
ANNUAL FINANCIAL REPORT MAURY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF COUNTY AUDIT
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Director

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

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Audit Highlights
Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2011.

Results

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

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

Findings and Best Practices

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

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Department did not bid the sale of some recyclables.
- ◆ The receipting software used by the Office of Zoning and Building Inspections did not have adequate application controls.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Expenditures exceeded appropriations.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Department violated the conflict of interest statute and made purchases from a business owned by a member of the Board of Education.
- ◆ Expenditures exceeded appropriations.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURT CLERK

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

OFFICES OF TRUSTEE, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICE OF REGISTER

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Maury County.

- Maury County should establish an Audit Committee.
- Maury County should adopt a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Maury County Officials
June 30, 2011

Officials

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

Board of County Commissioners

Scott Cepicky, Chairman
Don Morrow
John Goodloe
Dr. Lucy Ledbetter
Talvin Barner
Gary Stovall
June Beckum
Kelly Powell
Mike Singleton
Andy Jackson
Gerald Adkison

Kim Willis
Ricky Sims
Linda Whiteside
Debbie Turner
Judy Vick
Jerry Dickey
Sonny Shackelford
William Roddy
Tommy Wolaver
Tom Primm
Davis Burkhalter

Board of Education

Shaw Daniels, Chairman
Rob Burcham
Victor Goodman
Jim Morrison
James Pennings
Jerry Lassiter

Loretta Goodloe
Steve Kindler
Joe Foster
Lee Clayborne
Tommy Dudley

Budget Committee

Jim Bailey, County Mayor
James Bracken, Director of Accounts and Budgets
Sonny Shackelford, Chairman
Scott Cepicky

Kim Willis
Talvin Barner
John Goodloe
Davis Burkhalter

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

February 23, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Maury County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Maury County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maury Regional Hospital (major proprietary fund), which represent 96.9 percent and 98.5 percent, respectively, of the assets and revenues of the business-type activities. In addition, we did not audit the financial statements of the Maury County Board of Public Utilities Water System, which represent 17.7 percent and 3.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Maury County Emergency Communications District, which represent .9 percent and 1.3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital, Maury County Board of Public Utilities Water System, and Maury County Emergency Communications District, is based on the reports of other auditors.

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

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2012, on our consideration of Maury County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.B., Maury County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

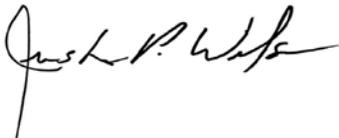
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 97 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Maury County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Maury County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Government		Total	Component Units			
	Governmental Activities	Business- type Activities		Maury County School Department	Board of Public Utilities Water System		Emergency Communi- cations District
	\$	\$	\$	\$	\$	\$	\$
Cash	169,048	15,220,064	15,389,112	2,358,729	3,544,871	706,684	
Equity in Pooled Cash and Investments	19,861,227	3,776,509	23,637,736	6,600,586	0	0	
Certificates of Deposit	0	3,624,301	3,624,301	0	0	0	
Investments	0	514,529	514,529	0	2,924,741	0	
Accounts Receivable	354,573	61,766,101	62,120,674	186,969	259,772	37,386	
Allowance for Uncollectibles	0	(28,700,000)	(28,700,000)	0	0	0	
Property Taxes Receivable	21,341,984	871,052	22,213,036	20,296,320	0	0	
Allowance for Uncollectible Property Taxes	(949,460)	0	(949,460)	(984,519)	0	0	
Accrued Interest Receivable	0	0	0	0	25,200	0	
Due from Other Governments	1,037,222	12,804	1,050,026	3,396,145	0	0	
Prepaid Items	172,542	3,497,340	3,669,882	0	44,758	0	
Deferred Charges - Debt Issuance Costs	732,619	0	732,619	0	0	0	
Inventories	0	5,046,752	5,046,752	0	57,608	0	
Other	0	2,437,824	2,437,824	0	0	0	
Assets Limited as to Use	0	32,767,160	32,767,160	0	0	0	
Restricted Assets:							
Customer Deposits	0	0	0	0	29,690	0	
Capital Assets:							
Assets Not Depreciated:							
Land	6,551,804	7,084,247	13,636,051	3,019,939	449,010	74,380	
Intangibles	1,098,294	0	1,098,294	0	0	0	
Construction in Progress	1,779,737	2,900,466	4,680,203	30,530,872	83,913	0	
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	29,129,792	81,584,283	110,714,075	75,403,199	153,264	433,771	
Infrastructure	24,462,185	0	24,462,185	0	0	0	
Other Capital Assets	1,881,845	28,259,601	30,141,446	3,950,708	23,853,147	270,045	
Total Assets	\$ 107,623,412	\$ 220,663,033	\$ 328,286,445	\$ 144,758,948	\$ 31,425,974	\$ 1,522,266	

(Continued)

Exhibit A

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

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communi- cations District	
LIABILITIES							
Accounts Payable	\$ 19,065	\$ 14,861,130	\$ 14,880,195	\$ 47,988	\$ 30,976	\$ 35,985	
Accrued Payroll	0	4,107,816	4,107,816	0	19,863	0	
Payroll Deductions Payable	341,485	13,498	354,983	246,758	0	0	
Contracts Payable	0	0	0	774,851	0	0	
Compensated Absences Payable	0	4,653,777	4,653,777	0	22,434	0	
Accrued Interest Payable	672,898	111,781	784,679	26,832	0	0	
Due to Litigants, Heirs, and Others	100	0	100	0	0	0	
Customer Deposits Payable	33,061	0	33,061	0	29,690	0	
Due to State of Tennessee	38,355	1,207	39,562	3,877	0	0	
Deferred Revenue - Current Property Taxes	19,638,535	865,026	20,503,561	18,638,782	0	0	
Noncurrent Liabilities:							
Due Within One Year	6,641,558	4,942,196	11,583,754	1,512,301	283,164	0	
Due in More Than One Year (net of unamortized premium on debt)	67,003,384	29,080,106	96,083,490	7,476,037	7,463,881	0	
Total Liabilities	\$ 94,388,441	\$ 58,636,537	\$ 153,024,978	\$ 28,727,426	\$ 7,850,008	\$ 35,985	

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communi- cations District
NET ASSETS						
Invested in Capital Assets,						
Net of Related Debt	\$ 50,346,276	\$ 92,337,062	\$ 142,683,338	\$ 0	\$ 16,792,289	\$ 0
Invested in Capital Assets Restricted for:	0	1,779,900	1,779,900	112,904,718	0	778,196
Capital Projects	1,814,103	0	1,814,103	1,924,605	0	0
Debt Service	7,008,588	0	7,008,588	0	1,650,000	0
Highway/Public Works	2,458,160	0	2,458,160	0	0	0
Central Maintenance Garage	485,940	0	485,940	0	0	0
Drug Control	171,728	0	171,728	0	0	0
General Government	886,431	0	886,431	0	0	0
Finance	19,753	0	19,753	0	0	0
Administration of Justice	313,044	0	313,044	0	0	0
Public Safety	130,593	0	130,593	0	0	0
Public Health and Welfare	2,815	0	2,815	0	0	0
Social, Cultural, and Recreational Services	34,540	0	34,540	0	0	0
Central Cafeteria	0	0	0	1,864,188	0	0
Federal Projects	0	0	0	863,057	0	0
Other Purposes	0	0	0	46,702	0	0
Unrestricted	(50,437,000)	67,909,534	17,472,534	(1,571,748)	5,133,677	708,085
Total Net Assets	\$ 13,234,971	\$ 162,026,496	\$ 175,261,467	\$ 116,031,522	\$ 23,575,966	\$ 1,486,281

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

Exhibit B

Maury County, Tennessee
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues					Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Maury County School Department	Board of Public Utilities		Emergency Communications District
						Governmental Activities	Business-type Activities		Water System	System	
Primary Government:											
Governmental Activities:											
General Government	\$ 5,685,880	\$ 910,774	\$ 30,034	\$ 34,796	\$ (4,710,276)	\$ 0	\$ (4,710,276)	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,728,915	2,082,160	17,975	0	(628,780)	0	(628,780)	0	0	0	0
Administration of Justice	2,377,957	1,684,829	14,000	0	(679,128)	0	(679,128)	0	0	0	0
Public Safety	11,232,274	1,190,043	120,048	172,431	(9,749,752)	0	(9,749,752)	0	0	0	0
Public Health and Welfare	1,531,584	109,368	877,233	353,228	(191,755)	0	(191,755)	0	0	0	0
Social, Cultural, and Recreational Services	1,472,683	56,581	0	0	(1,416,102)	0	(1,416,102)	0	0	0	0
Agriculture and Natural Resources	163,812	0	0	0	(163,812)	0	(163,812)	0	0	0	0
Highway/Public Works	6,625,618	19,356	2,371,575	1,419,919	(2,814,768)	0	(2,814,768)	0	0	0	0
Education	5,783,754	836,446	0	0	(4,947,308)	0	(4,947,308)	0	0	0	0
Operation of Non-Instructional Services	105,980	0	0	0	(105,980)	0	(105,980)	0	0	0	0
Interest on Long-term Debt	3,226,542	0	286,529	0	(2,940,013)	0	(2,940,013)	0	0	0	0
Other Debt Service	163,167	0	0	0	(163,167)	0	(163,167)	0	0	0	0
Total Governmental Activities	\$ 41,098,166	\$ 6,889,557	\$ 3,717,394	\$ 1,980,374	\$ (28,510,841)	\$ 0	\$ (28,510,841)	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:											
Maury Regional Hospital	\$ 260,878,461	\$ 265,048,059	\$ 0	\$ 0	\$ 0	\$ 4,169,598	\$ 4,169,598	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal	3,836,207	1,961,747	0	0	0	(1,874,460)	(1,874,460)	0	0	0	0
Total Business-type Activities	\$ 264,714,668	\$ 267,009,806	\$ 0	\$ 0	\$ 0	\$ 2,295,138	\$ 2,295,138	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 305,812,834	\$ 273,899,363	\$ 3,717,394	\$ 1,980,374	\$ (28,510,841)	\$ 2,295,138	\$ (26,215,703)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:											
Maury County School Department	\$ 98,620,427	\$ 2,735,075	\$ 16,589,568	\$ 4,931,821	\$ 0	\$ 0	\$ 0	\$ (74,363,963)	\$ 0	\$ 0	\$ 0
Board of Public Utilities Water System	3,114,162	3,608,688	0	0	0	0	0	0	494,526	0	0
Emergency Communications District	1,339,184	1,159,326	0	0	0	0	0	0	0	0	(179,858)
Total Component Units	\$ 103,073,773	\$ 7,503,089	\$ 16,589,568	\$ 4,931,821	\$ 0	\$ 0	\$ 0	\$ (74,363,963)	\$ 494,526	\$ (179,858)	\$ (179,858)

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Maury County School Department	Component Units	
				Governmental Activities	Business-type Activities		Public Utilities	Water System
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 14,826,297	\$ 1,773,829	\$ 16,600,126	\$ 20,320,278	\$ 0
Property Taxes Levied for Debt Service				5,764,216	0	5,764,216	0	0
Local Option Sales Tax				305,325	0	305,325	10,210,893	0
Hotel/Motel Tax				364,949	0	364,949	0	0
Wheel Tax				1,843,672	0	1,843,672	0	0
Litigation Tax - General				425,136	0	425,136	0	0
Litigation Tax - Jail				417,822	0	417,822	0	0
Business Tax				800,010	0	800,010	0	0
Mineral Severance Tax				47,760	0	47,760	0	0
Adequate Facilities/Development Tax				321,978	0	321,978	0	0
Wholesale Beer Tax				347,730	0	347,730	0	0
Interstate Telecommunications Tax				949	0	949	5,801	0
Grants and Contributions Not Restricted to Specific Programs				4,034,527	830,413	4,864,940	43,913,860	0
Unrestricted Investment Earnings				399,373	697,704	1,097,077	16,003	73,877
Miscellaneous				663,305	5,991,739	6,655,044	164,408	2,675
Total General Revenues				\$ 30,563,049	\$ 9,293,685	\$ 39,856,734	\$ 74,631,243	\$ 208,685
Change in Net Assets				\$ 2,052,208	\$ 11,588,823	\$ 13,641,031	\$ 267,280	\$ 28,827
Net Assets, July 1, 2010				11,182,763	150,437,673	161,620,436	115,764,242	23,007,563
Net Assets, June 30, 2011				13,234,971	162,026,496	175,261,467	116,031,522	23,575,966

