During Period	Outstanding 6-30-10
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>							
<u>NOTES PAYABLE</u>							
Payable through General Purpose School Fund	\$ 500,000	3 %	2-12-07	2-1-14	\$ 367,536	\$ 69,227	\$ 298,309
Energy Efficiency Improvements					\$ 367,536	\$ 69,227	\$ 298,309
Total Notes Payable					\$ 367,536	\$ 69,227	\$ 298,309
<u>CAPITAL LEASES PAYABLE</u>							
Payable through General Purpose School Fund	1,598,657	4.8	11-1-06	11-1-13	\$ 1,194,085	\$ 216,964	\$ 977,121
Lighting Equipment					\$ 1,194,085	\$ 216,964	\$ 977,121
Total Capital Leases Payable					\$ 1,194,085	\$ 216,964	\$ 977,121

Exhibit K-2

Maury County, Tennessee  
Schedule of Long-term Debt Requirements by Year  
Primary Government and Discretely Presented  
Maury County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 2,682,079	\$ 683,561	\$ 3,365,640
2012	4,413,079	584,414	4,997,493
2013	2,158,080	417,968	2,576,048
2014	2,105,000	331,005	2,436,005
2015	2,195,000	246,805	2,441,805
2016	2,305,000	169,980	2,474,980
2017	2,400,000	87,000	2,487,000
Total	\$ 18,258,238	\$ 2,520,733	\$ 20,778,971

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 41,859	\$ 2,062	\$ 43,921
Total	\$ 41,859	\$ 2,062	\$ 43,921

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 5,235,000	\$ 2,407,853	\$ 7,642,853
2012	3,185,000	2,170,447	5,355,447
2013	3,380,000	2,061,998	5,441,998
2014	3,575,000	1,921,060	5,496,060
2015	3,985,000	1,788,035	5,773,035
2016	3,800,000	1,641,475	5,441,475
2017	3,965,000	1,475,475	5,440,475
2018	5,005,000	1,306,875	6,311,875
2019	5,120,000	1,117,425	6,237,425
2020	5,235,000	918,000	6,153,000
2021	2,200,000	706,125	2,906,125
2022	2,150,000	618,125	2,768,125
2023	2,150,000	532,125	2,682,125
2024	2,150,000	446,125	2,596,125
2025	2,150,000	360,125	2,510,125
2026	2,150,000	271,437	2,421,437
2027	2,150,000	182,750	2,332,750
2028	2,150,000	91,375	2,241,375
Total	\$ 59,735,000	\$ 20,016,830	\$ 79,751,830

(Continued)

Exhibit K-2

Maury County, Tennessee  
Schedule of Long-term Debt Requirements by Year  
Primary Government and Discretely Presented  
Maury County School Department (Cont.)

DISCRETELY PRESENTED MAURY  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 71,304	\$ 8,949	\$ 80,253
2012	73,443	6,810	80,253
2013	75,646	4,607	80,253
2014	77,916	2,338	80,254
Total	\$ 298,309	\$ 22,704	\$ 321,013

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 227,379	\$ 46,902	\$ 274,281
2012	238,293	35,988	274,281
2013	249,731	24,549	274,280
2014	261,718	12,562	274,280
Total	\$ 977,121	\$ 120,001	\$ 1,097,122

Exhibit K-3

Maury County, Tennessee  
Schedule of Investments  
June 30, 2010

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u> <u>Clerk and Master</u> Merrill Lynch - NOW Account	Various	None	Varies	\$ <u>38,137</u>

Exhibit K-4

Maury County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Other Special Revenue	Operations	\$ 150,000
Special Purpose	General	Industrial development	160,000
Special Purpose	General	Operations	1,051,784
Special Purpose	General	Library operations	75,000
Special Purpose	Central Maintenance/Garage	Operations	33,250
Highway/ Public Works	Special Purpose	To purchase equipment	1,948
Other Capital Projects	Special Purpose	To purchase bleachers	50,000
Total Transfers Primary Government			<u>\$ 1,521,982</u>
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 423,820</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 423,820</u>

Maury County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 86,592	\$ 50,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	79,440	100,000	"
Director of Schools	State Board of Education and Local Board of Education	120,995 (1)	(5)	
Trustee	Section 8-24-102, <u>TCA</u>	72,216	2,563,697	RLI Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	72,966 (2)	10,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	72,216	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	72,216	50,000	"
Registrar	Section 8-24-102, <u>TCA</u>	72,216 (3)	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	72,216	25,000	Cincinnati Insurance Company
Director of Accounts and Budgets	Chapter 233, Private Acts of 1963, as amended	83,064 (4)	25,000	"
Director of Human Resources	Chapter 91, Private Acts of 2004	58,633	25,000	RLI Insurance Company
Purchasing Agent	County Commission	64,563 (6)	(6)	
		54,101	25,000	"
<u>Other Bonds</u>				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			50,000	Indiana Insurance Company

- (1) Includes \$1,000 for a chief executive officer training supplement.
- (2) Includes \$750 for a state board of equalization salary supplement.
- (3) Does not include \$2,110 in special commissioner fees.
- (4) Includes \$3,024 for serving as workhouse superintendent and \$600 for a law enforcement training supplement.
- (5) Covered under the school's blanket bond.
- (6) Covered under the county's blanket bond.

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2010

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,624,142	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	283,457	0	0	0	0
Trustee's Collections - Bankruptcy	13,662	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	191,953	0	0	0	0
Interest and Penalty	53,096	0	0	0	0
Pick-up Taxes	22,557	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	0	2,250,000	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	314,946	0	0	0	0
Hotel/Motel Tax	342,316	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	486,069	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	799,348	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	353,236	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	0
Wholesale Beer Tax	320,390	0	0	0	0
Interstate Telecommunications Tax	1,556	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 13,453,492</b>	<b>\$ 2,250,000</b>	<b>\$ 0</b>	<b>\$ 353,236</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 120,906	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	1,527	0	0	0	0
Building Permits	111,172	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Other Permits	\$ 12,171	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 245,776	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 13,351	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	19,914	0	0	0	0
Drug Control Fines	0	0	1,591	0	0
Drug Court Fees	41,588	0	0	0	0
Jail Fees	937	0	0	0	0
DUI Treatment Fines	3,735	0	0	0	0
Data Entry Fee - Circuit Court	1,804	0	0	0	0
Courtroom Security Fee	367	0	0	0	0
Victims Assistance Assessments	27,661	0	0	0	0
Criminal Court					
Victims Assistance Assessments	13,831	0	0	0	0
<u>General Sessions Court</u>					
Fines	159,839	0	0	0	0
Fines for Littering	62	0	0	0	0
Officers Costs	60,490	0	0	0	0
Game and Fish Fines	1,481	0	0	0	0
Drug Control Fines	0	0	13,274	0	0
Jail Fees	29,965	0	0	0	0
DUI Treatment Fines	14,154	0	0	0	0
Data Entry Fee - General Sessions Court	61,162	0	0	0	0
Victims Assistance Assessments	13,831	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	8,815	0	0	0	0
Data Entry Fee - Chancery Court	5,648	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	29,261	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties	100	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 478,735	\$ 0	\$ 44,126	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
<u>Work Release Charges for Board Fees</u>	\$ 25,175	\$ 0	\$ 0	\$ 0	\$ 0
Subdivision Lot Fees	16,800	0	0	0	0
Recreation Fees	29,010	0	0	0	0
Copy Fees	13,787	0	0	0	0
Library Fees	19,880	0	0	0	0
Telephone Commissions	89,830	0	0	0	0
Vending Machine Collections	450	0	0	0	0
Tourism Fees	19,286	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	25,588	0	0	0	0
Data Processing Fee - Sheriff	5,666	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,275	0	0	0	0
Data Processing Fee - County Clerk	8,340	0	0	0	0
<u>Other Charges for Services</u>	29	0	0	0	0
Total Charges for Current Services	\$ 258,116	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 12,000	\$ 0	\$ 0	\$ 0
Lease/Rentals	109,998	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Other Special Revenue
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Sale of Animals/Livestock	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108,735
Miscellaneous Refunds	6,203	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	5,365	760	0	0	0
Sale of Property	65,000	0	0	0	0
Contributions and Gifts	8,069	0	0	0	10,000
<u>Other Local Revenues</u>					
Other Local Revenues	372,881	0	0	0	0
Total Other Local Revenues	\$ 567,516	\$ 12,760	\$ 0	\$ 0	\$ 118,735
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 206,530	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	77,678	0	0	0	0
Fees in-Lieu-of Salary					
Circuit Court Clerk	873,397	0	0	0	0
Register	349,153	0	0	0	0
Sheriff	50,715	0	0	0	0
Trustee	1,277,529	0	0	0	0
Total Fees Received from County Officials	\$ 2,835,002	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 14,000	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	19,807	0	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	47,400	0	0	0	0
Health and Welfare Grants					
Other Health and Welfare Grants	650,603	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue
<u>State of Tennessee (Cont.)</u>					
Public Works Grants					
Bridge Program					
Other State Revenues					
Income Tax	\$ 358,646	0	0	0	0
Beer Tax	17,778	0	0	0	0
Alcoholic Beverage Tax	97,703	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
Board of Jurors	9,340	0	0	0	0
Contracted Prisoner Boarding	732,690	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Revenues	8,885	0	0	0	0
Total State of Tennessee	\$ 1,973,232	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
Federal Through State					
Homeland Security Grants	\$ 65,260	0	0	0	0
Law Enforcement Grants	7,650	0	0	0	0
ARRA Grant # 1	115,445	0	0	0	0
ARRA Grant # 2	126,209	0	0	0	0
Direct Federal Revenue					
Asset Forfeiture Funds	0	0	30,517	0	0
ARRA Grant # 6	34,991	0	0	0	0
Other Direct Federal Revenue	33,023	0	0	0	0
Total Federal Government	\$ 382,578	\$ 0	\$ 30,517	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
Other Governments					
Prisoner Board	\$ 11,443	0	0	0	0
Contributions	1,115	0	0	0	197,840
Citizens Groups					
Donations	\$ 22,500	0	0	0	0
Other	90,903	0	0	0	0
Total Other Governments and Citizens Groups	\$ 125,961	\$ 0	\$ 0	\$ 0	\$ 197,840
Total	\$ 20,320,408	\$ 2,262,760	\$ 74,643	\$ 353,236	\$ 316,575

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects				
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	0	2,377,420	5,200,657	1,040,121	19,242,340			
Trustee's Collections - Prior Year	0	59,676	136,399	8,535	488,067			
Trustee's Collections - Bankruptcy Circuit/Clerk & Master Collections - Prior Years	0	2,950	6,616	738	23,966			
Interest and Penalty	0	41,528	90,843	18,169	342,493			
Pick-up Taxes	0	11,797	26,724	2,379	93,996			
Payments in-Lieu-of Taxes - T.V.A.	0	5,509	12,226	1,887	42,179			
Payments in-Lieu-of Taxes - Local Utilities	0	0	270,947	0	270,947			
Payments in-Lieu-of Taxes - Other	0	0	327,569	0	327,569			
<u>County Local Option Taxes</u>	0	0	259,414	0	2,509,414			
<u>Local Option Sales Tax</u>								
Hotel/Motel Tax	0	0	0	0	314,946			
Wheel Tax	0	0	0	0	342,316			
Litigation Tax - General	0	0	1,868,415	0	1,868,415			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	93,050	0	579,119			
Business Tax	0	0	381,738	0	381,738			
Mineral Severance Tax	0	0	0	0	799,348			
Adequate Facilities/Development Tax	0	77,767	0	0	77,767			
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	45,629	0	45,629			
Wholesale Beer Tax	0	0	0	0	320,390			
Interstate Telecommunications Tax	0	0	0	0	1,556			
<b>Total Local Taxes</b>	<b>0</b>	<b>2,576,647</b>	<b>8,720,227</b>	<b>1,071,829</b>	<b>28,425,431</b>			
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	0	0	0	0	120,906			
<u>Permits</u>								
Beer Permits	0	0	0	0	1,527			
Building Permits	0	0	0	0	111,172			

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects			
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Other Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,171
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 245,776
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,351
Officers Costs	0	0	0	0	0	0	19,914
Drug Control Fines	0	0	0	0	0	0	1,591
Drug Court Fees	0	0	0	0	0	0	41,588
Jail Fees	0	0	0	0	0	0	937
DUI Treatment Fines	0	0	0	0	0	0	3,735
Data Entry Fee - Circuit Court	0	0	0	0	0	0	1,804
Courtroom Security Fee	0	0	0	0	0	0	367
Victims Assistance Assessments	0	0	0	0	0	0	27,661
Criminal Court							
Victims Assistance Assessments	0	0	0	0	0	0	13,831
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	159,839
Fines for Littering	0	0	0	0	0	0	62
Officers Costs	0	0	0	0	0	0	60,490
Game and Fish Fines	0	0	0	0	0	0	1,481
Drug Control Fines	0	0	0	0	0	0	13,274
Jail Fees	0	0	0	0	0	0	29,965
DUI Treatment Fines	0	0	0	0	0	0	14,154
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	61,162
Victims Assistance Assessments	0	0	0	0	0	0	13,831
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	8,815
Data Entry Fee - Chancery Court	0	0	0	0	0	0	5,648

