ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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

MONTGOMERY COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2010

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

MONTGOMERY COUNTY AND THE CLARKSVILLE-MONTGOMERY COUNTY SCHOOL DEPARTMENT

- The Self-Insurance Fund had a deficit of $1,657,951 in unrestricted net assets at June 30, 2010.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- A $250,000 promissory note to purchase land was not issued in accordance with state statutes.
- The office had deficiencies in budget operations.
- The Ambulance Service did not issue prenumbered receipts.

OFFICE OF SHERIFF

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

INTRODUCTORY SECTION

Montgomery County Officials
June 30, 2010

Officials

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

Board of County Commissioners

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

Highway Commission

Mike Frost, Highway Supervisor
Edgar Ray Groves
Milan Lewis

Board of Education

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

Audit Committee

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

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

December 29, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Montgomery County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montgomery County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 provides a reasonable basis for our opinions.

The financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library, component units requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented

component units financial statements referred to above do not include amounts for the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Montgomery County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2010, on our consideration of Montgomery County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

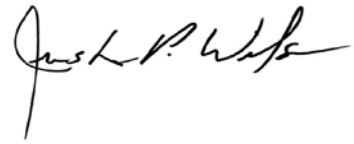
As described in Note V.B., Montgomery County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for 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 66 through 73 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 Montgomery County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Montgomery County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Montgomery County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Basic Financial Statements

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Clarksville-Montgomery County School Department
ASSETS		
Cash	$ 25,219	$ 18,846,694
Equity in Pooled Cash and Investments	59,322,572	30,507,183
Inventories	51,724	495,349
Accounts Receivable	5,380,954	143,588
Allowance for Uncollectibles	(1,289,028)	0
Due from Other Governments	2,198,854	8,387,821
Due from Primary Government	0	40,666
Due from Component Units	15,791	0
Property Taxes Receivable	70,752,197	28,638,162
Allowance for Uncollectible Property Taxes	(1,191,897)	(546,872)
Prepaid Items	0	631,695
Deferred Charges - Debt Issuance Costs	2,256,043	0
Capital Assets:		
Assets Not Depreciated:		
Land	24,384,624	12,556,577
Construction in Progress	4,678,738	1,832,263
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	81,830,125	238,076,051
Other Capital Assets	6,150,485	13,969,094
Intangibles	452,233	0
Infrastructure	27,912,655	0
Total Assets	$ 282,931,289	$ 353,578,271
LIABILITIES		
Accounts Payable	$ 975,830	$ 1,824,055
Accrued Payroll	1,540,531	5,740,314
Payroll Deductions Payable	206,997	3,284,202
Accrued Interest Payable	2,868,387	0
Deferred Compensation Payable	0	319,182
Due to State of Tennessee	1,003	0
Due to Primary Government	0	15,791
Due to Component Units	40,666	0
Due to Litigants, Heirs, and Others	20,010	0
Other Current Liabilities	758,950	0
Customer Deposits Payable	1,000	104,891
Deferred Revenue - Current Taxes	67,480,862	26,988,742
Noncurrent Liabilities:		
Due Within One Year	21,168,727	1,490,912
Due in More Than One Year (net of unamortized premiums and deferred amount on refunding)	311,702,963	1,999,392
Total Liabilities	$ 406,765,926	$ 41,767,481

(Continued)

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Clarksville-Montgomery County School Department
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 26,439,729	$ 0
Invested in Capital Assets	0	266,433,985
Restricted for:		
Capital Projects	2,556,939	21,252,155
School Federal Projects	0	679,382
Debt Service	39,486,777	0
Highways	2,233,241	0
Central Cafeteria	0	3,938,579
School Transportation	0	1,487,894
Extended School Program	0	64,809
Automation Purposes	450,643	0
Drug Control	86,179	0
Alcohol and Drug Treatment	205,171	0
Career Ladder - Extended Contract	0	116,538
Career Ladder Program	0	27,135
Victims Assistance Programs	68,940	0
Unclaimed Property	480,159	0
Animal Control Donations	81,307	0
Fraud and Crimes Prosecution Act	44,372	0
Courtroom Security	40,837	0
Other Purposes	93,879	0
Unrestricted	(196,102,810)	17,810,313
Total Net Assets (Deficit)	$ (123,834,637)	$ 311,810,790

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

Exhibit B

Montgomery County, Tennessee
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Clarksville-Montgomery County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 7,824,967	$ 3,306,233	$ 190,645	$ 0	$ (4,328,089)	$ 0
Finance	5,204,956	4,253,975	31,650	0	(919,331)	0
Administration of Justice	6,091,450	4,609,791	640,822	9,000	(831,837)	0
Public Safety	24,214,254	1,406,367	992,646	668,887	(21,146,354)	0
Public Health and Welfare	10,880,689	4,817,578	1,738,376	0	(4,324,735)	0
Social, Cultural, and Recreational Services	1,836,010	4,638	0	440,000	(1,391,372)	0
Agriculture and Natural Resources	415,634	0	0	0	(415,634)	0
Other Operations	4,613,121	0	0	0	(4,613,121)	0
Highways/Public Works	7,491,940	72,717	2,895,024	2,191,082	(2,333,117)	0
Education	57,999,800	31,476,208	0	0	(26,523,592)	0
Interest on Long-term Debt	14,321,704	0	0	0	(14,321,704)	0
Other Debt Service	277,034	0	0	0	(277,034)	0
Total Primary Government	$ 141,171,559	$ 49,947,507	$ 6,489,163	$ 3,308,969	$ (81,425,920)	$ 0
Component Unit:						
Clarksville-Montgomery County School Departme	$ 232,933,205	$ 5,189,084	$ 21,616,240	$ 24,136,203	$ 0	$ (181,991,678)
Total Component Unit	$ 232,933,205	$ 5,189,084	$ 21,616,240	$ 24,136,203	$ 0	$ (181,991,678)

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Clarksville-Montgomery County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 32,657,512	$ 27,518,189
Property Taxes Levied for Debt Service					25,046,878	0
Local Option Sales Tax					3,119,623	33,570,915
Hotel/Motel Tax					1,480,011	0
Wheel Tax					0	3,379,672
Business Tax					1,155,043	564,615
Adequate Facilities/Development Tax					867,315	0
Litigation Tax					1,375,277	0
Wholesale Beer Tax					392,206	0
Mineral Severance Tax					350,014	0
Interstate Telecommunications Tax					2,718	11,696
Grants and Contributions Not Restricted to Specific Programs					5,290,457	125,940,534
Interest Income					1,621,015	32,289
Miscellaneous					1,863,334	227,813
Total General Revenues					$ 75,221,403	$ 191,245,723
Change in Net Assets					$ (6,204,517)	$ 9,254,045
Net Assets (Deficit), July 1, 2009					(117,755,384)	302,556,745
Prior-period Adjustment					125,264	0
Net Assets (Deficit), June 30, 2010					$ (123,834,637)	$ 311,810,790

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 24,359	$ 0	$ 0	$ 860	$ 25,219
Equity in Pooled Cash and Investments	21,694,200	28,251,939	3,400,693	2,019,638	55,366,470
Inventories	51,724	0	0	0	51,724
Accounts Receivable	5,143,536	175,285	1,358	34,113	5,354,292
Allowance for Uncollectibles	(1,289,028)	0	0	0	(1,289,028)
Due from Other Governments	1,039,143	547,813	17,458	594,440	2,198,854
Due from Other Funds	0	280,658	0	0	280,658
Property Taxes Receivable	34,470,474	30,894,482	1,206,374	4,180,867	70,752,197
Allowance for Uncollectible Property Taxes	(573,249)	(520,696)	(25,332)	(72,620)	(1,191,897)
Advances to Other Funds	0	150,000	0	0	150,000
Total Assets	$ 60,561,159	$ 59,779,481	$ 4,600,551	$ 6,757,298	$ 131,698,489
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 667,344	$ 50	$ 141,732	$ 154,930	$ 964,056
Accrued Payroll	1,439,175	0	0	96,231	1,535,406
Payroll Deductions Payable	178,634	0	0	27,224	205,858
Due to Other Funds	332,608	0	0	893	333,501
Due to State of Tennessee	1,003	0	0	0	1,003
Due to Litigants, Heirs, and Others	16,059	0	0	3,951	20,010
Other Current Liabilities	8,950	750,000	0	0	758,950
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	1,000	0	0	0	1,000
Deferred Revenue - Current Property Taxes	32,914,254	29,464,792	1,125,307	3,976,509	67,480,862
Deferred Revenue - Delinquent Property Taxes	882,274	818,045	50,646	118,747	1,869,712
Other Deferred Revenues	1,970,448	291,933	0	359,861	2,622,242
Advances from Other Funds	0	0	150,000	0	150,000
Total Liabilities	$ 38,411,749	$ 31,324,820	$ 1,467,685	$ 4,738,346	$ 75,942,600
Fund Balances					
Reserved for Encumbrances	$ 44,934	$ 0	$ 640,506	$ 176,183	$ 861,623
Reserved for Alcohol and Drug Treatment	205,171	0	0	0	205,171
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	0	2,110,166	0	0	2,110,166
Reserved for Drug Court	34,986	0	0	0	34,986
Reserved for Sexual Offender Registration	152	0	0	0	152
Reserved for Courtroom Security	40,837	0	0	0	40,837
Reserved for Victims Assistance Programs	68,940	0	0	0	68,940
Reserved for Computer System - Register	214,658	0	0	0	214,658
Reserved for Automation Purposes - Circuit Court	30,951	0	0	0	30,951
Reserved for Automation Purposes - General Sessions Court	149,856	0	0	0	149,856
Reserved for Automation Purposes - Chancery Court	9,724	0	0	0	9,724
Reserved for Automation Purposes - Sheriff	36,511	0	0	0	36,511
Reserved for Automation Purposes - County Clerk	8,943	0	0	0	8,943
Reserved for Advances to Other Funds	0	150,000	0	0	150,000
Reserved for Fraud and Crimes Prosecution Act	44,372	0	0	0	44,372
Reserved for Other General Purposes	620,207	0	0	0	620,207
Unreserved, Reported In:					
General Fund	20,639,168	0	0	0	20,639,168
Special Revenue Funds	0	0	0	1,842,769	1,842,769
Debt Service Funds	0	26,194,495	0	0	26,194,495
Capital Projects Funds	0	0	2,492,360	0	2,492,360
Total Fund Balances	$ 22,149,410	$ 28,454,661	$ 3,132,866	$ 2,018,952	$ 55,755,889
Total Liabilities and Fund Balances	$ 60,561,159	$ 59,779,481	$ 4,600,551	$ 6,757,298	$ 131,698,489

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

Exhibit C-2

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 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)		$ 55,755,889
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 24,384,624	
Add: construction in progress	4,678,738	
Add: buildings and improvements net of accumulated depreciation	81,830,125	
Add: other capital assets net of accumulated depreciation	6,150,485	
Add: intangibles net of accumulated depreciation	452,233	
Add: infrastructure net of accumulated depreciation	27,912,655	
Less: capital assets of internal service funds, which are included below in item (2)	(21,225)	145,387,635
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		602,786
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (280,180,000)	
Less: notes payable	(5,450,000)	
Less: other loans payable	(39,231,202)	
Add: deferred amount on refunding	12,790,525	
Add: deferred charges - debt issuance costs	2,256,043	
Less: other deferred revenue - premium on debt	(14,668,874)	
Less: accrued interest on bonds, notes, and other loans	(2,868,387)	
Less: other postemployment benefits liability	(687,758)	
Less: compensated absences payable	(2,033,248)	(330,072,901)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,491,954
Net assets (deficit) of governmental activities (Exhibit A)		$ (123,834,637)

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 33,106,521	$ 30,739,359	$ 1,408,620	$ 4,015,389	$ 69,269,889
Licenses and Permits	1,661,972	0	0	0	1,661,972
Fines, Forfeitures, and Penalties	1,363,614	0	0	6,647	1,370,261
Charges for Current Services	3,764,116	0	0	1,712	3,765,828
Other Local Revenues	2,930,627	424,945	50,213	73,853	3,479,638
Fees Received from County Officials	7,750,178	0	0	0	7,750,178
State of Tennessee	5,534,055	0	440,000	2,726,473	8,700,528
Federal Government	1,194,831	0	17,458	110,930	1,323,219
Other Governments and Citizens Groups	270,227	510,435	10,150	237,281	1,028,093
Total Revenues	$ 57,576,141	$ 31,674,739	$ 1,926,441	$ 7,172,285	$ 98,349,606
Expenditures					
Current:					
General Government	$ 5,771,960	$ 0	$ 0	$ 0	$ 5,771,960
Finance	5,133,371	0	0	0	5,133,371
Administration of Justice	5,495,526	0	0	1,550	5,497,076
Public Safety	22,685,283	0	0	13,310	22,698,593
Public Health and Welfare	9,466,912	0	0	0	9,466,912
Social, Cultural, and Recreational Services	1,653,211	0	0	0	1,653,211
Agriculture and Natural Resources	393,348	0	0	0	393,348
Other Operations	4,460,822	0	0	0	4,460,822
Highways	117,730	0	0	7,043,174	7,160,904
Debt Service:					
Principal on Debt	0	15,311,068	0	0	15,311,068
Interest on Debt	0	14,035,740	0	5,354	14,041,094
Other Debt Service	0	1,097,935	0	0	1,097,935
Capital Projects	0	0	31,505,032	0	31,505,032
Total Expenditures	$ 55,178,163	$ 30,444,743	$ 31,505,032	$ 7,063,388	$ 124,191,326
Excess (Deficiency) of Revenues Over Expenditures	$ 2,397,978	$ 1,229,996	$ (29,578,591)	$ 108,897	$ (25,841,720)
Other Financing Sources (Uses)					
Bonds Issued	$ 0	$ 0	$ 5,400,000	$ 0	$ 5,400,000
Notes Issued	0	0	250,000	0	250,000
Refunding Debt Issued	0	74,155,000	0	0	74,155,000
Premiums on Debt Issued	0	9,271,813	0	0	9,271,813
Other Loans Issued	0	0	20,088,899	0	20,088,899
Insurance Recovery	16,028	0	31,380	4,581	51,989
Transfers In	0	30,951	95,000	768,500	894,451
Transfers Out	(125,951)	0	(768,500)	0	(894,451)
Payments to Refunded Debt Escrow Agent	0	(82,922,779)	0	0	(82,922,779)
Total Other Financing Sources (Uses)	$ (109,923)	$ 534,985	$ 25,096,779	$ 773,081	$ 26,294,922
Net Change in Fund Balances	$ 2,288,055	$ 1,764,981	$ (4,481,812)	$ 881,978	$ 453,202
Fund Balance, July 1, 2009	19,861,355	26,689,680	7,614,678	1,136,974	55,302,687
Fund Balance, June 30, 2010	$ 22,149,410	$ 28,454,661	$ 3,132,866	$ 2,018,952	$ 55,755,889

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

Exhibit C-4

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)			$ 453,202
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 6,210,468	
	Less: current year depreciation expense	(4,143,362)	
	Add: current year depreciation expense in internal service fund	991	2,068,097
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
	Add: assets donated and capitalized	$ 2,191,082	
	Less: decrease revenue for the sale or insurance recovery of disposed assets	(77,279)	
	Less: loss on disposal of capital assets	(84,659)	2,029,144
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2009	$ (3,726,666)	
	Add: deferred delinquent property taxes and other deferred June 30, 2010	4,491,954	765,288
(4)	The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
	Less: bond proceeds	$ (5,400,000)	
	Less: other loan proceeds	(20,088,899)	
	Less: note proceeds	(250,000)	
	Less: refunding bond proceeds	(74,155,000)	
	Add: principal payments on notes	1,650,000	
	Add: principal payments on bonds	12,525,000	
	Add: principal payments on other loans	1,136,068	
	Add: payment to refunding agent	75,390,000	
	Add: debt issuance cost on debt issued during year	820,901	
	Less: debt issuance cost amortized during year	(140,035)	
	Add: deferred charges on refunding debt issued during the year	7,532,779	
	Less: deferred charges on refunding debt amortized during the year	(119,620)	
	Less: premiums on debt issued during year	(9,271,813)	
	Add: amortization of debt issuance premiums	664,959	(9,705,660)
(5)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in accrued interest payable	$ (20,955)	
	Change in other postemployment benefits liability	(378,570)	
	Change in compensated absences payable	(40,248)	(439,773)
(6)	Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		(1,374,815)
Change in net assets of governmental activities (Exhibit B)			$ (6,204,517)

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

Exhibit D-1

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

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 3,956,102
Accounts Receivable	26,662
Due from Other Funds	52,843
Due from Component Units	15,791
Total Current Assets	$ 4,051,398
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(3,578)
Total Noncurrent Assets	$ 21,225
Total Assets	$ 4,072,623
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 11,774
Accrued Payroll	5,125
Payroll Deductions Payable	1,139
Due to Component Units	40,666
Claims and Judgments Payable	1,746,267
Total Current Liabilities	$ 1,804,971
Noncurrent Liabilities:	
Claims and Judgments Payable	$ 1,664,866
Total Noncurrent Liabilities	$ 1,664,866
Total Liabilities	$ 3,469,837
NET ASSETS	
Unrestricted	$ 602,786
Total Net Assets	$ 602,786

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

Exhibit D-2

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

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for Current Services	$ 38,955,166
Total Operating Revenues	$ 38,955,166
Operating Expenses	
Personnel Office	$ 135
Election Commission	1,343
Codes Compliance	320
County Buildings	270
Other Facilities	1,784
Risk Management	112,425
Other Risk Management	333
Reappraisal Program	967
County Clerk's Office	2,382
Data Processing	85
Circuit Court	1,010
General Sessions Court	270
Probation Services	270
Sheriff's Department	12,856
Jail	29,792
Fire Prevention and Control	1,230
Rabies and Animal Control	1,108
Ambulance/Emergency Medical Services	22,655
Other Local Health Services	3,960
Landfill Operation and Maintenance	9,660
Veteran's Services	4,619
Highway and Bridge Maintenance	38,576
Litter and Trash Collection	180
Depreciation	991
Other Charges	1,235,926
Employee Benefits	39,638,241
Total Operating Expenses	$ 41,121,388
Operating Income (Loss)	$ (2,166,222)

(Continued)

Exhibit D-2

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

	Governmental Activities - Internal Service Funds
Nonoperating Revenues (Expenses)	
Investment Income	$ 10,607
Miscellaneous Refunds	780,800
Total Nonoperating Revenues (Expenses)	$ 791,407
Changes in Net Assets	$ (1,374,815)
Prior-period Adjustment	125,264
Net Assets, July 1, 2009	1,852,337
Nets Assets, June 30, 2010	$ 602,786

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

Exhibit D-3

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

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Interfund Services Provided	$ 39,720,948
Other Self-Insured Claims	(40,657,548)
Other Receipts (Payments)	772,553
Net Cash Provided By (Used In) Operating Activities	$ (164,047)
Cash Flows from Investing Activities	
Investment Income	$ 10,607
Net Cash Provided By (Used In) Investing Activities	$ 10,607
Net Increase (Decrease) in Cash	$ (153,440)
Prior-period Adjustment	125,264
Cash, July 1, 2009	3,984,278
Cash, June 30, 2010	$ 3,956,102
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (2,166,222)
Miscellaneous Refunds	780,800
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	128,771
(Increase) Decrease in Due from Other Funds	576,182
(Increase) Decrease in Due from Component Units	4,276
Increase (Decrease) in Accounts Payable	(14,118)
Increase (Decrease) in Accrued Payroll	2,594
Increase (Decrease) in Payroll Deductions Payable	(180)
Increase (Decrease) in Due to Component Units	2,916
Increase (Decrease) in Claims and Judgments Payable	519,943
Net Cash Provided By (Used In) Operating Activities	$ (164,047)

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 6,760,969
Equity in Pooled Cash and Investments	248,764
Accounts Receivable	3,142
Due from Other Governments	2,019,617
Total Assets	$ 9,032,492
LIABILITIES	
Accounts Payable	$ 6,942
Accrued Payroll	7,994
Other Current Liabilities	62,036
Due to Other Taxing Units	2,011,097
Due to Litigants, Heirs, and Others	6,749,967
Due to Joint Ventures	194,456
Total Liabilities	$ 9,032,492

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Emergency Communications District of Montgomery County provides a simplified means of securing emergency services through a uniform emergency number for the residents of Montgomery County, and the Montgomery County Commission and the Clarksville City Council appoint its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Emergency Communications District of Montgomery County were not available from other auditors in time for inclusion in this report.

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

County operates the transfer station. The joint participants appoint the board members of the system; however, Montgomery County appoints a voting majority of the board members and contributes the majority of funding for the system. This system is treated as a discrete component unit of Montgomery County since the county may unilaterally control the operations of the system. The financial statements of the Bi-County Solid Waste Management System were not available from other auditors in time for inclusion in this report.

The Clarksville-Montgomery County Industrial Development Board primarily provides inducements to industry to locate or remain in Montgomery County, and the Montgomery County Commission appoints its governing body. City and county appropriations provide the majority of its funding. The financial statements of the Clarksville-Montgomery County Industrial Development Board were not available from other auditors in time for inclusion in this report.

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

The Clarksville-Montgomery 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. Although required by GAAP, the financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library were not available in time for inclusion, as previously mentioned. Complete financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Montgomery County issues all debt for the discretely presented Clarksville-Montgomery County School Department. Net debt issues totaling $24,136,203 were contributed by the county to the School Department during the year ended June 30, 2010.

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

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

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

Fund financial statements of Montgomery County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Montgomery County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Montgomery County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of

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

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

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

Montgomery County reports the following major governmental funds:

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

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

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

Additionally, Montgomery County reports the following fund types:

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

Internal Service Funds – These funds, the Self-Insurance, the Workers' Compensation, and the Unemployment Compensation funds, are used to account for risk management activities for employees' health insurance, workers' compensation, on-the-job injury, and unemployment compensation provided to other departments on a cost-reimbursement basis.

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

The discretely presented Clarksville-Montgomery County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Montgomery County and contributed to the School Department for building construction and renovations.

Additionally, the Clarksville-Montgomery County School Department reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has three proprietary funds, internal service funds, used to account for the employees' health insurance, workers' compensation, on-the-job injury, and unemployment compensation programs. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds of Montgomery County, the Clarksville-Montgomery County School Department, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Montgomery County Rail Service Authority (joint venture). Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Montgomery County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit 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.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and Judgments Payable totaling $3,411,133 for the primary government and $764,028 for the discretely presented Clarksville-Montgomery County School Department are discussed in Note V.A. Risk Management.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life exceeding two years (one year for the School Department). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Compensated Absences

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

6. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term

obligations, including compensated absences, claims and judgments, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2010, Montgomery County had $211,266,405 in outstanding debt for capital purposes for the discretely presented Clarksville-Montgomery County School Department. This debt is a liability of Montgomery County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Montgomery County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

Fund/Purpose	Amount
General:	
Insurance	$ 15,231
Mobile Data Terminals	59,124
Child Advocacy Center	91,275
Inmate Medical Services	3,724
GIS System	82,359
General Debt Service:	
Loan Program	3,895,627
General Purpose School (School Department):	
Workers' Compensation	1,375,218
Property and Liability Insurance	1,475,000

8. Prior-period Adjustment

Net assets in the Worker's Compensation Fund were restated $125,264 due to a reduction in outstanding claims per a new actuarial study.

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 Clarksville-Montgomery County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total

governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Clarksville-Montgomery County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Net Assets Deficit

The Self-Insurance Fund (internal service fund) had a deficit in unrestricted net assets of $1,657,951 at June 30, 2010. This deficit resulted from the recognition of liabilities in the financial statements for claims and judgments totaling $3,012,733 at year-end.

C. Appropriations Exceeding Available Funding

The budget and subsequent amendments submitted to and approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding available funding by $32,193.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Tourism major appropriation category (the legal level of control) of the General Fund by $24,169. Such overexpenditures are a violation of state statutes. This overexpenditure was funded from available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured

amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

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

Investment	Maturities		Cost
State Treasurer's Investment Pool	Daily	$	46,152

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Montgomery County has no investment policy that would further limit its investment choices. As of June 30, 2010, Montgomery County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Restated Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	$ 23,762,095	$ 622,529	$ 0	$ 24,384,624
Construction in Progress	643,952	4,607,674	(572,888)	4,678,738
Total Capital Assets Not Depreciated	$ 24,406,047	$ 5,230,203	$ (572,888)	$ 29,063,362
Capital Assets Depreciated:				
Buildings and Improvements	$ 101,422,174	$ 259,740	$ (199,000)	$ 101,482,914
Infrastructure	45,480,256	1,968,553	0	47,448,809
Intangibles	1,336,628	105,267	0	1,441,895
Other Capital Assets	15,976,976	1,371,609	(784,171)	16,564,414
Total Capital Assets Depreciated	$ 164,216,034	$ 3,705,169	$ (983,171)	$ 166,938,032
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 17,453,366	$ 2,366,643	$ (167,220)	$ 19,652,789
Infrastructure	19,097,850	438,304	0	19,536,154
Intangibles	945,149	44,513	0	989,662
Other Capital Assets	9,813,106	1,293,902	(693,079)	10,413,929
Total Accumulated Depreciation	$ 47,309,471	$ 4,143,362	$ (860,299)	$ 50,592,534
Total Capital Assets Depreciated, Net	$ 116,906,563	$ (438,193)	$ (122,872)	$ 116,345,498
Governmental Activities Capital Assets, Net	$ 141,312,610	$ 4,792,010	$ (695,760)	$ 145,408,860

Capital assets were restated from the prior year due to reclassification of intangible assets.