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

Exhibit C-1

Maury County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 113	\$ 0	\$ 168,935	\$ 169,048
Equity in Pooled Cash and Investments	4,446,708	11,131,365	3,992,834	19,570,907
Accounts Receivable	187,923	50,998	2,774	241,695
Due from Other Governments	600,180	0	437,042	1,037,222
Property Taxes Receivable	12,606,980	4,453,525	4,281,479	21,341,984
Allowance for Uncollectible Property Taxes	(611,530)	(172,293)	(165,637)	(949,460)
Prepaid Items	147,755	0	21,314	169,069
Total Assets	\$ 17,378,129	\$ 15,463,595	\$ 8,738,741	\$ 41,580,465
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 19,055	\$ 0	\$ 10	\$ 19,065
Payroll Deductions Payable	293,102	0	40,475	333,577
Due to State of Tennessee	37,503	0	839	38,342
Due to Litigants, Heirs, and Others	0	0	100	100
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	33,061	0	0	33,061
Deferred Revenue - Current Property Taxes	11,577,406	4,109,951	3,951,178	19,638,535
Deferred Revenue - Delinquent Property Taxes	378,691	151,564	153,662	683,917
Other Deferred Revenues	29,819	0	199,458	229,277
Total Liabilities	\$ 12,368,637	\$ 4,261,515	\$ 4,345,722	\$ 20,975,874
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Items	\$ 147,755	\$ 0	\$ 21,314	\$ 169,069
Restricted:				
Restricted for General Government	886,431	0	1,461,313	2,347,744
Restricted for Finance	19,753	0	0	19,753
Restricted for Administration of Justice	313,044	0	0	313,044
Restricted for Public Safety	130,593	4,187,504	171,728	4,489,825
Restricted for Public Health and Welfare	2,815	0	0	2,815
Restricted for Social, Cultural, and Recreational Services	34,540	0	0	34,540
Restricted for Highways/Public Works	0	1,677,201	2,280,656	3,957,857
Restricted for Debt Service	0	1,657,532	0	1,657,532
Restricted for Other Purposes	0	0	289,173	289,173
Committed:				
Committed for Finance	0	0	129,433	129,433
Committed for Administration of Justice	0	0	39,402	39,402
Committed for Debt Service	0	3,679,843	0	3,679,843
Assigned:				
Assigned for General Government	107,911	0	0	107,911
Assigned for Finance	9,328	0	0	9,328
Assigned for Administration of Justice	1,769	0	0	1,769
Assigned for Public Safety	50,594	0	0	50,594
Assigned for Social, Cultural, and Recreational Services	144	0	0	144
Assigned for Other Operations	2,948	0	0	2,948
Unassigned	3,301,867	0	0	3,301,867
Total Fund Balances	\$ 5,009,492	\$ 11,202,080	\$ 4,393,019	\$ 20,604,591
Total Liabilities and Fund Balances	\$ 17,378,129	\$ 15,463,595	\$ 8,738,741	\$ 41,580,465

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

Exhibit C-2

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 20,604,591
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 6,551,804	
Add: intangibles	1,098,294	
Add: construction in progress	1,779,737	
Add: buildings and improvements net of accumulated depreciation	29,129,792	
Add: infrastructure net of accumulated depreciation	24,462,185	
Add: other capital assets net of accumulated depreciation	1,881,845	
Less: capital assets of internal service funds that are also included in item (2) below.	(87,190)	64,816,467
(2) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		485,940
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (13,246,159)	
Less: other loans payable	(4,408,000)	
Less: bonds payable	(54,500,000)	
Add: deferred charges - debt issuance costs	732,619	
Less: compensated absences payable	(1,144,269)	
Less: accrued interest on bonds, and notes	(672,898)	
Less: other deferred revenue - premium on debt	(346,514)	(73,585,221)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		913,194
Net assets of governmental activities (Exhibit A)		<u>\$ 13,234,971</u>

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

Exhibit C-3

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 15,453,651	\$ 8,987,265	\$ 3,623,854	\$ 28,064,770
Licenses and Permits	261,106	0	0	261,106
Fines, Forfeitures, and Penalties	332,490	0	103,018	435,508
Charges for Current Services	278,671	0	773,730	1,052,401
Other Local Revenues	617,065	399,791	29,765	1,046,621
Fees Received from County Officials	2,999,258	0	0	2,999,258
State of Tennessee	2,009,646	823,276	2,762,450	5,595,372
Federal Government	737,643	689	1,047,348	1,785,680
Other Governments and Citizens Groups	238,028	247,984	5,409	491,421
Total Revenues	\$ 22,927,558	\$ 10,459,005	\$ 8,345,574	\$ 41,732,137
<u>Expenditures</u>				
Current:				
General Government	\$ 3,156,520	\$ 0	\$ 384	\$ 3,156,904
Finance	2,179,060	0	509,441	2,688,501
Administration of Justice	1,998,754	0	286,589	2,285,343
Public Safety	10,586,358	0	141,552	10,727,910
Public Health and Welfare	1,401,227	0	0	1,401,227
Social, Cultural, and Recreational Services	1,351,219	0	31,185	1,382,404
Agriculture and Natural Resources	158,182	0	0	158,182
Other Operations	1,959,945	0	22,511	1,982,456
Highways	0	0	5,512,355	5,512,355
Operation of Non-Instructional Services	105,980	0	0	105,980
Debt Service:				
Principal on Debt	169,938	10,119,000	0	10,288,938
Interest on Debt	19,352	3,241,492	0	3,260,844
Other Debt Service	0	163,167	0	163,167
Capital Projects	0	0	2,011,708	2,011,708
Capital Projects - Donated	0	0	4,993,611	4,993,611
Total Expenditures	\$ 23,086,535	\$ 13,523,659	\$ 13,509,336	\$ 50,119,530
Excess (Deficiency) of Revenues Over Expenditures	\$ (158,977)	\$ (3,064,654)	\$ (5,163,762)	\$ (8,387,393)
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 0	\$ 4,408,000	\$ 4,408,000
Insurance Recovery	78,020	0	30,327	108,347
Transfers In	538,272	1,503,356	3,600	2,045,228
Transfers Out	(97,408)	0	(1,947,820)	(2,045,228)
Total Other Financing Sources (Uses)	\$ 518,884	\$ 1,503,356	\$ 2,494,107	\$ 4,516,347
Net Change in Fund Balances	\$ 359,907	\$ (1,561,298)	\$ (2,669,655)	\$ (3,871,046)
Fund Balance, July 1, 2010	4,649,585	12,763,378	7,062,674	24,475,637
Fund Balance, June 30, 2011	\$ 5,009,492	\$ 11,202,080	\$ 4,393,019	\$ 20,604,591

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

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2011

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)		\$ (3,871,046)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,108,031	
Less: current-year depreciation expense	<u>(5,397,283)</u>	(289,252)
(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	\$ 94,011	
Less: loss on disposal of capital assets	<u>(79,386)</u>	14,625
(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, 2010	\$ (910,648)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>913,194</u>	2,546
(4) The issuance of long-term debt (e.g., bonds, other loans, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: other loans proceeds	\$ (4,408,000)	
Add: change in premium on debt issuances	286,529	
Less: change in deferred debt issuance costs	(48,749)	
Add: principal payments on bonds	5,235,000	
Add: principal payments on notes	5,012,079	
Add: principal payments on capital leases	41,859	
Less: change in deferred amount on refunding debt	<u>(25,312)</u>	6,093,406
(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	\$ 108,363	
Change in compensated absences payable	<u>(59,351)</u>	49,012
(6) Internal service funds are used by management to charge the costs of a central maintenance garage to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>52,917</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,052,208</u>

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

Exhibit D-1

Maury County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major	Nonmajor	Total	
	Fund	Fund		
	Maury Regional Hospital	Solid Waste Disposal		
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 15,219,864	\$ 200	\$ 15,220,064	\$ 0
Certificates of Deposit	3,624,301	0	3,624,301	0
Equity in Pooled Cash and Investments	0	3,776,509	3,776,509	290,320
Investments	514,529	0	514,529	0
Accounts Receivable	61,377,216	388,885	61,766,101	112,878
Allowance for Uncollectible Accounts	(28,700,000)	0	(28,700,000)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	871,052	871,052	0
Due from Other Governments	0	12,804	12,804	0
Inventories	5,046,752	0	5,046,752	0
Prepaid Items	3,490,160	7,180	3,497,340	3,473
Other	2,437,824	0	2,437,824	0
Total Current Assets	\$ 63,010,646	\$ 5,056,630	\$ 68,067,276	\$ 406,671
Noncurrent Assets:				
Assets Limited as to Use	\$ 32,767,160	\$ 0	\$ 32,767,160	\$ 0
Capital Assets:				
Assets not Depreciated:				
Land	6,265,880	818,367	7,084,247	25,000
Construction in Progress	2,900,466	0	2,900,466	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	81,360,887	223,396	81,584,283	44,640
Other Capital Assets	27,521,464	738,137	28,259,601	17,550
Total Noncurrent Assets	\$ 150,815,857	\$ 1,779,900	\$ 152,595,757	\$ 87,190
Total Assets	\$ 213,826,503	\$ 6,836,530	\$ 220,663,033	\$ 493,861
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 14,860,637	\$ 493	\$ 14,861,130	\$ 0
Accrued Payroll	4,107,816	0	4,107,816	0
Payroll Deductions Payable	0	13,498	13,498	7,908
Due to State of Tennessee	0	1,207	1,207	13
Compensated Absences Payable	4,598,316	55,461	4,653,777	0
Accrued Liability for Landfill Postclosure Care Cost	0	36,811	36,811	0
Accrued Interest Payable	111,781	0	111,781	0
Deferred Revenue - Current Property Taxes	0	865,026	865,026	0
Current Portion of Long-term Debt	4,905,385	0	4,905,385	0
Total Current Liabilities	\$ 28,583,935	\$ 972,496	\$ 29,556,431	\$ 7,921
Noncurrent Liabilities:				
Accrued Liability for Landfill Postclosure Care Cost	\$ 0	\$ 484,168	\$ 484,168	\$ 0
Other Long-term Liabilities	7,789,688	0	7,789,688	0
Bonds and Other Long-term Debt	20,806,250	0	20,806,250	0
Total Noncurrent Liabilities	\$ 28,595,938	\$ 484,168	\$ 29,080,106	\$ 0
Total Liabilities	\$ 57,179,873	\$ 1,456,664	\$ 58,636,537	\$ 7,921
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 92,337,062	\$ 0	\$ 92,337,062	\$ 0
Invested in Capital Assets	0	1,779,900	1,779,900	87,190
Unrestricted	64,309,568	3,599,966	67,909,534	398,750
Total Net Assets	\$ 156,646,630	\$ 5,379,866	\$ 162,026,496	\$ 485,940