(Continued)



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

	Special Revenue Funds		Debt	Capital	Total
	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Sale of Animals/Livestock	\$ 0	0	0	0	108,735
Miscellaneous Refunds	0	35	0	0	6,238
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	1,641	7,766
Contributions and Gifts	0	0	0	0	65,000
<u>Other Local Revenues</u>	0	0	0	0	18,069
<u>Other Local Revenues</u>	0	0	0	0	372,881
<u>Total Other Local Revenues</u>	<u>\$ 0</u>	<u>\$ 57,045</u>	<u>\$ 800,684</u>	<u>\$ 1,641</u>	<u>\$ 1,558,381</u>
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	0	0	0	206,530
Clerk and Master	0	0	0	0	77,678
Fees in-Lieu-of Salary					
Circuit Court Clerk	0	0	0	0	873,397
Register	0	0	0	0	349,153
Sheriff	0	0	0	0	50,715
Trustee	0	0	0	0	1,277,529
<u>Total Fees Received from County Officials</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,835,002</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	0	0	0	14,000
State Reappraisal Grant	0	0	0	0	19,807
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	47,400
Health and Welfare Grants					
Other Health and Welfare Grants	0	0	0	0	650,603

(Continued)

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

	Special Revenue Funds		Debt	Capital	Total
	Constitutional Officers - Fees	Highway / Public Works	Service Fund	Projects Fund	
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Bridge Program		60,850 \$	0 \$	0 \$	60,850
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	358,646
Beer Tax	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	97,703
State Revenue Sharing - T.V.A.	0	0	800,480	0	800,480
Board of Jurors	0	0	0	0	9,340
Contracted Prisoner Boarding	0	0	0	0	732,690
Gasoline and Motor Fuel Tax	0	2,180,747	0	0	2,180,747
Petroleum Special Tax	0	55,814	0	0	55,814
Registrar's Salary Supplement	0	0	0	0	16,380
Other State Revenues	0	203,498	0	0	212,383
Total State of Tennessee	\$ 0	\$ 2,500,909	\$ 800,480	\$ 0	\$ 5,274,621
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	0	0	0	0	65,260
Law Enforcement Grants	0	0	0	0	7,650
ARRA Grant # 1	0	0	0	0	115,445
ARRA Grant # 2	0	0	0	0	126,209
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	0	0	0	0	30,517
ARRA Grant # 6	0	0	0	0	34,991
Other Direct Federal Revenue	0	178,628	0	0	211,651
Total Federal Government	\$ 0	\$ 178,628	\$ 0	\$ 0	\$ 591,723
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	0	0	0	0	11,443
Contributions	0	0	0	0	198,955
Citizens Groups					
Donations	0	0	0	0	22,500
<u>Other</u>					
Other	0	0	0	0	90,903
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 323,801
Total	\$ 811,786	\$ 5,313,229	\$ 10,321,391	\$ 1,073,470	\$ 40,847,498

Exhibit K-7

Maury County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 18,499,437	\$ 0	\$ 0	\$ 0	\$ 18,499,437
Trustee's Collections - Prior Year	530,674	0	0	0	530,674
Trustee's Collections - Bankruptcy	25,400	0	0	0	25,400
Circuit/Clerk & Master Collections - Prior Years	327,372	0	0	0	327,372
Interest and Penalty	104,912	0	0	0	104,912
Pick-up Taxes	45,672	0	0	0	45,672
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,021,836	0	0	0	10,021,836
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	6,005	0	0	0	6,005
<b>Total Local Taxes</b>	<b>\$ 29,561,308</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 29,561,308</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,710	\$ 0	\$ 0	\$ 0	\$ 5,710
<b>Total Licenses and Permits</b>	<b>\$ 5,710</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,710</b>
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 333	\$ 0	\$ 0	\$ 0	\$ 333
<u>Education Charges</u>					
Tuition - Regular Day Students	22,991	0	0	0	22,991
Tuition - Other	140	0	0	0	140
Lunch Payments - Children	0	0	1,212,409	0	1,212,409
Lunch Payments - Adults	0	0	150,946	0	150,946
Income from Breakfast	0	0	106,309	0	106,309
A la carte Sales	0	0	729,358	0	729,358
Receipts from Individual Schools	219,584	0	0	0	219,584
<u>Other Charges for Services</u>					
Other Charges for Services	107,023	0	50,622	0	157,645
<b>Total Charges for Current Services</b>	<b>\$ 350,071</b>	<b>\$ 0</b>	<b>\$ 2,249,644</b>	<b>\$ 0</b>	<b>\$ 2,599,715</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 11,368	\$ 0	\$ 11,368
Lease/Rentals	1	0	0	0	1
Sale of Materials and Supplies	4,869	0	0	0	4,869
Refund of Telecommunication & Internet Fees (E-Rate)	64,728	0	0	0	64,728
Miscellaneous Refunds	9,367	0	19,791	0	29,158
<u>Nonrecurring Items</u>					
Sale of Equipment	7,100	0	0	0	7,100
Damages Recovered from Individuals	5,078	0	0	0	5,078
Contributions and Gifts	784	0	0	0	784
<b>Total Other Local Revenues</b>	<b>\$ 91,927</b>	<b>\$ 0</b>	<b>\$ 31,159</b>	<b>\$ 0</b>	<b>\$ 123,086</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 439,563	\$ 0	\$ 0	\$ 0	\$ 439,563

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 41,474,701	\$ 0	\$ 0	\$ 0	\$ 41,474,701
Basic Education Program - ARRA	2,097,300	0	0	0	2,097,300
Early Childhood Education	930,143	0	0	0	930,143
School Food Service	0	0	56,709	0	56,709
Energy Efficient School Initiative	0	0	0	60,000	60,000
Other State Education Funds	7,870	0	0	0	7,870
Coordinated School Health - ARRA	99,968	0	0	0	99,968
Internet Connectivity - ARRA	33,065	0	0	0	33,065
Family Resource Centers - ARRA	99,900	0	0	0	99,900
Statewide Student Management System (SSMS) - ARRA	28,427	0	0	0	28,427
Career Ladder Program	536,805	0	0	0	536,805
Career Ladder - Extended Contract	208,841	0	0	0	208,841
Career Ladder - Extended Contract - ARRA	7,186	0	0	0	7,186
<u>Other State Revenues</u>					
Mixed Drink Tax	58,520	0	0	0	58,520
Safe Schools - ARRA	30,809	0	0	0	30,809
Total State of Tennessee	\$ 46,053,098	\$ 0	\$ 56,709	\$ 60,000	\$ 46,169,807
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,354,438	\$ 0	\$ 2,354,438
USDA - Commodities	0	0	294,333	0	294,333
Breakfast	0	0	758,164	0	758,164
USDA - Other	0	0	1,170	0	1,170
USDA Food Service Equipment Grant - ARRA	0	0	11,655	0	11,655
Vocational Education - Basic Grants to States	0	204,635	0	0	204,635
Title I Grants to Local Education Agencies	0	3,042,995	0	0	3,042,995
Special Education - Grants to States	106,956	3,715,651	0	0	3,822,607
Special Education Preschool Grants	0	102,705	0	0	102,705
English Language Acquisition Grants	0	45,500	0	0	45,500
Safe and Drug-free Schools - State Grants	0	48,893	0	0	48,893
Education for Homeless Children and Youth	0	50	0	0	50
Eisenhower Professional Development State Grants	0	532,470	0	0	532,470
Other Federal through State	277,291	31,476	0	0	308,767
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	103,120	0	0	0	103,120
Total Federal Government	\$ 487,367	\$ 7,724,375	\$ 3,419,760	\$ 0	\$ 11,631,502
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 2,211,306	\$ 2,211,306
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 2,211,306	\$ 2,211,306
Total	\$ 76,549,481	\$ 7,724,375	\$ 5,757,272	\$ 2,271,306	\$ 92,302,434

## Exhibit K-8

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	39,555	
Social Security		2,452	
Employer Medicare		574	
Legal Notices, Recording, and Court Costs		1,393	
Office Supplies		201	
Total County Commission			\$ 44,175

Board of Equalization

Board and Committee Members Fees	\$	1,061	
Social Security		63	
Employer Medicare		15	
Total Board of Equalization			1,139

Other Boards and Committees

Legal Services	\$	11,556	
Legal Notices, Recording, and Court Costs		802	
Postal Charges		292	
Office Supplies		105	
Other Supplies and Materials		3,127	
Total Other Boards and Committees			15,882

County Mayor/Executive

County Official/Administrative Officer	\$	86,592	
Assistant(s)		34,707	
Clerical Personnel		33,015	
Longevity Pay		850	
Social Security		9,663	
State Retirement		12,506	
Life Insurance		172	
Medical Insurance		16,007	
Dental Insurance		723	
Disability Insurance		705	
Unemployment Compensation		176	
Employer Medicare		2,260	
Communication		531	
Dues and Memberships		1,850	
Maintenance Agreements		560	
Postal Charges		6	
Printing, Stationery, and Forms		755	
Travel		290	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Office Supplies	\$	836	
Periodicals		378	
Total County Mayor/Executive			\$ 202,582

Personnel Office

County Official/Administrative Officer	\$	64,563	
Clerical Personnel		94,952	
Longevity Pay		1,350	
Social Security		9,369	
State Retirement		12,966	
Life Insurance		228	
Medical Insurance		21,266	
Dental Insurance		961	
Disability Insurance		728	
Unemployment Compensation		352	
Employer Medicare		2,191	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		277	
Maintenance Agreements		3,640	
Postal Charges		156	
Travel		782	
Other Contracted Services		276	
Office Supplies		880	
Other Charges		181	
Total Personnel Office			215,278

County Attorney

County Official/Administrative Officer	\$	62,004
Social Security		3,167
State Retirement		4,998
Life Insurance		58
Medical Insurance		5,488
Dental Insurance		246
Disability Insurance		279
Unemployment Compensation		88
Employer Medicare		741
Dues and Memberships		150
Electricity		750
Office Supplies		3,000
Other Supplies and Materials		1,250

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Indirect Cost	\$ 4,119	
Total County Attorney		\$ 86,338

Election Commission

County Official/Administrative Officer	\$ 64,998	
Clerical Personnel	56,198	
Part-time Personnel	12,116	
Longevity Pay	1,500	
Other Salaries and Wages	1,499	
Election Commission	3,300	
Social Security	8,153	
State Retirement	10,010	
Life Insurance	172	
Medical Insurance	16,007	
Dental Insurance	723	
Disability Insurance	545	
Unemployment Compensation	243	
Employer Medicare	1,907	
Communication	418	
Data Processing Services	3,600	
Dues and Memberships	250	
Legal Notices, Recording, and Court Costs	212	
Maintenance Agreements	7,482	
Maintenance and Repair Services - Buildings	1,362	
Pest Control	128	
Postal Charges	3,080	
Printing, Stationery, and Forms	493	
Travel	1,587	
Data Processing Supplies	595	
Electricity	3,339	
Natural Gas	2,180	
Office Supplies	839	
Total Election Commission		202,936

Register of Deeds

County Official/Administrative Officer	\$ 72,216
Clerical Personnel	139,607
Longevity Pay	2,050
Social Security	13,209
State Retirement	17,238

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Life Insurance	\$	316	
Medical Insurance		27,899	
Dental Insurance		1,418	
Disability Insurance		985	
Unemployment Compensation		440	
Employer Medicare		3,089	
Data Processing Services		14,807	
Dues and Memberships		669	
Maintenance Agreements		4,741	
Postal Charges		1,724	
Data Processing Supplies		497	
Office Supplies		1,864	
Data Processing Equipment		360	
Furniture and Fixtures		3,975	
Office Equipment		400	
Total Register of Deeds			\$ 307,504

Development

County Official/Administrative Officer	\$	58,596
Assistant(s)		41,621
Secretary(ies)		37,731
Clerical Personnel		31,096
Longevity Pay		4,150
Other Salaries and Wages		89,606
Social Security		16,113
State Retirement		21,182
Life Insurance		342
Medical Insurance		31,785
Dental Insurance		1,437
Disability Insurance		1,224
Unemployment Compensation		528
Employer Medicare		3,768
Communication		45
Consultants		53,325
Dues and Memberships		515
Legal Notices, Recording, and Court Costs		1,814
Maintenance Agreements		2,774
Maintenance and Repair Services - Vehicles		3,924
Postal Charges		329
Printing, Stationery, and Forms		122