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

Governmental Activities:

General Government	$ 480,787
Finance	280,272
Administration of Justice	549,628
Public Safety	1,547,155
Public Health and Welfare	440,731
Social, Cultural, and Recreational Services	132,610
Agriculture and Natural Resources	34,982
Highway/Public Works	677,197
Total Depreciation Expense - Governmental Activities	$ 4,143,362

Discretely Presented Clarksville-Montgomery County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	$ 12,556,577	$ 0	$ 0	$ 12,556,577
Construction in Progress	46,839,052	1,745,639	(46,752,428)	1,832,263
Total Capital Assets Not Depreciated	$ 59,395,629	$ 1,745,639	$ (46,752,428)	$ 14,388,840
Capital Assets Depreciated:				
Buildings and Improvements	$ 258,752,435	$ 50,225,788	$ 0	$ 308,978,223
Other Capital Assets	26,787,281	2,055,103	(649,835)	28,192,549
Total Capital Assets Depreciated	$ 285,539,716	$ 52,280,891	$ (649,835)	$ 337,170,772
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 64,379,899	$ 6,522,273	$ 0	$ 70,902,172
Other Capital Assets	13,080,215	1,717,049	(573,809)	14,223,455
Total Accumulated Depreciation	$ 77,460,114	$ 8,239,322	$ (573,809)	$ 85,125,627
Total Capital Assets Depreciated, Net	$ 208,079,602	$ 44,041,569	$ (76,026)	$ 252,045,145
Governmental Activities Capital Assets, Net	$ 267,475,231	$ 45,787,208	$ (46,828,454)	$ 266,433,985

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

Governmental Activities:

Instruction	$ 20,564
Support Services	8,118,540
Operation of Non-Instructional Services	100,218
Total Depreciation Expense - Governmental Activities	$ 8,239,322

C. Construction Commitments

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately $640,506 for various construction projects. Funding for these future expenditures has been received.

At June 30, 2010, the discretely presented School Department's Education Capital Projects Fund had uncompleted construction contracts of approximately $20,005,261 for various construction projects. Funding for these future expenditures has been received.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	$ 280,658
Internal Service	General	51,950
Internal Service	Nonmajor governmental	893
School Department Component Unit:		
General Purpose School	Nonmajor governmental	773,599
Nonmajor governmental	General Purpose School	39,170
Nonmajor governmental	Nonmajor governmental	208

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Self-Insurance (Internal Service)	General Purpose School	$ 9,441
Self-Insurance (Internal Service)	Nonmajor governmental	6,350
Component Unit:		
School Department:	Primary Government:	
General Purpose School	Self-Insurance (Internal Service)	40,666

Interfund Transfers:

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

Primary Government

	Transfers In		
Transfers Out	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Fund
General Fund	$ 30,951	$ 95,000	$ 0
General Capital Projects Fund	0	0	768,500
Total	$ 30,951	$ 95,000	$ 768,500

Discretely Presented Clarksville-Montgomery County School Department

	Transfers In	
Transfers Out	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 750,000
Nonmajor governmental funds	788,798	1,288,146
Total	$ 788,798	$ 2,038,146

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to seven years for notes, and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	2 to 5.625%	$ 128,850,000	$ 72,025,000
General Obligation Bonds - Refunding	2 to 5.12095	331,705,000	208,155,000
Capital Outlay Notes	2.65 to 5	10,335,000	5,450,000
Other Loans	variable	42,381,437	39,231,202

In prior years, Montgomery County entered into loan agreements with the Tennessee State School Bond Authority. Under these loan agreements, the authority borrowed $2,470,731 (Series 2001) and $3,763.987 (Series 2005) Qualified Zone Academy Bonds and loaned the proceeds to Montgomery County for various renovation and construction projects. These loans are repayable at zero percent interest with annual administrative fees of $847 and $1,246, respectively.

In prior years, Montgomery County entered into a loan agreement with the City of Clarksville Public Building Authority. This loan agreement provided for the authority to make $20,140,987 available for loan to Montgomery County on an as-needed basis for various renovation and construction projects. As of June 30, 2010, Montgomery County had borrowed $16,146,719 of the available $20,140,987. This loan is repayable at an interest rate that is

a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2010, the variable interest rate was .44 percent and other fees totaled approximately .15 percent (letter of credit), .1 percent (remarketing) of the outstanding loan principal, and $85 per month trustee fee.

Qualified School Construction Bonds were issued through the State of Tennessee and the proceeds loaned to Montgomery County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the Tennessee Division of State and Local Finance. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

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

Year Ending	Bonds		
June 30	Principal	Interest	Total
2011	$ 13,430,000	$ 13,009,364	$ 26,439,364
2012	15,265,000	12,363,313	27,628,313
2013	17,050,000	11,659,011	28,709,011
2014	18,085,000	10,874,562	28,959,562
2015	19,055,000	10,101,261	29,156,261
2016-2020	106,120,000	37,137,099	143,257,099
2021-2025	77,220,000	13,243,482	90,463,482
2026-2030	13,955,000	1,190,225	15,145,225
Total	$ 280,180,000	$ 109,578,317	$ 389,758,317

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 1,746,157	$ 176,000	$ 1,922,157
2012	3,548,003	100,902	3,648,905
2013	49,923	6,234	56,157
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157
Total	$ 5,450,000	$ 289,533	$ 5,739,533

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	$ 2,213,055	$ 370,966	$ 75,169	$ 2,659,190
2012	2,447,050	367,723	79,988	2,894,761
2013	2,474,050	364,366	69,743	2,908,159
2014	2,501,049	360,890	56,095	2,918,034
2015	2,530,049	357,295	54,047	2,941,391
2016-2020	12,410,324	1,727,959	233,509	14,371,792
2021-2025	11,949,431	1,617,140	164,540	13,731,111
2026-2027	2,706,194	333,606	29,072	3,068,872
Total	$ 39,231,202	$ 5,499,945	$ 762,163	$ 45,493,310

There is $26,194,495 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $2,079, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled $2,410, based on the 2000 federal census.

Changes in Long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2009	$ 288,540,000	$ 6,850,000	$ 20,278,371
Additions	79,555,000	250,000	20,088,899
Deductions	(87,915,000)	(1,650,000)	(1,136,068)
Balance, June 30, 2010	$ 280,180,000	$ 5,450,000	$ 39,231,202
Balance Due Within One Year	$ 13,430,000	$ 1,746,157	$ 2,213,055

	Compensated Absences	Other Postemployment Benefits	Claims and Judgments
Balance, July 1, 2009	$ 1,993,000	$ 309,188	$ 2,891,190
Additions	2,601,702	410,808	36,957,538
Deductions	(2,561,454)	(32,238)	(36,437,595)
Balance, June 30, 2010	$ 2,033,248	$ 687,758	$ 3,411,133
Balance Due Within One Year	$ 2,033,248	$ 0	$ 1,746,267

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 330,993,341
Less: Due Within One Year	(21,168,727)
Add: Unamortized Premium on Debt	14,668,874
Less: Deferred Amount on Refunding	(12,790,525)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 311,702,963

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

Advance Refunding

On April 1, 2010, Montgomery County advance refunded several general obligation bond issues with a separate general obligation bond issue. The county issued $74,155,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 14 years will be reduced by $3,193,564, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $2,453,702 was obtained.

Defeasance of Prior Debt

In prior years, Montgomery County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and

the defeased bonds are not included in the county's financial statements. At June 30, 2010, the following outstanding bond is considered defeased:

2001 General Obligation Series	$42,345,000

Discretely Presented Clarksville-Montgomery County School Department

Changes in Long-term Liabilities

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

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2009	$ 796,831	$ 1,051,742	$ 903,877
Additions	1,332,892	1,159,465	87,207
Deductions	(505,057)	(1,109,597)	(227,056)
Balance, June 30, 2010	$ 1,624,666	$ 1,101,610	$ 764,028
Balance Due Within One Year	$ 0	$ 1,068,562	$ 422,350

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 3,490,304
Less: Due Within One Year	(1,490,912)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 1,999,392

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Clarksville-Montgomery County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the

Medicare Supplement Plan for the year ended June 30, 2010, were $71,707. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Montgomery County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. 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:

	7-1-09	Issued	Paid	6-30-10
Tax Anticipation Notes	$ 0	$ 700,000	$ (700,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2008-09	$ 2,119,447	$ 28,015,601	$ (27,767,522)	$ 2,367,526
2009-10	2,367,526	36,848,360	(36,203,153)	3,012,733

Montgomery County has decided to maintain a self-insurance plan for risks associated with workers' compensation claims. Claims are paid from the Workers' Compensation Fund. The county administers this plan internally instead of contracting out this service. The county retains the risk of loss to a limit of $350,000 per specific loss. Montgomery County has obtained a stop/loss commercial insurance policy to cover claims beyond this liability.

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2008-09	$ 463,000	$ 0	$ (6,836)	$ 456,164
2009-10	456,164	0	(139,164)	317,000

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2008-09	$ 67,500	$ 204,474	$ (204,474)	$ 67,500
2009-10	67,500	13,900	0	81,400

Montgomery County, the Clarksville-Montgomery County School Department, the Emergency Communications District of Montgomery County, and the Bi-County Solid Waste Management System decided to maintain a self-insurance plan for risks associated with unemployment compensation claims. The county and the above-noted component units participate in the unemployment compensation program administered by the State of Tennessee. The fund is financed from interest earnings, and each fund is assessed for excess claims filed.

Montgomery County and the discretely presented Clarksville-Montgomery County School Department are exposed to various risks related to general liability, property, and casualty losses. Officials decided it was more economically feasible to join a public entity risk pool for general liability, property, and casualty insurance coverage. Montgomery County and the School Department joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. Montgomery County and the School Department pay annual premiums to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies.

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2008-09	$ 1,070,391	$ 0	$ (252,768)	$ 817,623
2009-10	817,623	0	(134,267)	683,356

On January 1, 2006, the School Department decided to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the General Purpose School Fund where assets are set aside for claims settlements. All employees of the School Department are eligible to participate. Qualified individuals shall receive a portion of their salary, not to exceed three months of benefits, provided there is medical documentation from a county-designated physician. Benefits shall not extend beyond one calendar year from the date of injury or illness. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2008-09	$ 31,939	$ 166,265	$ (111,950)	$ 86,254
2009-10	86,254	87,207	(92,789)	80,672

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, 2010.

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. Note B., Capital Assets, describes intangible asset transactions of Montgomery County for the year ended June 30, 2010. The Clarksville-Montgomery County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that 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 Montgomery 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. Montgomery County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Montgomery County may enter into derivative transactions in subsequent years.

C. Subsequent Event

As of December 22, 2010, Montgomery County requested draws of $1,757,208 from the City of Clarksville Public Building Authority on the $20,140,987 loan.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Bi-County Solid Waste Management System, a component unit, will report a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

F. Joint Ventures

The Montgomery County Rail Service Authority provides a continuation of rail service within the area of Montgomery County, and its governing body comprises four members. The county mayor serves as a member of the authority and appoints another member subject to the County Commission's approval. The mayor of the City of Clarksville serves as a member and appoints another member subject to the Clarksville City Council's approval. State grants provide the majority of funding for the rail authority.

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Airport and the Clarksville Montgomery County Regional Planning Commission. These joint ventures are operated by county/city-appointed boards/commissions for the benefit of all citizens of the two entities. Montgomery County has control over budgeting and financing the joint ventures only to the extent of representation by the board members appointed. Each entity is responsible for funding 50 percent of any deficits from operations if not covered by prior earnings. Montgomery County contributed $161,832 to the operations of the airport during the year ended June 30, 2010.

The Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2009-10 year.

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

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2009-10 year.

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

Administrative Offices:

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

Clarksville Montgomery County Airport
200 Airport Road
Clarksville, TN 37042

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

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

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

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

G. Jointly Governed Organizations

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

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

H. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 14.18 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Montgomery County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Montgomery County's annual pension cost of $8,448,199 to TCRS was equal to the county's required and actual

contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Montgomery County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 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	$8,448,199	100%	$0
6-30-09	8,182,159	100	0
6-30-08	7,731,682	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.59 percent funded. The actuarial accrued liability for benefits was $145.44 million, and the actuarial value of assets was $121.57 million, resulting in an unfunded actuarial accrued liability (UAAL) of $23.86 million. The covered payroll (annual payroll of active employees covered by the plan) was $56.48 million, and the ratio of the UAAL to the covered payroll was 42.25 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 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 Clarksville-Montgomery County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury.tcrs/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 $6,735,354, $6,367,471, and $5,948,996, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

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

Funding Policy

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

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

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

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

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department	Total
ARC	$ 409,787	$ 1,331,692	$ 1,741,479
Interest on the NPO	13,913	16,334	30,247
Adjustment to the ARC	(12,892)	(15,134)	(28,026)
Annual OPEB cost	$ 410,808	$ 1,332,892	$ 1,743,700
Amount of contribution	(32,238)	(505,057)	(537,295)
Increase/decrease in NPO	$ 378,570	$ 827,835	$ 1,206,405
Net OPEB obligation, 7-1-09	309,188	796,831	1,106,019
Net OPEB obligation, 6-30-10	$ 687,758	$ 1,624,666	$ 2,312,424

Fiscal Year Ended*	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Primary Government	$ 410,808	7.85 %	$ 687,758
6-30-10	School Department	1,332,892	37.89	1,624,666

* Data only available for one year.

Funded Status and Funding Progress

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

	Primary Government	School Department
Actuarial valuation date	1-1-10	7-1-08
Actuarial accrued liability (AAL)	$ 3,650,542	$ 14,187,709
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 3,650,542	$ 14,187,709
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 26,550,578	$ 129,481,856
UAAL as a % of covered payroll	14%	11%

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

supplementary information following the notes to the financial statements, presents 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, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of five percent for 2010, with the assumption that annual medical costs will increase five percent per year. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2008.

In the January 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent for 2010, grading down to five percent for 2016 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2008.

J. Office of Central Accounting, Budgeting, and Purchasing

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

K. Purchasing Laws

Office of Central Purchasing

Purchasing procedures for the County Mayor's Office and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., Tennessee Code Annotated (TCA). Purchases for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. Section 5-14-101 et seq., TCA, provides for a purchasing agent,

appointed by the county mayor and approved by the Montgomery County Commission, to make all purchases. This statute also provides for a County Purchasing Commission to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding $10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also provides for the School Department, which has a purchasing division, to use a comprehensive vendor list to solicit competitive bids on all purchases exceeding $10,000 provided the vendors on such list are given notice to bid. This statute also requires the purchasing division to periodically advertise in a county newspaper of general circulation for vendors and to update the list of vendors following such advertisement.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 33,106,521	$ 0	$ 0	$ 33,106,521	$ 32,762,759	$ 33,537,666	$ (431,145)
Licenses and Permits	1,661,972	0	0	1,661,972	692,140	1,125,146	536,826
Fines, Forfeitures, and Penalties	1,363,614	0	0	1,363,614	1,337,955	1,358,455	5,159
Charges for Current Services	3,764,116	0	0	3,764,116	4,604,816	4,604,816	(840,700)
Other Local Revenues	2,930,627	0	0	2,930,627	2,993,952	3,337,980	(407,353)
Fees Received from County Officials	7,750,178	0	0	7,750,178	7,684,830	7,852,889	(102,711)
State of Tennessee	5,534,055	0	0	5,534,055	5,696,688	5,989,471	(455,416)
Federal Government	1,194,831	0	0	1,194,831	1,080,707	2,638,525	(1,443,694)
Other Governments and Citizens Groups	270,227	0	0	270,227	136,450	257,135	13,092
Total Revenues	$ 57,576,141	$ 0	$ 0	$ 57,576,141	$ 56,990,297	$ 60,702,083	$ (3,125,942)
Expenditures							
General Government							
County Commission	$ 194,261	$ 0	$ 0	$ 194,261	$ 200,980	$ 204,908	$ 10,647
Board of Equalization	1,917	0	0	1,917	4,171	4,171	2,254
Beer Board	806	0	0	806	3,075	3,075	2,269
Other Boards and Committees	2,153	0	0	2,153	3,314	3,314	1,161
County Mayor/Executive	392,373	0	0	392,373	411,348	416,287	23,914
Personnel Office	298,342	0	0	298,342	315,276	318,595	20,253
County Attorney	50,141	0	0	50,141	24,000	54,000	3,859
Election Commission	330,694	0	0	330,694	445,298	383,112	52,418
Register of Deeds	404,227	0	0	404,227	433,111	440,919	36,692
Planning	334,526	0	0	334,526	334,526	334,526	0
Building	127,036	0	0	127,036	158,311	158,311	31,275
Codes Compliance	500,525	0	9,900	510,425	546,685	556,551	46,126

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
General Government (Cont.)							
Geographical Information Systems	$ 90,730	$ 0	$ 0	$ 90,730	$ 114,896	$ 114,896	$ 24,166
County Buildings	1,297,550	(2,429)	0	1,295,121	1,341,880	1,350,875	55,754
Other Facilities	1,103,826	0	0	1,103,826	1,265,752	1,281,635	177,809
Other General Administration	542,486	0	0	542,486	542,047	553,839	11,353
Preservation of Records	100,367	0	0	100,367	114,968	115,731	15,364
Finance							
Accounting and Budgeting	621,255	0	0	621,255	673,882	685,657	64,402
Purchasing	260,371	0	0	260,371	266,326	271,579	11,208
Property Assessor's Office	890,097	0	0	890,097	863,802	908,126	18,029
Reappraisal Program	82,299	0	0	82,299	107,200	109,755	27,456
County Trustee's Office	466,336	0	0	466,336	445,664	473,367	7,031
County Clerk's Office	1,567,242	(150)	0	1,567,092	1,591,761	1,641,027	73,935
Data Processing	1,200,934	0	799	1,201,733	1,452,811	1,462,737	261,004
Other Finance	44,837	0	0	44,837	47,550	50,550	5,713
Administration of Justice							
Circuit Court	1,823,210	0	0	1,823,210	1,904,725	1,961,030	137,820
General Sessions Court	1,595,096	0	0	1,595,096	1,621,125	1,653,223	58,127
Drug Court	47,995	0	0	47,995	100,000	50,000	2,005
Chancery Court	451,528	0	0	451,528	480,865	489,559	38,031
District Attorney General	88,123	0	0	88,123	55,400	185,860	97,737
Judicial Commissioners	219,247	0	0	219,247	217,099	232,849	13,602
Other Administration of Justice	550,457	0	0	550,457	515,588	557,356	6,899
Probation Services	719,870	0	0	719,870	820,009	830,668	110,798

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety							
Sheriff's Department	$ 6,636,177	$ 0	$ 2,536	$ 6,638,713	$ 6,977,419	$ 7,059,694	$ 420,981
Special Patrols	1,568,679	0	0	1,568,679	1,660,954	1,688,989	120,310
Traffic Control	25,297	0	0	25,297	7,504	27,428	2,131
Administration of the Sexual Offender Registry	11,071	0	0	11,071	13,979	13,979	2,908
Jail	11,020,902	0	0	11,020,902	10,914,976	11,603,695	582,793
Workhouse	1,435,295	0	0	1,435,295	1,554,469	1,567,092	131,797
Correctional Incentive Program Improvements	429,086	0	0	429,086	468,789	468,789	39,703
Juvenile Services	226,628	0	0	226,628	228,670	230,930	4,302
Fire Prevention and Control	126,688	0	31,300	157,988	204,579	248,079	90,091
Civil Defense	380,050	0	0	380,050	388,797	392,554	12,504
Other Emergency Management	614,802	(104,393)	0	510,409	1,016,707	1,730,366	1,219,957
County Coroner/Medical Examiner	210,608	0	0	210,608	171,120	231,120	20,512
Public Health and Welfare							
Local Health Center	238,531	0	0	238,531	273,208	275,000	36,469
Rabies and Animal Control	424,793	0	0	424,793	449,133	467,797	43,004
Ambulance/Emergency Medical Services	6,741,368	0	0	6,741,368	6,507,785	6,965,930	224,562
Other Local Health Services	1,720,919	0	0	1,720,919	1,910,200	2,307,400	586,481
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	198,776	0	0	198,776	198,776	198,776	0
Other Local Welfare Services	102,525	0	0	102,525	96,825	103,325	800
Other Public Health and Welfare	30,000	0	0	30,000	30,000	30,000	0
Social, Cultural, and Recreational Services							
Libraries	1,604,251	0	0	1,604,251	1,604,251	1,604,251	0
Parks and Fair Boards	41,282	0	0	41,282	43,705	43,705	2,423

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Other Social, Cultural, and Recreational	$ 7,678	$ 0	$ 0	$ 7,678	$ 8,582	$ 8,582	$ 904
Agriculture and Natural Resources							
Agriculture Extension Service	340,678	0	399	341,077	351,933	376,489	35,412
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	50,670	0	0	50,670	50,515	51,279	609
Other Operations							
Tourism	1,172,169	0	0	1,172,169	1,039,000	1,148,000	(24,169)
Industrial Development	624,616	0	0	624,616	624,616	624,616	0
Airport	161,832	0	0	161,832	161,832	161,832	0
Veterans' Services	314,303	0	0	314,303	345,590	351,607	37,304
Other Charges	1,604,146	0	0	1,604,146	1,696,178	1,656,178	52,032
Contributions to Other Agencies	114,346	0	0	114,346	168,858	168,858	54,512
Employee Benefits	315,400	0	0	315,400	318,300	318,300	2,900
ARRA Grant # 2	49,846	0	0	49,846	0	50,000	154
ARRA Grant # 3	94,238	0	0	94,238	0	219,141	124,903
ARRA Grant # 4	939	0	0	939	0	939	0
Miscellaneous	8,987	0	0	8,987	22,025	22,025	13,038
Highways							
Litter and Trash Collection	117,730	0	0	117,730	126,485	130,798	13,068
Total Expenditures	$ 55,178,163	$ (106,972)	$ 44,934	$ 55,116,125	$ 57,071,205	$ 60,417,631	$ 5,301,506
Excess (Deficiency) of Revenues Over Expenditures	$ 2,397,978	$ 106,972	$ (44,934)	$ 2,460,016	$ (80,908)	$ 284,452	$ 2,175,564

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)							
Insurance Recovery	$ 16,028	$ 0	$ 0	$ 16,028	$ 0	$ 429	$ 15,599
Transfers In	0	0	0	0	101,600	101,600	(101,600)
Transfers Out	(125,951)	0	0	(125,951)	0	(125,951)	0
Total Other Financing Sources (Uses)	$ (109,923)	$ 0	$ 0	$ (109,923)	$ 101,600	$ (23,922)	$ (86,001)
Net Change in Fund Balance	$ 2,288,055	$ 106,972	$ (44,934)	$ 2,350,093	$ 20,692	$ 260,530	$ 2,089,563
Fund Balance, July 1, 2009	19,861,355	(106,972)	0	19,754,383	18,793,875	18,793,875	960,508
Fund Balance, June 30, 2010	$ 22,149,410	$ 0	$ (44,934)	$ 22,104,476	$ 18,814,567	$ 19,054,405	$ 3,050,071

Exhibit F-2

Montgomery County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Clarksville-Montgomery County School Department
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)
7-1-09	$ 121,574	$ 145,437	$ 23,863	83.59 %	$ 56,479	42.25 %
7-1-07	108,665	125,967	17,302	86.26	49,014	35.3

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 2007 actuarial valuation; therefore, only the two most recent valauations are presented.

Exhibit F-3

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Clarksville-Montgomery County School Department
June 30, 2010

(Dollar amounts in thousands)

Plans	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)
Primary Government	7-1-08	$ 0	$ 3,753	$ 3,753	0%	$ 25,359	15%
"	1-1-10	0	3,651	3,651	0	26,550	14
School Department	7-1-08	0	14,188	14,188	0	129,482	11

* Data for three actuarial valuations will be presented when available.