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

Exhibit D-2

Maury County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
<u>Operating Revenues</u>				
Charges for Current Services	\$ 265,048,059	\$ 1,961,747	\$ 267,009,806	\$ 2,136,376
Other Local Revenues	5,688,257	180,491	5,868,748	4,094
Total Operating Revenues	<u>\$ 270,736,316</u>	<u>\$ 2,142,238</u>	<u>\$ 272,878,554</u>	<u>\$ 2,140,470</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 148,144,914	\$ 0	\$ 148,144,914	\$ 0
Other General Administration	0	0	0	2,073,980
Other Operations	11,063,261	0	11,063,261	0
Fees and Professional Services	26,335,432	0	26,335,432	0
Supplies and Other Expenses	56,784,320	0	56,784,320	0
Waste Pickup	0	34,022	34,022	0
Convenience Centers	0	857,153	857,153	0
Landfill Operation and Maintenance	0	2,660,749	2,660,749	0
Depreciation and Amortization Expense	17,463,032	284,283	17,747,315	13,573
Total Operating Expenses	<u>\$ 259,790,959</u>	<u>\$ 3,836,207</u>	<u>\$ 263,627,166</u>	<u>\$ 2,087,553</u>
Operating Income (Loss)	<u>\$ 10,945,357</u>	<u>\$ (1,693,969)</u>	<u>\$ 9,251,388</u>	<u>\$ 52,917</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 1,773,829	\$ 1,773,829	\$ 0
General Government Grants	0	53,025	53,025	0
Other Local Revenues - Nonrecurring	0	6,405	6,405	0
Contributions	676,871	100,517	777,388	0
Interest Income	697,704	0	697,704	0
Interest Expense	(1,087,502)	0	(1,087,502)	0
Minority Interest in Loss of Subsidiaries	95,921	0	95,921	0
Other	20,665	0	20,665	0
Total Nonoperating Revenues (Expenses)	<u>\$ 403,659</u>	<u>\$ 1,933,776</u>	<u>\$ 2,337,435</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	<u>\$ 11,349,016</u>	<u>\$ 239,807</u>	<u>\$ 11,588,823</u>	<u>\$ 52,917</u>
Change in Net Assets	\$ 11,349,016	\$ 239,807	\$ 11,588,823	\$ 52,917
Net Assets, July 1, 2010	145,297,614	5,140,059	150,437,673	433,023
Nets Assets, June 30, 2011	<u>\$ 156,646,630</u>	<u>\$ 5,379,866</u>	<u>\$ 162,026,496</u>	<u>\$ 485,940</u>

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

Maury County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities			Total	Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund	Solid Waste Disposal		
<u>Cash Flows from Operating Activities</u>					
Receipts from Customers and Users	\$ 266,230,389	\$ 1,931,271	\$ 268,161,660	\$ 2,023,216	
Other Cash Receipts (Payments)	5,238,454	223,646	5,462,100	4,094	
Payments to Suppliers	(96,911,134)	0	(96,911,134)	0	
Payments to Employees	(147,965,732)	0	(147,965,732)	0	
Central Maintenance Garage Activity - Uses	0	0	0	0	(2,071,002)
Waste Collection and Disposal Activity - Uses	0	(3,569,045)	(3,569,045)	0	
Net Cash Provided By (Used In) Operating Activities	\$ 26,591,977	\$ (1,414,128)	\$ 25,177,849	\$ (43,692)	
<u>Cash Flows from Capital and Related Financing Activities</u>					
Acquisition of Capital Assets	\$ (14,579,937)	\$ (129,746)	\$ (14,709,683)	\$ 0	
Proceeds from Sale of Equipment	666,367	0	666,367	0	
Proceeds from Issuance of Long-term Debt	266,400	0	266,400	0	
Principal Payments on Long-term Debt	(4,841,566)	0	(4,841,566)	0	
Interest Paid on Long-term Debt	(1,296,584)	0	(1,296,584)	0	
Net Cash Provided By (Used In) Capital and Related Financing Activities	\$ (19,785,320)	\$ (129,746)	\$ (19,915,066)	\$ 0	
<u>Cash Flows from Noncapital Financing Activities</u>					
Grants Received	\$ 0	\$ 53,025	\$ 53,025	\$ 0	
Local Taxes	0	1,776,174	1,776,174	0	
Contributions and Gifts	676,871	106,922	783,793	0	
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 676,871	\$ 1,936,121	\$ 2,612,992	\$ 0	
<u>Cash Flows from Investing Activities</u>					
Investment Income	\$ 697,704	\$ 0	\$ 697,704	\$ 0	
Purchase of Investments	(21,365,773)	0	(21,365,773)	0	
Investment in Joint Venture	(400,000)	0	(400,000)	0	
Proceeds from Maturities of Certificates of Deposit	8,611,512	0	8,611,512	0	
Purchase of Certificates of Deposit	(7,248,602)	0	(7,248,602)	0	
Net Cash Provided By (Used In) Investing Activities	\$ (19,705,159)	\$ 0	\$ (19,705,159)	\$ 0	
Net Increase (Decrease) in Cash	\$ (12,221,631)	\$ 392,247	\$ (11,829,384)	\$ (43,692)	
Cash, July 1, 2010	34,846,832	3,384,462	38,231,294	334,012	
Cash, June 30, 2011	\$ 22,625,201	\$ 3,776,709	\$ 26,401,910	\$ 290,320	

(Continued)

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

	Business-type Activities			Total	Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major Fund	Normajor Fund	Solid Waste Disposal		
	\$ 10,945,357	\$ (1,693,969)	\$	9,251,388	\$ 52,917
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities					
Operating Income (Loss)	17,463,032	284,283	0	17,747,315	13,573
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	28,721,811	0	0	28,721,811	0
Depreciation and Amortization Expense	(32,593,971)	(30,365)	0	(32,624,336)	(112,878)
Provision for Uncollectible Accounts	0	43,155	0	43,155	0
(Increase) Decrease in Accounts Receivable	58,699	0	0	58,699	0
(Increase) Decrease in Due from Other Governments	(311,150)	(111)	0	(311,261)	(282)
(Increase) Decrease in Inventories	(663,652)	0	0	(663,652)	0
(Increase) Decrease in Prepaid Items	(2,475,670)	493	0	(2,475,177)	(30)
Increase (Decrease) in Accounts Payable	0	4,802	0	4,802	2,995
Increase (Decrease) in Payroll Deductions Payable	0	(33,280)	0	(33,280)	0
Increase (Decrease) in Postclosure Care Costs	0	1,207	0	1,207	13
Increase (Decrease) in Due to State of Tennessee	5,612,451	0	0	5,612,451	0
Increase (Decrease) in Other Long-term Liabilities	284,972	9,657	0	294,629	0
Increase (Decrease) in Accrued Leave	(449,902)	0	0	(449,902)	0
Increase (Decrease) in Accrued Expenses					
Net Cash Provided By (Used In) Operating Activities	\$ 26,591,977	\$ (1,414,128)	\$	25,177,849	\$ (43,692)
Reconciliation of Cash with Statement of Net Assets					
Cash per Net Assets	\$ 15,219,864	\$ 200	\$	15,220,064	\$ 0
Equity in Pooled Cash and Investments per Net Assets	0	3,776,509	0	3,776,509	290,320
Assets Limited as to Use	7,405,337	0	0	7,405,337	0
Cash, June 30, 2011	\$ 22,625,201	\$ 3,776,709	\$	26,401,910	\$ 290,320

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

Exhibit E

Maury County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,047,586
Investments	38,520
Accounts Receivable	878
Due from Other Governments	<u>1,584,285</u>
Total Assets	<u>\$ 3,671,269</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,584,285
Due to Litigants, Heirs, and Others	<u>2,086,984</u>
Total Liabilities	<u>\$ 3,671,269</u>

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

MAURY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

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

Maury County issues most debt for the discretely presented Maury County School Department. Net debt issues totaling \$4,368,750 were contributed by the county to the School Department during the year ended June 30, 2011.

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

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

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

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

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

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

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

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

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

Maury County reports the following major governmental funds:

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

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

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

School Federal Projects Fund – This special revenue fund is used to account for restricted federal revenues, which much be expended on specific education programs.

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

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

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

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

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

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Constitutional Officers - Agency Fund. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's

Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

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

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Maury Regional Hospital) as assets with an initial, individual cost of \$10,000 (infrastructure and intangible assets \$50,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Compensated Absences

Primary Government

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

Discretely Presented Maury County School Department

It is the policy of the discretely presented Maury County School Department to permit employees to accumulate varying amounts of earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. It is also the policy of the discretely presented School Department to permit employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, employees will be paid either \$50 (professional) or \$10 (certain nonprofessional) per day for unused sick leave. This payment will be made after the employee's retirement has been approved by the Tennessee Consolidated Retirement System. During the year, 40 employees retired and received sick leave payments totaling \$246,820. All vacation and sick leave is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

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

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

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

7. Net Assets and Fund Equity

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

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

As of June 30, 2011, Maury County had \$57,772,050 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Maury County School Department

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

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

Primary Government

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

Discretely Presented Maury County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2011, Maury County and the Maury County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Nonmajor Funds:		
Adequate Facilities/		
Development Tax	Highway Road Projects	\$ 68,644
Highway/Public Works	"	117,511
General Capital Projects	Justice Center Construction	273,512
School Department:		
Major Fund:		
General Purpose School	School Roofing Projects	63,121
Nonmajor Fund:		
Education Capital Projects	"	358,911
"	School Security Systems	53,201

B. Expenditures Exceeded Appropriations

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

Primary Government:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
General:	
Sheriff's Department	\$ 33,636
Other Public Health and Welfare	3,500
Transfers Out	93,808

Expenditures exceeded total appropriations in the General Debt Service Fund by \$5,812.

Discretely Presented Maury County School Department:

<u>Fund/Major Category</u>	<u>Amount Overspent</u>
School Federal Projects:	
Transportation	\$ 42,291

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their

public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2011, Maury County (excluding the Maury Regional Hospital) had the following investments carried at cost. All investments are in the Constitutional Officers - Agency Fund and were made on behalf of litigants at the direction of a court order.

Investment	Maturities	Cost
Merrill Lynch	Daily	\$ 38,520

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

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

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Maury County does not have a formal policy that limits custodial credit risk for investments. It should be noted that the above-noted amount is invested on behalf of litigants at the order of the court, and the county has no custodial credit risk for this investment.

B. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government (Excluding Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 6,561,804	\$ 0	\$ (10,000)	\$ 6,551,804
Intangibles	1,098,294	0	0	1,098,294
Construction in Progress	973,573	1,046,944	(240,780)	1,779,737
Total Capital Assets Not Depreciated	<u>\$ 8,633,671</u>	<u>\$ 1,046,944</u>	<u>\$ (250,780)</u>	<u>\$ 9,429,835</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 37,895,419	\$ 171,966	\$ 0	\$ 38,067,385
Infrastructure	46,282,597	3,827,182	(63,155)	50,046,624
Other Capital Assets	11,213,427	396,730	(344,038)	11,266,119
Total Capital Assets Depreciated	<u>\$ 95,391,443</u>	<u>\$ 4,395,878</u>	<u>\$ (407,193)</u>	<u>\$ 99,380,128</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,121,770	\$ 815,823	\$ 0	\$ 8,937,593
Infrastructure	22,164,225	3,426,792	(6,578)	25,584,439
Other Capital Assets	8,547,262	1,168,241	(331,229)	9,384,274
Total Accumulated Depreciation	<u>\$ 38,833,257</u>	<u>\$ 5,410,856</u>	<u>\$ (337,807)</u>	<u>\$ 43,906,306</u>

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

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Total Capital Assets Depreciated, Net	\$ 56,558,186	\$ (1,014,978)	\$ (69,386)	\$ 55,473,822
Governmental Activities Capital Assets, Net	\$ 65,191,857	\$ 31,966	\$ (320,166)	\$ 64,903,657

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Total Capital Assets Not Depreciated	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,266,752	\$ 0	\$ 0	\$ 1,266,752
Other Capital Assets	2,686,592	129,746	(196,713)	2,619,625
Total Capital Assets Depreciated	\$ 3,953,344	\$ 129,746	\$ (196,713)	\$ 3,886,377
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,011,384	\$ 31,972	\$ 0	\$ 1,043,356
Other Capital Assets	1,825,890	252,311	(196,713)	1,881,488
Total Accumulated Depreciation	\$ 2,837,274	\$ 284,283	\$ (196,713)	\$ 2,924,844
Total Capital Assets Depreciated, Net	\$ 1,116,070	\$ (154,537)	\$ 0	\$ 961,533
Business-type Activities Capital Assets, Net	\$ 1,934,437	\$ (154,537)	\$ 0	\$ 1,779,900

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

Governmental Activities:

General Government	\$	560,760
Finance		60,179
Administration of Justice		41,950
Public Safety		686,703
Public Health and Welfare		13,631
Social, Cultural, and Recreational Services		135,725
Agriculture and Natural Resources		5,860
Other Operations		12,637
Highways		<u>3,893,411</u>
Total Depreciation Expense - Governmental Activities	\$	<u>5,410,856</u>

Business-type Activities:

Solid Waste Disposal	\$	<u>284,283</u>
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Discretely Presented Maury County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 3,019,939	\$ 0	\$ 0	\$ 3,019,939
Construction in Progress	28,113,403	2,468,394	(50,925)	30,530,872
Total Capital Assets Not Depreciated	<u>\$ 31,133,342</u>	<u>\$ 2,468,394</u>	<u>\$ (50,925)</u>	<u>\$ 33,550,811</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 128,279,764	\$ 17,126	\$ 0	\$ 128,296,890
Other Capital Assets	14,583,931	709,608	(59,250)	15,234,289
Total Capital Assets Depreciated	<u>\$ 142,863,695</u>	<u>\$ 726,734</u>	<u>\$ (59,250)</u>	<u>\$ 143,531,179</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 49,807,919	\$ 3,085,772	\$ 0	\$ 52,893,691
Other Capital Assets	10,091,637	1,251,194	(59,250)	11,283,581
Total Accumulated Depreciation	<u>\$ 59,899,556</u>	<u>\$ 4,336,966</u>	<u>\$ (59,250)</u>	<u>\$ 64,177,272</u>

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Total Capital Assets Depreciated, Net	\$ 82,964,139	\$ (3,610,232)	\$ 0	\$ 79,353,907
Governmental Activities Capital Assets, Net	\$ 114,097,481	\$ (1,141,838)	\$ (50,925)	\$ 112,904,718

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

Governmental Activities:

Instruction	\$ 2,683,901
Support Services	1,521,857
Operation of Non-Instructional Services	<u>131,208</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,336,966</u>

C. Construction Commitments

At June 30, 2011, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$273,512 in the General Capital Projects Fund for the construction of a justice center, \$68,644 in the Adequate Facilities/Development Tax Fund for road projects, and \$117,511 in the Highway/Public Works Fund for road projects. Funding has been received for these future expenditures.

At June 30, 2011, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$63,121 in the General Purpose School Fund for school roofing projects, \$358,911 in the Education Capital Projects Fund for school roofing projects, and \$53,201 in the Education Capital Projects fund for a school security system. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	School Federal Projects	\$ 128,034

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

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 93,808	\$ 3,600
Nonmajor governmental funds	538,272	1,409,548	0
Total	\$ 538,272	\$ 1,503,356	\$ 3,600

Discretely Presented Maury County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	\$ 0	\$ 207,279
School Federal Projects Fund	134,859	0
Total	\$ 134,859	\$ 207,279

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

E. Capital Leases

Discretely Presented Maury County School Department

On November 1, 2006, the discretely presented Maury County School Department entered into a seven-year lease-purchase agreement for lighting equipment. The terms of the agreement require total lease payments of \$1,598,657 plus interest of 4.8 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the General Purpose School Fund. In the government-wide financial statements, the upgrades and equipment were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 274,281
2013	274,280
2014	274,280
Total Minimum Lease Payments	\$ 822,841
Less: Amount Representing Interest	<u>(73,099)</u>
Present Value of Minimum Lease Payments	<u>\$ 749,742</u>

F. Long-term Debt

Primary Government (Excluding Maury Regional Hospital)

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 20 years for bonds, ten years for notes and up to 17 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, 2011, will be retired from the General and General Debt Service funds.

During the year, Maury County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned the county \$4,408,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$3,526 under this agreement. The loan retirement schedule also includes equal monthly payments of interest, however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	3 to 5%	\$ 59,000,000	\$ 54,500,000
Capital Outlay Notes	3.64 to 4.5	15,825,396	13,246,159
Other Loans	4.85	4,408,000	4,408,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,185,000	\$ 2,170,447	\$ 5,355,447
2013	3,380,000	2,061,998	5,441,998
2014	3,575,000	1,921,060	5,496,060
2015	3,985,000	1,788,035	5,773,035
2016	3,800,000	1,641,475	5,441,475
2017-2021	21,525,000	5,523,900	27,048,900
2022-2026	10,750,000	2,227,937	12,977,937
2027-2028	4,300,000	274,125	4,574,125
Total	\$ 54,500,000	\$ 17,608,977	\$ 72,108,977

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 2,083,079	\$ 501,932	\$ 2,585,011
2013	2,158,080	417,968	2,576,048
2014	2,105,000	331,005	2,436,005
2015	2,195,000	246,805	2,441,805
2016	2,305,000	169,980	2,474,980
2017	2,400,000	87,000	2,487,000
Total	\$ 13,246,159	\$ 1,754,690	\$ 15,000,849

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2012	\$ 229,210	\$ 205,389	\$ 3,526	\$ 438,125
2013	275,052	213,700	3,526	492,278
2014	275,052	213,700	3,526	492,278
2015	275,052	213,700	3,526	492,278
2016	275,052	213,700	3,526	492,278
2017-2021	1,375,260	1,068,500	17,630	2,461,390
2022-2026	1,375,260	1,068,500	17,630	2,461,390
2027-2028	328,062	215,317	4,414	547,793
Total	\$ 4,408,000	\$ 3,412,506	\$ 57,304	\$ 7,877,810

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

There is \$11,202,080 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$673, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$891, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2010	\$ 59,735,000	\$ 18,258,238	\$ 41,859
Deductions	(5,235,000)	(5,012,079)	(41,859)
Balance, June 30, 2011	<u>\$ 54,500,000</u>	<u>\$ 13,246,159</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 3,185,000</u>	<u>\$ 2,083,079</u>	<u>\$ 0</u>

	Other Loans	Compensated Absences
Balance, July 1, 2010	\$ 0	\$ 1,084,918
Additions	4,408,000	1,110,875
Deductions	0	(1,051,524)
Balance, June 30, 2011	<u>\$ 4,408,000</u>	<u>\$ 1,144,269</u>
Balance Due Within One Year	<u>\$ 229,210</u>	<u>\$ 1,144,269</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 73,298,428
Less: Due Within One Year	(6,641,558)
Add: Unamortized Premium on Debt	<u>346,514</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 67,003,384</u>

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

Maury County Solid Waste Disposal Fund (Enterprise Fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2011, was as follows:

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2010	\$ 554,259
Deductions	<u>(33,280)</u>
Balance, June 30, 2011	<u>\$ 520,979</u>
Balance Due Within One Year	<u>\$ 36,811</u>

Discretely Presented Maury County School DepartmentNotes

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

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for original terms of up to seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2011, will be retired from the General Purpose School Fund.

Capital outlay notes and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
Capital Outlay Notes	3 %	\$ 500,000	\$ 227,005
Capital Leases	4.8	1,598,657	749,742

The annual requirements to amortize all notes outstanding as of June 30, 2011, including interest payments, are presented in the following table:

<u>Year Ending June 30</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 73,443	\$ 6,810	\$ 80,253
2013	75,646	4,607	80,253
2014	77,916	2,337	80,253
Total	<u>\$ 227,005</u>	<u>\$ 13,754</u>	<u>\$ 240,759</u>

Debt per capita, including notes and capital leases totaled \$12, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Maury County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Notes	Capital Leases
	<u> </u>	<u> </u>
Balance, July 1, 2010	\$ 298,309	\$ 977,121
Deductions	(71,304)	(227,379)
	<u> </u>	<u> </u>
Balance, June 30, 2011	\$ 227,005	\$ 749,742
	<u> </u>	<u> </u>
Balance Due Within One Year	\$ 73,443	\$ 238,293
	<u> </u>	<u> </u>

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
	<u> </u>	<u> </u>
Balance, July 1, 2010	\$ 3,871,233	\$ 3,444,721
Additions	1,036,112	2,208,184
Deductions	(1,165,597)	(1,383,062)
	<u> </u>	<u> </u>
Balance, June 30, 2011	\$ 3,741,748	\$ 4,269,843
	<u> </u>	<u> </u>
Balance Due Within One Year	\$ 1,200,565	\$ 0
	<u> </u>	<u> </u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 8,988,338
Less: Due Within One Year	<u>(1,512,301)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,476,037</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Maury County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2011, were \$358,117 and \$69,961, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Maury County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General and General Purpose School funds. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

Primary Government:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax Anticipation Notes	\$ 0	\$ 2,000,000	\$ (2,000,000)	\$ 0

Discretely Presented Maury County School Department:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax Anticipation Notes	\$ 0	\$ 4,000,000	\$ (4,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Maury County (excluding the Maury Regional Hospital) is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property

and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

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

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

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported

in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Maury County and the Maury County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

On October 21, 2011, the county's General Debt Service Fund issued a \$2,000,000 tax anticipation note to the General Purpose School Fund for temporary operating funds.

On November 29, 2011, Maury County issued \$2,400,000 in capital outlay notes for road and highway projects.

D. Contingent Liabilities

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

E. Change in Administration

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

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Maury County closed its sanitary landfill in 1997. The \$520,979 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011.

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

G. Joint Ventures

The Maury County Regional Airport Authority is a joint venture in which the county and the cities of Columbia and Mount Pleasant participate. The authority is governed by a three-member board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2011, Maury County contributed \$40,000 to the authority.

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

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

Administrative Offices:

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

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

H. Jointly Governed Organization

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

County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2011.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Maury County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal

year ended June 30, 2011, was 7.49 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county’s annual pension cost of \$1,778,240 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 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 ten-year period. The 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, 2009, was 11 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
6-30-11	\$1,778,240	100%	\$0
6-30-10	1,966,864	100	0
6-30-09	1,935,519	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 82.45 percent funded. The actuarial accrued liability for benefits was \$39 million, and the actuarial value of assets was \$32 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24 million, and the ratio of the UAAL to the covered payroll was 28.23 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

The Maury County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are 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 salary 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, 2011, was 9.05 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, 2011, 2010, and 2009, were \$3,985,250, \$2,790,762, and \$2,837,917, respectively, equal to the required contributions for each year.

2. **Deferred Compensation**

Maury County offers its employees one deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

The discretely presented Maury County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

J. **Other Postemployment Benefits (OPEB)**

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for teachers. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a

result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2011, the discretely presented Maury County School Department made contributions totaling \$1,383,062 for other postemployment benefits.

	Local Education Group Plan
	<hr/>
ARC	\$ 2,200,000
Interest on the NPO	155,012
Adjustment to the ARC	(146,828)
	<hr/>
Annual OPEB cost	\$ 2,208,184
Amount of contribution	(1,383,062)
	<hr/>
Increase/decrease in NPO	\$ 825,122
Net OPEB obligation, 7-1-10	3,444,721
	<hr/>
Net OPEB obligation, 6-30-11	<u>\$ 4,269,843</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 2,327,481	42 %	\$ 2,576,506
6-30-10	"	2,178,122	60	3,444,721
6-30-11	"	2,208,184	63	4,269,843

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 18,870,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 18,870,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 54,669,551
UAAL as a % of covered payroll	35%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

K. Offices of Accounting and Budgeting, and Human Resources

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

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

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

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

Office of Director of Schools

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

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

A. Organization

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

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

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

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

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

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

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

Family Health Group (FHG) is a nonprofit corporation that acquires, owns, operates, and manages physician practices in the hospital's service area. During 2011, the hospital acquired the remaining interest and became the sole member.

South Central Heart Group, Inc., (SCHG) Thoracic and Cardiovascular Associates of Tennessee, Inc. (TCAT), and Pulmonary and Critical Care Associates, Inc., are taxable nonprofit corporations that operate physician practices in the hospital's service area. The hospital is the sole member of each practice. During 2011, SCHG and TCAT were dissolved and became divisions of MRMC.

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

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

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

B. Summary of Significant Accounting Policies

Method of Accounting – The hospital utilizes the enterprise fund method of accounting. Revenues and expenses are recorded on the accrual basis. In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements*. This statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. This statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The requirements of this statement are effective for periods beginning after December 15, 2011, however, earlier application is permitted and the hospital adopted the provisions of this statement during fiscal year 2011. The adoption did not have a material impact on the combined financial statements.