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Travel	\$	1,752	
Other Contracted Services		604	
Gasoline		4,062	
Office Supplies		1,833	
Periodicals		362	
Other Charges		64	
Furniture and Fixtures		174	
Total Development			\$ 410,878

County Buildings

Supervisor/Director	\$	48,025
Custodial Personnel		79,428
Longevity Pay		6,150
Overtime Pay		2,905
Other Salaries and Wages		166,679
Social Security		18,649
State Retirement		21,849
Life Insurance		455
Medical Insurance		42,303
Dental Insurance		1,913
Disability Insurance		1,187
Unemployment Compensation		918
Employer Medicare		4,362
Communication		7,271
Laundry Service		980
Licenses		1,200
Maintenance Agreements		19,157
Maintenance and Repair Services - Buildings		29,766
Maintenance and Repair Services - Equipment		643
Maintenance and Repair Services - Vehicles		3,236
Pest Control		2,193
Postal Charges		10
Disposal Fees		7,304
Other Contracted Services		14,182
Custodial Supplies		8,584
Electricity		139,877
Equipment and Machinery Parts		34
Fertilizer, Lime, and Seed		55
Gasoline		7,595
Natural Gas		25,416

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Office Supplies	\$	17	
Other Supplies and Materials		200	
Boiler Insurance		4,382	
Building and Contents Insurance		58,166	
Total County Buildings			\$ 725,091

Other General Administration

Audit Services	\$	20,849	
Consultants		2,005	
Dues and Memberships		16,358	
Legal Services		19,629	
Maintenance and Repair Services - Vehicles		470	
Pest Control		250	
Remittance of Revenue Collected		2,242	
Other Contracted Services		1,064	
Gasoline		1,621	
Natural Gas		60	
Judgments		14,798	
Liability Insurance		178,868	
Premiums on Corporate Surety Bonds		486	
Vehicle and Equipment Insurance		74,175	
Workers' Compensation Insurance		296,068	
Other Charges		1,009	
Total Other General Administration			629,952

Preservation of Records

County Official/Administrative Officer	\$	50,568	
Assistant(s)		31,096	
Part-time Personnel		1,702	
Longevity Pay		550	
Social Security		5,144	
State Retirement		6,626	
Life Insurance		115	
Medical Insurance		10,748	
Dental Insurance		484	
Disability Insurance		373	
Unemployment Compensation		190	
Employer Medicare		1,203	
Communication		418	
Janitorial Services		1,500	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Maintenance Agreements	\$	2,598	
Postal Charges		176	
Travel		191	
Library Books/Media		354	
Office Supplies		2,116	
Periodicals		111	
Total Preservation of Records			\$ 116,263

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	58,633	
Assistant(s)		56,141	
Accountants/Bookkeepers		99,008	
Clerical Personnel		141,838	
Longevity Pay		4,100	
Social Security		22,003	
State Retirement		28,464	
Life Insurance		422	
Medical Insurance		35,327	
Dental Insurance		1,575	
Disability Insurance		1,613	
Unemployment Compensation		704	
Employer Medicare		5,146	
Dues and Memberships		75	
Legal Notices, Recording, and Court Costs		34	
Maintenance Agreements		1,499	
Postal Charges		2,240	
Travel		1,020	
Office Supplies		1,820	
Periodicals		111	
Other Supplies and Materials		45	
Total Accounting and Budgeting			461,818

Purchasing

County Official/Administrative Officer	\$	54,101
Accountants/Bookkeepers		96,304
Longevity Pay		2,400
Social Security		9,383
State Retirement		12,316
Life Insurance		172

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Medical Insurance	\$	16,007	
Dental Insurance		723	
Disability Insurance		687	
Unemployment Compensation		264	
Employer Medicare		2,194	
Dues and Memberships		60	
Legal Notices, Recording, and Court Costs		294	
Postal Charges		264	
Office Supplies		316	
Furniture and Fixtures		926	
Total Purchasing			\$ 196,411

Property Assessor's Office

County Official/Administrative Officer	\$	72,216	
Clerical Personnel		132,013	
Longevity Pay		5,300	
Other Salaries and Wages		172,091	
Social Security		23,080	
State Retirement		20,491	
Life Insurance		540	
Medical Insurance		48,936	
Dental Insurance		2,254	
Disability Insurance		1,594	
Unemployment Compensation		880	
Employer Medicare		5,398	
Audit Services		20,100	
Communication		365	
Data Processing Services		17,073	
Dues and Memberships		2,003	
Maintenance Agreements		903	
Maintenance and Repair Services - Vehicles		2,602	
Postal Charges		2,095	
Printing, Stationery, and Forms		201	
Travel		2,396	
Gasoline		2,046	
Office Supplies		5,582	
Other Charges		15	
Furniture and Fixtures		128	
Total Property Assessor's Office			540,302

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Clerical Personnel	\$	29,434	
Temporary Personnel		15,685	
Longevity Pay		1,550	
Other Salaries and Wages		68,161	
In-Service Training		1,750	
Social Security		7,228	
State Retirement		7,991	
Life Insurance		170	
Medical Insurance		15,778	
Dental Insurance		714	
Disability Insurance		442	
Unemployment Compensation		381	
Employer Medicare		1,690	
Communication		355	
Data Processing Services		10,155	
Maintenance Agreements		529	
Maintenance and Repair Services - Vehicles		910	
Postal Charges		10,524	
Printing, Stationery, and Forms		175	
Data Processing Supplies		178	
Gasoline		930	
Office Supplies		65	
Total Reappraisal Program			\$ 174,795

County Trustee's Office

County Official/Administrative Officer	\$	72,216
Clerical Personnel		129,602
Temporary Personnel		10,914
Longevity Pay		2,950
Social Security		12,966
State Retirement		16,505
Life Insurance		285
Medical Insurance		26,525
Dental Insurance		1,199
Disability Insurance		1,118
Unemployment Compensation		439
Employer Medicare		3,110
Data Processing Services		8,468
Dues and Memberships		684
Legal Notices, Recording, and Court Costs		45

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Maintenance Agreements	\$	529	
Postal Charges		9,457	
Travel		1,115	
Office Supplies		1,240	
Periodicals		99	
Total County Trustee's Office			\$ 299,466

County Clerk's Office

State Retirement	\$	39,688	
Life Insurance		822	
Medical Insurance		79,118	
Dental Insurance		3,580	
Disability Insurance		2,042	
Unemployment Compensation		1,232	
Data Processing Services		12,918	
Dues and Memberships		734	
Maintenance Agreements		1,609	
Maintenance and Repair Services - Office Equipment		106	
Postal Charges		21,590	
Printing, Stationery, and Forms		7,352	
Travel		195	
Data Processing Supplies		1,070	
Office Supplies		3,185	
Periodicals		174	
Total County Clerk's Office			175,415

Data Processing

County Official/Administrative Officer	\$	74,778	
Data Processing Personnel		113,901	
Longevity Pay		1,450	
Social Security		11,646	
State Retirement		15,324	
Life Insurance		176	
Medical Insurance		16,465	
Dental Insurance		739	
Disability Insurance		839	
Unemployment Compensation		264	
Employer Medicare		2,724	
Communication		973	
Postal Charges		129	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Travel	\$	704	
Data Processing Supplies		137	
Office Supplies		62	
Periodicals		36	
Small Tools		100	
Total Data Processing			\$ 240,447

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,216	
Clerical Personnel		489,987	
Part-time Personnel		48,483	
Longevity Pay		7,400	
Jury and Witness Expense		39,084	
Other Per Diem and Fees		17,325	
Social Security		39,080	
State Retirement		40,444	
Life Insurance		894	
Medical Insurance		83,514	
Dental Insurance		3,450	
Disability Insurance		2,499	
Unemployment Compensation		1,667	
Employer Medicare		9,140	
Data Processing Services		16,272	
Dues and Memberships		534	
Legal Notices, Recording, and Court Costs		407	
Maintenance Agreements		9,674	
Postal Charges		12,128	
Printing, Stationery, and Forms		12,937	
Travel		54	
Drug Treatment		109,118	
Office Supplies		7,878	
Periodicals		482	
Other Charges		14,080	
Furniture and Fixtures		630	
Total Circuit Court			1,039,377

General Sessions Court

Judge(s)	\$	438,012
Clerical Personnel		120,952

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Temporary Personnel	\$ 61,557	
Longevity Pay	3,000	
Overtime Pay	80	
Other Salaries and Wages	110,663	
Social Security	38,625	
State Retirement	53,256	
Life Insurance	494	
Medical Insurance	45,783	
Dental Insurance	2,063	
Disability Insurance	2,349	
Unemployment Compensation	903	
Employer Medicare	10,462	
Communication	5,493	
Dues and Memberships	275	
Licenses	1,200	
Maintenance Agreements	1,686	
Maintenance and Repair Services - Buildings	6	
Pest Control	406	
Printing, Stationery, and Forms	1,212	
Travel	2,552	
Electricity	6,463	
Office Supplies	1,253	
Periodicals	1,088	
Data Processing Equipment	36,582	
Total General Sessions Court		\$ 946,415

Chancery Court

State Retirement	\$ 21,121
Life Insurance	398
Medical Insurance	37,044
Dental Insurance	1,675
Disability Insurance	1,184
Unemployment Compensation	528
Data Processing Services	7,491
Dues and Memberships	654
Maintenance Agreements	1,048
Maintenance and Repair Services - Office Equipment	8
Postal Charges	13,413
Printing, Stationery, and Forms	4,053
Travel	384

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Office Supplies	\$ 2,983	
Periodicals	804	
Other Charges	84	
Total Chancery Court		\$ 92,872

District Attorney General

Contributions	\$ 2,500	
Medical and Dental Services	67,125	
Total District Attorney General		69,625

Courtroom Security

Other Charges	\$ 4,072	
Total Courtroom Security		4,072

Victims Assistance Programs

Contributions	\$ 25,219	
Total Victims Assistance Programs		25,219

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 79,440	
Deputy(ies)	1,992,555	
Investigator(s)	586,343	
Captain(s)	136,176	
Lieutenant(s)	221,342	
Sergeant(s)	379,205	
Dispatchers/Radio Operators	181,028	
Clerical Personnel	169,024	
Part-time Personnel	25,893	
Longevity Pay	37,200	
Overtime Pay	146,578	
In-Service Training	45,000	
Social Security	243,139	
State Retirement	304,648	
Life Insurance	4,979	
Medical Insurance	460,440	
Dental Insurance	20,485	
Disability Insurance	17,231	
Unemployment Compensation	8,319	
Employer Medicare	56,863	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Communication	\$	23,204	
Data Processing Services		51,656	
Dues and Memberships		3,790	
Legal Notices, Recording, and Court Costs		576	
Maintenance Agreements		12,462	
Maintenance and Repair Services - Equipment		562	
Maintenance and Repair Services - Vehicles		37,851	
Postal Charges		4,292	
Printing, Stationery, and Forms		1,329	
Travel		23,431	
Veterinary Services		626	
Other Contracted Services		2,555	
Animal Food and Supplies		614	
Data Processing Supplies		6,268	
Food Supplies		75	
Gasoline		196,489	
Law Enforcement Supplies		13,878	
Lubricants		6,226	
Office Supplies		7,893	
Periodicals		979	
Tires and Tubes		19,088	
Uniforms		17,036	
Vehicle Parts		35,544	
Other Charges		178	
Communication Equipment		2,079	
Data Processing Equipment		20	
Law Enforcement Equipment		10,294	
Office Equipment		176	
Other Equipment		4,515	
Total Sheriff's Department			\$ 5,599,574

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	1,350	
Total Administration of the Sexual Offender Registry			1,350

Jail

County Official/Administrative Officer	\$	3,024	
Sergeant(s)		183,052	
Maintenance Personnel		39,666	
Longevity Pay		10,400	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Overtime Pay	\$ 157,039
Other Salaries and Wages	1,626,371
In-Service Training	2,400
Social Security	123,756
State Retirement	154,089
Life Insurance	3,077
Medical Insurance	285,395
Dental Insurance	12,817
Disability Insurance	7,832
Unemployment Compensation	5,482
Employer Medicare	28,943
Communication	1,669
Contracts with Government Agencies	17,781
Laundry Service	64
Maintenance Agreements	14,897
Maintenance and Repair Services - Buildings	41,835
Maintenance and Repair Services - Equipment	47
Maintenance and Repair Services - Vehicles	1,933
Medical and Dental Services	383,532
Pest Control	2,397
Postal Charges	5,111
Printing, Stationery, and Forms	4,761
Travel	3,925
Disposal Fees	2,025
Other Contracted Services	4,317
Custodial Supplies	30,893
Drugs and Medical Supplies	183,908
Electricity	163,609
Food Supplies	269,019
Gasoline	21,768
Law Enforcement Supplies	776
Lubricants	704
Natural Gas	50,766
Periodicals	1,279
Prisoners Clothing	8,372
Tires and Tubes	1,356
Uniforms	5,245
Vehicle Parts	3,087
Other Supplies and Materials	876
Other Charges	614