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

A. BUDGETARY INFORMATION

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

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Tourism major appropriation category (the legal level of control) of the General Fund by $24,169. Such overexpenditures are a violation of state statutes. This overexpenditure was funded by available fund balance.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Exhibit G-1

Montgomery County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds			
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 810	$ 50	$ 860
Equity in Pooled Cash and Investments	85,191	0	1,934,447	2,019,638
Accounts Receivable	988	3,141	29,984	34,113
Due from Other Governments	0	0	594,440	594,440
Property Taxes Receivable	0	0	4,180,867	4,180,867
Allowance for Uncollectible Property Taxes	0	0	(72,620)	(72,620)
Total Assets	$ 86,179	$ 3,951	$ 6,667,168	$ 6,757,298
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 0	$ 0	$ 154,930	$ 154,930
Accrued Payroll	0	0	96,231	96,231
Payroll Deductions Payable	0	0	27,224	27,224
Due to Other Funds	0	0	893	893
Due to Litigants, Heirs, and Others	0	3,951	0	3,951
Deferred Revenue - Current Property Taxes	0	0	3,976,509	3,976,509
Deferred Revenue - Delinquent Property Taxes	0	0	118,747	118,747
Other Deferred Revenues	0	0	359,861	359,861
Total Liabilities	$ 0	$ 3,951	$ 4,734,395	$ 4,738,346
Fund Balances				
Reserved for Encumbrances	$ 10,500	$ 0	$ 165,683	$ 176,183
Unreserved	75,679	0	1,767,090	1,842,769
Total Fund Balances	$ 86,179	$ 0	$ 1,932,773	$ 2,018,952
Total Liabilities and Fund Balances	$ 86,179	$ 3,951	$ 6,667,168	$ 6,757,298

Exhibit G-2

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

	Special Revenue Funds			
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
Revenues				
Local Taxes	$ 0	$ 0	$ 4,015,389	$ 4,015,389
Fines, Forfeitures, and Penalties	6,647	0	0	6,647
Charges for Current Services	0	1,550	162	1,712
Other Local Revenues	0	0	73,853	73,853
State of Tennessee	0	0	2,726,473	2,726,473
Federal Government	0	0	110,930	110,930
Other Governments and Citizens Groups	0	0	237,281	237,281
Total Revenues	$ 6,647	$ 1,550	$ 7,164,088	$ 7,172,285
Expenditures				
Current:				
Administration of Justice	$ 0	$ 1,550	$ 0	$ 1,550
Public Safety	13,310	0	0	13,310
Highways	0	0	7,043,174	7,043,174
Debt Service:				
Interest on Debt	0	0	5,354	5,354
Total Expenditures	$ 13,310	$ 1,550	$ 7,048,528	$ 7,063,388
Excess (Deficiency) of Revenues Over Expenditures	$ (6,663)	$ 0	$ 115,560	$ 108,897
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 0	$ 4,581	$ 4,581
Transfers In	0	0	768,500	768,500
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 773,081	$ 773,081
Net Change in Fund Balances	$ (6,663)	$ 0	$ 888,641	$ 881,978
Fund Balance, July 1, 2009	92,842	0	1,044,132	1,136,974
Fund Balance, June 30, 2010	$ 86,179	$ 0	$ 1,932,773	$ 2,018,952

Exhibit G-3

Montgomery 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)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 6,647	$ 0	$ 6,647	$ 12,500	$ 12,500	$ (5,853)
Total Revenues	$ 6,647	$ 0	$ 6,647	$ 12,500	$ 12,500	$ (5,853)
Expenditures						
Public Safety						
Sheriff's Department	$ 13,310	$ 10,500	$ 23,810	$ 28,770	$ 65,727	$ 41,917
Total Expenditures	$ 13,310	$ 10,500	$ 23,810	$ 28,770	$ 65,727	$ 41,917
Excess (Deficiency) of Revenues Over Expenditures	$ (6,663)	$ (10,500)	$ (17,163)	$ (16,270)	$ (53,227)	$ 36,064
Net Change in Fund Balance	$ (6,663)	$ (10,500)	$ (17,163)	$ (16,270)	$ (53,227)	$ 36,064
Fund Balance, July 1, 2009	92,842	0	92,842	21,034	21,034	71,808
Fund Balance, June 30, 2010	$ 86,179	$ (10,500)	$ 75,679	$ 4,764	$ (32,193)	$ 107,872

Exhibit G-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,015,389	$ 0	$ 0	$ 4,015,389	$ 3,942,647	$ 3,942,647	$ 72,742
Charges for Current Services	162	0	0	162	100	100	62
Other Local Revenues	73,853	0	0	73,853	166,000	166,000	(92,147)
State of Tennessee	2,726,473	0	0	2,726,473	3,331,579	3,331,579	(605,106)
Federal Government	110,930	0	0	110,930	0	0	110,930
Other Governments and Citizens Groups	237,281	0	0	237,281	0	0	237,281
Total Revenues	$ 7,164,088	$ 0	$ 0	$ 7,164,088	$ 7,440,326	$ 7,440,326	$ (276,238)
Expenditures							
Highways							
Administration	$ 365,249	$ 0	$ 0	$ 365,249	$ 359,759	$ 372,707	$ 7,458
Highway and Bridge Maintenance	4,401,298	0	1,800	4,403,098	4,082,829	4,488,114	85,016
Operation and Maintenance of Equipment	1,071,576	0	0	1,071,576	1,266,985	1,276,964	205,388
Traffic Control	301,922	0	2,497	304,419	442,632	446,979	142,560
Other Charges	542,366	0	0	542,366	568,850	568,850	26,484
Employee Benefits	26,878	0	0	26,878	12,402	31,502	4,624
Capital Outlay	333,885	(134,233)	161,386	361,038	1,562,942	1,697,475	1,336,437
Interest on Debt							
Highways and Streets	5,354	0	0	5,354	0	5,354	0
Total Expenditures	$ 7,048,528	$ (134,233)	$ 165,683	$ 7,079,978	$ 8,296,399	$ 8,887,945	$ 1,807,967
Excess (Deficiency) of Revenues Over Expenditures	$ 115,560	$ 134,233	$ (165,683)	$ 84,110	$ (856,073)	$ (1,447,619)	$ 1,531,729
Other Financing Sources (Uses)							
Bonds Issued	$ 0	$ 0	$ 0	$ 0	$ 768,500	$ 0	$ 0
Insurance Recovery	4,581	0	0	4,581	0	0	4,581
Transfers In	768,500	0	0	768,500	0	768,500	0
Total Other Financing Sources (Uses)	$ 773,081	$ 0	$ 0	$ 773,081	$ 768,500	$ 768,500	$ 4,581
Net Change in Fund Balance	$ 888,641	$ 134,233	$ (165,683)	$ 857,191	$ (87,573)	$ (679,119)	$ 1,536,310
Fund Balance, July 1, 2009	1,044,132	(134,233)	0	909,899	1,355,693	1,355,693	(445,794)
Fund Balance, June 30, 2010	$ 1,932,773	$ 0	$ (165,683)	$ 1,767,090	$ 1,268,120	$ 676,574	$ 1,090,516

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 30,739,359	$ 29,112,520	$ 29,897,520	$ 841,839
Other Local Revenues	424,945	1,545,000	333,420	91,525
Other Governments and Citizens Groups	510,435	0	510,000	435
Total Revenues	$ 31,674,739	$ 30,657,520	$ 30,740,940	$ 933,799
Expenditures				
Principal on Debt				
General Government	$ 4,393,307	$ 5,593,294	$ 4,893,307	$ 500,000
Education	10,917,761	10,159,107	10,940,421	22,660
Interest on Debt				
General Government	4,867,408	4,867,409	4,867,409	1
Education	9,168,332	9,814,956	9,708,181	539,849
Other Debt Service				
General Government	677,212	170,725	689,819	12,607
Education	420,723	360,000	452,094	31,371
Total Expenditures	$ 30,444,743	$ 30,965,491	$ 31,551,231	$ 1,106,488
Excess (Deficiency) of Revenues Over Expenditures	$ 1,229,996	$ (307,971)	$ (810,291)	$ 2,040,287
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 74,155,000	$ 0	$ 74,155,000	$ 0
Premiums on Debt Issued	9,271,813	0	9,271,913	(100)
Transfers In	30,951	0	0	30,951
Payments to Refunded Debt Escrow Agent	(82,922,779)	0	(82,922,779)	0
Total Other Financing Sources (Uses)	$ 534,985	$ 0	$ 504,134	$ 30,851
Net Change in Fund Balance	$ 1,764,981	$ (307,971)	$ (306,157)	$ 2,071,138
Fund Balance, July 1, 2009	26,689,680	24,441,959	24,441,959	2,247,721
Fund Balance, June 30, 2010	$ 28,454,661	$ 24,133,988	$ 24,135,802	$ 4,318,859

Proprietary Funds

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

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

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

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

Exhibit I-1

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	$ 1,331,522	$ 2,374,819	$ 249,761	$ 3,956,102
Accounts Receivable	26,351	200	111	26,662
Due from Other Funds	2,048	2,375	48,420	52,843
Due from Component Units	15,791	0	0	15,791
Total Current Assets	$ 1,375,712	$ 2,377,394	$ 298,292	$ 4,051,398
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	$ 24,803	$ 0	$ 0	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(3,578)	0	0	(3,578)
Total Noncurrent Assets	$ 21,225	$ 0	$ 0	$ 21,225
Total Assets	$ 1,396,937	$ 2,377,394	$ 298,292	$ 4,072,623
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 1,489	$ 5,156	$ 5,129	$ 11,774
Accrued Payroll	0	5,125	0	5,125
Payroll Deductions Payable	0	1,139	0	1,139
Due to Component Units	40,666	0	0	40,666
Claims and Judgments Payable	1,506,367	239,900	0	1,746,267
Total Current Liabilities	$ 1,548,522	$ 251,320	$ 5,129	$ 1,804,971
Noncurrent Liabilities:				
Claims and Judgments Payable	$ 1,506,366	$ 158,500	$ 0	$ 1,664,866
Total Noncurrent Liabilities	$ 1,506,366	$ 158,500	$ 0	$ 1,664,866
Total Liabilities	$ 3,054,888	$ 409,820	$ 5,129	$ 3,469,837
NET ASSETS				
Unrestricted	$ (1,657,951)	$ 1,967,574	$ 293,163	$ 602,786
Total Net Assets	$ (1,657,951)	$ 1,967,574	$ 293,163	$ 602,786

Exhibit I-2

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Operating Revenues				
Charges for Current Services	$ 38,165,887	$ 789,279	$ 0	$ 38,955,166
Total Operating Revenues	$ 38,165,887	$ 789,279	$ 0	$ 38,955,166
Operating Expenses				
Personnel Office	$ 0	$ 135	$ 0	$ 135
Election Commission	0	1,343	0	1,343
Codes Compliance	0	320	0	320
County Buildings	0	0	270	270
Other Facilities	0	1,784	0	1,784
Risk Management	0	112,425	0	112,425
Other Risk Management	0	333	0	333
Reappraisal Program	0	0	967	967
County Clerk's Office	0	2,382	0	2,382
Data Processing	0	85	0	85
Circuit Court	0	1,010	0	1,010
General Sessions Court	0	0	270	270
Probation Services	0	0	270	270
Sheriff's Department	0	12,856	0	12,856
Jail	0	29,522	270	29,792
Fire Prevention and Control	0	1,230	0	1,230
Rabies and Animal Control	0	838	270	1,108
Ambulance/Emergency Medical Services	0	22,385	270	22,655
Other Local Health Services	0	0	3,960	3,960
Landfill Operation and Maintenance	0	9,218	442	9,660
Veteran's Services	0	0	4,619	4,619
Depreciation	991	0	0	991
Other Charges	1,083,471	0	0	1,083,471
Employee Benefits	39,638,241	0	0	39,638,241
Highway and Bridge Maintenance	0	38,576	0	38,576
Litter and Trash Collection	0	0	180	180
Other	0	0	152,455	152,455
Total Operating Expenses	$ 40,722,703	$ 234,442	$ 164,243	$ 41,121,388
Operating Income (Loss)	$ (2,556,816)	$ 554,837	$ (164,243)	$ (2,166,222)
Nonoperating Revenues (Expenses)				
Investment Income	$ 6,754	$ 2,234	$ 1,619	$ 10,607
Miscellaneous Refunds	772,553	8,247	0	780,800
Total Nonoperating Revenues (Expenses)	$ 779,307	$ 10,481	$ 1,619	$ 791,407
Changes in Net Assets	$ (1,777,509)	$ 565,318	$ (162,624)	$ (1,374,815)
Prior-period Adjustment	0	125,264	0	125,264
Net Assets, July 1, 2009	119,558	1,276,992	455,787	1,852,337
Nets Assets (Deficit), June 30, 2010	$ (1,657,951)	$ 1,967,574	$ 293,163	$ 602,786

Exhibit I-3

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	$ 38,143,591	$ 1,577,357	$ 0	$ 39,720,948
Other Self-Insured Claims	(40,087,048)	(354,992)	(215,508)	(40,657,548)
Other Receipts (Payments)	772,553	0	0	772,553
Net Cash Provided By (Used In) Operating Activities	$ (1,170,904)	$ 1,222,365	$ (215,508)	$ (164,047)
Cash Flows from Investing Activities				
Investment Income	$ 6,754	$ 2,234	$ 1,619	$ 10,607
Net Cash Provided By (Used In) Investing Activities	$ 6,754	$ 2,234	$ 1,619	$ 10,607
Net Increase (Decrease) in Cash	$ (1,164,150)	$ 1,224,599	$ (213,889)	$ (153,440)
Prior-period Adjustment	0	125,264	0	125,264
Cash, July 1, 2009	2,495,672	1,024,956	463,650	3,984,278
Cash, June 30, 2010	$ 1,331,522	$ 2,374,819	$ 249,761	$ 3,956,102

(Continued)

Exhibit I-3

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	$ (2,556,816)	$ 554,837	$ (164,243)	$ (2,166,222)
Miscellaneous Refunds	772,553	8,247	0	780,800
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation Expense	991	0	0	991
(Increase) Decrease in Accounts Receivable	(24,524)	153,181	114	128,771
(Increase) Decrease in Due from Other Funds	(2,048)	626,650	(48,420)	576,182
(Increase) Decrease in Due from Component Units	4,276	0	0	4,276
Increase (Decrease) in Accounts Payable	(13,459)	2,300	(2,959)	(14,118)
Increase (Decrease) in Accrued Payroll	0	2,594	0	2,594
Increase (Decrease) in Payroll Deductions Payable	0	(180)	0	(180)
Increase (Decrease) in Due to Component Units	2,916	0	0	2,916
Increase (Decrease) in Claims and Judgments Payable	645,207	(125,264)	0	519,943
Net Cash Provided By (Used In) Operating Activities	$ (1,170,904)	$ 1,222,365	$ (215,508)	$ (164,047)

Fiduciary Funds

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

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

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

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

Exhibit J-1

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

	Agency Funds			
	Cities - Sales Tax	Constitu-tional Officers - Agency	Judicial District Drug	Total
ASSETS				
Cash	$ 0	$ 6,747,183	$ 13,786	$ 6,760,969
Equity in Pooled Cash and Investments	0	0	248,764	248,764
Accounts Receivable	0	2,784	358	3,142
Due from Other Governments	2,011,097	0	8,520	2,019,617
Total Assets	$ 2,011,097	$ 6,749,967	$ 271,428	$ 9,032,492
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 6,942	$ 6,942
Accrued Payroll	0	0	7,994	7,994
Other Current Liabilities	0	0	62,036	62,036
Due to Other Taxing Units	2,011,097	0	0	2,011,097
Due to Litigants, Heirs, and Others	0	6,749,967	0	6,749,967
Due to Joint Ventures	0	0	194,456	194,456
Total Liabilities	$ 2,011,097	$ 6,749,967	$ 271,428	$ 9,032,492

Exhibit J-2

Montgomery 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 11,762,261	$ 11,762,261	$ 0
Due from Other Governments	1,957,735	2,011,097	1,957,735	2,011,097
Total Assets	$ 1,957,735	$ 13,773,358	$ 13,719,996	$ 2,011,097
Liabilities				
Due to Other Taxing Units	$ 1,957,735	$ 13,773,358	$ 13,719,996	$ 2,011,097
Total Liabilities	$ 1,957,735	$ 13,773,358	$ 13,719,996	$ 2,011,097
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 7,937,167	$ 34,597,442	$ 35,787,426	$ 6,747,183
Accounts Receivable	59,063	2,784	59,063	2,784
Total Assets	$ 7,996,230	$ 34,600,226	$ 35,846,489	$ 6,749,967
Liabilities				
Due to Litigants, Heirs, and Others	$ 7,996,230	$ 34,600,226	$ 35,846,489	$ 6,749,967
Total Liabilities	$ 7,996,230	$ 34,600,226	$ 35,846,489	$ 6,749,967
Judicial District Drug Fund				
Assets				
Cash	$ 5,577	$ 13,786	$ 5,577	$ 13,786
Equity in Pooled Cash and Investments	370,330	383,222	504,788	248,764
Accounts Receivable	6,566	358	6,566	358
Due from Other Governments	5,043	8,520	5,043	8,520
Total Assets	$ 387,516	$ 405,886	$ 521,974	$ 271,428
Liabilities				
Accounts Payable	$ 57,132	$ 6,942	$ 57,132	$ 6,942
Accrued Payroll	1,194	7,994	1,194	7,994
Other Current Liabilities	0	62,036	0	62,036
Due to Other Funds	180	0	180	0
Due to Joint Ventures	329,010	328,914	463,468	194,456
Total Liabilities	$ 387,516	$ 405,886	$ 521,974	$ 271,428

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Totals - All Agency Funds				
Assets				
Cash	$ 7,942,744	$ 34,611,228	$ 35,793,003	$ 6,760,969
Equity in Pooled Cash and Investments	370,330	12,145,483	12,267,049	248,764
Accounts Receivable	65,629	3,142	65,629	3,142
Due from Other Governments	1,962,778	2,019,617	1,962,778	2,019,617
Total Assets	$ 10,341,481	$ 48,779,470	$ 50,088,459	$ 9,032,492
Liabilities				
Accounts Payable	$ 57,132	$ 6,942	$ 57,132	$ 6,942
Accrued Payroll	1,194	7,994	1,194	7,994
Other Current Liabilities	0	62,036	0	62,036
Due to Other Funds	180	0	180	0
Due to Other Taxing Units	1,957,735	13,773,358	13,719,996	2,011,097
Due to Litigants, Heirs, and Others	7,996,230	34,600,226	35,846,489	6,749,967
Due to Joint Ventures	329,010	328,914	463,468	194,456
Total Liabilities	$ 10,341,481	$ 48,779,470	$ 50,088,459	$ 9,032,492

Clarksville-Montgomery County School Department

This section presents combining and individual fund financial statements for the Clarksville-Montgomery County School Department, a discretely presented component unit. The School Department uses a General Fund, four Special Revenue Funds, and one Capital Projects Fund.

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

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

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

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

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

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

Exhibit K-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 126,783,758	$ 179,772	$ 9,806,187	$ 0	$ (116,797,799)
Support Services	92,792,052	62,452	2,917,036	24,136,203	(65,676,361)
Operation of Non-Instructional Services	12,846,960	4,946,860	8,893,017	0	992,917
Other Debt Service	510,435	0	0	0	(510,435)
Total Governmental Activities	$ 232,933,205	$ 5,189,084	$ 21,616,240	$ 24,136,203	$ (181,991,678)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 27,518,189
Local Option Sales Tax					33,570,915
Wheel Tax					3,379,672
Business Tax					564,615
Interstate Telecommunications Tax					11,696
Grants and Contributions Not Restricted to Specific Programs					125,940,534
Unrestricted Investment Earnings					32,289
Miscellaneous					227,813
Total General Revenues					$ 191,245,723
Change in Net Assets					$ 9,254,045
Net Assets, July 1, 2009					302,556,745
Net Assets, June 30, 2010					$ 311,810,790

Exhibit K-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS				
Cash	$ 450	$ 18,585,038	$ 261,206	$ 18,846,694
Equity in Pooled Cash and Investments	21,254,967	2,880,299	6,371,917	30,507,183
Inventories	269,403	0	225,946	495,349
Accounts Receivable	60,213	0	83,375	143,588
Due from Other Governments	6,782,727	515,281	1,089,813	8,387,821
Due from Other Funds	773,599	0	39,378	812,977
Due from Primary Government	40,666	0	0	40,666
Property Taxes Receivable	26,846,471	0	1,791,691	28,638,162
Allowance for Uncollectible Property Taxes	(512,675)	0	(34,197)	(546,872)
Prepaid Items	525,379	0	106,316	631,695
Total Assets	$ 56,041,200	$ 21,980,618	$ 9,935,445	$ 87,957,263
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 757,564	$ 728,463	$ 338,028	$ 1,824,055
Accrued Payroll	5,350,363	0	389,951	5,740,314
Payroll Deductions Payable	3,043,856	0	240,346	3,284,202
Deferred Compensation Payable	319,182	0	0	319,182
Due to Other Funds	39,170	0	773,807	812,977
Due to Primary Government	9,441	0	6,350	15,791
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	104,891	104,891
Deferred Revenue - Current Property Taxes	25,300,157	0	1,688,585	26,988,742
Deferred Revenue - Delinquent Property Taxes	937,922	0	62,520	1,000,442
Other Deferred Revenues	3,345,010	0	0	3,345,010
Total Liabilities	$ 39,102,665	$ 728,463	$ 3,604,478	$ 43,435,606
Fund Balances				
Reserved for Encumbrances	$ 840,789	$ 20,005,261	$ 162,419	$ 21,008,469
Reserved for Career Ladder - Extended Contract	116,538	0	0	116,538
Reserved for Career Ladder Program	27,135	0	0	27,135
Unreserved, Reported In:				
General Fund	15,954,073	0	0	15,954,073
Special Revenue Funds	0	0	6,168,548	6,168,548
Capital Projects Funds	0	1,246,894	0	1,246,894
Total Fund Balances	$ 16,938,535	$ 21,252,155	$ 6,330,967	$ 44,521,657
Total Liabilities and Fund Balances	$ 56,041,200	$ 21,980,618	$ 9,935,445	$ 87,957,263

Exhibit K-3

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Clarksville-Montgomery 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 K-2)			$ 44,521,657
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 12,556,577	
	Add: construction in progress	1,832,263	
	Add: buildings and improvements net of accumulated depreciation	238,076,051	
	Add: other capital assets net of accumulated depreciation	13,969,094	266,433,985
(2)	Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: claims and judgments payable	$ (764,028)	
	Less: other postemployment benefits liability	(1,624,666)	
	Less: compensated absences payable	(1,101,610)	(3,490,304)
(3)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,345,452
Net assets of governmental activities (Exhibit A)			$ 311,810,790

Exhibit K-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 63,752,766	$ 0	$ 1,761,361	$ 65,514,127
Charges for Current Services	47,700	0	4,907,017	4,954,717
Other Local Revenues	320,056	25,376	188,583	534,015
State of Tennessee	109,808,926	0	8,714,507	118,523,433
Federal Government	4,240,633	0	23,955,711	28,196,344
Other Governments and Citizens Groups	25,884	24,136,203	0	24,162,087
Total Revenues	$ 178,195,965	$ 24,161,579	$ 39,527,179	$ 241,884,723
Expenditures				
Current:				
Instruction	$ 115,235,954	$ 0	$ 10,754,272	$ 125,990,226
Support Services	66,532,695	0	15,572,057	82,104,752
Operation of Non-Instructional Services	1,805,480	0	11,732,897	13,538,377
Debt Service:				
Other Debt Service	510,435	0	0	510,435
Capital Projects	0	9,035,277	0	9,035,277
Total Expenditures	$ 184,084,564	$ 9,035,277	$ 38,059,226	$ 231,179,067
Excess (Deficiency) of Revenues Over Expenditures	$ (5,888,599)	$ 15,126,302	$ 1,467,953	$ 10,705,656
Other Financing Sources (Uses)				
Insurance Recovery	$ 9,470	$ 0	$ 0	$ 9,470
Transfers In	788,798	0	2,038,146	2,826,944
Transfers Out	(750,000)	0	(2,076,944)	(2,826,944)
Total Other Financing Sources (Uses)	$ 48,268	$ 0	$ (38,798)	$ 9,470
Net Change in Fund Balances	$ (5,840,331)	$ 15,126,302	$ 1,429,155	$ 10,715,126
Fund Balance, July 1, 2009	22,778,866	6,125,853	4,901,812	33,806,531
Fund Balance, June 30, 2010	$ 16,938,535	$ 21,252,155	$ 6,330,967	$ 44,521,657

Exhibit K-5

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Clarksville-Montgomery 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 K-4)			$ 10,715,126
(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	$ 7,274,102	
	Less: current year depreciation expense	(8,239,322)	(965,220)
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
	Less: revenue from the sale of capital assets	$ (41,078)	
	Less: loss on disposal of capital assets	(34,948)	(76,026)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2009	$ (4,027,433)	
	Add: deferred delinquent property taxes and other deferred June 30, 2010	4,345,452	318,019
(4)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in claims and judgments payable	$ 139,849	
	Change in other postemployment benefits liability	(827,835)	
	Change in compensated absences payable	(49,868)	(737,854)
Change in net assets of governmental activities (Exhibit B)			$ 9,254,045

Exhibit K-6

Montgomery County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School Department
June 30, 2010

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 261,206	$ 0	$ 0	$ 261,206
Equity in Pooled Cash and Investments	1,286,192	3,525,364	1,499,077	61,284	6,371,917
Inventories	0	225,946	0	0	225,946
Accounts Receivable	1,766	52,600	29,009	0	83,375
Due from Other Governments	1,089,813	0	0	0	1,089,813
Due from Other Funds	25	27,489	11,864	0	39,378
Property Taxes Receivable	0	0	1,791,691	0	1,791,691
Allowance for Uncollectible Property Taxes	0	0	(34,197)	0	(34,197)
Prepaid Items	16,884	26,746	57,543	5,143	106,316
Total Assets	$ 2,394,680	$ 4,119,351	$ 3,354,987	$ 66,427	$ 9,935,445
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 244,565	$ 23,987	$ 67,902	$ 1,574	$ 338,028
Accrued Payroll	389,951	0	0	0	389,951
Payroll Deductions Payable	240,078	119	149	0	240,346
Due to Other Funds	773,361	277	125	44	773,807
Due to Primary Government	0	14	6,336	0	6,350
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	104,891	0	0	104,891
Deferred Revenue - Current Property Taxes	0	0	1,688,585	0	1,688,585
Deferred Revenue - Delinquent Property Taxes	0	0	62,520	0	62,520
Total Liabilities	$ 1,647,955	$ 129,288	$ 1,825,617	$ 1,618	$ 3,604,478
Fund Balances					
Reserved for Encumbrances	$ 36,351	$ 70,139	$ 55,929	$ 0	$ 162,419
Unreserved	710,374	3,919,924	1,473,441	64,809	6,168,548
Total Fund Balances	$ 746,725	$ 3,990,063	$ 1,529,370	$ 64,809	$ 6,330,967
Total Liabilities and Fund Balances	$ 2,394,680	$ 4,119,351	$ 3,354,987	$ 66,427	$ 9,935,445