Recently Issued Accounting Pronouncements – In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*. The statement is effective for years beginning after June 15, 2010, and updates current standards regarding the financial reporting of financial instruments and external investment pools. The requirements of this statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. The requirements of this statement were adopted by the hospital in fiscal year 2011, and the adoption did not have a material impact on the combined financial statements.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The statement is effective for financial statement periods beginning after June 15, 2012, and amends Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Management of the hospital is evaluating the impact of this statement on the combined financial statements.

In January 2010, FASB issued Accounting Standard Update 2010-06, *Improving Disclosures about Fair Value Measurements*, as it relates to FASB

Accounting Standards Codification (ASC) 820. This update provides amendments to FASB ASC 820 *Fair Value Measurements*, that requires both new disclosures and further clarifies existing disclosures. This update is effective for years beginning after December 15, 2009, except for disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which is effective for years beginning after December 15, 2010. The requirements of this update, which were adopted in fiscal year 2011, did not have a material impact on the combined financial statements.

In August 2010, FASB issued Accounting Standard Update 2010-23, *Measuring Charity Care for Disclosure*, that amends Topic 954, *Health Care Entities*. This update provides amendments that require cost to be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. The amendments in the update also require disclosure of the method used to identify or determine such costs. This update is effective for fiscal years beginning after December 15, 2010, and should be applied retrospectively to all periods. Management of the hospital is evaluating the impact of this statement on the combined financial statements.

Also, in August 2010, FASB issued Accounting Standard Update 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which provides amendments that clarify that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. Prior to this update, health care entities were permitted to net insurance recoveries against the accrual of malpractice claims or similar liabilities. This update is effective for fiscal years beginning after December 15, 2010, and a cumulative-effect adjustment should be recognized in opening net assets in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying the amendments in this update. Management of the hospital is evaluating the impact of this update on the combined financial statements but does not anticipate any material impact on operations or net assets upon adoption.

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

Cash and Cash Equivalents – Cash and cash equivalents includes cash on hand, deposits in banks, and investments with a maturity of three months or less when purchased, excluding any amounts whose use is limited by board designation.

Inventories – Inventories consist principally of medical and surgical supplies and are reported at the lower of cost or market, with cost determined by the average cost method.

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

Investments and Assets Limited as to Use – Investments and assets limited as to use in debt and equity securities are reported at fair value based on quoted market prices. Interest, dividends, and gains and losses (realized and unrealized) are included in investment income. During 2011, the board designated certain assets as limited as to use for future capital improvements. Assets limited as to use consist of money market deposits, certificates of deposits, and investments.

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at the date of gift, if donated. The hospital has established a capitalization threshold of \$1,000. Depreciation is calculated by the straight-line method to allocate the cost of the assets (other than land) over their estimated useful lives, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight-line method over the shorter of the useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements. Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets are capitalized as part of the cost of acquiring the asset and are amortized on the same basis as the related capital asset. Costs of maintenance and repairs are charged to expense when incurred. The hospital periodically reviews property, plant, and equipment for indications of potential impairment. Management does not believe any impairment existed as of June 30, 2011.

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

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

compensation. Employees also earn sick leave benefits based on varying rates depending on years of service and may accumulate sick leave up to a specified maximum. Employees are not paid for accumulated sick leave if they leave before retirement. However, employees who retire after the age of 60 may convert accumulated sick leave to termination payments. The estimated amount of sick leave, which will ultimately be payable as termination payments, is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2012.

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

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

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

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

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

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

unit and is exempt from filing a Form 990 based on Internal Revenue Procedure 95-48. Certain combined entities are taxable for federal purposes and account for income taxes in accordance with Financial Accounting Standards Board Accounting Codification 740, *Income Taxes*. Due to current year and prior year operating losses, no tax expense or benefit has been recognized in the accompanying combined financial statements.

Subsequent Events – The hospital evaluated all events or transactions that occurred after June 30, 2011, through October 12, 2011, the date the combined financial statements were available to be issued. Management did not note any subsequent events that required recognition or disclosure in the combined financial statements at June 30, 2011.

C. Patient Service Revenue and Accounts Receivable

The hospital has agreements with various third-party payors that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payors is recorded as a reduction of gross patient service charges. Revenues for patient service charges have been adjusted to the amounts estimated to be receivable under third-party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments, which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2012. Net patient service revenue for the year ended June 30, 2011, was increased by approximately \$900,000 due to adjustments of estimates or final settlements of prior periods.

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

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services based on a per diem or on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low-income patients. Approximately \$9,300,000 of net patient accounts receivable is due from the Medicare program at June 30, 2011.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts. Approximately \$2,500,000 of net patient accounts receivable was from the TennCare

program at June 30, 2011. During 2011, the hospital received additional distributions under the TennCare Essential Access, federal matching and other programs totaling approximately \$3,090,000. Future distributions under this program are not guaranteed.

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

A reconciliation of the services provided to patients at established rates to net patient service revenue is as follows at June 30, 2011:

Patient Service Charges	\$ 695,178,988
Less: Estimated Contractual Adjustments	(388,577,494)
Less: Estimated Provision for Bad Debts	(28,721,811)
Less: Charity Care	<u>(12,831,624)</u>
Total	<u><u>\$ 265,048,059</u></u>

D. Cash, Cash Equivalents, Certificates of Deposit, Investments, and Assets Limited As to Use

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

Deposits	\$ 27,805,376
Investments	<u>24,320,478</u>
Total	<u><u>\$ 52,125,854</u></u>

Included in the combined financial statements as follows:

Cash and Cash Equivalents	\$ 15,219,864
Certificates of Deposit	3,624,301
Investments	514,529
Assets Limited As to Use	<u>32,767,160</u>
Total	<u><u>\$ 52,125,854</u></u>

The hospital holds deposits only in banks participating in the State of Tennessee Collateral Pool, in banks that provide collateral for all deposits, or banks that are members of the Federal Deposit Insurance Corporation (FDIC). Certificates of deposit in excess of the FDIC insurance limit must be issued by a bank that is a member of the Certificate of Deposit Account Registry Service.

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

At June 30, 2011, the hospital's bank balances for deposits totaled \$31,526,979, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Deposits totaling \$1,069,216 are collateralized by securities held by the financial institution and pledged as collateral for the hospital's deposits.

The estimated fair values and maturities for investments, all of which were held in the hospital's name by a custodial bank that is an agent of the hospital, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Mutural Funds - Fixed Income	Less than 1 year	\$ 3,455,070
Mutural Funds - Equity	N/A	281,998
Government Agency Bonds	1 to 5 years	18,572,390
Corporate Bonds	1 to 5 years	<u>2,011,020</u>
Total		<u><u>\$ 24,320,478</u></u>

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

Credit Risk – The hospital's investment policy restricts investments in corporate bonds and municipal bonds to those with a credit rating of at least AA. Mutual fund's underlying investments must meet the same credit ratings as other investments. At June 30, 2011, the hospital's investment in corporate bonds and mutual funds were rated AAA by Standard and Poor's.

Concentration of Credit Risk – The hospital's investment policy limits investments in corporate bonds to 50 percent of total investments with no security issuer exceeding five percent of total investments and municipal bonds to 25 percent of total investments with no security issuer exceeding five percent of total investments. There is no limit on investments in U.S. treasury securities, government agency bonds, or notes. Mutual funds

containing corporate bonds should not exceed 50 percent of total investments, and a single mutual fund should not exceed 25 percent of total investments.

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

E. Property, Plant, and Equipment

A summary of changes in property, plant, and equipment and related accumulated depreciation for the year ended June 30, 2011, is as follows:

	Balance 7-1-10	Additions/ Transfers	Retirements	Balance 6-30-11
Capital Assets Depreciated:				
Land Improvements	\$ 5,424,616	\$ 131,568	\$ 0	\$ 5,556,184
Buildings	166,452,249	1,423,641	(17,312)	167,858,578
Equipment	134,045,305	10,060,135	(3,540,865)	140,564,575
Total Capital Assets Depreciated	\$ 305,922,170	\$ 11,615,344	\$ (3,558,177)	\$ 313,979,337
Less Accumulated Depreciation For:				
Land Improvements	\$ 3,539,538	\$ 176,071	\$ 0	\$ 3,715,609
Buildings	79,331,452	7,166,239	0	86,497,691
Equipment	108,053,533	9,864,265	(3,034,112)	114,883,686
Total Accumulated Depreciation	\$ 190,924,523	\$ 17,206,575	\$ (3,034,112)	\$ 205,096,986
Total Capital Assets Depreciated, Net	\$ 114,997,647	\$ (5,591,231)	\$ (524,065)	\$ 108,882,351
Capital Assets Not Depreciated:				
Land	\$ 5,098,378	\$ 1,167,502	\$ 0	\$ 6,265,880
Construction in Progress	1,103,375	1,797,091	0	2,900,466
Total Capital Assets Not Depreciated	\$ 6,201,753	\$ 2,964,593	\$ 0	\$ 9,166,346
Total Capital Assets, Net	\$ 121,199,400	\$ (2,626,638)	\$ (524,065)	\$ 118,048,697

During 2011, the hospital capitalized interest expense on construction projects totaling approximately \$78,000. Construction in progress at June 30, 2011, consisted primarily of facility renovations and total estimated costs required to complete construction projects in progress totaled approximately \$5,500,000.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2011:

Bonds Payable

Series 2006B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4% to 4.25%, maturing over a 7-year period, with the final payment due June 1, 2014.	\$ 3,775,000
Series 2006, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4.125% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021.	14,100,000
Series 2005, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 3.75% to 4%, maturing over a 15-year period, with the final payment due June 1, 2020.	2,845,000
Series 2004B Refunding, Maury County General Obligation Refunding Bond issued on behalf of the hospital, with an interest rate of 5%, maturing over a 10-year period, with the final payment due April 1, 2014.	<u>3,225,000</u>
Total bonds payable	<u>\$ 23,945,000</u>
Less unamortized loss on bond refunding	\$ (106,203)
Plus premium on bond refunding	<u>785,871</u>
Total bonds payable, net of unamortized loss and premiums	<u>\$ 24,624,668</u>

Other Long-term Debt

Notes payable with interest rates ranging from 6.1% to 6.29%, maturing through January 2014, and secured by equipment and property with a net book value of \$40,392 at June 30, 2011	\$ 45,573
Line of credit with an interest rate of 5.25% due in 2012, maximum available of \$775,000.	710,243
Capital lease obligations - see Note H	<u>331,151</u>
Total other long-term debt	<u>\$ 1,086,967</u>
Total debt	\$ 25,711,635
Less: current portion	<u>(4,905,385)</u>
Total long-term debt	<u><u>\$ 20,806,250</u></u>

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

The Series 2006 Bonds maturing on or after June 1, 2017, are subject to redemption prior to maturity at the option of the county on June 1, 2016, or

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

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2011, (including the capital lease obligations and excluding unamortized premiums and loss on refunding) follows:

Year Ending June 30	Principal	Interest
2012	\$ 4,905,385	\$ 1,107,699
2013	4,119,897	891,315
2014	4,166,685	712,800
2015	1,725,000	521,528
2016	1,735,000	438,328
2017-2021	8,380,000	1,040,979
Total	\$ 25,031,967	\$ 4,712,649

A schedule of changes in long-term debt for the year ended June 30, 2011, follows:

	Balance 7-1-10	Additions/ Amortization	Payments/ Maturities	Balance 6-30-11	Amounts Due Within One Year
Bonds payable, net of premium	\$ 27,790,000	\$ 0	\$ (3,845,000)	\$ 23,945,000	\$ 3,910,000
Unamortized loss on refunding	(146,030)	39,827	0	(106,203)	0
Unamortized premiums	992,728	(206,857)	0	785,871	0
Other long-term debt	1,817,133	266,400	(996,566)	1,086,967	995,385
Total	\$ 30,453,831	\$ 99,370	\$ (4,841,566)	\$ 25,711,635	\$ 4,905,385

G. Employee Benefit Plans

Defined Benefit Plan – Prior to May 1, 1997, all employees of the hospital were eligible to participate in the Maury Regional Hospital Retirement Plan (the plan), a single-employer public retirement system (PERS), accounted for as a separate entity from the hospital. The purpose of the plan is to provide retirement, death, and certain other benefits to employees as specified in the plan.