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Communication Equipment	\$	1,800	
Food Service Equipment		764	
Other Equipment		1,215	
Total Jail			\$ 3,873,688

Juvenile Services

Assistant(s)	\$	27,209	
Probation Officer(s)		30,410	
Youth Service Officer(s)		28,379	
Longevity Pay		1,150	
Social Security		5,340	
State Retirement		4,684	
Life Insurance		145	
Medical Insurance		13,541	
Dental Insurance		610	
Disability Insurance		403	
Unemployment Compensation		244	
Employer Medicare		1,249	
Communication		334	
Dues and Memberships		60	
Postal Charges		44	
Printing, Stationery, and Forms		26	
Travel		5,299	
Other Contracted Services		187,229	
Office Supplies		203	
Office Equipment		401	
Total Juvenile Services			306,960

Civil Defense

Contributions	\$	150,666	
Vehicle and Equipment Insurance		31,749	
Communication Equipment		34,717	
Other Equipment		9,211	
Total Civil Defense			226,343

Other Emergency Management

Clerical Personnel	\$	36,644	
Social Security		2,206	
State Retirement		2,954	
Life Insurance		58	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Medical Insurance	\$	5,488	
Dental Insurance		246	
Disability Insurance		157	
Unemployment Compensation		88	
Employer Medicare		516	
Communication		7,538	
Consultants		948	
Dues and Memberships		100	
Maintenance Agreements		741	
Maintenance and Repair Services - Equipment		2,220	
Maintenance and Repair Services - Vehicles		3,257	
Postal Charges		84	
Printing, Stationery, and Forms		1,763	
Travel		1,607	
Other Contracted Services		897	
Gasoline		3,622	
Instructional Supplies and Materials		2,764	
Office Supplies		963	
Small Tools		2,321	
Tires and Tubes		1,245	
Uniforms		1,345	
Vehicle Parts		1,453	
Chemicals		6,430	
Other Supplies and Materials		67,049	
Vehicle and Equipment Insurance		9,437	
Other Charges		4,774	
Other Equipment		58,531	
Total Other Emergency Management			\$ 227,446

Public Safety Grant Programs

Uniforms	\$	722	
Law Enforcement Equipment		16,114	
Total Public Safety Grant Programs			16,836

Public Health and Welfare

Local Health Center

Medical Personnel	\$	376,890	
Clerical Personnel		99,422	
Part-time Personnel		29,266	
Longevity Pay		2,150	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Social Security	\$	31,072	
State Retirement		34,071	
Life Insurance		900	
Medical Insurance		84,116	
Dental Insurance		3,782	
Disability Insurance		1,832	
Unemployment Compensation		1,894	
Employer Medicare		7,267	
Communication		9,638	
Dues and Memberships		200	
Janitorial Services		31,200	
Licenses		205	
Maintenance Agreements		4,533	
Maintenance and Repair Services - Buildings		8,042	
Maintenance and Repair Services - Equipment		1,262	
Medical and Dental Services		1,035	
Pest Control		561	
Postal Charges		15	
Printing, Stationery, and Forms		829	
Travel		7,637	
Other Contracted Services		4,597	
Electricity		33,789	
Natural Gas		14,737	
Office Supplies		2,272	
Other Supplies and Materials		3,256	
Liability Insurance		799	
Workers' Compensation Insurance		7,948	
Other Charges		120	
Total Local Health Center			\$ 805,337

Rabies and Animal Control

Longevity Pay	\$	800
Other Salaries and Wages		68,598
Social Security		4,141
State Retirement		2,655
Life Insurance		113
Medical Insurance		10,519
Dental Insurance		476
Disability Insurance		411
Unemployment Compensation		197

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Employer Medicare	\$	969	
Advertising		425	
Communication		1,224	
Licenses		100	
Maintenance and Repair Services - Vehicles		1,755	
Travel		506	
Gasoline		<u>5,273</u>	
Total Rabies and Animal Control	\$		98,162

Appropriation to State

Contracts with Government Agencies	\$	<u>87,375</u>	
Total Appropriation to State			87,375

Other Local Welfare Services

Other Contracted Services	\$	<u>10,864</u>	
Total Other Local Welfare Services			10,864

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	<u>35,640</u>	
Total Senior Citizens Assistance			35,640

Libraries

County Official/Administrative Officer	\$	46,470	
Librarians		242,276	
Part-time Personnel		49,078	
Longevity Pay		4,500	
Social Security		20,767	
State Retirement		23,636	
Life Insurance		570	
Medical Insurance		53,051	
Dental Insurance		2,331	
Disability Insurance		1,311	
Unemployment Compensation		1,231	
Employer Medicare		4,857	
Communication		1,557	
Janitorial Services		8,418	
Licenses		475	
Maintenance Agreements		9,254	
Maintenance and Repair Services - Buildings		5,300	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Pest Control	\$	646	
Postal Charges		596	
Other Contracted Services		234	
Custodial Supplies		3,044	
Electricity		22,539	
Library Books/Media		40,054	
Natural Gas		5,467	
Office Supplies		5,149	
Periodicals		5,611	
Other Capital Outlay		16,937	
Total Libraries			\$ 575,359

Parks and Fair Boards

County Official/Administrative Officer	\$	63,552
Assistant(s)		76,206
Laborers		149,711
Clerical Personnel		22,877
Temporary Personnel		53,806
Longevity Pay		2,950
Overtime Pay		2,737
Social Security		23,022
State Retirement		24,848
Life Insurance		515
Medical Insurance		48,020
Dental Insurance		2,168
Disability Insurance		1,379
Unemployment Compensation		1,242
Employer Medicare		5,384
Communication		1,299
Laundry Service		3,439
Licenses		500
Maintenance Agreements		576
Maintenance and Repair Services - Buildings		67
Maintenance and Repair Services - Equipment		2,749
Maintenance and Repair Services - Vehicles		4,901
Pest Control		646
Postal Charges		200
Rentals		165
Travel		338
Other Contracted Services		26,100

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Custodial Supplies	\$	6,498	
Electricity		68,639	
Equipment Parts - Light		2,854	
Fertilizer, Lime, and Seed		7,546	
Gasoline		12,642	
Lubricants		1,122	
Natural Gas		8,615	
Office Supplies		342	
Uniforms		575	
Other Supplies and Materials		14,764	
Furniture and Fixtures		130	
Site Development		2,396	
Other Capital Outlay		2,270	
Total Parks and Fair Boards			\$ 647,790

Agriculture and Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	400	
Social Security		25	
Employer Medicare		6	
Contracts with Government Agencies		113,601	
Dues and Memberships		290	
Maintenance Agreements		248	
Postal Charges		176	
Travel		1,839	
Office Supplies		1,070	
Total Agriculture Extension Service			117,655

Forest Service

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

Soil Conservation

Longevity Pay	\$	1,000	
Other Salaries and Wages		34,258	
Social Security		2,141	
State Retirement		2,842	
Life Insurance		57	
Medical Insurance		5,259	
Dental Insurance		238	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Disability Insurance	\$	156	
Unemployment Compensation		88	
Employer Medicare		501	
Total Soil Conservation			\$ 46,540

Other Operations

Tourism

County Official/Administrative Officer	\$	55,765	
Part-time Personnel		20,695	
Longevity Pay		950	
Other Salaries and Wages		71,463	
Social Security		9,195	
State Retirement		10,331	
Life Insurance		172	
Medical Insurance		10,748	
Dental Insurance		723	
Disability Insurance		592	
Unemployment Compensation		420	
Employer Medicare		2,150	
Advertising		81,752	
Communication		481	
Dues and Memberships		2,035	
Maintenance Agreements		475	
Maintenance and Repair Services - Vehicles		709	
Postal Charges		2,414	
Printing, Stationery, and Forms		8,724	
Rentals		101	
Travel		8,023	
Other Contracted Services		61,480	
Electricity		1,449	
Gasoline		489	
Office Supplies		2,219	
Periodicals		139	
Other Supplies and Materials		7,487	
Other Charges		3,236	
Total Tourism			364,417

Industrial Development

Contributions	\$	174,190	
Electricity		1,063	
Total Industrial Development			175,253

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Travel	\$	200	
Other Contracted Services		2,335	
Other Charges		780	
Total Other Economic and Community Development			\$ 3,315

Airport

Contributions	\$	39,600	
Total Airport			39,600

Veterans' Services

Clerical Personnel	\$	31,468	
Part-time Personnel		18,870	
Longevity Pay		950	
Social Security		3,180	
State Retirement		2,613	
Life Insurance		57	
Medical Insurance		5,259	
Dental Insurance		238	
Disability Insurance		144	
Unemployment Compensation		176	
Employer Medicare		744	
Maintenance Agreements		966	
Postal Charges		596	
Printing, Stationery, and Forms		20	
Travel		463	
Office Supplies		396	
Total Veterans' Services			66,140

Contributions to Other Agencies

Contributions	\$	72,173	
Total Contributions to Other Agencies			72,173

Employee Benefits

Medical and Dental Services	\$	10,811	
Other Supplies and Materials		5,112	
Total Employee Benefits			15,923

ARRA Grant # 1

Other Contracted Services	\$	47,300	
Total ARRA Grant # 1			47,300

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 2

Motor Vehicles	\$ 126,209	
Total ARRA Grant # 2		\$ 126,209

ARRA Grant # 6

Maintenance and Repair Services - Buildings	\$ 35,715	
Total ARRA Grant # 6		35,715

Miscellaneous

Other Contracted Services	\$ 28,800	
Trustee's Commission	258,844	
Tax Relief Program	<u>136,541</u>	
Total Miscellaneous		424,185

Principal on Debt

General Government

Principal on Notes	\$ 128,079	
Total General Government		128,079

Interest on Debt

General Government

Interest on Notes	\$ 23,055	
Total General Government		<u>23,055</u>

Total General Fund		\$ 21,424,535
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Special Purpose Fund

Finance

Data Processing

Communication	\$ 85,576	
Data Processing Services	22,533	
Maintenance Agreements	24,283	
Maintenance and Repair Services - Equipment	25	
Postal Charges	68	
Data Processing Supplies	7,499	
Small Tools	86	
Data Processing Equipment	65,481	
Other Capital Outlay	<u>1,826</u>	
Total Data Processing		\$ 207,377

(Continued)

Exhibit K-8

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

Special Purpose Fund (Cont.)

Social, Cultural, and Recreational Services

Parks and Fair Boards

Other Capital Outlay	\$ 27,787	
Total Parks and Fair Boards		\$ 27,787

Other Operations

Contributions to Other Agencies

Contributions	\$ 30,000	
Total Contributions to Other Agencies		30,000

Payments to Cities

Contracts with Government Agencies	\$ 250,000	
Total Payments to Cities		250,000

Miscellaneous

Trustee's Commission	\$ 22,620	
Total Miscellaneous		22,620

Operation of Non-Instructional Services

Early Childhood Education

Instructional Supplies and Materials	\$ 105,980	
Total Early Childhood Education		105,980

Principal on Debt

Education

Principal on Capital Leases	\$ 273,197	
Total Education		273,197

Interest on Debt

Education

Interest on Capital Leases	\$ 14,984	
Total Education		14,984

Capital Projects

General Administration Projects

Other Capital Outlay	\$ 7,587	
Total General Administration Projects		<u>7,587</u>

Total Special Purpose Fund		\$ 939,532
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(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	6,053	
Contributions		5,441	
Data Processing Services		600	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		530	
Maintenance and Repair Services - Vehicles		3,022	
Postal Charges		100	
Printing, Stationery, and Forms		387	
Rentals		18,200	
Travel		2,887	
Data Processing Supplies		230	
Electricity		7,727	
Gasoline		10,186	
Instructional Supplies and Materials		6,386	
Law Enforcement Supplies		102	
Lubricants		19	
Office Supplies		169	
Tires and Tubes		567	
Uniforms		1,000	
Vehicle Parts		232	
Trustee's Commission		422	
Other Charges		2,032	
Law Enforcement Equipment		1,631	
Motor Vehicles		1,175	
Office Equipment		469	
Total Drug Enforcement		<u>77,567</u>	\$ 77,567

Other Operations

Miscellaneous

Trustee's Commission	\$	22	
Total Miscellaneous		<u>22</u>	<u>22</u>

Total Drug Control Fund \$ 77,589

Adequate Facilities/Development Tax Fund

Capital Projects

Other General Government Projects

Other Charges	\$	14,850	
Total Other General Government Projects		<u>14,850</u>	\$ 14,850

(Continued)