Exhibit K-7

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

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 1,761,361	$ 0	$ 1,761,361
Charges for Current Services	0	4,744,427	0	162,590	4,907,017
Other Local Revenues	0	146,311	42,272	0	188,583
State of Tennessee	517,203	119,305	8,077,999	0	8,714,507
Federal Government	16,852,909	6,990,480	112,322	0	23,955,711
Total Revenues	$ 17,370,112	$ 12,000,523	$ 9,993,954	$ 162,590	$ 39,527,179
Expenditures					
Current:					
Instruction	$ 10,608,908	$ 0	$ 0	$ 145,364	$ 10,754,272
Support Services	5,032,149	0	10,513,191	26,717	15,572,057
Operation of Non-Instructional Services	0	11,732,897	0	0	11,732,897
Total Expenditures	$ 15,641,057	$ 11,732,897	$ 10,513,191	$ 172,081	$ 38,059,226
Excess (Deficiency) of Revenues Over Expenditures	$ 1,729,055	$ 267,626	$ (519,237)	$ (9,491)	$ 1,467,953
Other Financing Sources (Uses)					
Transfers In	$ 750,000	$ 0	$ 1,288,146	$ 0	$ 2,038,146
Transfers Out	(2,076,944)	0	0	0	(2,076,944)
Total Other Financing Sources (Uses)	$ (1,326,944)	$ 0	$ 1,288,146	$ 0	$ (38,798)
Net Change in Fund Balances	$ 402,111	$ 267,626	$ 768,909	$ (9,491)	$ 1,429,155
Fund Balance, July 1, 2009	344,614	3,722,437	760,461	74,300	4,901,812
Fund Balance, June 30, 2010	$ 746,725	$ 3,990,063	$ 1,529,370	$ 64,809	$ 6,330,967

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 63,752,766	$ 0	$ 0	$ 63,752,766	$ 63,402,587	$ 63,916,854	$ (164,088)
Charges for Current Services	47,700	0	0	47,700	37,000	43,300	4,400
Other Local Revenues	320,056	0	0	320,056	385,000	351,572	(31,516)
State of Tennessee	109,808,926	0	0	109,808,926	110,864,969	109,525,256	283,670
Federal Government	4,240,633	0	0	4,240,633	4,555,000	4,180,000	60,633
Other Governments and Citizens Groups	25,884	0	0	25,884	29,535	25,000	884
Total Revenues	$ 178,195,965	$ 0	$ 0	$ 178,195,965	$ 179,274,091	$ 178,041,982	$ 153,983
Expenditures							
Instruction							
Regular Instruction Program	$ 93,549,284	$ (2,379,184)	$ 621,956	$ 91,792,056	$ 93,626,753	$ 94,514,134	$ 2,722,078
Alternative Instruction Program	784,939	0	0	784,939	789,052	809,377	24,438
Special Education Program	16,336,519	(129,985)	24,100	16,230,634	16,378,537	16,845,235	614,601
Vocational Education Program	4,565,212	(16,072)	0	4,549,140	4,874,287	4,998,307	449,167
Support Services							
Attendance	672,591	(22)	0	672,569	650,465	704,802	32,233
Health Services	1,027,124	(7,351)	0	1,019,773	1,078,724	1,103,649	83,876
Other Student Support	6,925,152	0	554	6,925,706	7,630,726	7,738,481	812,775
Regular Instruction Program	7,759,405	(35,172)	0	7,724,233	7,413,387	8,057,206	332,973
Alternative Instruction Program	33,533	0	0	33,533	32,381	34,292	759
Special Education Program	1,354,170	(12)	160	1,354,318	1,296,493	1,442,636	88,318
Vocational Education Program	96,558	0	0	96,558	123,634	164,145	67,587
Adult Programs	69,546	0	0	69,546	73,946	74,353	4,807
Other Programs	71,707	0	0	71,707	0	71,707	0

(Continued)

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Board of Education	$ 197,630	$ 0	$ 0	$ 197,630	$ 263,965	$ 259,302	$ 61,672
Director of Schools	914,727	(20,492)	0	894,235	953,026	987,889	93,654
Office of the Principal	13,337,876	0	0	13,337,876	13,651,952	13,978,168	640,292
Fiscal Services	3,586,745	(17,860)	0	3,568,885	3,412,440	3,771,639	202,754
Human Services/Personnel	2,337,845	(87,807)	136	2,250,174	2,623,234	2,682,748	432,574
Operation of Plant	14,332,000	(190,574)	61,910	14,203,336	15,910,793	15,276,538	1,073,202
Maintenance of Plant	4,761,938	(145,968)	84,699	4,700,669	5,029,029	5,048,413	347,744
Central and Other	9,054,148	(205,080)	28,097	8,877,165	8,504,793	9,408,736	531,571
Operation of Non-Instructional Services							
Early Childhood Education	1,805,480	(2,174)	19,177	1,822,483	1,772,695	1,898,543	76,060
Other Debt Service							
Education	510,435	0	0	510,435	0	510,435	0
Total Expenditures	$ 184,084,564	$ (3,237,753)	$ 840,789	$ 181,687,600	$ 186,090,312	$ 190,380,735	$ 8,693,135
Excess (Deficiency) of Revenues Over Expenditures	$ (5,888,599)	$ 3,237,753	$ (840,789)	$ (3,491,635)	$ (6,816,221)	$ (12,338,753)	$ 8,847,118
Other Financing Sources (Uses)							
Insurance Recovery	$ 9,470	$ 0	$ 0	$ 9,470	$ 50,000	$ 25,000	$ (15,530)
Transfers In	788,798	0	0	788,798	917,000	917,000	(128,202)
Transfers Out	(750,000)	0	0	(750,000)	(510,435)	(750,000)	0
Total Other Financing Sources (Uses)	$ 48,268	$ 0	$ 0	$ 48,268	$ 456,565	$ 192,000	$ (143,732)
Net Change in Fund Balance	$ (5,840,331)	$ 3,237,753	$ (840,789)	$ (3,443,367)	$ (6,359,656)	$ (12,146,753)	$ 8,703,386
Fund Balance, July 1, 2009	22,778,866	(3,237,753)	0	19,541,113	15,387,266	15,387,266	4,153,847
Fund Balance, June 30, 2010	$ 16,938,535	$ 0	$ (840,789)	$ 16,097,746	$ 9,027,610	$ 3,240,513	$ 12,857,233

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School Department
School Federal Projects 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
State of Tennessee	$ 517,203	$ 0	$ 0	$ 517,203	$ 564,543	$ 509,870	$ 7,333
Federal Government	16,852,909	0	0	16,852,909	23,703,243	24,772,205	(7,919,296)
Total Revenues	$ 17,370,112	$ 0	$ 0	$ 17,370,112	$ 24,267,786	$ 25,282,075	$ (7,911,963)
Expenditures							
Instruction							
Regular Instruction Program	$ 6,276,603	$ (1,235)	$ 6,275	$ 6,281,643	$ 7,096,261	$ 7,186,924	$ 905,281
Special Education Program	3,995,907	0	0	3,995,907	4,451,774	4,731,745	735,838
Vocational Education Program	256,246	(29,682)	0	226,564	314,088	226,564	0
Adult Education Program	80,152	0	0	80,152	125,573	97,738	17,586
Support Services							
Other Student Support	429,517	(2,355)	0	427,162	281,670	475,927	48,765
Regular Instruction Program	2,477,228	(170,292)	26,807	2,333,743	3,679,694	4,549,481	2,215,738
Special Education Program	1,506,946	0	3,269	1,510,215	5,435,478	5,420,372	3,910,157
Vocational Education Program	5,306	0	0	5,306	5,935	5,306	0
Adult Programs	128,408	0	0	128,408	138,600	133,230	4,822
Operation of Plant	135,001	(5,500)	0	129,501	159,511	135,011	5,510
Transportation	349,743	0	0	349,743	369,364	431,450	81,707
Total Expenditures	$ 15,641,057	$ (209,064)	$ 36,351	$ 15,468,344	$ 22,057,948	$ 23,393,748	$ 7,925,404
Excess (Deficiency) of Revenues Over Expenditures	$ 1,729,055	$ 209,064	$ (36,351)	$ 1,901,768	$ 2,209,838	$ 1,888,327	$ 13,441
Other Financing Sources (Uses)							
Transfers In	$ 750,000	$ 0	$ 0	$ 750,000	$ 0	$ 750,000	$ 0
Transfers Out	(2,076,944)	0	0	(2,076,944)	(2,200,338)	(2,202,194)	125,250
Total Other Financing Sources (Uses)	$ (1,326,944)	$ 0	$ 0	$ (1,326,944)	$ (2,200,338)	$ (1,452,194)	$ 125,250
Net Change in Fund Balance	$ 402,111	$ 209,064	$ (36,351)	$ 574,824	$ 9,500	$ 436,133	$ 138,691
Fund Balance, July 1, 2009	344,614	(209,064)	0	135,550	1,023	1,023	134,527
Fund Balance, June 30, 2010	$ 746,725	$ 0	$ (36,351)	$ 710,374	$ 10,523	$ 437,156	$ 273,218

Exhibit K-10

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School Department
Central Cafeteria 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 4,744,427	$ 0	$ 0	$ 4,744,427	$ 4,892,339	$ 4,892,339	$ (147,912)
Other Local Revenues	146,311	0	0	146,311	203,492	203,492	(57,181)
State of Tennessee	119,305	0	0	119,305	129,173	129,173	(9,868)
Federal Government	6,990,480	0	0	6,990,480	5,828,721	6,669,204	321,276
Total Revenues	$ 12,000,523	$ 0	$ 0	$ 12,000,523	$ 11,053,725	$ 11,894,208	$ 106,315
Expenditures							
Support Services							
Fiscal Services	$ 0	$ 0	$ 0	$ 0	$ 2,810	$ 0	$ 0
Operation of Non-Instructional Services							
Food Service	11,732,897	(116,784)	70,139	11,686,252	11,382,847	13,216,838	1,530,586
Total Expenditures	$ 11,732,897	$ (116,784)	$ 70,139	$ 11,686,252	$ 11,385,657	$ 13,216,838	$ 1,530,586
Excess (Deficiency) of Revenues Over Expenditures	$ 267,626	$ 116,784	$ (70,139)	$ 314,271	$ (331,932)	$ (1,322,630)	$ 1,636,901
Net Change in Fund Balance	$ 267,626	$ 116,784	$ (70,139)	$ 314,271	$ (331,932)	$ (1,322,630)	$ 1,636,901
Fund Balance, July 1, 2009	3,722,437	(116,784)	0	3,605,653	3,243,704	3,243,704	361,949
Fund Balance, June 30, 2010	$ 3,990,063	$ 0	$ (70,139)	$ 3,919,924	$ 2,911,772	$ 1,921,074	$ 1,998,850

Exhibit K-11

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School Department
School Transportation 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,761,361	$ 0	$ 0	$ 1,761,361	$ 1,754,206	$ 1,771,669	$ (10,308)
Other Local Revenues	42,272	0	0	42,272	53,200	53,200	(10,928)
State of Tennessee	8,077,999	0	0	8,077,999	8,078,000	8,078,000	(1)
Federal Government	112,322	0	0	112,322	0	109,200	3,122
Total Revenues	$ 9,993,954	$ 0	$ 0	$ 9,993,954	$ 9,885,406	$ 10,012,069	$ (18,115)
Expenditures							
Support Services							
Fiscal Services	$ 38,868	$ 0	$ 0	$ 38,868	$ 75,095	$ 40,000	$ 1,132
Transportation	10,474,323	(2,675)	55,929	10,527,577	11,197,412	11,220,241	692,664
Total Expenditures	$ 10,513,191	$ (2,675)	$ 55,929	$ 10,566,445	$ 11,272,507	$ 11,260,241	$ 693,796
Excess (Deficiency) of Revenues Over Expenditures	$ (519,237)	$ 2,675	$ (55,929)	$ (572,491)	$ (1,387,101)	$ (1,248,172)	$ 675,681
Other Financing Sources (Uses)							
Transfers In	$ 1,288,146	$ 0	$ 0	$ 1,288,146	$ 1,282,915	$ 1,282,915	$ 5,231
Total Other Financing Sources (Uses)	$ 1,288,146	$ 0	$ 0	$ 1,288,146	$ 1,282,915	$ 1,282,915	$ 5,231
Net Change in Fund Balance	$ 768,909	$ 2,675	$ (55,929)	$ 715,655	$ (104,186)	$ 34,743	$ 680,912
Fund Balance, July 1, 2009	760,461	(2,675)	0	757,786	458,671	458,671	299,115
Fund Balance, June 30, 2010	$ 1,529,370	$ 0	$ (55,929)	$ 1,473,441	$ 354,485	$ 493,414	$ 980,027

Exhibit K-12

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 162,590	$ 0	$ 162,590	$ 205,000	$ 165,000	$ (2,410)
Total Revenues	$ 162,590	$ 0	$ 162,590	$ 205,000	$ 165,000	$ (2,410)
Expenditures						
Instruction						
Regular Instruction Program	$ 145,364	$ (56)	$ 145,308	$ 155,631	$ 152,276	$ 6,968
Support Services						
Office of the Principal	19,506	0	19,506	29,659	27,377	7,871
Fiscal Services	674	0	674	2,050	1,500	826
Operation of Plant	6,537	0	6,537	9,747	9,747	3,210
Total Expenditures	$ 172,081	$ (56)	$ 172,025	$ 197,087	$ 190,900	$ 18,875
Excess (Deficiency) of Revenues Over Expenditures	$ (9,491)	$ 56	$ (9,435)	$ 7,913	$ (25,900)	$ 16,465
Net Change in Fund Balance	$ (9,491)	$ 56	$ (9,435)	$ 7,913	$ (25,900)	$ 16,465
Fund Balance, July 1, 2009	74,300	(56)	74,244	46,110	46,110	28,134
Fund Balance, June 30, 2010	$ 64,809	$ 0	$ 64,809	$ 54,023	$ 20,210	$ 44,599

MISCELLANEOUS SCHEDULES

Exhibit L-1

Montgomery County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
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	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
NOTES PAYABLE									
Payable through General Debt Service Fund									
Refunding Capital Outlay Notes - Courts Center	$ 5,585,000	4 to 5 %	3-15-04	5-1-11	$ 2,350,000	$ 0	$ 1,150,000	$ 0	$ 1,200,000
Various Capital Projects	4,500,000	2.65	3-6-09	4-1-12	4,500,000	0	500,000	0	4,000,000
Promissory Note - Land for Park	250,000	4	3-31-10	7-1-14	0	250,000	0	0	250,000
Total Notes Payable					$ 6,850,000	$ 250,000	$ 1,650,000	$ 0	$ 5,450,000
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	$ 1,235,364	$ 0	$ 176,481	$ 0	$ 1,058,883
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	2,896,288	88,899	259,600	0	2,725,587
School Projects	(2)	variable	6-6-08	5-5-26	16,146,719	0	699,987	0	15,446,732
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	0	20,000,000	0	0	20,000,000
Total Other Loans Payable					$ 20,278,371	$ 20,088,899	$ 1,136,068	$ 0	$ 39,231,202
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Public Improvement and General Obligation Refunding	68,725,000	5.12095	12-1-01	5-1-21	$ 17,905,000	$ 0	$ 1,700,000	$ 6,940,000	$ 9,265,000
Various County Capital Projects	25,000,000	2 to 5	6-17-03	5-1-23	23,000,000	0	1,000,000	5,000,000	17,000,000
General Obligation Refunding	81,640,000	3 to 4.75	6-17-03	5-1-13	46,640,000	0	6,800,000	17,300,000	22,540,000
General Obligation Refunding	43,240,000	2 to 5	3-15-04	3-15-20	42,850,000	0	100,000	0	42,750,000
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-25	21,600,000	0	100,000	18,300,000	3,200,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-26	39,700,000	0	150,000	27,850,000	11,700,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	60,995,000	0	1,550,000	0	59,445,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	17,400,000	0	625,000	0	16,775,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	18,450,000	0	500,000	0	17,950,000
General Obligation Schools - Build America Bonds	5,400,000	4.55 to 5.6	2-4-10	4-1-30	0	5,400,000	0	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	0	74,155,000	0	0	74,155,000
Total Bonds Payable					$ 288,540,000	$ 79,555,000	$ 12,525,000	$ 75,390,000	$ 280,180,000

(1) Total amount available for draws is $130,013 of an authorized $3,894,000.
(2) Total amount available for draws is $3,994,268 of an authorized $20,140,987.

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 1,746,157	$ 176,000	$ 1,922,157
2012	3,548,003	100,902	3,648,905
2013	49,923	6,234	56,157
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157
Total	$ 5,450,000	$ 289,533	$ 5,739,533

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	$ 2,213,055	$ 370,966	$ 75,169	$ 2,659,190
2012	2,447,050	367,723	79,988	2,894,761
2013	2,474,050	364,366	69,743	2,908,159
2014	2,501,049	360,890	56,095	2,918,034
2015	2,530,049	357,295	54,047	2,941,391
2016	2,560,049	353,572	51,926	2,965,547
2017	2,413,569	349,718	48,883	2,812,170
2018	2,445,569	345,732	46,612	2,837,913
2019	2,478,569	341,604	44,261	2,864,434
2020	2,512,568	337,333	41,827	2,891,728
2021	2,417,556	332,910	39,307	2,789,773
2022	2,324,969	328,334	35,454	2,688,757
2023	2,362,969	323,595	32,754	2,719,318
2024	2,401,969	318,689	29,959	2,750,617
2025	2,441,968	313,612	27,066	2,782,646
2026	2,588,548	308,357	24,072	2,920,977
2027	117,646	25,249	5,000	147,895
Total	$ 39,231,202	$ 5,499,945	$ 762,163	$ 45,493,310

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	$ 13,430,000	$ 13,009,364	$ 26,439,364
2012	15,265,000	12,363,313	27,628,313
2013	17,050,000	11,659,011	28,709,011
2014	18,085,000	10,874,562	28,959,562
2015	19,055,000	10,101,261	29,156,261
2016	19,190,000	9,299,263	28,489,263
2017	20,445,000	8,422,537	28,867,537
2018	21,340,000	7,469,501	28,809,501
2019	22,500,000	6,480,242	28,980,242
2020	22,645,000	5,465,556	28,110,556
2021	22,955,000	4,369,769	27,324,769
2022	14,435,000	3,262,888	17,697,888
2023	14,475,000	2,565,875	17,040,875
2024	13,600,000	1,859,775	15,459,775
2025	11,755,000	1,185,175	12,940,175
2026	9,080,000	660,500	9,740,500
2027	1,725,000	247,700	1,972,700
2028	1,750,000	163,700	1,913,700
2029	675,000	77,725	752,725
2030	725,000	40,600	765,600
Total	$ 280,180,000	$ 109,578,317	$ 389,758,317

Exhibit L-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Commission on sales tax	$ 30,951
General	General Capital Projects	Civitan Park	75,000
General	General Capital Projects	Woodlawn Park	20,000
General Capital Projects	Highway/Public Works	Purchase equipment	768,500
Total Transfers Primary Government			$ 894,451
DISCRETELY PRESENTED MONTGOMERY COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Operations	$ 750,000
School Federal Projects	General Purpose School	Indirect costs	788,798
School Federal Projects	School Transportation	Salaries	1,288,146
Total Transfers Discretely Presented Montgomery County School Department			$ 2,826,944

Exhibit L-4

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Clarksville-Montgomery 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, TCA	$ 121,632	$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, TCA	89,423	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	161,875 (1)		
Trustee	Section 8-24-102, TCA	82,084	4,995,000	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, TCA	82,084	10,000	RLI Insurance Company
Director of Accounts	County Commission	83,530	115,700	"
Purchasing Agent	County Commission	62,691	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, TCA	82,084	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	82,084	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	82,084 (2)	50,000	Auto-Owners Mutual Insurance Company
Register	Section 8-24-102, TCA	82,084	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	105,474 (3)	25,000	"
County Employees:				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
School Employees:				
Public School System			250,000	Travelers Insurance

(1) Includes $4,800 transportation supplement, $400 CEO supplement and $5,633 payment for unused vacation days.
(2) Does not include special commissioner fees totaling $1,550.
(3) Includes $7,500 as workhouse superintendent and $600 for a law enforcement training supplement.

Exhibit L-5

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	$ 26,573,322	$ 0	$ 0	$ 3,415,822	$ 23,910,758	$ 1,337,864	$ 55,237,766
Trustee's Collections - Prior Year	826,269	0	0	128,086	885,106	53,783	1,893,244
Interest and Penalty	225,802	0	0	30,014	207,740	12,497	476,053
Payments in-Lieu-of Taxes - T.V.A.	2,487	0	0	0	0	0	2,487
Payments in-Lieu-of Taxes - Local Utilities	843,020	0	0	0	0	0	843,020
Payments in-Lieu-of Taxes - Other	1,144,452	0	0	0	785,714	0	1,930,166
County Local Option Taxes							
Local Option Sales Tax	0	0	0	0	3,095,126	0	3,095,126
Hotel/Motel Tax	1,480,011	0	0	0	0	0	1,480,011
Litigation Tax - General	461,081	0	0	0	397,128	0	858,209
Litigation Tax - Special Purpose	86,705	0	0	0	0	0	86,705
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	430,363	0	430,363
Business Tax	985,203	0	0	84,920	84,920	0	1,155,043
Mineral Severance Tax	0	0	0	345,806	0	0	345,806
Adequate Facilities/Development Tax	0	0	0	0	867,315	0	867,315
Statutory Local Taxes							
Bank Excise Tax	83,245	0	0	10,741	75,189	4,476	173,651
Wholesale Beer Tax	392,206	0	0	0	0	0	392,206
Interstate Telecommunications Tax	2,718	0	0	0	0	0	2,718
Total Local Taxes	$ 33,106,521	$ 0	$ 0	$ 4,015,389	$ 30,739,359	$ 1,408,620	$ 69,269,889
Licenses and Permits							
Licenses							
Animal Registration	$ 30,545	$ 0	$ 0	$ 0	$ 0	$ 0	$ 30,545
Animal Vaccination	4,307	0	0	0	0	0	4,307
Cable TV Franchise	196,151	0	0	0	0	0	196,151
Permits							
Building Permits	1,178,779	0	0	0	0	0	1,178,779
Plumbing Permits	5,760	0	0	0	0	0	5,760
Other Permits	246,430	0	0	0	0	0	246,430
Total Licenses and Permits	$ 1,661,972	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,661,972

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	$ 13,442	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13,442
Officers Costs	24,977	0	0	0	0	0	24,977
Drug Court Fees	3,710	0	0	0	0	0	3,710
Jail Fees	41,914	0	0	0	0	0	41,914
Data Entry Fee - Circuit Court	5,251	0	0	0	0	0	5,251
Courtroom Security Fee	5,928	0	0	0	0	0	5,928
Victims Assistance Assessments	27,456	0	0	0	0	0	27,456
General Sessions Court							
Fines	376,098	0	0	0	0	0	376,098
Fines for Littering	142	0	0	0	0	0	142
Officers Costs	238,887	0	0	0	0	0	238,887
Game and Fish Fines	658	0	0	0	0	0	658
Drug Court Fees	12,956	0	0	0	0	0	12,956
Jail Fees	271,789	0	0	0	0	0	271,789
DUI Treatment Fines	32,115	0	0	0	0	0	32,115
Data Entry Fee - General Sessions Court	29,309	0	0	0	0	0	29,309
Victims Assistance Assessments	61,793	0	0	0	0	0	61,793
Juvenile Court							
Fines	1,357	0	0	0	0	0	1,357
Jail Fees	109,205	0	0	0	0	0	109,205
Data Entry Fee - Juvenile Court	5,405	0	0	0	0	0	5,405
Chancery Court							
Officers Costs	30,142	0	0	0	0	0	30,142
Data Entry Fee - Chancery Court	2,170	0	0	0	0	0	2,170
Other Courts - In-county							
Fines	1,640	0	0	0	0	0	1,640
Drug Control Fines	0	6,647	0	0	0	0	6,647
Drug Court Fees	26,033	0	0	0	0	0	26,033
District Attorney General Fees	21,121	0	0	0	0	0	21,121

(Continued)