The actuarial method generally employed to determine contributions to the plan is the entry age normal actuarial cost method. Although it has not expressed any intention to do so, the hospital has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions set forth in ERISA.

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) plan on May 1, 1997. As of May 1, 2011, 127 participants are earning future service accruals. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Defined Benefit Plan Funding Policy – Voluntary contributions may not be made by participants. The hospital’s contributions are based on an actuarially determined rate. The hospital’s annual pension cost for 2011 was \$752,987. The hospital’s net pension obligation to the plan for 2011 was zero. The annual required contribution for the current year was determined as part of the May 1, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions used included the following:

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

Three-year Trend Information

Fiscal Year	Annual Required Contribution	Percentage Contributed	Pension Obligation
4-30-09	\$ 0	100%	\$ 0
4-30-10	785,010	100	0
4-30-11	752,987	100	0

A schedule of funding progress for the plan follows:

Actuarial Valuation Date	5-1-09*	5-1-10*	5-1-11*
Actuarial Value of Assets	\$ 38,788,798	\$ 39,793,024	\$ 40,609,452
Actuarial Accrued Liability (AAL)	\$ 42,379,105	\$ 43,271,426	\$ 43,936,214
Unfunded AAL	\$ 3,590,307	\$ 3,478,402	\$ 3,326,762
Funded Ratio	91.5%	92.0%	92.4%
Covered Payroll	\$ 6,225,197	\$ 5,423,206	\$ 5,061,006
UAAL As a % of Covered Payroll	57.7%	64.1%	65.7%

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

The unfunded actuarial accrued liability is being amortized as a level percentage of covered payroll over 30 years beginning in fiscal 2009.

Defined Contribution Plan – Effective May 1, 1997, the hospital implemented a defined contribution plan, which includes a 403(b) feature and an employer-matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The hospital’s contribution consists of a base contribution of three percent of annual covered compensation and a matching contribution equal to 50 percent of the employees’ first five percent of annual compensation contributed. The hospital’s total contributions for the year ended June 30, 2011, totaled approximately \$3,930,000.

H. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 4.7 percent to 15.7 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2011, is as follows:

Equipment Acquired Under Capital Leases	\$ 2,169,151
Less: Accumulated Depreciation	<u>(1,851,470)</u>
Total	<u><u>\$ 317,681</u></u>

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2011:

Year Ending June 30	Amount
2012	\$ 260,442
2013	<u>74,000</u>
Total Minimum Lease Payments	\$ 334,442
Less: Amount Representing Interest	<u>(3,291)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 331,151</u></u>

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$4,230,000 for the year ended June 30, 2011. Future minimum lease commitments for all significant non-cancelable operating leases are as follows:

Year Ending June 30	Amount
2012	\$ 2,078,055
2013	1,521,022
2014	1,054,259
2015	764,479
2016	<u>302,379</u>
Total	<u>\$ 5,720,194</u>

Leases with Physicians – The hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms. Rental income under these lease agreements totaled approximately \$1,090,000 for the year ended June 30, 2011. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases are as follows:

Year Ending June 30	Amount
2012	\$ 963,880
2013	260,601
2014	<u>262,543</u>
Total	<u>1,487,024</u>

I. Leased Healthcare Facilities

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

J. Commitments and Contingencies

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

Malpractice Liability Claims – The hospital is subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to \$350,000 for injury or death per person and \$700,000 in the aggregate per occurrence. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence with a retention of \$250,000 per claim and a \$3,000,000 annual aggregate with a \$750,000 annual aggregate retention. The hospital has estimated and recorded a liability for reported claims totaling approximately \$950,000 at June 30, 2011. In management’s opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the hospital’s results of operations or financial condition. The hospital has not estimated any liability for incurred but not reported claims.

Workers’ Compensation Claims – The hospital is covered for workers’ compensation claims through an insurance policy with a deductible of \$500,000 per claim. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2011. The hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependants. Stop-loss insurance is purchased for annual claims per individual exceeding \$250,000 with a life time maximum per individual totaling \$750,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately \$1,640,000 at June 30, 2011. Employees that retire after attaining age 60 and completing 20 years of service will receive continued coverage under the hospital’s health benefit program until they attain age 65 or become eligible for Medicare benefits. The estimated amount of retirement health benefits payable totaled approximately \$270,000 at June 30, 2011, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management’s estimate could change in 2012.

Healthcare Industry – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as

licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse, and under the provisions of the Health Insurance Portability and Accountability Act of 1996, patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers, such as the Medicare Recovery Audit Contractor Program. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes that any amounts payable related to audits through the Medicare Recovery Audit Contractor program, or similar initiatives, have been estimated and recorded as Other Long-term Liabilities in the combined financial statements and therefore, any additional impact on the combined financial statements will not be significant. However, due to the uncertainties involved, management's estimate could change in the near future.

Healthcare Reform – In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. The legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing TennCare coverage and payments are also expected to occur as a result of this legislation. Implementing regulations are generally required as a result of such legislation over a period of several years. Accordingly, the impact of any future regulations is not determinable.

K. Fair Value of Financial Instruments

Management believes that book value approximates fair value for the majority of the hospital's financial assets and liabilities. The estimated fair value of bonds payable, which are general obligation bonds of Maury County, is \$24,510,471 at June 30, 2011.

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

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

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

The hospital's investments are reported at fair value on a recurring basis on Level 1 at June 30, 2011.

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

A. Summary of Significant Accounting Policies

1. General

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

2. Accounting Method

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

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

3. Organization

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

4. Utility Plant and Equipment

The utility plant and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of property or equipment are sold or retired,

the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

5. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2011. Restricted assets are not treated as part of the entity's cash and cash equivalents.

6. Use of Estimates

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

7. Inventory

The water system's inventory of supplies is stated at cost using the first-in, first-out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased, since they are not of a material nature, and as expenses in the enterprise fund when used.

B. Accounts Receivable

Customer receivables are composed of the following aged categories:

	<u>Amount</u>
Current Billings	\$ 246,363
30 Days Past Due	6,866
60 Days Past Due	695
90 Days Past Due	<u>5,848</u>
Total	<u>\$ 259,772</u>

Bad debts are determined and written-off only by direct action of the system's board. The amount of \$6,713 was written-off for 2011.

C. Deposits and Investments

The system is subject to the Tennessee statute, which requires deposits in financial institutions be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the

institutions, less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2011, all deposits were insured or collateralized.

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

D. Restricted Assets

The restricted assets represent investment of construction reserves and customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2011, included \$29,690 for meter deposits of current customers.

E. Utility Plant, Property, and Equipment

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

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

F. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Additions	Retirements	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 287,025	\$ 161,985	\$ 0	\$ 449,010
Construction in Progress	12,094	83,913	(12,094)	83,913
Total Capital Assets Not Depreciated	<u>\$ 299,119</u>	<u>\$ 245,898</u>	<u>\$ (12,094)</u>	<u>\$ 532,923</u>
Capital Assets Depreciated:				
Building	\$ 225,077	\$ 8,400	\$ 0	\$ 233,477
Water Grid and Improvements	28,881,877	183,561	0	29,065,438
Equipment and Fixtures	674,444	28,934	0	703,378
Total Capital Assets Depreciated	<u>\$ 29,781,398</u>	<u>\$ 220,895</u>	<u>\$ 0</u>	<u>\$ 30,002,293</u>
Less Accumulated Depreciation For:				
Building	\$ 73,376	\$ 6,837	\$ 0	\$ 80,213
Water Grid and Improvements	4,788,692	562,141	0	5,350,833
Equipment and Fixtures	507,913	56,923	0	564,836
Total Accumulated Depreciation	<u>\$ 5,369,981</u>	<u>\$ 625,901</u>	<u>\$ 0</u>	<u>\$ 5,995,882</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,411,417</u>	<u>\$ (405,006)</u>	<u>\$ 0</u>	<u>\$ 24,006,411</u>
Business-type Activities Capital Assets, Net	<u>\$ 24,710,536</u>	<u>\$ (159,108)</u>	<u>\$ (12,094)</u>	<u>\$ 24,539,334</u>

G. Accrued Leave

Accumulated annual leave at June 30, 2011, totaled \$22,434. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks of annual leave for personnel with one to five years continuous county service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

H. Risk Management

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

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

I. Long-term Debt

The system's bonds payable are liabilities derived from various system water line upgrades, extensions, and improvements. Bonds payable consist of the following at June 30, 2011:

Bonds Payable

Series 2006, State Revolving Loan Fund: DWSRF 05-065: The principal will be amortized over 20 years with monthly payments of \$21,623 and an interest rate of 2.42%.	\$ 3,483,253
Series 2008, State Revolving Loan Fund: DWSRF 07-072: The principal will be amortized over 20 years with monthly payments of \$8,679 and an interest rate of 2.42%.	1,461,864
Series 2006, USDA Rural Development Loan: The principal will be amortized over 38 years with monthly payments of \$12,615 and an interest rate of 4.125%.	<u>2,801,928</u>
Total bonds payable	<u>\$ 7,747,045</u>
Less current portion	<u>\$ (283,164)</u>
Total long-term bonds payable	<u><u>\$ 7,463,881</u></u>

Business-type Activities - Bonds Payable

Beginning Balance 7-1-10	Reductions	Ending Balance 6-30-11	Due Within One Year
<u>\$ 8,022,845</u>	<u>\$ (275,800)</u>	<u>\$ 7,747,045</u>	<u>\$ 283,164</u>

The principal and interest requirements for outstanding bonds as of June 30, 2011, are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 283,164	\$ 231,840	\$ 515,004
2013	290,746	224,258	515,004
2014	298,525	216,479	515,004
2015	306,527	208,477	515,004
2015	314,743	200,261	515,004
2016 & thereafter	6,253,340	2,477,079	8,730,419
Total	<u>\$ 7,747,045</u>	<u>\$ 3,558,394</u>	<u>\$ 11,305,439</u>

J. Subsequent Events

The system considers events and transactions that occur after the statement of net assets, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require disclosure. Subsequent events have been evaluated through September 6, 2011.

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

A. Summary of Significant Accounting Policies

1. Nature of Activities

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

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

2. Basis of Accounting and Financial Statement Presentation

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

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

3. Use of Estimates

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

4. Cash and Cash Equivalents

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

5. Capital Assets

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

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

6. Income Taxes

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

7. Operating Revenues and Expenses

The district distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a district's principal ongoing operations. The principal operating revenues of the district are emergency telephone service charges to residents for providing emergency 911 services. Operating expenses include payroll expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

8. Budgetary Data

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

9. Compensated Absences

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

B. Cash and Depository Collateral

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

State statutes authorize the district to invest in (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federal chartered banks and savings and loan associations, (3) the Local Government Investment Pool of the State of Tennessee, and (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

The district has not adopted formal deposit or investment policies for exposure to various forms of risks associated with its deposit and investment practices, other than to follow the State of Tennessee statutes as described above.