Exhibit K-8

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

Adequate Facilities/Development Tax Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects

Highway Construction	\$ 21,389	
Total Highway and Street Capital Projects		\$ 21,389

Total Adequate Facilities/Development Tax Fund \$ 36,239

Other Special Revenue Fund

Public Health and Welfare

Rabies and Animal Control

County Official/Administrative Officer	\$ 33,450
Part-time Personnel	62,199
Overtime Pay	20
Other Salaries and Wages	134,537
Social Security	14,236
State Retirement	13,506
Life Insurance	361
Medical Insurance	33,060
Dental Insurance	1,502
Disability Insurance	614
Unemployment Compensation	1,120
Employer Medicare	3,329
Communication	343
Licenses	470
Maintenance Agreements	1,500
Maintenance and Repair Services - Buildings	1,242
Maintenance and Repair Services - Equipment	246
Maintenance and Repair Services - Vehicles	453
Medical and Dental Services	280
Postal Charges	132
Printing, Stationery, and Forms	1,246
Rentals	60
Travel	150
Veterinary Services	24,660
Disposal Fees	3,382
Custodial Supplies	5,408
Drugs and Medical Supplies	27,466
Electricity	24,007
Gasoline	1,271
Natural Gas	18,455
Office Supplies	1,095
Other Supplies and Materials	20,981

(Continued)

Exhibit K-8

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

Other Special Revenue Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Building and Contents Insurance	\$	321	
Refunds		14,194	
Vehicle and Equipment Insurance		589	
Workers' Compensation Insurance		11,760	
Other Charges		32	
Total Rabies and Animal Control		<u>          </u>	\$ 457,677

Total Other Special Revenue Fund \$ 457,677

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	13	
Total Register of Deeds		<u>          </u>	\$ 13

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	529,343	
Total County Clerk's Office		<u>          </u>	529,343

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,110	
Constitutional Officers' Operating Expenses		281,726	
Total Chancery Court		<u>          </u>	283,836

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	104	
Total Sheriff's Department		<u>          </u>	104

Total Constitutional Officers - Fees Fund 813,296

Highway/Public Works Fund

Other Operations

ARRA Grant # 6

Maintenance and Repair Services - Buildings	\$	1,760	
Total ARRA Grant # 6		<u>          </u>	\$ 1,760

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways

Administration

County Official/Administrative Officer	\$	79,440	
Purchasing Personnel		34,258	
Longevity Pay		1,150	
Other Salaries and Wages		50,565	
Social Security		10,277	
State Retirement		13,332	
Life Insurance		167	
Medical Insurance		15,575	
Dental Insurance		704	
Disability Insurance		773	
Unemployment Compensation		160	
Employer Medicare		2,403	
Dues and Memberships		3,758	
Maintenance Agreements		765	
Maintenance and Repair Services - Office Equipment		4,167	
Postal Charges		187	
Printing, Stationery, and Forms		409	
Travel		517	
Office Supplies		1,529	
Other Charges		150	
Furniture and Fixtures		2,871	
Office Equipment		4,314	
Total Administration			\$ 227,471

Highway and Bridge Maintenance

Foremen	\$	65,994
Mechanic(s)		228,195
Equipment Operators - Heavy		392,852
Equipment Operators - Light		268,219
Truck Drivers		355,337
Laborers		73,639
Guards		62,192
Longevity Pay		26,050
Overtime Pay		38,792
Other Salaries and Wages		129,148
Social Security		99,822
State Retirement		124,789
Life Insurance		2,520
Medical Insurance		239,227
Dental Insurance		10,536

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Disability Insurance	\$	7,152	
Unemployment Compensation		4,399	
Employer Medicare		23,346	
Advertising		45	
Rentals		1,517	
Other Contracted Services		6,563	
Asphalt		356,807	
Concrete		34,273	
Crushed Stone		753,204	
Fertilizer, Lime, and Seed		842	
Other Road Supplies		3,417	
Pipe		52,618	
Road Signs		40,527	
Salt		20,253	
Wood Products		1,917	
Total Highway and Bridge Maintenance			\$ 3,424,192

Operation and Maintenance of Equipment

Communication	\$	3,158	
Maintenance and Repair Services - Buildings		2,058	
Maintenance and Repair Services - Equipment		13,151	
Maintenance and Repair Services - Vehicles		17,366	
Other Contracted Services		18,979	
Custodial Supplies		1,625	
Diesel Fuel		290,216	
Drugs and Medical Supplies		872	
Equipment and Machinery Parts		113,960	
Garage Supplies		7,662	
Gasoline		33,760	
Lubricants		23,739	
Small Tools		11,829	
Tires and Tubes		47,550	
Vehicle Parts		82,046	
Other Supplies and Materials		20,407	
Right-of-Way		3,718	
Total Operation and Maintenance of Equipment			692,096

Other Charges

Communication	\$	654	
Contributions		20,000	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Laundry Service	\$ 12,220	
Pest Control	459	
Disposal Fees	99	
Electricity	12,226	
Natural Gas	2,644	
Building and Contents Insurance	1,928	
Liability Insurance	60,440	
Trustee's Commission	72,440	
Vehicle and Equipment Insurance	31,789	
Workers' Compensation Insurance	164,407	
Total Other Charges		\$ 379,306

Employee Benefits

Medical and Dental Services	\$ 1,681	
Total Employee Benefits		1,681

Capital Outlay

Bridge Construction	\$ 72,661	
Highway Construction	258,591	
Motor Vehicles	23,945	
Total Capital Outlay		355,197

Capital Projects

Highway and Street Capital Projects

Bridge Construction	\$ 7,400	
Other Capital Outlay	63,230	
Total Highway and Street Capital Projects		70,630

Total Highway/Public Works Fund \$ 5,152,333

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 795,471	
Principal on Notes	570,536	
Total General Government		\$ 1,366,007

Highways and Streets

Principal on Bonds	\$ 228,762	
Principal on Notes	370,620	
Total Highways and Streets		599,382

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 3,980,767	
Principal on Notes	1,272,844	
Total Education		\$ 5,253,611

Interest on Debt

General Government

Interest on Bonds	\$ 339,276	
Interest on Notes	367,535	
Total General Government		706,811

Highways and Streets

Interest on Bonds	\$ 22,644	
Interest on Notes	22,436	
Total Highways and Streets		45,080

Education

Interest on Bonds	\$ 2,276,438	
Interest on Notes	388,235	
Total Education		2,664,673

Other Debt Service

General Government

Bank Charges	\$ 2,510	
Trustee's Commission	153,084	
Total General Government		155,594

Total General Debt Service Fund \$ 10,791,158

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Architects	\$ 376,096	
Total Administration of Justice Projects		\$ 376,096

Public Health and Welfare Projects

Building Construction	\$ 32,743	
Other Capital Outlay	3,410	
Total Public Health and Welfare Projects		36,153

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Other General Government Projects</u>		
Contracts with Private Agencies	\$ 25,341	
Total Other General Government Projects		\$ 25,341
 <u>Education Capital Projects</u>		
Contributions	\$ 2,211,306	
Total Education Capital Projects		<u>2,211,306</u>
Total General Capital Projects Fund		\$ 2,648,896
 <u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Highway Construction	\$ 114	
Total Highway and Street Capital Projects		<u>\$ 114</u>
Total Highway Capital Projects Fund		114
 <u>Other Capital Projects Fund</u>		
<u>Public Safety</u>		
<u>Civil Defense</u>		
Contributions	\$ 7,400	
Total Civil Defense		\$ 7,400
 <u>Other Operations</u>		
<u>Other Charges</u>		
Other Charges	\$ 528	
Total Other Charges		528
 <u>Miscellaneous</u>		
Trustee's Commission	\$ 21,170	
Total Miscellaneous		21,170
 <u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Highway Construction	\$ 499,066	
Total Highway and Street Capital Projects		499,066
 <u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Motor Vehicles	\$ 934,800	
Total Capital Projects Donated to School Department		<u>934,800</u>
Total Other Capital Projects Fund		<u>1,462,964</u>
Total Governmental Funds - Primary Government		<u>\$ 43,804,333</u>

Exhibit K-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,394,015	
Career Ladder Program	318,289	
Career Ladder Extended Contracts	128,825	
Homebound Teachers	59,038	
Educational Assistants	388,016	
Other Salaries and Wages	492,939	
Certified Substitute Teachers	28,662	
Non-certified Substitute Teachers	438,551	
Social Security	1,690,336	
State Retirement	1,776,049	
Life Insurance	52,259	
Medical Insurance	3,992,119	
Dental Insurance	132,957	
Employer Medicare	394,218	
Operating Lease Payments	4,200	
Maintenance and Repair Services - Equipment	1,509	
Other Contracted Services	173,418	
Instructional Supplies and Materials	300,713	
Textbooks	536,413	
Other Supplies and Materials	13,425	
Fee Waivers	91,653	
Regular Instruction Equipment	558,059	
Total Regular Instruction Program		\$ 37,965,663

Alternative Instruction Program

Teachers	\$ 243,336	
Career Ladder Program	1,165	
Educational Assistants	61,128	
Non-certified Substitute Teachers	5,880	
Social Security	18,654	
State Retirement	20,292	
Life Insurance	784	
Medical Insurance	60,547	
Dental Insurance	2,335	
Employer Medicare	4,363	
Other Contracted Services	5,569	
Instructional Supplies and Materials	1,000	
Total Alternative Instruction Program		425,053

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)  
Instruction (Cont.)

Special Education Program

Teachers	\$ 3,733,372	
Career Ladder Program	41,731	
Homebound Teachers	54,030	
Educational Assistants	683,384	
Speech Pathologist	625,272	
Other Salaries and Wages	40,522	
Non-certified Substitute Teachers	1,080	
Social Security	309,452	
State Retirement	339,295	
Life Insurance	12,480	
Medical Insurance	871,387	
Dental Insurance	32,240	
Employer Medicare	72,373	
Contracts with Private Agencies	137,600	
Maintenance and Repair Services - Equipment	1,600	
Other Contracted Services	124,432	
Instructional Supplies and Materials	46,940	
Textbooks	49,832	
Other Supplies and Materials	4,929	
Special Education Equipment	20,420	
Total Special Education Program		\$ 7,202,371

Vocational Education Program

Teachers	\$ 1,942,087
Career Ladder Program	17,510
Certified Substitute Teachers	540
Non-certified Substitute Teachers	5,600
Social Security	116,742
State Retirement	125,477
Life Insurance	3,535
Medical Insurance	272,387
Dental Insurance	8,846
Employer Medicare	27,385
Maintenance and Repair Services - Equipment	8,923
Other Contracted Services	15,241
Instructional Supplies and Materials	55,782
Textbooks	56,293
Other Supplies and Materials	2,737
Other Charges	1,420

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Vocational Instruction Equipment	\$ 21,543	
Total Vocational Education Program		\$ 2,682,048

Support Services

Attendance

Supervisor/Director	\$ 75,830	
Career Ladder Program	1,000	
Social Workers	30,082	
Clerical Personnel	96,829	
Other Salaries and Wages	134,689	
Social Security	20,649	
State Retirement	23,180	
Life Insurance	875	
Medical Insurance	50,529	
Dental Insurance	2,311	
Employer Medicare	4,829	
Communication	1,113	
Travel	4,545	
Other Contracted Services	2,208	
Other Supplies and Materials	15,358	
In Service/Staff Development	2,279	
Other Charges	3,544	
Attendance Equipment	1,536	
Total Attendance		471,386

Health Services

Medical Personnel	\$ 192,761
Secretary(ies)	21,780
Other Salaries and Wages	53,663
Social Security	16,543
State Retirement	20,719
Life Insurance	588
Medical Insurance	38,365
Dental Insurance	1,176
Employer Medicare	3,869
Communication	2,610
Travel	11,846
Drugs and Medical Supplies	3,531
Other Supplies and Materials	736

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

In Service/Staff Development	\$	750	
Health Equipment		882	
Total Health Services			\$ 369,819

Other Student Support

Career Ladder Program	\$	14,998	
Guidance Personnel		1,311,253	
Social Security		80,114	
State Retirement		85,240	
Life Insurance		2,261	
Medical Insurance		166,862	
Dental Insurance		5,933	
Employer Medicare		18,737	
Evaluation and Testing		33,745	
Travel		816	
Other Supplies and Materials		5,400	
Total Other Student Support			1,725,359

Regular Instruction Program

Supervisor/Director	\$	333,939	
Career Ladder Program		32,000	
Career Ladder Extended Contracts		2,600	
Librarians		1,007,406	
Secretary(ies)		30,376	
Clerical Personnel		41,384	
Educational Assistants		59,540	
Other Salaries and Wages		47,840	
Social Security		93,673	
State Retirement		99,887	
Life Insurance		2,618	
Medical Insurance		198,379	
Dental Insurance		6,986	
Employer Medicare		21,908	
Communication		41,851	
Operating Lease Payments		30,985	
Travel		43,875	
Other Contracted Services		283,207	
Library Books/Media		80,840	
Periodicals		46,243	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	14,140	
In Service/Staff Development		38,456	
Other Charges		10,450	
Other Equipment		7,509	
Total Regular Instruction Program			\$ 2,576,092