Exhibit L-5

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)							
Other Fines, Forfeitures, and Penalties							
Other Fines, Forfeitures, and Penalties	$ 20,116	$ 0	$ 0	$ 0	$ 0	$ 0	$ 20,116
Total Fines, Forfeitures, and Penalties	$ 1,363,614	$ 6,647	$ 0	$ 0	$ 0	$ 0	$ 1,370,261
Charges for Current Services							
General Service Charges							
Patient Charges	$ 3,388,564	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,388,564
Zoning Studies	2,900	0	0	0	0	0	2,900
Other General Service Charges	40,833	0	0	0	0	0	40,833
Fees							
Recreation Fees	4,638	0	0	0	0	0	4,638
Copy Fees	9,369	0	0	0	0	0	9,369
Greenbelt Late Application Fee	50	0	0	0	0	0	50
Telephone Commissions	120,584	0	0	0	0	0	120,584
Vending Machine Collections	52,827	0	0	162	0	0	52,989
Special Commissioner Fees/Special Master Fees	0	0	1,550	0	0	0	1,550
Data Processing Fee - Register	70,660	0	0	0	0	0	70,660
Probation Fees	11,343	0	0	0	0	0	11,343
Data Processing Fee - Sheriff	38,436	0	0	0	0	0	38,436
Sexual Offender Registration Fees - Sheriff	10,497	0	0	0	0	0	10,497
Data Processing Fee - County Clerk	12,630	0	0	0	0	0	12,630
Other Charges for Services							
Other Charges for Services	785	0	0	0	0	0	785
Total Charges for Current Services	$ 3,764,116	$ 0	$ 1,550	$ 162	$ 0	$ 0	$ 3,765,828
Other Local Revenues							
Recurring Items							
Investment Income	$ 1,428,481	$ 0	$ 0	$ 0	$ 175,238	$ 6,689	$ 1,610,408
Lease/Rentals	580,709	0	0	0	0	0	580,709
Sale of Gasoline	0	0	0	43,191	0	0	43,191
Sale of Maps	1,676	0	0	0	0	0	1,676

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
Other Local Revenues (Cont.)							
Recurring Items (Cont.)							
Miscellaneous Refunds	$ 92,211	$ 0	$ 0	$ 30,662	$ 0	$ 0	$ 122,873
Nonrecurring Items							
Sale of Equipment	4,370	0	0	0	0	43,524	47,894
Sale of Property	0	0	0	0	249,707	0	249,707
Damages Recovered from Individuals	2,264	0	0	0	0	0	2,264
Contributions and Gifts	22,815	0	0	0	0	0	22,815
Other Local Revenues							
Other Local Revenues	798,101	0	0	0	0	0	798,101
Total Other Local Revenues	$ 2,930,627	$ 0	$ 0	$ 73,853	$ 424,945	$ 50,213	$ 3,479,638
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 1,388,723	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,388,723
Circuit Court Clerk	718,323	0	0	0	0	0	718,323
General Sessions Court Clerk	1,425,112	0	0	0	0	0	1,425,112
Clerk and Master	336,407	0	0	0	0	0	336,407
Register	1,007,661	0	0	0	0	0	1,007,661
Sheriff	23,234	0	0	0	0	0	23,234
Trustee	2,850,718	0	0	0	0	0	2,850,718
Total Fees Received from County Officials	$ 7,750,178	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,750,178
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 580,787	$ 0	$ 0	$ 0	$ 0	$ 0	$ 580,787
State Reappraisal Grant	31,650	0	0	0	0	0	31,650
Public Safety Grants							
Law Enforcement Training Programs	46,200	0	0	0	0	0	46,200
Health and Welfare Grants							
Other Health and Welfare Grants	13,472	0	0	0	0	0	13,472

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
State of Tennessee (Cont.)							
Public Works Grants							
Litter Program	$ 59,309	$ 0	$ 0	$ 0	$ 0	$ 0	$ 59,309
Other State Revenues							
Flood Control	328	0	0	0	0	0	328
Beer Tax	17,778	0	0	0	0	0	17,778
Alcoholic Beverage Tax	159,524	0	0	0	0	0	159,524
State Revenue Sharing - T.V.A.	1,380,003	0	0	0	0	0	1,380,003
Board of Jurors	4,000	0	0	0	0	0	4,000
Prisoner Transportation	11,560	0	0	0	0	0	11,560
Contracted Prisoner Boarding	894,610	0	0	0	0	0	894,610
Gasoline and Motor Fuel Tax	0	0	0	2,618,240	0	0	2,618,240
Petroleum Special Tax	0	0	0	108,233	0	0	108,233
Registrar's Salary Supplement	16,380	0	0	0	0	0	16,380
Other State Grants	2,147,075	0	0	0	0	440,000	2,587,075
Other State Revenues	171,379	0	0	0	0	0	171,379
Total State of Tennessee	$ 5,534,055	$ 0	$ 0	$ 2,726,473	$ 0	$ 440,000	$ 8,700,528
Federal Government							
Federal Through State							
Disaster Relief	$ 0	$ 0	$ 0	$ 110,930	$ 0	$ 0	$ 110,930
Homeland Security Grants	808,982	0	0	0	0	0	808,982
ARRA Grant # 2	49,846	0	0	0	0	0	49,846
ARRA Grant # 3	57,332	0	0	0	0	0	57,332
ARRA Grant # 4	939	0	0	0	0	0	939
Other Federal through State	210,234	0	0	0	0	17,458	227,692
Direct Federal Revenue							
Other Direct Federal Revenue	67,498	0	0	0	0	0	67,498
Total Federal Government	$ 1,194,831	$ 0	$ 0	$ 110,930	$ 0	$ 17,458	$ 1,323,219

(Continued)

Exhibit L-5

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Governments and Citizens Groups							
Other Governments							
Prisoner Board	$ 29,799	$ 0	$ 0	$ 0	$ 0	$ 0	$ 29,799
Paving and Maintenance	0	0	0	237,281	0	0	237,281
Contributions	198,169	0	0	0	510,435	10,000	718,604
Citizens Groups							
Donations	42,109	0	0	0	0	150	42,259
Other							
Other	150	0	0	0	0	0	150
Total Other Governments and Citizens Groups	$ 270,227	$ 0	$ 0	$ 237,281	$ 510,435	$ 10,150	$ 1,028,093
Total	$ 57,576,141	$ 6,647	$ 1,550	$ 7,164,088	$ 31,674,739	$ 1,926,441	$ 98,349,606

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	$ 24,605,997	$ 0	$ 0	$ 1,643,126	$ 0	$ 0	$ 26,249,123
Trustee's Collections - Prior Year	903,055	0	0	60,204	0	0	963,259
Interest and Penalty	229,787	0	0	15,322	0	0	245,109
Payments in-Lieu-of Taxes - Local Utilities	652,946	0	0	42,709	0	0	695,655
County Local Option Taxes							
Local Option Sales Tax	33,320,858	0	0	0	0	0	33,320,858
Wheel Tax	3,379,672	0	0	0	0	0	3,379,672
Business Tax	564,615	0	0	0	0	0	564,615
Statutory Local Taxes							
Bank Excise Tax	84,140	0	0	0	0	0	84,140
Interstate Telecommunications Tax	11,696	0	0	0	0	0	11,696
Total Local Taxes	$ 63,752,766	$ 0	$ 0	$ 1,761,361	$ 0	$ 0	$ 65,514,127
Charges for Current Services							
Education Charges							
Tuition - Regular Day Students	$ 16,787	$ 0	$ 0	$ 0	$ 0	$ 0	$ 16,787
Tuition - Summer School	0	0	0	0	162,590	0	162,590
Tuition - Out-of-State Systems	395	0	0	0	0	0	395
Lunch Payments - Children	0	0	2,621,481	0	0	0	2,621,481
Lunch Payments - Adults	0	0	170,878	0	0	0	170,878
Income from Breakfast	0	0	271,866	0	0	0	271,866
A la carte Sales	0	0	1,610,173	0	0	0	1,610,173
TBI Criminal Background Fees	24,312	0	0	0	0	0	24,312
Other Charges for Services							
Other Charges for Services	6,206	0	70,029	0	0	0	76,235
Total Charges for Current Services	$ 47,700	$ 0	$ 4,744,427	$ 0	$ 162,590	$ 0	$ 4,954,717
Other Local Revenues							
Recurring Items							
Investment Income	$ 368	$ 0	$ 6,545	$ 0	$ 0	$ 25,376	$ 32,289
Lease/Rentals	115,595	0	0	0	0	0	115,595
Sale of Materials and Supplies	599	0	86,838	97	0	0	87,534
Sale of Recycled Materials	191	0	0	1,167	0	0	1,358

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Other Local Revenues (Cont.)							
Recurring Items (Cont.)							
Refund of Telecommunication & Internet Fees (E-Rate)	$ 10,202	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,202
Miscellaneous Refunds	32,053	0	52,758	19,559	0	0	104,370
Nonrecurring Items							
Sale of Equipment	109,968	0	170	19,618	0	0	129,756
Damages Recovered from Individuals	1,142	0	0	1,831	0	0	2,973
Contributions and Gifts	49,938	0	0	0	0	0	49,938
Total Other Local Revenues	$ 320,056	$ 0	$ 146,311	$ 42,272	$ 0	$ 25,376	$ 534,015
State of Tennessee							
General Government Grants							
On-Behalf Contributions for OPEB	$ 71,707	$ 0	$ 0	$ 0	$ 0	$ 0	$ 71,707
Health and Welfare Grants							
Other Health and Welfare Grants	37,875	0	0	0	0	0	37,875
State Education Funds							
Basic Education Program	101,384,601	0	0	8,077,999	0	0	109,462,600
Basic Education Program - ARRA	5,075,400	0	0	0	0	0	5,075,400
Early Childhood Education	1,783,195	0	0	0	0	0	1,783,195
School Food Service	0	0	119,305	0	0	0	119,305
Other State Education Funds	36,155	336,003	0	0	0	0	372,158
Coordinated School Health - ARRA	0	105,000	0	0	0	0	105,000
Internet Connectivity - ARRA	45,423	0	0	0	0	0	45,423
Career Ladder Program	859,083	0	0	0	0	0	859,083
Other State Revenues							
Income Tax	179,624	0	0	0	0	0	179,624
Mixed Drink Tax	335,863	0	0	0	0	0	335,863
Safe Schools - ARRA	0	76,200	0	0	0	0	76,200
Total State of Tennessee	$ 109,808,926	$ 517,203	$ 119,305	$ 8,077,999	$ 0	$ 0	$ 118,523,433
Federal Government							
Federal Through State							
USDA School Lunch Program	$ 0	$ 0	$ 4,759,772	$ 0	$ 0	$ 0	$ 4,759,772
USDA - Commodities	0	0	840,483	0	0	0	840,483
Breakfast	0	0	1,390,225	0	0	0	1,390,225

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Federal Government (Cont.)							
Federal Through State (Cont.)							
Adult Education State Grant Program	$ 0	$ 143,484	$ 0	$ 0	$ 0	$ 0	$ 143,484
Vocational Education - Basic Grants to States	0	394,165	0	0	0	0	394,165
Title I Grants to Local Education Agencies	0	6,199,189	0	0	0	0	6,199,189
Special Education - Grants to States	0	7,247,594	0	0	0	0	7,247,594
Special Education Preschool Grants	0	100,881	0	0	0	0	100,881
English Language Acquisition Grants	0	103,394	0	0	0	0	103,394
Safe and Drug-Free Schools - State Grants	0	897,623	0	0	0	0	897,623
Education for Homeless Children and Youth	0	278	0	0	0	0	278
Eisenhower Professional Development State Grants	0	915,402	0	0	0	0	915,402
Other Federal through State	0	140,836	0	112,322	0	0	253,158
Direct Federal Revenue							
Public Law 874 - Maintenance and Operation	3,779,154	0	0	0	0	0	3,779,154
ROTC Reimbursement	461,479	0	0	0	0	0	461,479
Other Direct Federal Revenue	0	710,063	0	0	0	0	710,063
Total Federal Government	$ 4,240,633	$ 16,852,909	$ 6,990,480	$ 112,322	$ 0	$ 0	$ 28,196,344
Other Governments and Citizens Groups							
Other Governments							
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 24,136,203	$ 24,136,203
Contracted Services	25,884	0	0	0	0	0	25,884
Total Other Governments and Citizens Groups	$ 25,884	$ 0	$ 0	$ 0	$ 0	$ 24,136,203	$ 24,162,087
Total	$ 178,195,965	$ 17,370,112	$ 12,000,523	$ 9,993,954	$ 162,590	$ 24,161,579	$ 241,884,723

Exhibit L-7

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

General Fund				
General Government				
County Commission				
Secretary(ies)	$	29,838		
Board and Committee Members Fees		80,550		
Social Security		6,705		
State Retirement		4,358		
Life Insurance		38		
Medical Insurance		7,952		
Employer Medicare		1,568		
Advertising		352		
Audit Services		40,430		
Dues and Memberships		2,250		
Legal Notices, Recording, and Court Costs		3,418		
Postal Charges		105		
Printing, Stationery, and Forms		372		
Travel		4,284		
Tuition		705		
Other Contracted Services		10,699		
Duplicating Supplies		515		
Other Supplies and Materials		122		
Total County Commission			$	194,261
Board of Equalization				
Board and Committee Members Fees	$	1,500		
Social Security		338		
Employer Medicare		79		
Total Board of Equalization				1,917
Beer Board				
Board and Committee Members Fees	$	750		
Social Security		45		
Employer Medicare		11		
Total Beer Board				806
Other Boards and Committees				
Board and Committee Members Fees	$	2,000		
Social Security		124		
Employer Medicare		29		
Total Other Boards and Committees				2,153
County Mayor/Executive				
County Official/Administrative Officer	$	121,632		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Mayor/Executive (Cont.)		
Supervisor/Director	$ 81,494	
Secretary(ies)	58,232	
Clerical Personnel	21,882	
Social Security	16,455	
State Retirement	38,750	
Life Insurance	154	
Medical Insurance	27,712	
Employer Medicare	4,202	
Communication	2,938	
Data Processing Services	156	
Dues and Memberships	378	
Licenses	15	
Maintenance and Repair Services - Vehicles	581	
Postal Charges	1,503	
Printing, Stationery, and Forms	494	
Rentals	2,496	
Travel	1,456	
Tuition	1,590	
Other Contracted Services	5,625	
Custodial Supplies	63	
Food Supplies	114	
Gasoline	2,224	
Library Books/Media	236	
Office Supplies	1,639	
Periodicals	173	
Other Supplies and Materials	31	
Premiums on Corporate Surety Bonds	148	
Total County Mayor/Executive		$ 392,373
Personnel Office		
Supervisor/Director	$ 79,936	
Accountants/Bookkeepers	38,914	
Clerical Personnel	65,085	
Overtime Pay	509	
Social Security	11,066	
State Retirement	27,183	
Life Insurance	154	
Medical Insurance	20,884	
Employer Medicare	2,588	
Communication	1,257	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Personnel Office (Cont.)		
Dues and Memberships	$ 657	
Evaluation and Testing	10,043	
Legal Services	262	
Postal Charges	1,013	
Rentals	2,796	
Travel	547	
Tuition	1,419	
Other Contracted Services	31,076	
Data Processing Supplies	397	
Duplicating Supplies	339	
Riprap	502	
Office Supplies	549	
Periodicals	115	
Furniture and Fixtures	1,051	
Total Personnel Office		$ 298,342
County Attorney		
Legal Services	$ 50,141	
Total County Attorney		50,141
Election Commission		
Supervisor/Director	$ 74,728	
Clerical Personnel	108,857	
Temporary Personnel	6,901	
Overtime Pay	245	
Election Commission	6,244	
Social Security	12,076	
State Retirement	27,087	
Life Insurance	192	
Medical Insurance	36,775	
Employer Medicare	2,824	
Communication	2,535	
Legal Notices, Recording, and Court Costs	2,622	
Maintenance and Repair Services - Office Equipment	12,918	
Postal Charges	12,500	
Printing, Stationery, and Forms	5,643	
Rentals	5,080	
Travel	3,822	
Tuition	1,725	
Other Contracted Services	614	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Data Processing Supplies	$ 373	
Office Supplies	2,582	
Other Supplies and Materials	3,434	
Data Processing Equipment	917	
Total Election Commission		$ 330,694
Register of Deeds		
County Official/Administrative Officer	$ 82,084	
Deputy(ies)	159,988	
Social Security	15,027	
State Retirement	35,824	
Life Insurance	230	
Medical Insurance	48,481	
Employer Medicare	3,514	
Communication	1,101	
Data Processing Services	47,168	
Maintenance and Repair Services - Office Equipment	1,948	
Postal Charges	27	
Rentals	3,896	
Other Contracted Services	1,234	
Data Processing Supplies	1,388	
Duplicating Supplies	1,541	
Other Supplies and Materials	678	
Premiums on Corporate Surety Bonds	98	
Total Register of Deeds		404,227
Planning		
Contributions	$ 334,526	
Total Planning		334,526
Building		
Supervisor/Director	$ 60,231	
Other Salaries and Wages	31,661	
Social Security	5,748	
State Retirement	13,503	
Life Insurance	64	
Medical Insurance	7,120	
Employer Medicare	1,344	
Communication	888	
Postal Charges	15	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Building (Cont.)		
Other Contracted Services	$ 1,100	
Gasoline	635	
Office Supplies	1,321	
Furniture and Fixtures	3,406	
Total Building		$ 127,036
Codes Compliance		
Assistant(s)	$ 199,651	
Supervisor/Director	61,037	
Secretary(ies)	5,908	
Clerical Personnel	55,718	
Social Security	20,120	
State Retirement	46,384	
Life Insurance	330	
Medical Insurance	55,932	
Employer Medicare	4,705	
Advertising	2,000	
Communication	7,771	
Contracts with Private Agencies	577	
Dues and Memberships	1,380	
Legal Services	3,762	
Legal Notices, Recording, and Court Costs	1,914	
Maintenance and Repair Services - Office Equipment	1,106	
Maintenance and Repair Services - Vehicles	3,354	
Postal Charges	887	
Rentals	5,367	
Travel	410	
Tuition	1,947	
Permits	3,460	
Other Contracted Services	919	
Data Processing Supplies	1,442	
Gasoline	11,595	
Library Books/Media	725	
Office Supplies	696	
Uniforms	248	
Other Supplies and Materials	1,180	
Total Codes Compliance		500,525
Geographical Information Systems		
Contracts with Government Agencies	$ 51,990	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Geographical Information Systems (Cont.)		
Data Processing Equipment	$ 38,740	
Total Geographical Information Systems		$ 90,730
County Buildings		
Supervisor/Director	$ 94,165	
Secretary(ies)	31,897	
Custodial Personnel	90,851	
Maintenance Personnel	298,455	
Temporary Personnel	11,283	
Overtime Pay	8,932	
Social Security	33,052	
State Retirement	76,036	
Life Insurance	639	
Medical Insurance	107,693	
Unemployment Compensation	1,165	
Employer Medicare	7,730	
Communication	24,989	
Data Processing Services	60	
Evaluation and Testing	59	
Maintenance and Repair Services - Buildings	6,505	
Maintenance and Repair Services - Equipment	59,782	
Maintenance and Repair Services - Vehicles	5,017	
Pest Control	2,810	
Postal Charges	87	
Rentals	1,800	
Travel	945	
Tuition	3,309	
Disposal Fees	2,880	
Other Contracted Services	15,324	
Custodial Supplies	28,837	
Data Processing Supplies	1,645	
Diesel Fuel	2,772	
Drugs and Medical Supplies	19	
Duplicating Supplies	27	
Electricity	235,728	
Equipment Parts - Light	1,071	
Gasoline	13,364	
General Construction Materials	2,122	
Library Books/Media	253	
Natural Gas	36,970	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Office Supplies	$ 673	
Periodicals	118	
Uniforms	1,293	
Water and Sewer	11,259	
Other Supplies and Materials	34,093	
Boiler Insurance	1,055	
Furniture and Fixtures	1,665	
Heating and Air Conditioning Equipment	5,843	
Maintenance Equipment	21,170	
Other Equipment	630	
Other Capital Outlay	11,478	
Total County Buildings		$ 1,297,550
Other Facilities		
Supervisor/Director	$ 27,415	
Secretary(ies)	34,085	
Clerical Personnel	20,079	
Custodial Personnel	129,610	
Maintenance Personnel	164,278	
Overtime Pay	5,211	
Social Security	22,381	
State Retirement	53,025	
Life Insurance	495	
Medical Insurance	99,822	
Employer Medicare	5,273	
Communication	7,863	
Licenses	2,000	
Maintenance and Repair Services - Equipment	102,175	
Pest Control	1,220	
Rentals	2,235	
Disposal Fees	1,715	
Other Contracted Services	5,229	
Custodial Supplies	21,291	
Electricity	264,135	
Food Supplies	925	
Natural Gas	53,398	
Water and Sewer	35,148	
Other Supplies and Materials	42,104	
Building and Contents Insurance	2,714	
Total Other Facilities		1,103,826

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Other General Administration		
County Official/Administrative Officer	$ 43,009	
Social Security	2,577	
State Retirement	6,339	
Life Insurance	38	
Medical Insurance	11,277	
Employer Medicare	603	
Communication	1,073	
Contracts with Other Public Agencies	438,039	
Legal Notices, Recording, and Court Costs	34,001	
Travel	498	
Other Contracted Services	4,462	
Other Supplies and Materials	570	
Total Other General Administration		$ 542,486
Preservation of Records		
Supervisor/Director	$ 39,660	
Clerical Personnel	21,882	
Part-time Personnel	10,457	
Board and Committee Members Fees	150	
Social Security	4,519	
State Retirement	9,072	
Life Insurance	96	
Medical Insurance	4,803	
Employer Medicare	1,057	
Communication	1,665	
Dues and Memberships	50	
Maintenance and Repair Services - Office Equipment	2,546	
Rentals	1,235	
Travel	714	
Other Contracted Services	624	
Duplicating Supplies	311	
Library Books/Media	531	
Office Supplies	976	
Other Supplies and Materials	19	
Total Preservation of Records		100,367
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 83,530	
Accountants/Bookkeepers	290,957	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Clerical Personnel	$ 16,566	
Educational Incentive - Other County Employees	1,500	
Overtime Pay	9,049	
Social Security	23,672	
State Retirement	55,739	
Life Insurance	373	
Medical Insurance	73,046	
Employer Medicare	5,536	
Communication	2,377	
Data Processing Services	4,805	
Dues and Memberships	1,195	
Postal Charges	4,392	
Printing, Stationery, and Forms	858	
Rentals	2,165	
Travel	8,717	
Tuition	3,368	
Other Contracted Services	19,854	
Data Processing Supplies	5,133	
Duplicating Supplies	163	
Food Supplies	211	
Library Books/Media	473	
Office Supplies	1,150	
Periodicals	144	
Other Supplies and Materials	1,944	
Premiums on Corporate Surety Bonds	469	
Other Charges	2,970	
Other Capital Outlay	899	
Total Accounting and Budgeting		$ 621,255
Purchasing		
County Official/Administrative Officer	$ 62,691	
Purchasing Personnel	36,525	
Clerical Personnel	33,391	
Other Salaries and Wages	26,994	
Social Security	9,876	
State Retirement	23,634	
Life Insurance	154	
Medical Insurance	33,057	
Employer Medicare	2,310	
Maintenance and Repair Services - Equipment	11,822	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Purchasing (Cont.)		
Maintenance and Repair Services - Vehicles	$ 40	
Postal Charges	1,512	
Rentals	5,652	
Other Contracted Services	4,966	
Duplicating Supplies	3,043	
Gasoline	2,151	
Other Supplies and Materials	2,453	
Premiums on Corporate Surety Bonds	100	
Total Purchasing		$ 260,371
Property Assessor's Office		
County Official/Administrative Officer	$ 82,084	
Deputy(ies)	409,177	
Temporary Personnel	3,086	
Overtime Pay	2,821	
Social Security	29,060	
State Retirement	69,897	
Life Insurance	489	
Medical Insurance	119,459	
Employer Medicare	6,796	
Audit Services	49,995	
Communication	6,435	
Data Processing Services	45,668	
Dues and Memberships	4,122	
Operating Lease Payments	60	
Licenses	6,768	
Maintenance and Repair Services - Office Equipment	32	
Maintenance and Repair Services - Vehicles	6,570	
Medical and Dental Services	170	
Postal Charges	6,833	
Printing, Stationery, and Forms	20	
Rentals	1,015	
Travel	4,617	
Tuition	1,954	
Other Contracted Services	756	
Data Processing Supplies	3,407	
Duplicating Supplies	1,246	
Food Supplies	231	
Gasoline	12,481	
Library Books/Media	239	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office (Cont.)		
Office Supplies	$ 2,366	
Other Supplies and Materials	343	
Data Processing Equipment	11,900	
Total Property Assessor's Office		$ 890,097
Reappraisal Program		
Clerical Personnel	$ 17,955	
Other Salaries and Wages	19,432	
Social Security	3,519	
State Retirement	8,473	
Life Insurance	58	
Medical Insurance	11,885	
Unemployment Compensation	1,863	
Employer Medicare	823	
Data Processing Services	12,461	
Dues and Memberships	350	
Postal Charges	1,614	
Other Contracted Services	365	
Gasoline	249	
Office Supplies	147	
Other Supplies and Materials	105	
Workers' Compensation Insurance	3,000	
Total Reappraisal Program		82,299
County Trustee's Office		
County Official/Administrative Officer	$ 82,084	
Supervisor/Director	40,670	
Deputy(ies)	77,427	
Accountants/Bookkeepers	42,579	
Part-time Personnel	35,644	
Overtime Pay	306	
Board and Committee Members Fees	150	
Social Security	18,032	
State Retirement	35,135	
Life Insurance	211	
Medical Insurance	46,514	
Employer Medicare	4,217	
Bank Charges	60	
Communication	3,903	
Data Processing Services	22,187	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Dues and Memberships	$ 952	
Legal Notices, Recording, and Court Costs	1,526	
Postal Charges	26,991	
Printing, Stationery, and Forms	4,849	
Rentals	6,986	
Travel	2,042	
Tuition	275	
Other Contracted Services	153	
Food Supplies	173	
Office Supplies	5,409	
Periodicals	657	
Premiums on Corporate Surety Bonds	7,204	
Total County Trustee's Office		$ 466,336
County Clerk's Office		
County Official/Administrative Officer	$ 82,084	
Supervisor/Director	46,519	
Deputy(ies)	796,750	
Accountants/Bookkeepers	40,139	
Part-time Personnel	45,144	
Overtime Pay	3,451	
Social Security	59,790	
State Retirement	138,973	
Life Insurance	1,216	
Medical Insurance	244,389	
Employer Medicare	13,980	
Communication	4,875	
Maintenance and Repair Services - Equipment	14,782	
Maintenance and Repair Services - Vehicles	300	
Postal Charges	39,718	
Printing, Stationery, and Forms	7,000	
Rentals	7,500	
Travel	1,038	
Other Contracted Services	1,838	
Data Processing Supplies	1,806	
Duplicating Supplies	585	
Food Supplies	158	
Gasoline	514	
Office Supplies	6,486	
Other Supplies and Materials	1,549	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Clerk's Office (Cont.)		
Premiums on Corporate Surety Bonds	$ 98	
Data Processing Equipment	5,420	
Furniture and Fixtures	1,140	
Total County Clerk's Office		$ 1,567,242
Data Processing		
Supervisor/Director	$ 83,031	
Computer Programmer(s)	293,974	
Data Processing Personnel	148,003	
Secretary(ies)	31,169	
Temporary Personnel	3,628	
Social Security	34,924	
State Retirement	76,044	
Life Insurance	397	
Medical Insurance	65,656	
Employer Medicare	8,168	
Communication	44,225	
Data Processing Services	295,587	
Dues and Memberships	195	
Freight Expenses	9	
Licenses	30,440	
Maintenance and Repair Services - Equipment	620	
Maintenance and Repair Services - Vehicles	41	
Postal Charges	74	
Rentals	1,540	
Travel	7,465	
Tuition	6,044	
Custodial Supplies	86	
Data Processing Supplies	65,721	
Food Supplies	173	
Gasoline	869	
Instructional Supplies and Materials	640	
Office Supplies	203	
Uniforms	429	
Other Supplies and Materials	24	
Data Processing Equipment	119	
Furniture and Fixtures	1,436	
Total Data Processing		1,200,934