C. Certificates of Deposit

At June 30, 2011, certificates of deposit were as follows:

	<u>Amount</u>
First Farmers and Merchants Bank, 0.5% maturing November 4, 2011	\$ 150,000
First Farmers and Merchants Bank, 1.2% maturing September 14, 2011	100,000
First Farmers and Merchants Bank, 1.2% maturing September 14, 2011	100,000
First Farmers and Merchants Bank, 1.2% maturing September 14, 2011	<u>50,000</u>
	<u>\$ 400,000</u>

D. Accounts Receivable

The following schedule reflects the components of accounts receivable as of June 30, 2011:

	<u>Amount</u>
Emergency Telephone Service Charges	<u>\$ 37,386</u>

E. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Additions	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 74,380	\$ 0	\$ 74,380
Total Capital Assets Not Depreciated	<u>\$ 74,380</u>	<u>\$ 0</u>	<u>\$ 74,380</u>
Capital Assets Depreciated:			
Building	\$ 493,082	\$ 1,623	\$ 494,705
Office Equipment	32,010	0	32,010
Furniture and Fixtures	3,482	1,180	4,662
Communications Equipment	457,170	36,044	493,214
Vehicles	26,247	0	26,247
Total Capital Assets Depreciated	<u>\$ 1,011,991</u>	<u>\$ 38,847</u>	<u>\$ 1,050,838</u>
Less Accumulated Depreciation For:			
Building	\$ 48,584	\$ 12,350	\$ 60,934
Office Equipment	4,560	1,605	6,165
Furniture and Fixtures	1,182	400	1,582
Communications Equipment	210,047	48,055	258,102
Vehicles	14,989	5,250	20,239
Total Accumulated Depreciation	<u>\$ 279,362</u>	<u>\$ 67,660</u>	<u>\$ 347,022</u>
Total Capital Assets Depreciated, Net	<u>\$ 732,629</u>	<u>\$ (28,813)</u>	<u>\$ 703,816</u>
Business-type Activities Capital Assets, Net	<u>\$ 807,009</u>	<u>\$ (28,813)</u>	<u>\$ 778,196</u>

Depreciation charged to expense for the current year totaled \$67,660.

F. Accrued Expenses

Accrued expenses at June 30, 2011, consisted of the following:

	<u>Amount</u>
Accrued payroll	\$ 13,505
Accrued payroll taxes	<u>5,275</u>
Total	<u>\$ 18,780</u>

G. Major Revenue Source

Revenue for operation and maintenance of the district is generated by a surcharge placed on residential and business phone lines. The surcharge is collected by AT&T Telephone Company and remitted to the district monthly less a three percent administrative fee. In the current year, revenue from AT&T Telephone Company represented approximately 33 percent of total operating revenue. In fiscal year 2000, the district began collecting revenue generated by wireless phone users. The Tennessee Emergency Communications Board collects the revenue and distributes 25 percent of funds to the Emergency Communications Districts based on the proportion of the population of each district to that of the state, according to the latest census. The Tennessee Emergency Communications Board also distributes additional amounts as part of the operational funding program to assist districts with the basic costs of 911 service.

H. Pension Expense

Plan Description

Employees of the Maury County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Maury County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the

operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The Maury County Emergency Communications District requires employees to contribute five percent of their earnable compensation. The Maury County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011, was 9.92 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Maury County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2011, the Maury County Emergency Communications District's annual pension cost of \$68,581 to TCRS was equal to the Maury County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases to 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation of salaries), (c) projected 3.5 percent annual increase in the social security wage base, and (d) projected post retirement increases of 2.5 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 ten-year period. The Maury County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 16 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
6-30-11	\$ 68,581	100 %	\$ 0
6-30-10	59,467	100	0
6-30-09	50,969	100	0

Funding Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 51.93 percent funded. The actuarial accrued liability for benefits was \$.5 million, and the actuarial value of assets was \$.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.5 million, and the ratio of the UAAL to the covered payroll was 48.46 percent.

The annual required contribution was calculated using the aggregate cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

I. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2011, the district was insured against potential losses associated with these risks through the purchase of commercial insurance for management liability and through a blanket general liability policy purchased by Maury County. There have been no losses in excess of insurance coverage during the last three years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,453,651	\$ 0	\$ 0	\$ 15,453,651	\$ 14,971,286	\$ 14,971,286	\$ 482,365
Licenses and Permits	261,106	0	0	261,106	236,500	236,500	24,606
Fines, Forfeitures, and Penalties	332,490	0	0	332,490	471,600	491,600	(159,110)
Charges for Current Services	278,671	0	0	278,671	284,100	284,100	(5,429)
Other Local Revenues	617,065	0	0	617,065	492,465	641,800	(24,735)
Fees Received from County Officials	2,999,258	0	0	2,999,258	2,875,000	2,875,000	124,258
State of Tennessee	2,009,646	0	0	2,009,646	1,705,242	1,805,242	204,404
Federal Government	737,643	0	0	737,643	0	206,442	531,201
Other Governments and Citizens Groups	238,028	0	0	238,028	24,250	198,915	39,113
Total Revenues	\$ 22,927,558	\$ 0	\$ 0	\$ 22,927,558	\$ 21,060,443	\$ 21,710,885	\$ 1,216,673
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 37,653	\$ 0	\$ 0	\$ 37,653	\$ 45,282	\$ 43,120	\$ 5,467
Board of Equalization	1,096	0	0	1,096	1,622	1,622	526
Other Boards and Committees	19,127	0	15,638	34,765	8,253	35,415	650
County Mayor/Executive	201,642	0	0	201,642	202,624	202,624	982
Personnel Office	209,382	0	0	209,382	215,926	215,926	6,544
County Attorney	85,696	0	0	85,696	87,242	87,242	1,546
Election Commission	336,065	0	0	336,065	325,563	338,303	2,238
Register of Deeds	312,603	0	0	312,603	319,419	319,419	6,816
Development	405,611	(18,700)	3,400	390,311	444,493	444,493	54,182
County Buildings	740,342	(978)	0	739,364	794,277	794,277	54,913
Other General Administration	671,825	(3,995)	88,873	756,703	758,491	761,128	4,425
Preservation of Records	135,478	0	0	135,478	140,775	141,275	5,797

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 372,860	\$ 0	\$ 500	\$ 373,360	\$ 384,731	\$ 393,520	\$ 20,160
Purchasing	194,199	0	0	194,199	195,587	195,587	1,388
Property Assessor's Office	553,627	(3,591)	8,208	558,244	570,287	580,232	21,988
Reappraisal Program	152,104	(91)	0	152,013	186,060	176,115	24,102
County Trustee's Office	298,190	0	0	298,190	303,767	303,767	5,577
County Clerk's Office	161,494	(447)	0	161,047	167,532	167,532	6,485
Data Processing	446,586	0	620	447,206	449,379	449,379	2,173
<u>Administration of Justice</u>							
Circuit Court	910,677	(570)	0	910,107	966,387	974,168	64,061
General Sessions Court	932,268	0	1,769	934,037	910,928	935,277	1,240
Drug Court	35,104	0	0	35,104	0	35,104	0
Chancery Court	90,280	(1,115)	0	89,165	104,525	104,525	15,360
District Attorney General	2,500	0	0	2,500	77,500	2,500	0
Victims Assistance Programs	27,925	0	0	27,925	16,000	28,000	75
<u>Public Safety</u>							
Sheriff's Department	5,748,024	(6,267)	18,070	5,759,827	5,575,137	5,726,191	(33,636)
Administration of the Sexual Offender Registry	1,400	0	300	1,700	1,000	2,800	1,100
Jail	3,917,159	(4,268)	32,124	3,945,015	3,956,182	4,064,600	119,585
Juvenile Services	236,888	0	0	236,888	264,974	243,308	6,420
Civil Defense	222,920	0	0	222,920	144,786	225,124	2,204
Other Emergency Management	446,754	(51,507)	0	395,247	356,456	646,064	250,817
County Coroner/Medical Examiner	0	0	0	0	3,315	3,315	3,315
Public Safety Grant Programs	13,213	(6,224)	41,506	48,495	0	50,995	2,500

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 770,869	\$ (8,942)	\$ 0	\$ 761,927	\$ 835,190	\$ 835,190	\$ 73,263
Rabies and Animal Control	551,032	0	0	551,032	606,229	605,530	54,498
Regional Mental Health Center	0	0	0	0	30,000	0	0
Appropriation to State	69,900	0	0	69,900	69,201	69,900	0
Other Local Welfare Services	5,926	0	0	5,926	8,000	8,000	2,074
Other Public Health and Welfare	3,500	0	0	3,500	0	0	(3,500)
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	33,640	0	0	33,640	33,640	33,640	0
Libraries	580,047	0	0	580,047	577,191	593,344	13,297
Parks and Fair Boards	737,532	(8,601)	144	729,075	640,210	960,630	231,555
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	109,648	0	0	109,648	121,050	121,602	11,954
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	46,534	0	0	46,534	47,730	47,730	1,196
<u>Other Operations</u>							
Tourism	354,648	(6,108)	2,088	350,628	335,657	350,820	192
Industrial Development	177,048	0	0	177,048	179,225	179,225	2,177
Other Economic and Community Development	605	0	0	605	4,216	4,216	3,611
Airport	40,000	0	0	40,000	40,000	40,000	0
Veterans' Services	66,267	0	0	66,267	66,884	66,884	617
Contributions to Other Agencies	97,525	0	0	97,525	85,600	97,600	75
Employee Benefits	14,486	(1,336)	960	14,110	14,370	14,370	260
Payments to Cities	185,706	0	0	185,706	166,667	185,706	0
ARRA Grant # 1	421,373	0	0	421,373	374,000	421,373	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
ARRA Grant # 2	\$ 280	\$ 0	\$ 0	\$ 280	\$ 0	\$ 280	\$ 0
ARRA Grant # 6	34,796	0	0	34,796	0	34,796	0
ARRA Grant # 7	0	0	0	0	0	1	1
Miscellaneous	567,211	0	0	567,211	571,879	583,653	16,442
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	105,980	0	0	105,980	164,000	105,980	0
<u>Principal on Debt</u>							
General Government	128,079	0	0	128,079	0	128,079	0
Education	41,859	0	0	41,859	41,859	41,860	1
<u>Interest on Debt</u>							
General Government	17,291	0	0	17,291	0	17,291	0
Education	2,061	0	0	2,061	2,061	2,062	1
Total Expenditures	\$ 23,086,535	\$ (122,740)	\$ 214,200	\$ 23,177,995	\$ 22,995,359	\$ 24,244,709	\$ 1,066,714
Excess (Deficiency) of Revenues Over Expenditures	\$ (158,977)	\$ 122,740	\$ (214,200)	\$ (250,437)	\$ (1,934,916)	\$ (2,533,824)	\$ 2,283,387
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 78,020	\$ 0	\$ 0	\$ 78,020	\$ 0	\$ 70,549	\$ 7,471
Transfers In	538,272	0	0	538,272	900,000	538,272	0
Transfers Out	(97,408)	0	0	(97,408)	(638,600)	(3,600)	(93,808)
Total Other Financing Sources (Uses)	\$ 518,884	\$ 0	\$ 0	\$ 518,884	\$ 261,400	\$ 605,221	\$ (86,337)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 359,907	\$ 122,740	\$ (214,200)	\$ 268,447	\$ (1,673,516)	\$ (1,928,603)	\$ 2,197,050
	4,649,585	(122,740)	0	4,526,845	5,199,697	5,199,697	(672,852)
Fund Balance, June 30, 2011	\$ 5,009,492	\$ 0	\$ (214,200)	\$ 4,795,292	\$ 3,526,181	\$ 3,271,094	\$ 1,524,198

Exhibit F-2

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Maury County School Department
June 30, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
County Employees and School Department	7-1-07** \$	26,608 \$	29,702 \$	3,094	89.58 %	21,348	14.49 %
"	7-1-09**	32,270	39,140	6,870	82.45	24,334	28.23
Hospital Employees	5-1-09*	38,788	42,379	3,591	91.5	6,225	57.70
	5-1-10*	39,793	43,271	3,478	92.0	5,423	64.10
	5-1-11*	40,609	43,936	3,327	92.4	5,061	65.70

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

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

Exhibit F-3

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Maury County Emergency Communications District
June 30, 2011

(Dollar amounts in thousands)

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

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

Exhibit F-4

Maury County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Maury County School Department
June 30, 2011

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-07	\$ 0	\$ 19,760	\$ 19,760	0 %	\$ 51,832	38 %
"	7-1-09	0	18,714	18,714	0	54,658	34
"	7-1-10	0	18,870	18,870	0	54,670	35

MAURY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

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

Primary Government:

Fund/Purpose	Amount Overspent
General:	
Sheriff's Department	\$ 33,636
Other Public Health and Welfare	3,500
Transfers Out	93,808