Alternative Instruction Program

Supervisor/Director	\$	52,735	
Guidance Personnel		27,620	
Clerical Personnel		15,077	
Social Security		5,904	
State Retirement		6,827	
Life Insurance		217	
Medical Insurance		16,720	
Dental Insurance		687	
Employer Medicare		1,381	
Communication		2,187	
Travel		658	
Other Contracted Services		1,650	
Other Supplies and Materials		820	
In Service/Staff Development		124	
Other Equipment		375	
Total Alternative Instruction Program			132,982

Special Education Program

Supervisor/Director	\$	66,021	
Career Ladder Program		8,849	
Psychological Personnel		316,750	
Assessment Personnel		168,166	
Secretary(ies)		30,576	
Clerical Personnel		15,290	
Other Salaries and Wages		64,009	
Social Security		40,239	
State Retirement		43,744	
Life Insurance		1,092	
Medical Insurance		86,619	
Dental Insurance		2,729	
Employer Medicare		9,410	
Communication		2,594	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Operating Lease Payments	\$	1,687	
Travel		35,787	
Other Supplies and Materials		9,785	
In Service/Staff Development		11,176	
Other Charges		1,524	
Other Equipment		2,963	
Total Special Education Program			\$ 919,010

Vocational Education Program

Supervisor/Director	\$	70,510	
Career Ladder Program		4,000	
Clerical Personnel		24,108	
Social Security		6,114	
State Retirement		6,727	
Life Insurance		147	
Medical Insurance		9,522	
Dental Insurance		433	
Employer Medicare		1,430	
Communication		372	
Travel		6,891	
Other Supplies and Materials		3,451	
In Service/Staff Development		936	
Other Charges		1,458	
Other Equipment		2,806	
Total Vocational Education Program			138,905

Other Programs

On-Behalf Payments to OPEB	\$	439,563	
Total Other Programs			439,563

Board of Education

Secretary to Board	\$	3,865	
Board and Committee Members Fees		11,025	
Social Security		14,435	
State Retirement		307	
Unemployment Compensation		118,347	
Employer Medicare		3,376	
Other Fringe Benefits		1,040,612	
Audit Services		20,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Dues and Memberships	\$	8,186	
Legal Services		39,837	
Travel		1,262	
Liability Insurance		17,875	
Trustee's Commission		611,924	
Workers' Compensation Insurance		395,503	
In Service/Staff Development		3,980	
Other Charges		954	
Total Board of Education			\$ 2,291,488

Director of Schools

County Official/Administrative Officer	\$	120,995	
Career Ladder Program		1,000	
Secretary(ies)		29,938	
Other Salaries and Wages		64,074	
Social Security		12,517	
State Retirement		14,307	
Life Insurance		256	
Medical Insurance		20,565	
Dental Insurance		738	
Employer Medicare		3,115	
Communication		2,483	
Dues and Memberships		6,907	
Postal Charges		12,377	
Travel		3,971	
Office Supplies		1,354	
Other Supplies and Materials		127	
In Service/Staff Development		560	
Other Charges		1,899	
Administration Equipment		833	
Total Director of Schools			298,016

Office of the Principal

Principals	\$	1,561,573	
Career Ladder Program		39,364	
Career Ladder Extended Contracts		6,974	
Assistant Principals		1,197,618	
Secretary(ies)		567,006	
Clerical Personnel		630,725	
Social Security		241,408	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

State Retirement	\$	269,078	
Life Insurance		7,847	
Medical Insurance		543,112	
Dental Insurance		19,604	
Employer Medicare		56,461	
Communication		112,454	
Other Contracted Services		212,547	
Office Supplies		23,352	
Total Office of the Principal			\$ 5,489,123

Fiscal Services

Supervisor/Director	\$	74,368	
Accountants/Bookkeepers		229,084	
Purchasing Personnel		33,092	
Clerical Personnel		30,676	
Social Security		22,540	
State Retirement		29,598	
Life Insurance		833	
Medical Insurance		53,518	
Dental Insurance		2,371	
Employer Medicare		5,272	
Maintenance and Repair Services - Equipment		749	
Travel		4,003	
Other Contracted Services		13,746	
Office Supplies		14,405	
In Service/Staff Development		1,964	
Other Charges		5,103	
Administration Equipment		11,922	
Total Fiscal Services			533,244

Human Services/Personnel

Supervisor/Director	\$	82,264
Clerical Personnel		86,389
Social Security		10,329
State Retirement		12,244
Life Insurance		322
Medical Insurance		20,733
Dental Insurance		941
Employer Medicare		2,416

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Human Services/Personnel (Cont.)

Advertising	\$	790	
Communication		771	
Travel		1,186	
Other Contracted Services		7,882	
Office Supplies		2,645	
In Service/Staff Development		550	
Other Charges		4,928	
Administration Equipment		1,931	
Total Human Services/Personnel			\$ 236,321

Operation of Plant

Supervisor/Director	\$	52,000	
Custodial Personnel		1,348,959	
Social Security		85,805	
State Retirement		92,180	
Life Insurance		6,286	
Medical Insurance		390,366	
Dental Insurance		17,097	
Employer Medicare		20,067	
Communication		421	
Janitorial Services		98,795	
Travel		365	
Disposal Fees		40,899	
Other Contracted Services		83,359	
Custodial Supplies		109,238	
Electricity		2,056,743	
Natural Gas		570,466	
Water and Sewer		206,290	
Other Supplies and Materials		2,657	
Building and Contents Insurance		235,093	
In Service/Staff Development		60	
Total Operation of Plant			5,417,146

Maintenance of Plant

Secretary(ies)	\$	27,644	
Maintenance Personnel		569,401	
Social Security		36,647	
State Retirement		47,397	
Life Insurance		1,721	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Maintenance of Plant (Cont.)

Medical Insurance	\$	105,554	
Dental Insurance		4,469	
Employer Medicare		8,570	
Communication		6,484	
Laundry Service		19,527	
Maintenance and Repair Services - Buildings		13,066	
Maintenance and Repair Services - Equipment		56,567	
Maintenance and Repair Services - Vehicles		11,346	
Travel		324	
Other Contracted Services		16,959	
Other Supplies and Materials		183,586	
Maintenance Equipment		39,972	
Total Maintenance of Plant			\$ 1,149,234

Transportation

Supervisor/Director	\$	80,130	
Bus Drivers		1,238,884	
Clerical Personnel		53,456	
Other Salaries and Wages		198,976	
Social Security		95,426	
State Retirement		109,242	
Life Insurance		9,274	
Medical Insurance		573,181	
Dental Insurance		25,178	
Employer Medicare		22,319	
Communication		2,339	
Operating Lease Payments		1,435	
Maintenance and Repair Services - Vehicles		1,578	
Travel		478	
Other Contracted Services		238,866	
Diesel Fuel		446,511	
Tires and Tubes		107,964	
Vehicle Parts		153,165	
Other Supplies and Materials		1,868	
Vehicle and Equipment Insurance		98,564	
In Service/Staff Development		2,659	
Other Charges		26,362	
Transportation Equipment		13,781	
Total Transportation			3,501,636

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other

Supervisor/Director	\$	66,500	
Other Salaries and Wages		300,062	
Social Security		21,609	
State Retirement		29,542	
Life Insurance		665	
Medical Insurance		43,172	
Dental Insurance		1,902	
Employer Medicare		5,054	
Communication		4,817	
Maintenance and Repair Services - Equipment		2,546	
Travel		2,724	
Other Contracted Services		82,675	
Office Supplies		468	
Other Supplies and Materials		9,727	
In Service/Staff Development		7,236	
Administration Equipment		2,192	
Data Processing Equipment		270,124	
Total Central and Other			\$ 851,015

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	529,374	
Educational Assistants		215,840	
Certified Substitute Teachers		5,940	
Social Security		45,251	
State Retirement		50,207	
Life Insurance		2,282	
Medical Insurance		141,804	
Dental Insurance		6,395	
Employer Medicare		10,561	
Travel		1,045	
Instructional Supplies and Materials		11,528	
Other Supplies and Materials		2,067	
In Service/Staff Development		6,514	
Other Equipment		8,457	
Total Early Childhood Education			1,037,265

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Principal on Debt

Education

Principal on Notes	\$ 69,227	
Principal on Capital Leases	216,964	
Total Education		\$ 286,191

Interest on Debt

Education

Interest on Notes	\$ 11,026	
Interest on Capital Leases	57,316	
Total Education		68,342

Total General Purpose School Fund \$ 76,207,272

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 915,920	
Educational Assistants	288,917	
Certified Substitute Teachers	2,340	
Social Security	73,482	
State Retirement	62,547	
Life Insurance	1,453	
Medical Insurance	93,481	
Dental Insurance	3,393	
Unemployment Compensation	5,076	
Employer Medicare	17,147	
Instructional Supplies and Materials	413,400	
Other Supplies and Materials	34,818	
Regular Instruction Equipment	61,293	
Total Regular Instruction Program		\$ 1,973,267

Special Education Program

Teachers	\$ 288,153
Educational Assistants	889,957
Other Salaries and Wages	9,289
Certified Substitute Teachers	205
Non-certified Substitute Teachers	30,856
Social Security	68,267
State Retirement	81,934
Life Insurance	5,957

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	350,272	
Dental Insurance		15,240	
Unemployment Compensation		7,574	
Employer Medicare		17,339	
Contracts with Private Agencies		6,298	
Maintenance and Repair Services - Equipment		2,539	
Other Contracted Services		195,155	
Instructional Supplies and Materials		104,081	
Other Supplies and Materials		79,389	
Special Education Equipment		90,937	
Total Special Education Program			\$ 2,243,442

Vocational Education Program

Other Contracted Services	\$	10,000	
Other Supplies and Materials		33,378	
Vocational Instruction Equipment		100,217	
Total Vocational Education Program			143,595

Support Services

Health Services

Medical Personnel	\$	159,991	
Social Security		9,920	
State Retirement		12,309	
Life Insurance		511	
Medical Insurance		20,904	
Dental Insurance		886	
Unemployment Compensation		434	
Employer Medicare		2,320	
Total Health Services			207,275

Other Student Support

Other Salaries and Wages	\$	7,000	
Social Security		434	
State Retirement		449	
Unemployment Compensation		17	
Employer Medicare		102	
Travel		40,482	
Other Contracted Services		18,785	
Other Supplies and Materials		31,565	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)  
Support Services (Cont.)

Other Student Support (Cont.)

Other Charges	\$ 3,695	
Total Other Student Support		\$ 102,529

Regular Instruction Program

Supervisor/Director	\$ 81,264	
Other Salaries and Wages	747,747	
Certified Substitute Teachers	72,773	
In-Service Training	23,883	
Social Security	55,502	
State Retirement	54,752	
Life Insurance	1,281	
Medical Insurance	87,130	
Dental Insurance	3,353	
Unemployment Compensation	1,933	
Employer Medicare	12,991	
Consultants	26,781	
Operating Lease Payments	8,855	
Travel	43,780	
Library Books/Media	58,912	
Other Supplies and Materials	37,783	
In Service/Staff Development	239,555	
Other Equipment	11,008	
Total Regular Instruction Program		1,569,283

Special Education Program

Psychological Personnel	\$ 123,778
Assessment Personnel	54,709
Clerical Personnel	30,676
Other Salaries and Wages	61,638
Social Security	14,459
State Retirement	16,200
Life Insurance	336
Medical Insurance	27,711
Dental Insurance	847
Unemployment Compensation	549
Employer Medicare	3,766
Travel	13,411
Other Supplies and Materials	10,939
In Service/Staff Development	104,987

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Equipment	\$ 32,360	
Total Special Education Program		\$ 496,366

Maintenance of Plant

Other Charges	\$ 1,752	
Total Maintenance of Plant		1,752

Transportation

Bus Drivers	\$ 163,576	
Other Salaries and Wages	75,226	
Social Security	14,534	
State Retirement	15,204	
Life Insurance	1,619	
Medical Insurance	108,272	
Dental Insurance	4,339	
Unemployment Compensation	1,514	
Employer Medicare	3,399	
Other Supplies and Materials	3,587	
Transportation Equipment	266,791	
Total Transportation		<u>658,061</u>

Total School Federal Projects Fund		\$ 7,395,570
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Central Cafeteria Fund