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Other Finance		
Legal Notices, Recording, and Court Costs	$ 34,587	
Postal Charges	10,250	
Total Other Finance		$ 44,837
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 82,084	
Assistant(s)	83,950	
Supervisor/Director	131,581	
Deputy(ies)	699,851	
Accountants/Bookkeepers	72,647	
Part-time Personnel	68,987	
Overtime Pay	12,244	
Jury and Witness Expense	43,878	
Social Security	69,781	
State Retirement	160,788	
Life Insurance	1,427	
Medical Insurance	270,786	
Employer Medicare	16,320	
Communication	6,988	
Data Processing Services	7,637	
Dues and Memberships	756	
Legal Notices, Recording, and Court Costs	1,520	
Maintenance and Repair Services - Office Equipment	96	
Postal Charges	13,067	
Printing, Stationery, and Forms	5,010	
Rentals	9,699	
Travel	1,362	
Tuition	225	
Other Contracted Services	9,005	
Custodial Supplies	285	
Data Processing Supplies	2,736	
Duplicating Supplies	3,671	
Food Supplies	842	
Library Books/Media	1,178	
Office Supplies	6,998	
Other Supplies and Materials	20	
Premiums on Corporate Surety Bonds	260	
Building Improvements	1,696	
Data Processing Equipment	30,387	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court (Cont.)		
Furniture and Fixtures	$ 5,175	
Office Equipment	273	
Total Circuit Court		$ 1,823,210
General Sessions Court		
Judge(s)	$ 437,862	
Supervisor/Director	67,076	
Probation Officer(s)	46,021	
Youth Service Officer(s)	164,901	
Secretary(ies)	38,848	
Clerical Personnel	133,984	
Part-time Personnel	15,456	
Overtime Pay	9,603	
Social Security	53,542	
State Retirement	136,420	
Life Insurance	627	
Medical Insurance	142,667	
Unemployment Compensation	4,204	
Employer Medicare	13,719	
Communication	7,762	
Operating Lease Payments	1,727	
Legal Services	280	
Maintenance and Repair Services - Office Equipment	142	
Postal Charges	2,630	
Travel	10,841	
Other Contracted Services	292,475	
Library Books/Media	4,169	
Office Supplies	8,320	
Uniforms	408	
Furniture and Fixtures	1,412	
Total General Sessions Court		1,595,096
Drug Court		
Communication	$ 1,061	
Dues and Memberships	200	
Evaluation and Testing	10,020	
Travel	2,853	
Other Contracted Services	24,836	
Office Supplies	6,388	
Data Processing Equipment	2,637	
Total Drug Court		47,995

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Chancery Court				
County Official/Administrative Officer	$	82,084		
Deputy(ies)		233,313		
Social Security		18,908		
State Retirement		46,125		
Life Insurance		346		
Medical Insurance		57,031		
Employer Medicare		4,422		
Communication		356		
Dues and Memberships		741		
Maintenance and Repair Services - Office Equipment		867		
Postal Charges		3,187		
Rentals		480		
Travel		873		
Duplicating Supplies		41		
Library Books/Media		903		
Office Supplies		1,851		
Total Chancery Court			$	451,528
District Attorney General				
Other Salaries and Wages	$	23,877		
Social Security		1,480		
State Retirement		3,397		
Medical Insurance		5,869		
Employer Medicare		346		
Communication		2,104		
Dues and Memberships		745		
Janitorial Services		3,000		
Postal Charges		1,443		
Travel		30,145		
Tuition		2,798		
Other Contracted Services		3,078		
Custodial Supplies		725		
Duplicating Supplies		420		
Food Supplies		573		
Library Books/Media		1,964		
Office Supplies		1,097		
Other Supplies and Materials		1,063		
Premiums on Corporate Surety Bonds		64		
Data Processing Equipment		1,993		
Furniture and Fixtures		1,942		
Total District Attorney General				88,123

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Judicial Commissioners		
Part-time Personnel	$ 51,123	
Other Salaries and Wages	96,910	
Social Security	8,564	
State Retirement	15,929	
Life Insurance	192	
Medical Insurance	36,936	
Employer Medicare	2,003	
Communication	2,738	
Rentals	2,100	
Travel	1,268	
Tuition	605	
Other Contracted Services	606	
Duplicating Supplies	151	
Office Supplies	122	
Total Judicial Commissioners		$ 219,247
Other Administration of Justice		
Supervisor/Director	$ 59,480	
Social Security	3,661	
State Retirement	8,768	
Life Insurance	38	
Medical Insurance	11,277	
Employer Medicare	856	
Communication	813	
Contracts with Private Agencies	462,058	
Dues and Memberships	665	
Evaluation and Testing	40	
Postal Charges	261	
Travel	906	
Duplicating Supplies	15	
Instructional Supplies and Materials	1,565	
Office Supplies	54	
Total Other Administration of Justice		550,457
Probation Services		
Assistant(s)	$ 26,003	
Supervisor/Director	57,586	
Probation Officer(s)	184,409	
Part-time Personnel	22,408	
Overtime Pay	1,039	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Probation Services (Cont.)		
Other Salaries and Wages	$ 167,109	
Social Security	27,982	
State Retirement	67,895	
Life Insurance	500	
Medical Insurance	66,552	
Unemployment Compensation	6,699	
Employer Medicare	6,616	
Communication	565	
Dues and Memberships	499	
Evaluation and Testing	45,549	
Legal Services	64	
Legal Notices, Recording, and Court Costs	588	
Licenses	810	
Postal Charges	379	
Printing, Stationery, and Forms	999	
Rentals	1,512	
Travel	2,535	
Tuition	2,133	
Other Contracted Services	14,174	
Data Processing Supplies	1,844	
Duplicating Supplies	299	
Instructional Supplies and Materials	9,116	
Office Supplies	2,418	
Other Supplies and Materials	1,188	
Furniture and Fixtures	400	
Total Probation Services		$ 719,870
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 97,374	
Assistant(s)	80,882	
Supervisor/Director	51,106	
Deputy(ies)	2,289,118	
Investigator(s)	385,826	
Captain(s)	199,423	
Lieutenant(s)	193,185	
Sergeant(s)	478,378	
Secretary(ies)	25,680	
Clerical Personnel	285,240	
Part-time Personnel	40,168	

(Continued)

Exhibit L-7

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

General Fund (Cont.)
Public Safety (Cont.)
Sheriff's Department (Cont.)

Overtime Pay	$	209,184
In-Service Training		46,200
Social Security		270,546
State Retirement		626,586
Life Insurance		3,769
Medical Insurance		729,932
Employer Medicare		63,273
Advertising		570
Communication		22,245
Contracts with Government Agencies		120
Contributions		10,000
Evaluation and Testing		1,837
Freight Expenses		17
Operating Lease Payments		571
Legal Services		7,441
Licenses		1,048
Maintenance and Repair Services - Buildings		576
Maintenance and Repair Services - Equipment		44,844
Maintenance and Repair Services - Vehicles		47,792
Medical and Dental Services		125
Pest Control		353
Postal Charges		6,161
Printing, Stationery, and Forms		2,477
Rentals		14,223
Transportation - Other than Students		15,574
Travel		3,243
Tuition		2,530
Veterinary Services		1,425
Other Contracted Services		23,200
Animal Food and Supplies		1,156
Custodial Supplies		237
Data Processing Supplies		1,500
Diesel Fuel		52
Drugs and Medical Supplies		711
Duplicating Supplies		299
Electricity		2,704
Food Supplies		349
Gasoline		179,866
Law Enforcement Supplies		29,005
Natural Gas		1,142

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Office Supplies	$ 5,180	
Periodicals	901	
Tires and Tubes	11,672	
Uniforms	18,760	
Vehicle Parts	2,196	
Water and Sewer	432	
Other Supplies and Materials	3,273	
Premiums on Corporate Surety Bonds	1,431	
Communication Equipment	42,500	
Data Processing Equipment	425	
Other Capital Outlay	50,144	
Total Sheriff's Department		$ 6,636,177
Special Patrols		
Supervisor/Director	$ 96,338	
Deputy(ies)	716,386	
Investigator(s)	181,004	
Sergeant(s)	45,697	
Clerical Personnel	23,930	
Overtime Pay	13,806	
Social Security	66,765	
State Retirement	159,892	
Life Insurance	1,012	
Medical Insurance	176,392	
Employer Medicare	15,614	
Communication	6,457	
Dues and Memberships	120	
Evaluation and Testing	20	
Licenses	18	
Maintenance and Repair Services - Equipment	1,424	
Maintenance and Repair Services - Vehicles	3,981	
Postal Charges	200	
Rentals	504	
Travel	1,302	
Tuition	6,539	
Other Contracted Services	2,983	
Data Processing Supplies	220	
Diesel Fuel	254	
Gasoline	27,247	
Law Enforcement Supplies	4,502	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Special Patrols (Cont.)		
Office Supplies	$ 186	
Tires and Tubes	2,888	
Uniforms	8,205	
Other Supplies and Materials	2,692	
Law Enforcement Equipment	2,101	
Total Special Patrols		$ 1,568,679
Traffic Control		
Engineering Services	$ 15,500	
Maintenance and Repair Services - Equipment	6,126	
Electricity	3,671	
Total Traffic Control		25,297
Administration of the Sexual Offender Registry		
Overtime Pay	$ 6,033	
Communication	2,730	
Law Enforcement Supplies	778	
Office Supplies	4	
Other Supplies and Materials	60	
Other Capital Outlay	1,466	
Total Administration of the Sexual Offender Registry		11,071
Jail		
Supervisor/Director	$ 66,474	
Deputy(ies)	3,956,573	
Lieutenant(s)	63,443	
Sergeant(s)	456,901	
Clerical Personnel	558,241	
Maintenance Personnel	160,738	
Temporary Personnel	19,517	
Overtime Pay	91,857	
Board and Committee Members Fees	1,650	
Social Security	332,835	
State Retirement	725,231	
Life Insurance	5,840	
Medical Insurance	987,907	
Unemployment Compensation	27,424	
Employer Medicare	77,841	
Communication	7,917	
Evaluation and Testing	8,390	

(Continued)

Exhibit L-7

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

General Fund (Cont.)
Public Safety (Cont.)
Jail (Cont.)

Laundry Service	$	5,124
Operating Lease Payments		600
Legal Services		9,718
Licenses		1,115
Maintenance and Repair Services - Buildings		8,547
Maintenance and Repair Services - Equipment		81,597
Maintenance and Repair Services - Vehicles		2,032
Medical and Dental Services		1,713,932
Pest Control		4,440
Postal Charges		240
Printing, Stationery, and Forms		2,518
Rentals		10,031
Travel		1,048
Tuition		670
Disposal Fees		24,020
Other Contracted Services		560,641
Custodial Supplies		45,526
Data Processing Supplies		4,908
Duplicating Supplies		3,937
Electricity		327,964
Equipment and Machinery Parts		5,548
Food Preparation Supplies		536
Gasoline		6,996
Instructional Supplies and Materials		14
Law Enforcement Supplies		22,718
Library Books/Media		252
Natural Gas		72,316
Office Supplies		1,583
Prisoners Clothing		7,360
Tires and Tubes		1,494
Uniforms		26,768
Water and Sewer		123,069
Other Supplies and Materials		55,616
Boiler Insurance		703
Building and Contents Insurance		151,005
Liability Insurance		145,394
Building Improvements		4,789
Communication Equipment		5,614
Data Processing Equipment		955
Food Service Equipment		1,419

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Maintenance Equipment	$ 3,790	
Other Equipment	25,576	
Total Jail		$ 11,020,902
Workhouse		
County Official/Administrative Officer	$ 7,500	
Deputy(ies)	642,265	
Sergeant(s)	52,481	
Overtime Pay	11,841	
Social Security	43,642	
State Retirement	99,290	
Life Insurance	725	
Medical Insurance	85,160	
Employer Medicare	10,207	
Communication	2,825	
Evaluation and Testing	150	
Laundry Service	2,511	
Maintenance and Repair Services - Buildings	450	
Maintenance and Repair Services - Equipment	3,541	
Maintenance and Repair Services - Vehicles	2,290	
Medical and Dental Services	254,000	
Pest Control	360	
Rentals	1,371	
Disposal Fees	220	
Other Contracted Services	104,136	
Custodial Supplies	10,784	
Diesel Fuel	3,963	
Electricity	25,098	
Equipment and Machinery Parts	99	
Gasoline	2,244	
Law Enforcement Supplies	2,636	
Natural Gas	6,437	
Prisoners Clothing	566	
Tires and Tubes	1,004	
Uniforms	2,265	
Water and Sewer	20,277	
Other Supplies and Materials	6,804	
Building and Contents Insurance	14,521	
Liability Insurance	11,015	
Other Equipment	2,617	
Total Workhouse		1,435,295

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Correctional Incentive Program Improvements		
Supervisor/Director	$ 53,664	
Probation Officer(s)	193,188	
Secretary(ies)	19,427	
Social Security	15,695	
State Retirement	35,857	
Life Insurance	330	
Medical Insurance	28,443	
Employer Medicare	3,670	
Communication	8,520	
Evaluation and Testing	806	
Maintenance and Repair Services - Vehicles	117	
Postal Charges	149	
Printing, Stationery, and Forms	65	
Rentals	31,692	
Travel	3,852	
Tuition	1,534	
Other Contracted Services	12,625	
Custodial Supplies	388	
Data Processing Supplies	53	
Duplicating Supplies	359	
Electricity	1,084	
Food Supplies	136	
Gasoline	1,980	
Natural Gas	457	
Office Supplies	2,028	
Periodicals	123	
Tires and Tubes	388	
Water and Sewer	276	
Other Supplies and Materials	3,563	
Building and Contents Insurance	469	
Liability Insurance	1,303	
Vehicle and Equipment Insurance	1,629	
Workers' Compensation Insurance	4,296	
Furniture and Fixtures	920	
Total Correctional Incentive Program Improvements		$ 429,086
Juvenile Services		
Supervisor/Director	$ 43,111	
Probation Officer(s)	24,000	
Medical Personnel	36,568	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Juvenile Services (Cont.)		
Clerical Personnel	$ 21,726	
Social Security	6,046	
State Retirement	14,346	
Life Insurance	103	
Medical Insurance	27,853	
Employer Medicare	1,414	
Communication	2,905	
Dues and Memberships	620	
Operating Lease Payments	2,251	
Postal Charges	328	
Rentals	30,000	
Travel	1,949	
Other Contracted Services	2,000	
Custodial Supplies	73	
Electricity	2,122	
Natural Gas	617	
Office Supplies	5,840	
Water and Sewer	585	
Building and Contents Insurance	750	
Liability Insurance	1,421	
Total Juvenile Services		$ 226,628
Fire Prevention and Control		
Board and Committee Members Fees	$ 2,200	
Social Security	136	
Employer Medicare	32	
Communication	1,716	
Contributions	2,050	
Licenses	35	
Maintenance and Repair Services - Equipment	5,926	
Maintenance and Repair Services - Vehicles	18,955	
Postal Charges	6	
Other Contracted Services	3,895	
Diesel Fuel	8,187	
Drugs and Medical Supplies	42	
Equipment and Machinery Parts	156	
Food Supplies	146	
Gasoline	9,871	
Instructional Supplies and Materials	437	
Uniforms	16,569	

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Fire Prevention and Control (Cont.)				
Utilities	$	21,926		
Other Supplies and Materials		13,703		
Liability Insurance		6,997		
Workers' Compensation Insurance		10,149		
Communication Equipment		3,554		
Total Fire Prevention and Control			$	126,688
Civil Defense				
Assistant(s)	$	39,808		
Supervisor/Director		74,376		
Secretary(ies)		36,610		
Other Salaries and Wages		32,434		
Social Security		11,414		
State Retirement		27,010		
Life Insurance		154		
Medical Insurance		23,639		
Employer Medicare		2,669		
Communication		5,193		
Contracts with Private Agencies		960		
Maintenance and Repair Services - Vehicles		378		
Rentals		80,047		
Other Contracted Services		3,190		
Gasoline		2,523		
Utilities		37,379		
Other Supplies and Materials		2,266		
Total Civil Defense				380,050
Other Emergency Management				
Travel	$	1,915		
Tuition		3,000		
Other Supplies and Materials		3,082		
Communication Equipment		359,318		
Other Equipment		247,487		
Total Other Emergency Management				614,802
County Coroner/Medical Examiner				
Medical and Dental Services	$	210,169		
Liability Insurance		439		
Total County Coroner/Medical Examiner				210,608

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 38,533	
Custodial Personnel	48,245	
Social Security	5,571	
State Retirement	12,844	
Life Insurance	99	
Medical Insurance	11,277	
Employer Medicare	1,303	
Communication	21,639	
Dues and Memberships	200	
Laundry Service	346	
Licenses	150	
Maintenance Agreements	3,009	
Maintenance and Repair Services - Buildings	10,345	
Maintenance and Repair Services - Equipment	1,257	
Pest Control	300	
Rentals	1,064	
Travel	74	
Disposal Fees	2,819	
Other Contracted Services	1,243	
Custodial Supplies	5,037	
Drugs and Medical Supplies	715	
Duplicating Supplies	223	
Electricity	48,221	
Instructional Supplies and Materials	115	
Natural Gas	9,276	
Office Supplies	636	
Periodicals	97	
Water and Sewer	2,468	
Other Supplies and Materials	1,971	
Boiler Insurance	234	
Premiums on Corporate Surety Bonds	64	
Maintenance Equipment	9,156	
Total Local Health Center		$ 238,531
Rabies and Animal Control		
Supervisor/Director	$ 47,761	
Clerical Personnel	26,363	
Overtime Pay	7,928	
Other Salaries and Wages	140,461	
Board and Committee Members Fees	650	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Social Security	$ 13,240	
State Retirement	27,148	
Life Insurance	256	
Medical Insurance	60,589	
Unemployment Compensation	3,750	
Employer Medicare	3,150	
Communication	4,707	
Legal Services	158	
Maintenance and Repair Services - Buildings	35	
Maintenance and Repair Services - Equipment	57	
Maintenance and Repair Services - Vehicles	5,916	
Printing, Stationery, and Forms	1,430	
Rentals	977	
Other Contracted Services	7,438	
Animal Food and Supplies	3,185	
Custodial Supplies	7,269	
Drugs and Medical Supplies	8,211	
Electricity	20,581	
Gasoline	12,343	
Natural Gas	4,647	
Office Supplies	323	
Tires and Tubes	739	
Uniforms	2,934	
Water and Sewer	2,894	
Other Supplies and Materials	8,933	
Other Capital Outlay	720	
Total Rabies and Animal Control		$ 424,793
Ambulance/Emergency Medical Services		
Assistant(s)	$ 63,935	
Supervisor/Director	73,952	
Captain(s)	218,802	
Lieutenant(s)	194,529	
Accountants/Bookkeepers	47,493	
Medical Personnel	1,974,119	
Part-time Personnel	164,642	
Overtime Pay	1,418,255	
Board and Committee Members Fees	3,000	
Social Security	252,254	
State Retirement	575,591	

(Continued)

Exhibit L-7

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

General Fund (Cont.)
Public Health and Welfare (Cont.)
Ambulance/Emergency Medical Services (Cont.)