Instruction

Vocational Education Program

USDA - Commodities	\$ 294,333	
Total Vocational Education Program		\$ 294,333

Support Services

Board of Education

Workers' Compensation Insurance	\$ 58,943	
Total Board of Education		58,943

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 69,886
Accountants/Bookkeepers	61,832
Clerical Personnel	29,776

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	879,560	
Temporary Personnel		20,588	
Longevity Pay		38,750	
Other Salaries and Wages		724,948	
Social Security		111,486	
State Retirement		124,980	
Life Insurance		8,697	
Medical Insurance		507,213	
Dental Insurance		21,923	
Unemployment Compensation		10,240	
Employer Medicare		26,073	
Maintenance and Repair Services - Equipment		44,984	
Travel		13,001	
Other Contracted Services		58,134	
Food Preparation Supplies		208,243	
Food Supplies		2,068,039	
Office Supplies		19,837	
Other Supplies and Materials		117	
In Service/Staff Development		5,800	
Food Service Equipment		192,515	
Total Food Service			\$ 5,246,622

Total Central Cafeteria Fund \$ 5,599,898

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	82,545	
Building Construction		8,497,326	
Office Equipment		15,800	
Transportation Equipment		15,147	
Other Capital Outlay		1,235,730	
Total Education Capital Projects			\$ 9,846,548

Total Education Capital Projects Fund 9,846,548

Total Governmental Funds - Maury County School Department \$ 99,049,288

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
	<u>Central Maintenance Garage Fund</u>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 1,871,484
Total Charges for Current Services	<u>\$ 1,871,484</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 4,974
Total Other Local Revenues	<u>\$ 4,974</u>
Total Revenues	<u><u>\$ 1,876,458</u></u>
<u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 61,488
Mechanic(s)	189,636
Clerical Personnel	39,666
Longevity Pay	5,300
Overtime Pay	2,177
Social Security	17,776
State Retirement	24,040
Life Insurance	398
Medical Insurance	37,044
Dental Insurance	1,675
Disability Insurance	1,328
Unemployment Compensation	616
Employer Medicare	4,157
Communication	253
Laundry Service	3,457
Maintenance Agreements	2,180
Maintenance and Repair Services - Building	354
Maintenance and Repair Services - Equipment	272
Maintenance and Repair Services - Office Equipment	17

(Continued)

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

	Governmental Activities - Internal <u>Service Fund</u> Central Maintenance Garage <u>Fund</u>
<u>Expenses (Cont.)</u>	
<u>General Administration (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Postal Charges	\$ 262
Printing, Stationery, and Forms	92
Travel	549
Disposal Fees	1,082
Other Contracted Services	58,583
Custodial Supplies	46
Diesel Fuel	658,119
Electricity	22,513
Equipment and Machinery Parts	173,785
Garage Supplies	811
Gasoline	392,532
Lubricants	16,791
Natural Gas	8,278
Office Supplies	1,030
Small Tools	640
Tires and Tubes	90,300
Depreciation	13,573
Office Equipment	68
Other Equipment	<u>1,522</u>
Total Expenses	<u>\$ 1,832,410</u>

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Residential Waste Collection Charge	\$ 943
Transfer Waste Stations Collection Charge	656
Tipping Fees	1,492,499
Other General Service Charges	229,653
Service Charges	<u>15,216</u>
Total Charges for Current Services	<u>\$ 1,738,967</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 156,463
Miscellaneous Refunds	<u>1,266</u>
Total Other Local Revenues	<u>\$ 157,729</u>
Total Operating Revenues	<u>\$ 1,896,696</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 1,634,468
Trustee's Collections - Prior Year	46,887
Trustee's Collections - Bankruptcy	2,185
Circuit/Clerk and Master Collections - Prior Years	28,978
Interest and Penalty	9,008
Pick-up Taxes	3,962
<u>Other Local Revenues</u>	
<u>Nonrecurring Items</u>	
Sale of Equipment	58,200
Insurance Recovery	30,275
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	8,802
<u>Public Works Grants</u>	
Litter Program	33,527
<u>Other State Revenues</u>	
Other State Revenues	1,718
<u>Federal Government</u>	
Direct Federal Revenue	<u>262,629</u>
Total Nonoperating Revenues	<u>\$ 2,120,639</u>
Total Revenues	<u>\$ 4,017,335</u>

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 24,516
Longevity Pay	450
Social Security	1,548
Life Insurance	24
Disability Insurance	121
Unemployment Compensation	88
Employer Medicare	362
Contributions	6,000
Other Supplies and Materials	11,917
Vehicle and Equipment Insurance	589
Total Waste Pickup	<hr/> \$ 45,615 <hr/>
 <u>Convenience Centers</u>	
Equipment Operators	\$ 191,554
Laborers	353,514
Longevity Pay	3,750
Overtime Pay	65
Social Security	33,283
State Retirement	16,033
Life Insurance	329
Medical Insurance	31,134
Dental Insurance	1,137
Disability Insurance	918
Unemployment Compensation	2,733
Employer Medicare	7,784
Communication	3,863
Maintenance and Repair Services - Equipment	7,732
Maintenance and Repair Services - Vehicles	7,900
Pest Control	1,377
Other Contracted Services	7,688
Crushed Stone	1,397
Diesel Fuel	60,313
Electricity	12,803
Equipment and Machinery Parts	18,119
Gasoline	4,185

(Continued)

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

	Business-type Activities - <hr/> Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Lubricants	\$ 1,605
Tires and Tubes	24,558
Vehicle Parts	11,106
Other Supplies and Materials	27,794
Depreciation	18,761
Total Convenience Centers	<hr/> \$ 851,435 <hr/>
<u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 61,370
Equipment Operators	132,668
Laborers	93,050
Clerical Personnel	58,722
Longevity Pay	5,800
Overtime	501
Social Security	21,631
State Retirement	25,643
Life Insurance	510
Medical Insurance	47,334
Dental Insurance	2,143
Disability Insurance	1,438
Unemployment Compensation	969
Employer Medicare	5,059
Communication	3,862
Consultants	11,953
Dues and Memberships	100
Laundry Service	5,560
Legal Notices, Recording, and Court Costs	320
Licenses	6,072
Maintenance Agreements	5,110
Maintenance and Repair Services - Buildings	1,470
Maintenance and Repair Services - Equipment	1,322
Maintenance and Repair Services - Vehicles	27
Matching Share	4,111
Medical and Dental Services	1,146
Pest Control	255
Postal Charges	802
Printing, Stationery, and Forms	664
Travel	2,340
Disposal Fees	1,623,730
Permits	3,075
Other Contracted Services	26,128
Crushed Stone	974

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Custodial Supplies	\$ 55
Data Processing Supplies	873
Diesel Fuel	33,157
Electricity	30,147
Equipment and Machinery Parts	36,339
Gasoline	2,164
Lubricants	5,497
Natural Gas	9,257
Office Supplies	1,141
Tires and Tubes	26,634
Vehicle Parts	417
Other Supplies and Materials	20,509
Building and Contents Insurance	3,214
Liability Insurance	18,789
Refunds	11,092
Trustee's Commission	46,177
Vehicle and Equipment Insurance	12,362
Workers' Compensation Insurance	121,654
Depreciation	275,477
Furniture and Fixtures	493
Total Landfill Operation and Maintenance	<u>\$ 2,811,307</u>
<u>ARRA Grant #6</u>	
Solid Waste Equipment	\$ 4,291
Total ARRA Grant #6	<u>\$ 4,291</u>
Total Operating Expenses	<u>\$ 3,712,648</u>
Total Expenses	<u>\$ 3,712,648</u>

Exhibit K-12

Maury County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 9,082,494
Total Cash Receipts	<u>\$ 9,082,494</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 8,991,669
Trustee's Commission	90,825
Total Cash Disbursements	<u>\$ 9,082,494</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <u><u>\$ 0</u></u>

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## **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

March 2, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated March 2, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Maury Regional Hospital (major proprietary fund), the discretely presented Maury County Board of Public Utilities Water System, and the discretely presented Maury County Emergency Communications District as described in our report on Maury County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.01, 10.03, 10.04, 10.08, and 10.10. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

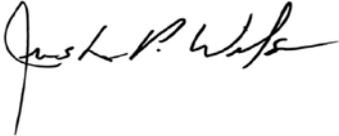
As part of obtaining reasonable assurance about whether Maury County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.02, 10.05, 10.06, 10.07, and 10.09.

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu



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

March 2, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Maury County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Maury County's management. Our responsibility is to express an opinion on Maury County's compliance based on our audit.

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

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Maury County's compliance with those requirements.

In our opinion, Maury County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.05 and 10.11.

#### Internal Control Over Compliance

The management of Maury County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Maury County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

#### Schedule of Expenditures of Federal Awards

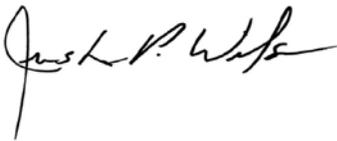
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County as of and for the year ended June 30, 2010, and have issued our report thereon dated March 2, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Maury 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.

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

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

Maury County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 178,628
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	294,333 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	758,164
National School Lunch Program	10.555	(2)	2,354,438 (4)
Summer Food Service Program for Children	10.559	(2)	1,170
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	(2)	11,655
Total U.S. Department of Agriculture			<u>\$ 3,598,388</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Community Development Block Grants, Recovery Act	14.225	GG-10-294113-00	\$ 47,300
Total U.S. Department of Housing and Urban Development			<u>\$ 47,300</u>
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 30,517
State Criminal Alien Assistance Program	16.606	N/A	2,338
Bulletproof Vest Partnership Program	16.607	N/A	361
Passed-through City of Columbia:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	7,650
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to State and Territories	16.803	(2)	126,209
Total U.S. Department of Justice			<u>\$ 167,075</u>
U.S. Department of Transportation:			
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(2)	\$ 8,000
Total U.S. Department of Transportation			<u>\$ 8,000</u>
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	N/A	\$ 300,104
Total U.S. Department of Energy			<u>\$ 300,104</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,176,932
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	809,700
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,982,990
Special Education - Grants to States, Recovery Act	84.391	N/A	1,046,266
Special Education - Preschool Grants	84.173	N/A	49,221
Career and Technical Education - Basis Grants to States	84.048	N/A	204,636
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	32,962
Twenty-first Century Community Learning Centers	84.287	N/A	98,787

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	\$ 6,588
Education Technology State Grants, Recovery Act	84.386	N/A	17,130
Reading First State Grants	84.357	GG-04-10989-00	97,572
English Language Acquisition Grants	84.365	N/A	49,330
Improving Teacher Quality State Grants	84.367	N/A	550,541
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	50
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund, Education State Grants, Recovery Act	84.394	N/A	2,097,300
State Fiscal Stabilization Fund, Government Services, Recovery Act	84.397	N/A	440,169
Passed-through Williamson County Board of Education:			
Fund for the Improvement of Education	84.215	N/A	<u>15,715</u>
Total U.S. Department of Education			<u>\$ 10,675,889</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	<u>\$ 750</u>
Total U.S. Department of Health and Human Services			<u>\$ 750</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(2)	\$ 38,000
Homeland Security Grant Program	97.067	GG-08-24421-00	19,260
Total U.S. Department of Homeland Security			<u>\$ 57,260</u>
Total Expenditures of Federal Awards			<u>\$ 14,854,766</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 19,807
Health Department Program - State Department of Health	N/A	Z-10-219844-00	650,603
Early Childhood Education - State Department of Education	N/A	(2)	930,143
Energy Efficient School Initiative -State Department of Education	N/A	(2)	60,000
Litter Program - State Department of Transportation	N/A	(3)	33,527
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	8,802
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	Z-09-022882-00	9,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-09-023392-00	<u>5,000</u>
Total State Grants			<u>\$ 1,716,882</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-09-212778-00: \$5,174; Z-10-220360-00: \$28,353.
- (4) Total for CFDA No. 10.555 is \$2,648,771.

Maury County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Maury County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.03 (A, B)	245	The building permits software did not have adequate application controls

**OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

<u>Finding Number</u>	<u>Page Numbers</u>	<u>Subject</u>
09.05 (A)	246-247	The office had deficiencies in budget operations

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.10	251	Duties were not segregated adequately in the Office of Register

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**MAURY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2010**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Maury County is unqualified.
2. The audit of the financial statements of Maury County disclosed 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 are material to the financial statements of Maury County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants (CFDA Nos. 84.027, 84.391, and 84.173); Energy Efficiency and Conservation Block Grant Program (CFDA No. 81.128); Nutrition Cluster: School Breakfast Program, National School Lunch Program, Summer Food Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); and State Fiscal Stabilization Funds: State Fiscal Stabilization Funds – Education State Grants, Recovery Act and State Fiscal Stabilization Funds – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$445,643 threshold was used to distinguish between Type A and Type B federal programs.
9. Maury County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, planning and zoning director, solid waste director, director of accounts and budgets, and director of schools, are paraphrased in this report.