Life Insurance	$	3,669
Medical Insurance		733,842
Unemployment Compensation		2,221
Employer Medicare		58,995
Communication		29,901
Data Processing Services		23,964
Debt Collection Services		31,972
Dues and Memberships		655
Freight Expenses		945
Janitorial Services		7,311
Laundry Service		8,338
Legal Services		788
Licenses		6,638
Maintenance and Repair Services - Buildings		11,633
Maintenance and Repair Services - Equipment		78,706
Maintenance and Repair Services - Vehicles		100,733
Medical and Dental Services		3,591
Pest Control		2,212
Postal Charges		10,330
Printing, Stationery, and Forms		2,066
Rentals		3,566
Travel		1,799
Tuition		33,068
Disposal Fees		4,017
Other Contracted Services		19,951
Custodial Supplies		5,023
Data Processing Supplies		764
Diesel Fuel		136,171
Drugs and Medical Supplies		198,637
Duplicating Supplies		727
Electricity		46,642
Food Supplies		1,068
Gasoline		12,640
Instructional Supplies and Materials		3,852
Natural Gas		12,429
Office Supplies		3,094
Propane Gas		10,806
Tires and Tubes		20,081
Uniforms		30,738
Vehicle Parts		46

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Water and Sewer	$ 5,828	
Other Supplies and Materials	17,997	
Indirect Cost	24,761	
Premiums on Corporate Surety Bonds	344	
Building Improvements	15,462	
Communication Equipment	2,485	
Furniture and Fixtures	6,836	
Heating and Air Conditioning Equipment	1,734	
Other Equipment	15,720	
Total Ambulance/Emergency Medical Services		$ 6,741,368
Other Local Health Services		
Social Workers	$ 158,812	
Medical Personnel	607,707	
Clerical Personnel	365,067	
Educational Assistants	23,572	
Part-time Personnel	33,599	
Overtime Pay	4,020	
Social Security	72,546	
State Retirement	152,519	
Life Insurance	1,190	
Medical Insurance	227,188	
Employer Medicare	17,114	
Licenses	1,200	
Pest Control	150	
Rentals	3,060	
Travel	6,112	
Disposal Fees	270	
Other Contracted Services	4,464	
Office Supplies	816	
Uniforms	46	
Other Supplies and Materials	3,388	
Liability Insurance	38,079	
Total Other Local Health Services		1,720,919
Regional Mental Health Center		
Contributions	$ 10,000	
Total Regional Mental Health Center		10,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Appropriation to State		
Contributions	$ 198,776	
Total Appropriation to State		$ 198,776
Other Local Welfare Services		
Contributions	$ 85,000	
Pauper Burials	17,425	
Other Contracted Services	100	
Total Other Local Welfare Services		102,525
Other Public Health and Welfare		
Contributions	$ 30,000	
Total Other Public Health and Welfare		30,000
Social, Cultural, and Recreational Services		
Libraries		
Contributions	$ 1,604,251	
Total Libraries		1,604,251
Parks and Fair Boards		
Communication	$ 2,966	
Dues and Memberships	70	
Legal Services	438	
Postal Charges	33	
Travel	397	
Tuition	450	
Disposal Fees	911	
Other Contracted Services	7,992	
Custodial Supplies	1,025	
Electricity	17,504	
Gasoline	829	
Office Supplies	122	
Periodicals	9	
Water and Sewer	2,738	
Other Supplies and Materials	5,798	
Total Parks and Fair Boards		41,282
Other Social, Cultural, and Recreational		
Postal Charges	$ 220	
Gasoline	5,568	
Office Supplies	261	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Other Social, Cultural, and Recreational (Cont.)		
Vehicle and Equipment Insurance	$ 1,629	
Total Other Social, Cultural, and Recreational		$ 7,678
Agriculture and Natural Resources		
Agriculture Extension Service		
Assistant(s)	$ 61,773	
Salary Supplements	174,827	
Part-time Personnel	10,358	
Board and Committee Members Fees	1,050	
Social Security	9,859	
State Retirement	24,755	
Life Insurance	96	
Medical Insurance	26,609	
Employer Medicare	2,269	
Communication	3,474	
Rentals	2,754	
Office Supplies	1,181	
Workers' Compensation Insurance	73	
Other Capital Outlay	21,600	
Total Agriculture Extension Service		340,678
Forest Service		
Contributions	$ 2,000	
Total Forest Service		2,000
Soil Conservation		
Secretary(ies)	$ 36,525	
Social Security	2,289	
State Retirement	5,384	
Life Insurance	38	
Medical Insurance	4,803	
Employer Medicare	535	
Other Contracted Services	331	
Other Supplies and Materials	765	
Total Soil Conservation		50,670
Other Operations		
Tourism		
Contracts with Government Agencies	$ 293,042	
Contracts with Other Public Agencies	879,127	
Total Tourism		1,172,169

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Industrial Development		
Contributions	$ 624,616	
Total Industrial Development		$ 624,616
Airport		
Contributions	$ 161,832	
Total Airport		161,832
Veterans' Services		
Assistant(s)	$ 108,137	
Supervisor/Director	49,192	
Secretary(ies)	48,687	
Board and Committee Members Fees	1,100	
Social Security	12,858	
State Retirement	27,926	
Life Insurance	253	
Medical Insurance	36,589	
Unemployment Compensation	1,093	
Employer Medicare	3,007	
Communication	1,741	
Postal Charges	2,317	
Rentals	2,535	
Travel	5,038	
Other Contracted Services	1,041	
Custodial Supplies	32	
Electricity	3,760	
Food Supplies	359	
Water and Sewer	1,100	
Other Supplies and Materials	6,906	
Workers' Compensation Insurance	632	
Total Veterans' Services		314,303
Other Charges		
Boiler Insurance	$ 10,358	
Building and Contents Insurance	338,822	
Premiums on Corporate Surety Bonds	1,560	
Trustee's Commission	803,406	
Workers' Compensation Insurance	450,000	
Total Other Charges		1,604,146

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Contributions to Other Agencies		
Contributions	$ 101,436	
Dues and Memberships	12,910	
Total Contributions to Other Agencies		$ 114,346
Employee Benefits		
Handling Charges and Administrative Costs	$ 2,048	
Medical Insurance	89,012	
Disability Insurance	204,014	
Other Fringe Benefits	20,326	
Total Employee Benefits		315,400
ARRA Grant # 2		
Probation Officer(s)	$ 35,167	
Social Security	2,133	
State Retirement	5,100	
Life Insurance	38	
Medical Insurance	605	
Employer Medicare	499	
Travel	2,340	
Tuition	550	
Office Supplies	1,440	
Data Processing Equipment	1,974	
Total ARRA Grant # 2		49,846
ARRA Grant # 3		
Communication	$ 43,696	
Other Contracted Services	21,488	
Data Processing Equipment	29,054	
Total ARRA Grant # 3		94,238
ARRA Grant # 4		
Law Enforcement Supplies	$ 939	
Total ARRA Grant # 4		939
Miscellaneous		
Advertising	$ 995	
Dues and Memberships	885	
Other Contracted Services	6,980	
Food Supplies	127	
Total Miscellaneous		8,987

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
Highways			
Litter and Trash Collection			
Deputy(ies)	$ 83,822		
Social Security	5,394		
State Retirement	12,357		
Life Insurance	76		
Employer Medicare	1,262		
Printing, Stationery, and Forms	5,000		
Other Contracted Services	5,669		
Other Supplies and Materials	4,150		
Total Litter and Trash Collection		$ 117,730	
Total General Fund			$ 55,178,163
Drug Control Fund			
Public Safety			
Sheriff's Department			
Legal Services	$ 12,834		
Animal Food and Supplies	419		
Trustee's Commission	57		
Total Sheriff's Department		$ 13,310	
Total Drug Control Fund			13,310
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 1,550		
Total Chancery Court		$ 1,550	
Total Constitutional Officers - Fees Fund			1,550
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 89,423		
Assistant(s)	56,717		
Accountants/Bookkeepers	37,139		
Secretary(ies)	31,601		
Clerical Personnel	31,601		
Overtime Pay	1,683		
Board and Committee Members Fees	3,600		

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Social Security	$ 15,550	
State Retirement	36,392	
Life Insurance	192	
Medical Insurance	34,916	
Employer Medicare	3,637	
Dues and Memberships	4,106	
Legal Services	3,600	
Printing, Stationery, and Forms	267	
Rentals	2,779	
Travel	411	
Other Contracted Services	4,706	
Drugs and Medical Supplies	2,881	
Office Supplies	1,314	
Other Supplies and Materials	2,734	
Total Administration		$ 365,249
Highway and Bridge Maintenance		
Foremen	$ 370,073	
Mechanic(s)	111,044	
Equipment Operators - Heavy	466,493	
Equipment Operators - Light	172,458	
Truck Drivers	468,895	
Laborers	95,699	
Temporary Personnel	18,931	
Overtime Pay	86,336	
Social Security	108,410	
State Retirement	249,863	
Life Insurance	1,862	
Medical Insurance	395,666	
Employer Medicare	25,330	
Rentals	8,312	
Other Contracted Services	2,530	
Asphalt - Hot Mix	1,366,316	
Asphalt - Liquid	52,755	
Concrete	5,364	
Crushed Stone	206,479	
Fertilizer, Lime, and Seed	3,050	
Pipe - Metal	14,768	
Salt	160,482	
Sand	92	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Structural Steel	$ 5,026	
Other Supplies and Materials	5,064	
Total Highway and Bridge Maintenance		$ 4,401,298
Operation and Maintenance of Equipment		
Foremen	$ 46,022	
Mechanic(s)	183,985	
Truck Drivers	28,069	
Clerical Personnel	31,684	
Overtime Pay	11,319	
Social Security	18,500	
State Retirement	43,921	
Life Insurance	288	
Medical Insurance	49,138	
Employer Medicare	4,327	
Operating Lease Payments	880	
Maintenance and Repair Services - Equipment	28,073	
Maintenance and Repair Services - Vehicles	15,577	
Other Contracted Services	2,722	
Diesel Fuel	159,504	
Equipment and Machinery Parts	183,212	
Garage Supplies	3,997	
Gasoline	118,386	
Ice	1,106	
Lubricants	21,814	
Small Tools	9,617	
Tires and Tubes	27,918	
Vehicle Parts	58,435	
Other Supplies and Materials	23,082	
Total Operation and Maintenance of Equipment		1,071,576
Traffic Control		
Foremen	$ 46,022	
Equipment Operators - Heavy	67,235	
Laborers	52,104	
Overtime Pay	10,565	
Social Security	10,884	
State Retirement	25,672	
Life Insurance	173	
Medical Insurance	27,049	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Traffic Control (Cont.)				
Employer Medicare	$	2,545		
Operating Lease Payments		390		
Other Contracted Services		3,360		
Electricity		3,994		
Road Signs		47,071		
Small Tools		153		
Uniforms		850		
Other Supplies and Materials		3,855		
Total Traffic Control			$	301,922
Other Charges				
Communication	$	6,838		
Licenses		625		
Electricity		22,585		
Natural Gas		8,987		
Water and Sewer		2,735		
Building and Contents Insurance		218,972		
Indirect Cost		8,515		
Trustee's Commission		103,109		
Workers' Compensation Insurance		170,000		
Total Other Charges				542,366
Employee Benefits				
Medical Insurance	$	26,878		
Total Employee Benefits				26,878
Capital Outlay				
Engineering Services	$	78,692		
Building Construction		18,216		
Building Improvements		2,337		
Data Processing Equipment		395		
Furniture and Fixtures		360		
Highway Equipment		56,611		
Motor Vehicles		162,705		
Office Equipment		210		
State Aid Projects		2,532		
Other Equipment		11,827		
Total Capital Outlay				333,885

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)			
Interest on Debt			
Highways and Streets			
Interest on Notes	$ 5,354		
Total Highways and Streets		$ 5,354	
Total Highway/Public Works Fund			$ 7,048,528
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 3,433,552		
Principal on Notes	959,755		
Total General Government		$ 4,393,307	
Education			
Principal on Bonds	$ 9,091,448		
Principal on Notes	690,245		
Principal on Other Loans	1,136,068		
Total Education		10,917,761	
Interest on Debt			
General Government			
Interest on Bonds	$ 4,705,897		
Interest on Notes	161,511		
Total General Government		4,867,408	
Education			
Interest on Bonds	$ 8,825,091		
Interest on Notes	83,521		
Interest on Other Loans	259,720		
Total Education		9,168,332	
Other Debt Service			
General Government			
Trustee's Commission	$ 173,395		
Underwriter's Discount	396,729		
Other Debt Issuance Charges	105,590		
Other Debt Service	1,498		
Total General Government		677,212	
Education			
Trustee's Commission	$ 375,323		

(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)			
Other Debt Service (Cont.)			
Education (Cont.)			
Other Debt Issuance Charges	$ 41,555		
Other Debt Service	3,845		
Total Education		$ 420,723	
Total General Debt Service Fund			$ 30,444,743
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 28,077		
Underwriter's Discount	16,524		
Other Debt Issuance Charges	21,613		
Building Construction	45,319		
Building Improvements	32,559		
Data Processing Equipment	529,361		
Furniture and Fixtures	3,782		
Heating and Air Conditioning Equipment	27,123		
Highway Construction	48,544		
Motor Vehicles	21,941		
Other Capital Outlay	24,997		
Total General Administration Projects		$ 799,840	
Public Safety Projects			
Communication Equipment	$ 35,000		
Motor Vehicles	331,060		
Other Equipment	15,796		
Total Public Safety Projects		381,856	
Public Health and Welfare Projects			
Motor Vehicles	$ 250,291		
Health Equipment	116,680		
Total Public Health and Welfare Projects		366,971	
Social, Cultural, and Recreation Projects			
Architects	$ 137,296		
Engineering Services	21,051		
Printing, Stationery, and Forms	19,380		
Building Construction	4,053,460		
Land	402,543		
Site Development	81,875		

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Social, Cultural, and Recreation Projects (Cont.)			
Other Capital Outlay	$ 35,690		
Total Social, Cultural, and Recreation Projects		$ 4,751,295	
Other General Government Projects			
Building Improvements	$ 257,231		
Heating and Air Conditioning Equipment	19,141		
Other Capital Outlay	513,765		
Total Other General Government Projects		790,137	
Education Capital Projects			
Contributions	$ 24,136,203		
Underwriter's Discount	24,786		
Other Debt Issuance Charges	253,944		
Total Education Capital Projects		24,414,933	
Total General Capital Projects Fund			$ 31,505,032
Total Governmental Funds - Primary Government			$ 124,191,326

Exhibit L-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 65,597,691	
Career Ladder Program	470,963	
Career Ladder Extended Contracts	179,782	
Homebound Teachers	180,387	
Educational Assistants	1,046,941	
Social Security	4,030,635	
State Retirement	4,688,005	
Life Insurance	93,248	
Medical Insurance	10,520,889	
Employer Medicare	942,832	
Transportation - Other than Students	8,400	
Travel	16,149	
Tuition	198,698	
Contracts for Substitute Teachers - Certified	883,928	
Contracts for Substitute Teachers - Non-certified	707,610	
Other Contracted Services	36,498	
Basic Skills Materials	33,313	
Instructional Supplies and Materials	1,156,120	
Textbooks	2,354,784	
Other Supplies and Materials	187	
Fee Waivers	375,120	
Regular Instruction Equipment	27,104	
Total Regular Instruction Program		$ 93,549,284
Alternative Instruction Program		
Teachers	$ 611,814	
Career Ladder Program	3,000	
Social Security	37,338	
State Retirement	41,789	
Life Insurance	778	
Medical Insurance	63,071	
Employer Medicare	8,732	
Rentals	384	
Contracts for Substitute Teachers - Certified	8,890	
Contracts for Substitute Teachers - Non-certified	6,143	
Instructional Supplies and Materials	3,000	
Total Alternative Instruction Program		784,939

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program		
Teachers	$ 8,579,296	
Career Ladder Program	87,069	
Career Ladder Extended Contracts	23,205	
Educational Assistants	1,689,820	
Speech Pathologist	1,022,523	
Social Security	674,942	
State Retirement	892,492	
Life Insurance	16,459	
Medical Insurance	1,942,839	
Employer Medicare	157,848	
Contracts with Private Agencies	847,812	
Contracts for Substitute Teachers - Certified	122,067	
Contracts for Substitute Teachers - Non-certified	144,733	
Other Contracted Services	24,552	
Instructional Supplies and Materials	107,121	
Special Education Equipment	3,741	
Total Special Education Program		$ 16,336,519
Vocational Education Program		
Teachers	$ 3,147,037	
Career Ladder Program	15,999	
Salary Supplements	31,841	
Social Security	190,641	
Life Insurance	4,334	
Medical Insurance	545,443	
Employer Medicare	44,511	
Maintenance and Repair Services - Equipment	1,004	
Travel	409	
Contracts for Substitute Teachers - Certified	19,569	
Contracts for Substitute Teachers - Non-certified	34,602	
Other Contracted Services	15,000	
Instructional Supplies and Materials	363,148	
T&I Construction Materials	120,000	
Vocational Instruction Equipment	31,674	
Total Vocational Education Program		4,565,212
Support Services		
Attendance		
Supervisor/Director	$ 89,375	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Attendance (Cont.)		
Career Ladder Program	$ 6,000	
Career Ladder Extended Contracts	600	
Pupil Personnel	357,544	
Secretary(ies)	58,778	
Social Security	30,827	
State Retirement	38,855	
Life Insurance	550	
Medical Insurance	66,329	
Employer Medicare	7,209	
Dues and Memberships	65	
Travel	5,330	
Office Supplies	3,552	
In Service/Staff Development	7,577	
Total Attendance		$ 672,591
Health Services		
Medical Personnel	$ 703,205	
Temporary Personnel	2,646	
Overtime Pay	68	
Social Security	40,904	
State Retirement	89,836	
Life Insurance	1,111	
Medical Insurance	149,053	
Employer Medicare	9,566	
Other Contracted Services	7,351	
Other Supplies and Materials	15,693	
Health Equipment	7,691	
Total Health Services		1,027,124
Other Student Support		
Career Ladder Program	$ 30,416	
Guidance Personnel	3,151,058	
Career Ladder Extended Contracts	4,200	
Social Workers	83,006	
Salary Supplements	1,672,312	
Clerical Personnel	263,558	
Educational Assistants	128,323	
Other Salaries and Wages	31,264	
Social Security	321,286	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
State Retirement	$ 382,009	
Life Insurance	5,087	
Medical Insurance	628,179	
Employer Medicare	75,171	
Evaluation and Testing	138,734	
Other Contracted Services	10,549	
Total Other Student Support		$ 6,925,152
Regular Instruction Program		
Supervisor/Director	$ 1,064,463	
Career Ladder Program	71,332	
Career Ladder Extended Contracts	9,480	
Librarians	2,095,766	
Education Media Personnel	31,277	
Salary Supplements	198,175	
Secretary(ies)	62,320	
Clerical Personnel	29,348	
Educational Assistants	620,979	
Overtime Pay	33	
Other Salaries and Wages	976,418	
Social Security	308,456	
State Retirement	404,208	
Life Insurance	5,724	
Medical Insurance	710,988	
Employer Medicare	72,333	
Dues and Memberships	18,619	
Travel	10,523	
Other Contracted Services	9,331	
Library Books/Media	285,863	
Office Supplies	8,711	
Periodicals	35,525	
Other Supplies and Materials	407,744	
In Service/Staff Development	290,101	
Other Charges	31,688	
Total Regular Instruction Program		7,759,405
Alternative Instruction Program		
Clerical Personnel	$ 18,263	
Social Security	954	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Alternative Instruction Program (Cont.)		
State Retirement	$ 2,590	
Life Insurance	34	
Medical Insurance	11,469	
Employer Medicare	223	
Total Alternative Instruction Program		$ 33,533
Special Education Program		
Supervisor/Director	$ 91,260	
Career Ladder Program	12,000	
Psychological Personnel	604,118	
Career Ladder Extended Contracts	6,360	
Secretary(ies)	44,014	
Other Salaries and Wages	256,073	
Social Security	60,774	
State Retirement	72,400	
Life Insurance	960	
Medical Insurance	124,648	
Employer Medicare	14,213	
Dues and Memberships	1,161	
Travel	12,546	
Office Supplies	5,522	
Periodicals	160	
Other Supplies and Materials	37,230	
In Service/Staff Development	10,731	
Total Special Education Program		1,354,170
Vocational Education Program		
Supervisor/Director	$ 60,448	
Secretary(ies)	14,404	
Social Security	4,581	
State Retirement	6,024	
Life Insurance	76	
Medical Insurance	7,328	
Employer Medicare	1,072	
Dues and Memberships	135	
Travel	805	
Office Supplies	1,358	
In Service/Staff Development	327	
Total Vocational Education Program		96,558

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Adult Programs		
Supervisor/Director	$ 34,983	
Guidance Personnel	24,044	
Social Security	4,686	
State Retirement	2,389	
Life Insurance	139	
Medical Insurance	2,443	
Employer Medicare	862	
Total Adult Programs		$ 69,546
Other Programs		
On-Behalf Payments to OPEB	$ 71,707	
Total Other Programs		71,707
Board of Education		
Secretary to Board	$ 25,290	
Board and Committee Members Fees	25,650	
Social Security	3,095	
State Retirement	3,586	
Life Insurance	31	
Medical Insurance	4,789	
Employer Medicare	724	
Dues and Memberships	31,007	
Legal Services	81,743	
In Service/Staff Development	17,212	
Other Charges	4,503	
Total Board of Education		197,630
Director of Schools		
County Official/Administrative Officer	$ 161,875	
Education Media Personnel	72,774	
Secretary(ies)	25,208	
Clerical Personnel	99,174	
Temporary Personnel	6,322	
Overtime Pay	579	
Other Salaries and Wages	185,054	
Social Security	29,999	
State Retirement	73,702	
Life Insurance	503	
Medical Insurance	62,986	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Employer Medicare	$ 7,747	
Postal Charges	58,762	
Travel	795	
Other Contracted Services	54,025	
Duplicating Supplies	34,974	
Food Supplies	180	
Office Supplies	10,993	
Periodicals	363	
Other Supplies and Materials	2,355	
In Service/Staff Development	16,445	
Other Equipment	9,912	
Total Director of Schools		$ 914,727
Office of the Principal		
Principals	$ 2,967,364	
Career Ladder Program	60,416	
Accountants/Bookkeepers	1,220,270	
Career Ladder Extended Contracts	76,110	
Assistant Principals	3,785,338	
Clerical Personnel	1,872,546	
Temporary Personnel	5,811	
Overtime Pay	1,180	
Social Security	596,290	
State Retirement	889,547	
Life Insurance	10,439	
Medical Insurance	1,640,221	
Employer Medicare	139,455	
Dues and Memberships	15,750	
Other Contracted Services	22,139	
In Service/Staff Development	35,000	
Total Office of the Principal		13,337,876
Fiscal Services		
Supervisor/Director	$ 205,572	
Accountants/Bookkeepers	649,054	
Purchasing Personnel	62,011	
Secretary(ies)	40,477	
Temporary Personnel	17,598	
Overtime Pay	11,939	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services (Cont.)		
Other Salaries and Wages	$ 376,322	
Social Security	81,111	
State Retirement	193,308	
Life Insurance	1,247	
Medical Insurance	200,180	
Employer Medicare	18,975	
Audit Services	54,125	
Bank Charges	11,826	
Dues and Memberships	1,285	
Laundry Service	3,775	
Maintenance and Repair Services - Equipment	3,105	
Travel	1,064	
Other Contracted Services	42,962	
Office Supplies	26,070	
Other Supplies and Materials	6,000	
Premiums on Corporate Surety Bonds	1,233	
Trustee's Commission	1,103,473	
Liability Claims	85,741	
Other Self-Insured Claims	111,842	
In Service/Staff Development	17,385	
Other Charges	259,065	
Total Fiscal Services		$ 3,586,745
Human Services/Personnel		
Supervisor/Director	$ 423,410	
Salary Supplements	975	
Secretary(ies)	385,264	
Temporary Personnel	4,665	
Overtime Pay	4,928	
Other Salaries and Wages	29,599	
Other Per Diem and Fees	12,000	
Social Security	51,591	
State Retirement	119,747	
Life Insurance	740	
Medical Insurance	102,776	
Disability Insurance	402,258	
Employer Medicare	12,066	
Other Fringe Benefits	376,020	
Advertising	2,375	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Human Services/Personnel (Cont.)		
Dues and Memberships	$ 1,245	
Travel	6,543	
Other Contracted Services	32,311	
Office Supplies	9,940	
Other Supplies and Materials	35,898	
Workers' Compensation Insurance	207,155	
In Service/Staff Development	64,030	
Criminal Investigation of Applicants - TBI	52,167	
Administration Equipment	142	
Total Human Services/Personnel		$ 2,337,845
Operation of Plant		
Supervisor/Director	$ 193,860	
Salary Supplements	30,202	
Foremen	47,179	
Secretary(ies)	31,180	
Custodial Personnel	4,110,433	
Overtime Pay	7,150	
Social Security	260,158	
State Retirement	578,382	
Life Insurance	6,850	
Medical Insurance	1,216,923	
Employer Medicare	60,669	
Evaluation and Testing	7,400	
Laundry Service	64,165	
Licenses	13,244	
Travel	1,449	
Other Contracted Services	377,669	
Custodial Supplies	327,058	
Electricity	4,940,599	
Fuel Oil	26,791	
Natural Gas	398,247	
Office Supplies	3,609	
Water and Sewer	662,139	
Gravel and Chert	7,333	
Other Supplies and Materials	28,340	
Building and Contents Insurance	731,098	
Furniture and Fixtures	132,395	
Plant Operation Equipment	67,478	
Total Operation of Plant		14,332,000

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant		
Supervisor/Director	$ 69,966	
Foremen	51,880	
Secretary(ies)	58,278	
Maintenance Personnel	2,059,255	
Overtime Pay	2,326	
Social Security	133,680	
State Retirement	314,447	
Life Insurance	2,462	
Medical Insurance	452,947	
Employer Medicare	31,264	
Dues and Memberships	125	
Laundry Service	10,648	
Maintenance and Repair Services - Equipment	286,199	
Maintenance and Repair Services - Vehicles	5,172	
Rentals	385	
Other Contracted Services	177,999	
Gasoline	142,627	
Lubricants	3,412	
Office Supplies	2,856	
Tires and Tubes	11,368	
Vehicle Parts	30,492	
Chemicals	38,234	
Other Supplies and Materials	722,571	
Vehicle and Equipment Insurance	14,776	
In Service/Staff Development	1,986	
Maintenance Equipment	136,583	
Total Maintenance of Plant		$ 4,761,938
Central and Other		
Supervisor/Director	$ 214,811	
Computer Programmer(s)	263,261	
Instructional Computer Personnel	917,195	
Salary Supplements	16,773	
Secretary(ies)	28,891	
Other Salaries and Wages	563,512	
Social Security	119,711	
State Retirement	245,487	
Life Insurance	1,798	
Medical Insurance	265,283	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Central and Other (Cont.)			
Employer Medicare	$ 27,997		
Communication	788,356		
Dues and Memberships	1,092		
Travel	31,637		
Other Contracted Services	1,611,552		
Data Processing Supplies	915,494		
Office Supplies	1,172		
Other Supplies and Materials	48,945		
Data Processing Equipment	160,203		
Other Equipment	2,830,978		
Total Central and Other		$ 9,054,148	
Operation of Non-Instructional Services			
Early Childhood Education			
Teachers	$ 874,230		
Educational Assistants	291,014		
Overtime Pay	362		
Other Salaries and Wages	78,734		
Social Security	73,451		
State Retirement	105,759		
Life Insurance	1,972		
Medical Insurance	251,691		
Employer Medicare	17,178		
Travel	645		
Contracts for Substitute Teachers - Certified	6,720		
Contracts for Substitute Teachers - Non-certified	24,003		
Other Contracted Services	17,788		
Instructional Supplies and Materials	45,824		
Other Equipment	16,109		
Total Early Childhood Education		1,805,480	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 510,435		
Total Education		510,435	
Total General Purpose School Fund			$ 184,084,564

(Continued)

Exhibit L-8

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

School Federal Projects Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 2,977,552	
Salary Supplements	676,029	
Educational Assistants	424,286	
Overtime Pay	143	
Other Salaries and Wages	58,519	
Social Security	248,295	
State Retirement	317,717	
Life Insurance	4,864	
Medical Insurance	576,655	
Employer Medicare	58,069	
Travel	186	
Contracts for Substitute Teachers - Certified	70,679	
Contracts for Substitute Teachers - Non-certified	72,763	
Other Contracted Services	144,494	
Instructional Supplies and Materials	598,022	
Regular Instruction Equipment	48,330	
Total Regular Instruction Program		$ 6,276,603
Special Education Program		
Teachers	$ 1,032,288	
Educational Assistants	1,707,300	
Overtime Pay	3	
Other Salaries and Wages	4,592	
Social Security	161,133	
State Retirement	301,578	
Life Insurance	4,776	
Medical Insurance	537,589	
Employer Medicare	37,684	
Instructional Supplies and Materials	105,633	
Other Supplies and Materials	18,825	
Special Education Equipment	84,506	
Total Special Education Program		3,995,907
Vocational Education Program		
Educational Assistants	$ 69	
Social Security	4	
State Retirement	4	
Employer Medicare	1	
Instructional Supplies and Materials	52,290	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Vocational Education Program (Cont.)		
Other Supplies and Materials	$ 8,896	
Other Charges	16,592	
Vocational Instruction Equipment	178,390	
Total Vocational Education Program		$ 256,246
Adult Education Program		
Teachers	$ 64,073	
Social Security	3,321	
State Retirement	517	
Employer Medicare	932	
Instructional Supplies and Materials	11,309	
Total Adult Education Program		80,152
Support Services		
Other Student Support		
Guidance Personnel	$ 41,054	
Social Workers	41,600	
Other Salaries and Wages	127,294	
Social Security	9,176	
State Retirement	11,320	
Life Insurance	333	
Medical Insurance	24,042	
Employer Medicare	2,953	
Travel	56,058	
Other Contracted Services	5,459	
Other Supplies and Materials	29,079	
In Service/Staff Development	51,281	
Other Charges	27,242	
Other Equipment	2,626	
Total Other Student Support		429,517
Regular Instruction Program		
Supervisor/Director	$ 74,225	
Salary Supplements	3,000	
Secretary(ies)	14,404	
Clerical Personnel	19,188	
Other Salaries and Wages	1,072,254	
In-Service Training	280	
Social Security	71,480	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
State Retirement	$ 82,931	
Life Insurance	1,151	
Medical Insurance	140,889	
Employer Medicare	16,717	
Communication	720	
Consultants	9,675	
Dues and Memberships	2,078	
Travel	10,825	
Other Contracted Services	260,588	
Library Books/Media	55,212	
Other Supplies and Materials	23,885	
In Service/Staff Development	498,783	
Other Charges	28,430	
Other Equipment	90,513	
Total Regular Instruction Program		$ 2,477,228
Special Education Program		
Psychological Personnel	$ 244,976	
Assessment Personnel	171,052	
Secretary(ies)	33,052	
Clerical Personnel	52,736	
Other Salaries and Wages	501,251	
Social Security	60,198	
State Retirement	75,322	
Life Insurance	1,149	
Medical Insurance	140,151	
Employer Medicare	14,078	
Travel	9,692	
Other Supplies and Materials	157,311	
In Service/Staff Development	40,049	
Other Equipment	5,929	
Total Special Education Program		1,506,946
Vocational Education Program		
Travel	$ 1,241	
In Service/Staff Development	3,748	
Other Charges	317	
Total Vocational Education Program		5,306

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Adult Programs			
Supervisor/Director	$ 34,983		
Clerical Personnel	25,033		
Other Salaries and Wages	29,961		
Social Security	5,279		
State Retirement	10,121		
Medical Insurance	16,907		
Employer Medicare	1,235		
Office Supplies	2,016		
In Service/Staff Development	2,873		
Total Adult Programs		$ 128,408	
Operation of Plant			
Communication	$ 14,000		
Plant Operation Equipment	35,374		
Other Equipment	85,627		
Total Operation of Plant		135,001	
Transportation			
Bus Drivers	$ 42,994		
State Retirement	8,512		
Employer Medicare	617		
Contracts with Parents	1,865		
Travel	12,111		
Gasoline	208		
Transportation Equipment	283,436		
Total Transportation		349,743	
Total School Federal Projects Fund			$ 15,641,057
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 174,002		
Salary Supplements	14,620		
Truck Drivers	57,769		
Secretary(ies)	111,376		
Cafeteria Personnel	2,945,660		
Custodial Personnel	181,652		
Temporary Personnel	68		

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Overtime Pay	$ 31,286		
Other Salaries and Wages	241,061		
Social Security	219,580		
State Retirement	506,760		
Life Insurance	6,961		
Medical Insurance	983,566		
Employer Medicare	51,331		
Bank Charges	6,151		
Dues and Memberships	9,004		
Laundry Service	82,252		
Licenses	2,822		
Printing, Stationery, and Forms	3,330		
Travel	6,951		
Other Contracted Services	297,336		
Equipment and Machinery Parts	59,086		
Food Supplies	3,841,964		
Gasoline	7,078		
Lubricants	18		
Office Supplies	43,102		
Tires and Tubes	240		
Uniforms	5,320		
Utilities	244,500		
Vehicle Parts	883		
USDA - Commodities	840,483		
Other Supplies and Materials	448,045		
Workers' Compensation Insurance	3,384		
In Service/Staff Development	5,687		
Food Service Equipment	299,569		
Total Food Service		$ 11,732,897	
Total Central Cafeteria Fund			$ 11,732,897
School Transportation Fund			
Support Services			
Fiscal Services			
Trustee's Commission	$ 38,868		
Total Fiscal Services		$ 38,868	

(Continued)

Exhibit L-8

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

School Transportation Fund (Cont.)			
Support Services (Cont.)			
Transportation			
Supervisor/Director	$ 179,784		
Salary Supplements	17,050		
Mechanic(s)	502,474		
Bus Drivers	3,705,281		
Dispatchers/Radio Operators	160,516		
Secretary(ies)	115,730		
Temporary Personnel	252,102		
Overtime Pay	13,281		
Other Salaries and Wages	810,245		
Social Security	342,773		
State Retirement	738,092		
Life Insurance	11,369		
Medical Insurance	1,356,362		
Employer Medicare	80,213		
Laundry Service	6,070		
Licenses	4,095		
Maintenance and Repair Services - Equipment	9,797		
Maintenance and Repair Services - Vehicles	124,970		
Medical and Dental Services	35,984		
Transportation - Other than Students	156,200		
Other Contracted Services	67,059		
Garage Supplies	6,514		
Gasoline	785,144		
Lubricants	19,238		
Office Supplies	12,400		
Tires and Tubes	52,870		
Vehicle Parts	244,884		
Other Supplies and Materials	5,765		
Vehicle and Equipment Insurance	54,817		
In Service/Staff Development	19,919		
Communication Equipment	1,987		
Transportation Equipment	581,338		
Total Transportation		$ 10,474,323	
Total School Transportation Fund			$ 10,513,191

(Continued)

Exhibit L-8

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

Extended School Program Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 105,100		
Educational Assistants	7,698		
Social Security	6,994		
State Retirement	8,037		
Employer Medicare	1,636		
Other Contracted Services	14,848		
Instructional Supplies and Materials	1,051		
Total Regular Instruction Program		$ 145,364	
Support Services			
Office of the Principal			
Assistant Principals	$ 17,100		
Social Security	1,060		
State Retirement	1,098		
Employer Medicare	248		
Total Office of the Principal		19,506	
Fiscal Services			
Trustee's Commission	$ 674		
Total Fiscal Services		674	
Operation of Plant			
Custodial Personnel	$ 5,356		
Social Security	332		
State Retirement	760		
Life Insurance	11		
Employer Medicare	78		
Total Operation of Plant		6,537	
Total Extended School Program Fund			$ 172,081
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 1,014,347		
Engineering Services	4,886		
Other Contracted Services	19,074		
Diesel Fuel	38,138		
Building Construction	3,199,493		

(Continued)

Exhibit L-8

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

Education Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Education Capital Projects (Cont.)			
Building Improvements	$ 1,082,159		
Data Processing Equipment	1,099,623		
Plant Operation Equipment	2,198,958		
Site Development	378,599		
Total Education Capital Projects		$ 9,035,277	
Total Education Capital Projects Fund			$ 9,035,277
Total Governmental Funds - Montgomery County School Department			$ 231,179,067

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds
For the Year Ended June 30, 2010

	Internal Service Funds		
	Self-Insurance	Workers' Compensation	Unemployment Compensation
Revenues			
Operating Revenues			
Charges for Current Services			
Self-Insurance Premiums/Contributions	$ 34,880,528	$ 789,279	$ 0
Other Employee Benefit Charges	1,930,517	0	0
Other Charges for Services	48,536	0	0
Retirees' Insurance Payments	1,306,306	0	0
Total Operating Revenues	$ 38,165,887	$ 789,279	$ 0
Nonoperating Revenues			
Investment Income	$ 6,754	$ 2,234	$ 1,619
Miscellaneous Refunds	772,553	8,247	0
Total Nonoperating Revenues	$ 779,307	$ 10,481	$ 1,619
Total Revenues	$ 38,945,194	$ 799,760	$ 1,619
Expenses			
Operating Expenses			
Personnel Office			
Medical and Dental Services	$ 0	$ 99	$ 0
Drugs and Medical Supplies	0	36	0
Total Personnel Office	$ 0	$ 135	$ 0
Election Commission			
Medical and Dental Services	$ 0	$ 1,210	$ 0
Drugs and Medical Supplies	0	133	0
Total Election Commission	$ 0	$ 1,343	$ 0
Codes Compliance			
Medical and Dental Services	$ 0	$ 320	$ 0
Total Codes Compliance	$ 0	$ 320	$ 0
County Buildings			
Unemployment Compensation	$ 0	$ 0	$ 270
Total County Buildings	$ 0	$ 0	$ 270

(Continued)

Exhibit L-9

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

	Internal Service Funds		
	Self-Insurance	Workers' Compensation	Unemployment Compensation
Expenses (Cont.)			
Other Facilities			
Medical and Dental Services	$ 0	$ 1,672	$ 0
Drugs and Medical Supplies	0	112	0
Total Other Facilities	$ 0	$ 1,784	$ 0
Risk Management			
Supervisor/Director	$ 0	$ 38,195	$ 0
Clerical Personnel	0	25,419	0
Social Security	0	3,796	0
State Retirement	0	9,068	0
Life Insurance	0	70	0
Medical Insurance	0	11,277	0
Employer Medicare	0	888	0
Communication	0	353	0
Consultants	0	8,402	0
Contracts with Private Agencies	0	11,983	0
Dues and Memberships	0	350	0
Legal Services	0	1,812	0
Postal Charges	0	98	0
Travel	0	599	0
Tuition	0	115	0
Total Risk Management	$ 0	$ 112,425	$ 0
Other Risk Management			
Drugs and Medical Supplies	$ 0	$ 333	$ 0
Total Other Risk Management	$ 0	$ 333	$ 0
Reappraisal Program			
Unemployment Compensation	$ 0	$ 0	$ 967
Total Reappraisal Program	$ 0	$ 0	$ 967
County Clerk's Office			
Medical and Dental Services	$ 0	$ 2,326	$ 0
Drugs and Medical Supplies	0	56	0
Total County Clerk's Office	$ 0	$ 2,382	$ 0

(Continued)

Exhibit L-9

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

	Internal Service Funds		
	Self-Insurance	Workers' Compensation	Unemployment Compensation
Expenses (Cont.)			
Data Processing			
Medical and Dental Services	$ 0	$ 85	$ 0
Total Data Processing	$ 0	$ 85	$ 0
Circuit Court			
Medical and Dental Services	$ 0	$ 88	$ 0
Drugs and Medical Supplies	0	922	0
Total Circuit Court	$ 0	$ 1,010	$ 0
General Sessions Court			
Unemployment Compensation	$ 0	$ 0	$ 270
Total General Sessions Court	$ 0	$ 0	$ 270
Probation Services			
Unemployment Compensation	$ 0	$ 0	$ 270
Total Probation Services	$ 0	$ 0	$ 270
Sheriff's Department			
Medical and Dental Services	$ 0	$ 10,763	$ 0
Drugs and Medical Supplies	0	2,093	0
Total Sheriff's Department	$ 0	$ 12,856	$ 0
Jail			
Unemployment Compensation	$ 0	$ 0	$ 270
Medical and Dental Services	0	28,316	0
Drugs and Medical Supplies	0	1,206	0
Total Jail	$ 0	$ 29,522	$ 270
Fire Prevention and Control			
Medical and Dental Services	$ 0	$ 1,228	$ 0
Drugs and Medical Supplies	0	2	0
Total Fire Prevention and Control	$ 0	$ 1,230	$ 0
Rabies and Animal Control			
Unemployment Compensation	$ 0	$ 0	$ 270
Medical and Dental Services	0	681	0
Drugs and Medical Supplies	0	157	0
Total Rabies and Animal Control	$ 0	$ 838	$ 270

(Continued)

Exhibit L-9

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

	Internal Service Funds		
	Self-Insurance	Workers' Compensation	Unemployment Compensation
Expenses (Cont.)			
Ambulance/Emergency Medical Services			
Unemployment Compensation	$ 0	$ 0	$ 270
Medical and Dental Services	0	21,494	0
Drugs and Medical Supplies	0	891	0
Total Ambulance/Emergency Medical Services	$ 0	$ 22,385	$ 270
Other Local Health Services			
Unemployment Compensation	$ 0	$ 0	$ 3,960
Total Other Local Health Services	$ 0	$ 0	$ 3,960
Landfill Operation and Maintenance			
Unemployment Compensation	$ 0	$ 0	$ 442
Legal Services	0	2,407	0
Medical and Dental Services	0	5,935	0
Drugs and Medical Supplies	0	876	0
Total Landfill Operation and Maintenance	$ 0	$ 9,218	$ 442
Veterans' Services			
Unemployment Compensation	$ 0	$ 0	$ 4,619
Total Veterans' Services	$ 0	$ 0	$ 4,619
Other Charges			
Other Contracted Services	$ 896,221	$ 0	$ 0
Other Supplies and Materials	187,250	0	0
Depreciation	991	0	0
Total Other Charges	$ 1,084,462	$ 0	$ 0
Employee Benefits			
Life Insurance	$ 229,942	$ 0	$ 0
Medical and Dental Services	163,638	0	0
Excess Risk Insurance	795,839	0	0
Medical Claims	33,913,200	0	0
Contracts with Private Agencies	1,608,733	0	0
Other Contracted Services	498,166	0	0
Other Charges	302,408	0	0
Other Self-Insured Claims	2,126,315	0	0
Total Employee Benefits	$ 39,638,241	$ 0	$ 0

(Continued)

Exhibit L-9

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

	Internal Service Funds		
	Self-Insurance	Workers' Compensation	Unemployment Compensation
Expenses (Cont.)			
Highway and Bridge Maintenance			
Medical and Dental Services	$ 0	$ 37,694	$ 0
Drugs and Medical Supplies	0	882	0
Total Highway and Bridge Maintenance	$ 0	$ 38,576	$ 0
Litter and Trash Collection			
Unemployment Compensation	$ 0	$ 0	$ 180
Total Litter and Trash Collection	$ 0	$ 0	$ 180
Other			
Unemployment Compensation	$ 0	$ 0	$ 152,455
Total Other	$ 0	$ 0	$ 152,455
Total Expenses	$ 40,722,703	$ 234,442	$ 164,243

Exhibit L-10

Montgomery County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 11,762,261
Total Cash Receipts	$ 11,762,261
Cash Disbursements	
Remittance of Revenues Collected	$ 11,644,638
Trustee's Commission	117,623
Total Cash Disbursements	$ 11,762,261
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2009	0
Cash Balance, June 30, 2010	$ 0

SINGLE AUDIT SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

December 29, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Montgomery County's basic financial statements and have issued our report thereon dated December 29, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Montgomery County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Montgomery County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Montgomery County's internal control over financial reporting.

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 and 10.03(A). 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 Montgomery County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.02, 10.03(B), 10.04, and 10.05.

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

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

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

Very truly yours,

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
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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

December 29, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Montgomery County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Montgomery County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Montgomery County's management. Our responsibility is to express an opinion on Montgomery County's compliance based on our audit.

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

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

In our opinion, Montgomery County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Montgomery County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Montgomery County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Montgomery 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County as of and for the year ended June 30, 2010, and have issued our report thereon dated December 29, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, and the Clarksville-Montgomery County Public Library, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Montgomery County's basic financial statements. The accompanying Schedule of Expenditures of

Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Montgomery 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:				
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	$ 840,483	(3)
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(2)	1,390,225	
National School Lunch Program	10.555	(2)	4,759,772	(3)
Total U.S. Department of Agriculture			$ 6,990,480	
U.S. Department of Defense:				
Direct Program:				
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	$ 546,171	
Total U.S. Department of Defense			$ 546,171	
U.S. Department of Justice:				
Direct Program:				
State Criminal Alien Assistance Program	16.606	N/A	$ 61,322	
Bulletproof Vest Partnership Program	16.607	N/A	4,376	
Passed-through State Office of Criminal Justice Programs:				
Project Safe Neighborhoods	16.609	(2)	34,836	
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	12,000	
Drug Court Discretionary Grant Program	16.585	(2)	48,035	
Passed-through the City of Clarksville:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	43,720	
Passed-through State Administrative Office of the Courts:				
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	(2)	50,785	
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	16.804	(2)	57,332	
Total U.S. Department of Justice			$ 312,406	
U.S. Department of Transportation:				
Passed-through State Department of Environment and Conservation:				
Recreational Trails Program	20.219	GG-09-27135-00	$ 17,458	
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	(4)	71,644	
Total U.S. Department of Transportation			$ 89,102	
U.S. Environmental Protection Agency:				
Passed-through State Department of Environment and Conservation:				
Clean School Bus USA	66.036	(2)	$ 112,322	
Total U.S. Environmental Protection Agency			$ 112,322	
U.S. Department of Education:				
Direct Program:				
Impact Aid	84.041	N/A	$ 3,779,154	
Safe and Drug-free Schools and Communities - National Programs	84.184	N/A	23,826	
Fund for the Improvement of Education	84.215	N/A	140,067	
Passed-through State Department of Education:				
Adult Education - Basic Grants to States	84.002	(2)	143,484	
Title I Cluster:				
Title I Grants to Local Educational Agencies	84.010	N/A	5,049,332	
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,212,053	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	4,925,463	
Special Education - Preschool Grants	84.173	N/A	16,967	
Special Education - Grants to States, Recovery Act	84.391	N/A	2,469,852	
Special Education - Preschool Grants, Recovery Act	84.392	N/A	83,914	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Career and Technical Education - Basic Grants to States	84.048	N/A	$ 394,165
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	130,805
Twenty-first Century Community Learning Centers	84.287	(2)	782,852
State Grants for Innovative Programs	84.298	N/A	6,153
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	39,932
Education Technology State Grants, Recovery Act	84.386	N/A	101,664
English Language Acquisition Grants	84.365	N/A	115,069
Improving Teacher Quality State Grants	84.367	N/A	985,112
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	278
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds - Education State Grants, Recovery Act	84.394	N/A	5,075,400
State Fiscal Stabilization Funds - Government Services, Recovery Act	84.397	N/A	226,623
Total U.S. Department of Education			$ 25,702,165
U.S. Department of Homeland Security:			
Passed-through Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	$ 110,930
Emergency Management Performance Grant	97.042	(2)	76,200
Homeland Security Grant Program	97.067	(2)	732,782
Total U.S. Department of Homeland Security			$ 919,912
Total Federal Awards			$ 34,672,558

State Grants		Contract Number	
Early Childhood Education - State Department of Education	N/A	(2)	$ 1,783,195
Local Parks and Recreation Fund Grant for Civitan Park Baseball Complex - State Department of Environment and Conservation	N/A	GG-09-26705-00	440,000
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	247,500
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	31,650
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Safe Schools Act - State Department of Education	N/A	(2)	23,428
Adult Education - State Department of Education	N/A	(2)	65,075
Child Advocacy Center - State Department of Children's Services	N/A	(2)	91,356
Juvenile Court Prevention - State Department of Children's Services	N/A	GG-10-28470	67,349
Litter Program - State Department of Transportation	N/A	(2)	59,309
Forestry Grant - State Department of Agriculture	N/A	(2)	2,886
Rural Local Health Services - State Department of Health	N/A	Z-10-22127	1,707,446
Rural Local Health Services - State Department of Health (H1N1)	N/A	Z-10-22127	13,472
Community Correction Grant - State Department of Correction	N/A	(2)	427,743
School to Work Transition Grant - State Department of Human Services	N/A	GG-10-29257	37,875
Teen Learning Center - State Department of Children's Services	N/A	GG-10-28897	422,082
Total State Grants			$ 5,429,366

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $5,600,255.
(4) Z-09-214639: $23,057; DG-10-28726: $48,587.

Montgomery 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 Montgomery County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
09.04	244	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires

MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of Montgomery County disclosed significant deficiencies in internal control. None of these deficiencies were considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that were considered material to the financial statements of Montgomery County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Special Education Cluster: Special Education – Grants to States, Special Education - Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Education Technology State Grants Cluster: Education Technology State Grants and Education Technology State Grants, Recovery Act (CFDA Nos. 84.318 and 84.386); and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.

8. A $1,040,177 threshold was used to distinguish between Type A and Type B federal programs.

9. Montgomery County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of accounts and budgets and the director of schools provided written responses on certain findings, which are paraphrased in this report.

MONTGOMERY COUNTY AND THE CLARKSVILLE-MONTGOMERY COUNTY SCHOOL DEPARTMENT

FINDING 10.01 **THE SELF-INSURANCE FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Self-Insurance Fund had a deficit of $1,657,951 in unrestricted net assets at June 30, 2010. This deficit resulted from the recognition of liabilities in the financial statements for claims and judgments totaling $3,012,733 at year-end. This net assets deficit resulted from estimated/actual claims exceeding available resources.

RECOMMENDATION

County officials should develop a plan to address the deficit in unrestricted net assets, and should closely review and monitor this fund.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs. A plan was already in place to avoid such a deficit (premiums were increased by a total of 35 percent during the year ended June 30, 2010); however, an unusual increase in claims during April 2010 left insufficient time to generate additional funds. As in the past, premium increases are based on actuarial recommendations. Premiums were increased by 11.89 percent for the current fiscal year, and adjustments to the health plan were implemented, which appear to have adequately addressed the problem at this time. This fund has been and continues to be closely reviewed and monitored. The members of the Insurance Trust and the School Board support the plan to implement incremental annual increases in premiums based on historical trends to regain sufficient fund balance that can accommodate the volatility of health claims.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 10.02 **A PROMISSORY NOTE WAS NOT ISSUED IN ACCORDANCE WITH STATE STATUTES**
(Noncompliance Under Government Auditing Standards)

County officials issued a $250,000 promissory note with an individual to purchase land. However, this promissory note was not approved by the state Comptroller's Office as required by Section 9-21-601, Tennessee Code Annotated (TCA). Also, county officials did

not file a Report on Debt Obligation with the state Comptroller's Office for the promissory note within 45 days of its issuance as required by Section 9-21-151, TCA. This deficiency exists because management stated that they were not aware the state statute applied to promissory notes.

RECOMMENDATION

Promissory notes should be approved by the state Comptroller's Office. Also, county officials should file a Report on Debt Obligation with the state Comptroller's Office within 45 days following the debt issuance.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. Since this error has been brought to our attention, we have forwarded to the state Comptroller's Office a letter stating our actions, a resolution that was previously passed by the County Commission approving the purchase, the related amortization schedule, and the Report on Debt Obligation.

FINDING 10.03 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (A. Internal Control – Significant Deficiency Under Government Auditing Standards; B. – Noncompliance Under Government Auditing Standards)

Our examination revealed the following deficiencies in budget operations:

A. The budget and subsequent amendments submitted to and approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by $32,193. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency exists due to a lack of management oversight.

B. Expenditures exceeded total appropriations approved by the County Commission in the Tourism major appropriation category (the legal level of control) of the General Fund by $24,169. This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

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 for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations. Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

A. The deficiency in the Drug Control Fund was in estimated available funding. At no time was there a cash shortage or a budget shortage. To prevent this from occurring in the future, we will no longer allow the Sheriff's Office to budget the entire available fund balance in the Drug Control Fund during the budget appropriation process.

B. The Tourism major appropriation category is strictly revenue-driven by hotel/motel taxes collected locally. In June 2010, in an effort to keep all major categories within budgeted appropriation levels, the Office of Accounts and Budgets reviewed this major category and increased the budget by $49,000 through a budget resolution. Hotel/motel taxes were received at an unprecedented rate; therefore, this major category resulted in an over-budget situation.

FINDING 10.04 **THE AMBULANCE SERVICE DID NOT ISSUE PRENUMBERED RECEIPTS**
(Noncompliance Under Government Auditing Standards)

Instead of using prenumbered receipt stock, the Ambulance Service computer generated receipts on plain paper. Because the billing software did not assign a receipt number to collections, this procedure is a violation of Section 9-2-104, Tennessee Code Annotated, which provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper only if the receipt number generated by the software cannot be manipulated. Sound business practices dictate that proper application controls be implemented. Since the software did not have the proper controls, inappropriate system activity could occur if prenumbered receipt stock was not used. After this was discussed with management, they began issuing manual, prenumbered receipts in September 2010.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management concurs. Over a period of approximately 18 months, the Office of Accounts and Budgets worked with the software vendor to assign receipt numbers that cannot be updated or changed to billing receipts in the system. After several reports were created to implement mitigating controls that were ultimately not acceptable to County Audit, the decision was made to begin the process of issuing manual prenumbered receipts. That process was finalized in September 2010 and continues currently.

OFFICE OF SHERIFF

FINDING 10.05 THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES

(Noncompliance Under Government Auditing Standards)

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

RECOMMENDATION

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

MONTGOMERY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

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