### **OFFICE OF COUNTY MAYOR**

**FINDING 10.01      UNAUTHORIZED MAINTENANCE FEES WERE COLLECTED AT THE MEMORIAL BUILDING BY COUNTY EMPLOYEES FOR THEIR PERSONAL BENEFIT**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Memorial Building is a county-owned building rented to various businesses, charities, clubs, organizations, and individuals. The County Commission has an approved rental and use agreement for the building that lists the terms of the rental, amounts to be charged, and hours of use. In addition to the building rental charge, a refundable cleaning deposit is required, and county-owned tablecloths are available for rent. A full-time county employee is both the secretary and building manager for the Memorial Building. The husband of this employee is the part-time custodian assigned to the building for clean-up, maintenance, and event preparation. On August 30, 2010, our office received an allegation of improper charges being assessed on the rental of the Memorial Building by the building manager who required the renter to write a check payable to the building manager and another check payable to the county for the rental of the building.

We were advised by the building manager and her husband that they required renters to sign a separate contract and pay a separate maintenance fee to them personally in addition to the county's approved contract and fee. Both stated that differing amounts were charged based on who rents the building, with the maintenance fee ranging from either nothing to \$200. These personal maintenance fees are purportedly for extra work the building manager and her husband do to clean and maintain the building. We could not determine the total amount of personal maintenance fees charged to the public or the number of years the fee has been charged; however, the total could be significant. In addition to the maintenance fee, the couple also rented tablecloths that they own for various events. Therefore, this full-time county employee and part-time custodian are using a county-owned building to charge the public rental fees for their personal benefit in addition to what the County Commission has authorized.

This finding has been discussed with the district attorney general.

### **RECOMMENDATION**

Officials should ensure that only the county approved contract is used and only the authorized county fees are collected from renters. The County Commission should determine whether the "personal maintenance fees" charged by the building manager and

part-time custodian should be collected from the building manager and returned to the renters.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

On Thursday, November 18, 2010, the Maury County Human Resource Director, and I met with the building manager and part-time custodian to discuss the audit finding. The meeting took place in my conference room and lasted approximately one hour. I discussed the finding with them and told them that they could no longer clean the Memorial Building as they have in the past for monetary compensation since they are county employees.

The meeting was one of open discussion, comments, and questions of which the human resources director explained the policies that govern the employees. The attitude of both the building manager and part-time custodian was good throughout the discussion, but I could easily see the building manager was genuinely affected by the decision as she has great pride in the appearance of the memorial building.

The part-time custodian said that he would continue to clean the building with his part-time employee status until the end of the month. He stated that he would let me know his decision, by the end of the month, of his desire to keep his job. He would not accept any outside compensation for the cleaning of the building during the period from November 18, 2010, through November 30, 2010.

The building manager will immediately cease doing any cleaning of the building and will not assist her husband as a volunteer. She will continue to show the Memorial Building to prospective renters during regular office hours only, but will not collect any fees for either usage or deposits for cleaning. She will immediately stop renting the tablecloths and will inform prospective users that it will be their responsibility to provide their own tablecloths. She will also inform prospective users of the deposit fees for cleanup and that each user must provide for the cleanup either personally or through the use of a private company.

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#### FINDING 10.02      **THE BUILDING AND ZONING DEPARTMENT DOES NOT ISSUE OFFICIAL RECEIPTS** (Noncompliance Under Government Auditing Standards)

The Building and Zoning Department issues manual receipts for miscellaneous items, such as copies; however, these receipts were generic and did not display the official name of the county and the office. Sections 9-2-103 and 9-2-104, Tennessee Code Annotated, require that official receipts be issued. This deficiency is the result of management's decision and is a deficiency in internal controls that increases the risk of unauthorized transactions and theft.

#### RECOMMENDATION

To strengthen internal controls over cash collections, official receipts should be issued for all collections when payments are received.

FINDING 10.03

**THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

We noted the following internal control weaknesses in the building permits software application:

- A. The software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipts.
- B. The application allowed users to delete receipts without leaving an audit trail.
- C. Users could receipt collections to a previous date. This created a skip in the receipt numbers listed on the current day's collection report. Because users could reset receipt numbers, it would be difficult to determine what caused the skip.
- D. The daily collections report did not display receipt numbers for adequate facilities tax collections.

Sound business practices dictate that proper application controls be implemented. These controls would help to ensure the reliability and integrity of the information maintained by the system. Since the vendor did not design the system with these controls, inappropriate system activity could occur. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes or deletions of receipt information. The receipt number reset capability should be removed from the system. The daily collections report should display receipt numbers for the adequate facility tax collections.

MANAGEMENT'S RESPONSE TO FINDINGS 10.02 AND 10.03 – BUILDING AND ZONING DIRECTOR

Maury County and the Building and Zoning Office are concerned and take seriously the findings and intend to make every effort to correct the deficiencies found. We have called our software provider and discussed the issues with them. They made it clear that they would not correct the problem. We have also checked into changing software to one that would correct the deficiencies, and we found several vendors. I will ask for funding in the upcoming budget to purchase new software. Currently, the office staff manually writes receipts and includes the receipt numbers in the daily collections report.

**FINDING 10.04      THE SOLID WASTE DEPARTMENT DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the Solid Waste Department generated a daily log that displayed changes made by users. This log provides the only audit trail of these changes and should be reviewed daily for inappropriate activity. In the prior fiscal year, we reviewed some deficiencies in software application controls with management; however, there was apparently a misunderstanding on the part of management as to the importance of reviewing the audit log. During this year's examination, after we again advised management of the importance of examining the audit log, they began reviewing the audit log in July 2010.

**RECOMMENDATION**

Management should review the audit log on a routine basis. Documentation of this review process should be maintained. Any unusual transactions should be investigated.

**MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR**

In the prior year, a finding was issued stating that our software did not have adequate application controls. This finding did not include a recommendation because the software company had provided a letter stating that these controls were put in place in January 2009.

The auditor informed us of the need to review the audit log in June 2010, and we began storing this report in PDF format. We were then informed that there would be a finding for not having the reports until June 2010. We can, at the auditor's request, produce these reports from January 2010 through May 2010, but the dates will be incorrect. We have and will continue to correct any findings that arise.

**AUDITORS' COMMENT**

A recommendation was not made in the prior year because it was the auditor's understanding that the audit log implemented by the vendor would be reviewed by management. Auditing standards require that we report all significant deficiencies that exist in the office's internal control structure during the audit period. Because the audit log was not reviewed during the 2009-2010 fiscal year, this was reported. Furthermore, it is management's responsibility to design and implement internal controls for the office. Therefore, they are responsible for evaluating the software used to ensure adequate controls are in place and should have been aware of the need to review the audit log.

## OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 10.05      **MAURY COUNTY DID NOT COMPLY WITH THE REPORTING REQUIREMENTS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA).**  
(Noncompliance Under OMB Circular A-133)

The U.S. Office of Management and Budget (OMB) has issued memoranda to address reporting under ARRA, most notably memorandum M-09-21. This memorandum requires grant recipients to file reports with the federal government that present certain required data elements for each ARRA grant. Additionally, this memorandum gives federal agencies guidance on establishing additional reporting requirements specific to their agency. The Department of Energy established reporting requirements for the Energy Efficiency and Conservation Block Grant Program (EECBG) as noted in EECBG Program Notice 10-07A. This notice requires grant recipients to file quarterly reports with the Department of Energy within 30 days of the end of the quarter. Maury County did not follow reporting procedures required by OMB M-09-21 and EECBG Program Notice 10-07A for the EECBG program. The report to the Department of Energy for the second quarter of 2010 was filed 43 days late. County officials stated they were involved in closing year-end accounting records and failed to file the quarterly report timely. ARRA reporting requirements are intended to promote transparency and accountability; therefore, timely reporting is essential. When ARRA grant requirements are not followed, the OMB can terminate the grants, suspend or debar the county from receiving grants, or, in serious cases, may apply civil or criminal penalties.

### RECOMMENDATION

Maury County should follow OMB and Department of Energy reporting memoranda to ensure compliance with ARRA reporting requirements and to achieve accountability and transparency for all ARRA grants.

### MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Every quarter we complete American Recovery and Reinvestment Act funding reports for the Energy Efficiency and Conservation Block Grant results in several different government databases. All but one of them was timely. In this instance, we were having difficulty with the PAGE reporting system while trying to close the books for fiscal 2009-10. We contacted our grant administrator who assured us that we could go back and correct the report. That information proved to be erroneous, and the report was deemed delinquent by the Department of Energy (DOE). We are aware of the reporting requirements. All subsequent reports have been timely and DOE has current financial data for our grant. We will continue to file all reports as required under the terms of this grant.

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FINDING 10.06

**EXPENDITURES EXCEEDED APPROPRIATIONS**  
(Noncompliance Under Government Auditing Standards)

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

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General:	
Other Boards and Committees	\$ 5,237
General Sessions Court	35,486
Courtroom Security	2,637
Administration of the Sexual Offender Registry	1,350
Appropriations to State	17,474
Contributions to Other Agencies	7,353
Miscellaneous	7,817
Special Purpose:	
Parks and Fair Board	90,745
General Debt Service:	
Other Debt Service - General Government	7,594

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such uses by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limit authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Every year we prepare a resolution for the County Commission to approve budget amendments appropriating funds where our departments have experienced overages. We restrict purchases in the last month of the year to emergencies only to eliminate the potential for overages. Some charges get through in the month of June after the County Commission has met, and we are unable to get funds appropriated before the year closes. We agree with the recommendation and will continue to work at eliminating these overages.

**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 10.07      **EXPENDITURES EXCEEDED APPROPRIATIONS**  
(Noncompliance Under Government Auditing Standards)**

General Purpose School Fund expenditures exceeded appropriations approved by the County Commission in the Alternative Instruction Program and Board of Education major appropriation categories (the legal level of control) by \$15,422 and \$59,786, respectively. Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limit authorized by the County Commission, which resulted in unauthorized expenditures.

**RECOMMENDATION**

Expenditures should be held within appropriations approved by the County Commission.

**MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS**

We concur with the finding. We have reviewed these over expenditures with the appropriate staff, and steps have been taken to prevent this in the future.

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**FINDING 10.08      **THE ACCOUNTING SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

Prior to their posting in the general ledger, automated financial transactions could be changed, and an audit trail of these changes would not be maintained. Sound business practices dictate that proper application controls be implemented. Without an audit trail of system activity, errors and improper changes could occur and go undetected. When this weakness was brought to the official’s attention, the vendor was contacted and this capability was removed.

**MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS**

We concur with the finding.

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## **OFFICE OF SHERIFF**

### **FINDING 10.09      **THE OFFICE DID NOT PREPARE AN ANNUAL FINANCIAL REPORT****

(Noncompliance Under Government Auditing Standards)

The office did not prepare an annual financial report. Section 5-8-505, Tennessee Code Annotated states, “All appointive or elective county public officials, official county boards, committees and commissions ... having in their charge and custody public funds or moneys are required to file with the county executive and with the county clerk ... an annual financial report...” This deficiency resulted from a lack of management oversight. Operations and year-end balances were determined by alternative auditing procedures and have been correctly reflected in the financial statements of this report.

### **RECOMMENDATION**

The office should prepare an annual financial report as required by state statute.

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## **OFFICE OF REGISTER**

### **FINDING 10.10      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE****

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the official and employees in the Office of Register. Employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report.

### **RECOMMENDATION**

The register should segregate duties to the extent possible using available resources.

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## **BEST PRACTICE**

### **MAURY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Maury County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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

Federal/Pass-through Agency	Finding Number	Federal CFDA Numbers	Criteria	Explanation	Amount Questioned
U.S. Department of Energy: Direct Program: Energy Efficiency and Conservation Block Grant Program, Recovery Act	10.11	81.128	Circular A-133, Compliance Supplement Part 3L	Noncompliance - See Finding 10.05 - Maury County did not comply with the reporting requirements of the American Recovery and Reinvestment Act.	\$ 0

**MAURY COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2010**

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

**Director of Accounts and Budgets – Corrective Action Plan for Current-Year's Findings**

**FINDINGS 10.05 and 10.11**

Contact person: James Bracken, director of accounts and budgets

Corrective action planned: Every quarter we complete American Recovery and Reinvestment Act funding reports for the Energy Efficiency and Conservation Block Grant in several different government data bases. All but one of them was timely. In this instance, we were having difficulty with the PAGE reporting system while trying to close the books for fiscal 2009-10. We contacted our grant administrator who assured us that we could go back and correct the report. That information proved to be erroneous, and the report was deemed delinquent by the Department of Energy (DOE). We are aware of the reporting requirements. All subsequent reports have been timely and DOE has current financial data for our grant. We will continue to file all reports as required under the terms of this grant.

Anticipated completion date: 2010-11