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

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

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

Exhibit G-1

Maury County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds	
	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees	Highway/ Public Works	Total	General Capital Projects	Other Capital Projects		Total
Cash	\$ 0	\$ 0	\$ 168,935	\$ 0	\$ 168,935	\$ 0	\$ 0	\$ 0	\$ 168,935
Equity in Pooled Cash and Investments	168,961	1,187,801	0	2,075,623	3,432,385	273,512	286,937	560,449	3,992,834
Accounts Receivable	2,767	0	0	7	2,774	0	0	0	2,774
Due from Other Governments	0	0	0	437,042	437,042	0	0	0	437,042
Property Taxes Receivable	0	0	0	2,569,215	2,569,215	0	1,712,264	1,712,264	4,281,479
Allowance for Uncollectible Property Taxes	0	0	0	(99,395)	(99,395)	0	(66,242)	(66,242)	(165,637)
Prepaid Items	0	0	0	21,314	21,314	0	0	0	21,314
Total Assets	\$ 171,728	\$ 1,187,801	\$ 168,935	\$ 5,003,806	\$ 6,532,270	\$ 273,512	\$ 1,932,959	\$ 2,206,471	\$ 8,738,741

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities	\$ 0	\$ 0	\$ 0	\$ 10	\$ 10	\$ 0	\$ 0	\$ 0	\$ 10
Accounts Payable	0	0	0	40,475	40,475	0	0	0	40,475
Payroll Deductions Payable	0	0	0	839	839	0	0	0	839
Due to State of Tennessee	0	0	0	0	0	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	100	0	100	0	0	0	100
Deferred Revenue - Current Property Taxes	0	0	0	2,371,009	2,371,009	0	1,580,169	1,580,169	3,951,178
Deferred Revenue - Delinquent Property Taxes	0	0	0	90,045	90,045	0	63,617	63,617	153,662
Other Deferred Revenues	0	0	0	199,458	199,458	0	0	0	199,458
Total Liabilities	\$ 0	\$ 0	\$ 100	\$ 2,701,836	\$ 2,701,936	\$ 0	\$ 1,643,786	\$ 1,643,786	\$ 4,345,722

Fund Balances

Nonspendable:	\$ 0	\$ 0	\$ 0	\$ 21,314	\$ 21,314	\$ 0	\$ 0	\$ 0	\$ 21,314
Prepaid Items	0	1,187,801	0	0	1,187,801	273,512	0	273,512	1,461,313
Restricted:	171,728	0	0	0	171,728	0	0	0	171,728
Restricted for General Government	0	0	0	2,280,656	2,280,656	0	0	0	2,280,656
Restricted for Public Safety	0	0	0	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0	0	0	0	0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	Other Capital Projects	Total	
Drug Control	0 \$	0 \$	0 \$	0 \$	0 \$	289,173 \$	289,173 \$	289,173
	0	129,433	0	129,433	0	0	0	129,433
	0	39,402	0	39,402	0	0	0	39,402
\$ 171,728 \$	1,187,801 \$	168,835 \$	2,301,970 \$	3,830,334 \$	273,512 \$	289,173 \$	562,685 \$	4,393,019
\$ 171,728 \$	1,187,801 \$	168,935 \$	5,003,806 \$	6,532,270 \$	273,512 \$	1,932,959 \$	2,206,471 \$	8,738,741

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Restricted (Cont.):	
Restricted for Other Purposes	
Committed:	
Committed for Finance	
Committed for Administration of Justice	
Total Fund Balances	
Total Liabilities and Fund Balances	

Exhibit G-2

Mauv County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue Funds							Total
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		
<u>Revenues</u>								
Local Taxes	\$ 0	\$ 0	\$ 321,978	\$ 0	\$ 0	\$ 2,627,734	\$ 2,949,712	
Fines, Forfeitures, and Penalties	0	103,018	0	0	0	0	103,018	
Charges for Current Services	0	0	0	0	773,730	0	773,730	
Other Local Revenues	0	0	0	0	0	19,405	19,405	
State of Tennessee	0	0	0	0	0	2,762,450	2,762,450	
Federal Government	0	2,068	0	0	0	1,045,280	1,047,348	
Other Governments and Citizens Groups	0	0	0	0	0	5,409	5,409	
Total Revenues	\$ 0	\$ 105,086	\$ 321,978	\$ 0	\$ 773,730	\$ 6,460,278	\$ 7,661,072	
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 371	\$ 0	\$ 13	\$ 0	\$ 384	
Finance	0	0	0	0	509,441	0	509,441	
Administration of Justice	0	0	0	0	286,589	0	286,589	
Public Safety	0	121,613	0	0	229	0	121,842	
Social, Cultural, and Recreational Services	31,185	0	0	0	0	0	31,185	
Other Operations	0	0	0	0	0	0	0	
Highways	0	0	0	0	0	5,512,355	5,512,355	
Capital Projects	0	0	446,082	0	0	1,421,713	1,867,795	
Capital Projects - Donated	0	0	0	0	0	0	0	
Total Expenditures	\$ 31,185	\$ 121,613	\$ 446,453	\$ 0	\$ 796,272	\$ 6,934,068	\$ 8,329,591	
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,185)	\$ (16,527)	\$ (124,475)	\$ 0	\$ (22,542)	\$ (473,790)	\$ (668,519)	
<u>Other Financing Sources (Uses)</u>								
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Insurance Recovery	0	0	0	0	0	30,327	30,327	
Transfers In	0	3,600	0	0	0	0	3,600	
Transfers Out	(499,372)	0	0	(38,900)	0	0	(538,272)	
Total Other Financing Sources (Uses)	\$ (499,372)	\$ 3,600	\$ 0	\$ (38,900)	\$ 0	\$ 30,327	\$ (504,345)	
Net Change in Fund Balances	\$ (530,557)	\$ (12,927)	\$ (124,475)	\$ (38,900)	\$ (22,542)	\$ (443,463)	\$ (1,172,864)	
Fund Balance, July 1, 2010	530,557	184,655	1,312,276	38,900	191,377	2,745,433	5,003,198	
Fund Balance, June 30, 2011	\$ 0	\$ 171,728	\$ 1,187,801	\$ 0	\$ 168,835	\$ 2,301,970	\$ 3,830,334	

(Continued)

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

	Capital Projects Funds					Total	Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Education Capital Projects	Other Capital Projects	Total		
<u>Revenues</u>							
Local Taxes	\$ 0 \$	0 \$	0 \$	674,142 \$	674,142 \$	3,623,854	
Fines, Forfeitures, and Penalties	0	0	0	0	0	103,018	
Charges for Current Services	0	0	0	0	0	773,730	
Other Local Revenues	0	0	0	10,360	10,360	29,765	
State of Tennessee	0	0	0	0	0	2,762,450	
Federal Government	0	0	0	0	0	1,047,348	
Other Governments and Citizens Groups	0	0	0	0	0	5,409	
Total Revenues	\$ 0 \$	0 \$	0 \$	684,502 \$	684,502 \$	8,345,574	
<u>Expenditures</u>							
Current:							
General Government	0	0	0	0	0	384	
Finance	0	0	0	0	0	509,441	
Administration of Justice	0	0	0	0	0	286,589	
Public Safety	0	0	0	19,710	19,710	141,552	
Social, Cultural, and Recreational Services	0	0	0	0	0	31,185	
Other Operations	0	0	0	22,511	22,511	22,511	
Highways	0	0	0	0	0	5,512,355	
Capital Projects	143,913	0	0	0	143,913	2,011,708	
Capital Projects - Donated	0	0	4,408,000	585,611	4,993,611	4,993,611	
Total Expenditures	\$ 143,913 \$	0 \$	4,408,000 \$	627,832 \$	5,179,745 \$	13,509,336	
Excess (Deficiency) of Revenues Over Expenditures	\$ (143,913) \$	0 \$	(4,408,000) \$	56,670 \$	(4,495,243) \$	(5,163,762)	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	0	0	4,408,000	0	4,408,000	4,408,000	
Insurance Recovery	0	0	0	0	0	30,327	
Transfers In	0	0	0	0	0	3,600	
Transfers Out	(1,324,009)	(85,539)	0	0	(1,409,548)	(1,947,820)	
Total Other Financing Sources (Uses)	\$ (1,324,009) \$	(85,539) \$	4,408,000 \$	0 \$	2,998,452 \$	2,494,107	
Net Change in Fund Balances	\$ (1,467,922) \$	(85,539) \$	0 \$	56,670 \$	(1,496,791) \$	(2,669,655)	
Fund Balance, July 1, 2010	1,741,434	85,539	0	232,503	2,059,476	7,062,674	
Fund Balance, June 30, 2011	\$ 273,512 \$	0 \$	0 \$	289,173 \$	562,685 \$	4,393,019	

Exhibit G-3

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Total Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Parks and Fair Boards	\$ 31,185 \$	(31,185) \$	0 \$	0 \$	0 \$	0
Total Expenditures	\$ 31,185 \$	(31,185) \$	0 \$	0 \$	0 \$	0
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,185) \$	31,185 \$	0 \$	0 \$	0 \$	0
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (499,372) \$	0 \$	(499,372) \$	0 \$	(499,372) \$	0
Total Other Financing Sources (Uses)	\$ (499,372) \$	0 \$	(499,372) \$	0 \$	(499,372) \$	0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (530,557) \$	31,185 \$	(499,372) \$	0 \$	(499,372) \$	0
	\$ 530,557	(31,185)	499,372	0	499,372	0
Fund Balance, June 30, 2011	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0

Exhibit G-4

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 103,018	\$ 75,000	\$ 75,000	\$ 28,018
Other Local Revenues	0	32	32	(32)
State of Tennessee	0	32	32	(32)
Federal Government	2,068	0	0	2,068
Total Revenues	<u>\$ 105,086</u>	<u>\$ 75,064</u>	<u>\$ 75,064</u>	<u>\$ 30,022</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 121,613	\$ 92,672	\$ 126,948	\$ 5,335
<u>Other Operations</u>				
Miscellaneous	0	25	0	0
Total Expenditures	<u>\$ 121,613</u>	<u>\$ 92,697</u>	<u>\$ 126,948</u>	<u>\$ 5,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (16,527)</u>	<u>\$ (17,633)</u>	<u>\$ (51,884)</u>	<u>\$ 35,357</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,600	\$ 3,600	\$ 3,600	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (12,927)	\$ (14,033)	\$ (48,284)	\$ 35,357
Fund Balance, July 1, 2010	184,655	184,756	184,756	(101)
Fund Balance, June 30, 2011	<u>\$ 171,728</u>	<u>\$ 170,723</u>	<u>\$ 136,472</u>	<u>\$ 35,256</u>

Exhibit G-5

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Adequate Facilities/Development Tax Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 321,978	\$ 0	\$ 321,978	\$ 400,000	\$ 400,000	\$ (78,022)
Other Governments and Citizens Groups	0	0	0	5,000	5,000	(5,000)
Total Revenues	\$ 321,978	\$ 0	\$ 321,978	\$ 405,000	\$ 405,000	\$ (83,022)
<u>Expenditures</u>						
<u>General Government</u>						
Development	\$ 371	\$ 0	\$ 371	\$ 0	\$ 371	\$ 0
<u>Capital Projects</u>						
Highway and Street Capital Projects	446,082	68,644	514,726	0	601,446	86,720
Total Expenditures	\$ 446,453	\$ 68,644	\$ 515,097	\$ 0	\$ 601,817	\$ 86,720
Excess (Deficiency) of Revenues Over Expenditures	\$ (124,475)	\$ (68,644)	\$ (193,119)	\$ 405,000	\$ (196,817)	\$ 3,698
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (124,475)	\$ (68,644)	\$ (193,119)	\$ 405,000	\$ (196,817)	\$ 3,698
	1,312,276	0	1,312,276	1,348,515	1,348,515	(36,239)
Fund Balance, June 30, 2011	\$ 1,187,801	\$ (68,644)	\$ 1,119,157	\$ 1,753,515	\$ 1,151,698	\$ (32,541)

Exhibit G-6

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (38,900)	\$ 0	\$ (38,900)	\$ 0
Total Other Financing Sources (Uses)	\$ (38,900)	\$ 0	\$ (38,900)	\$ 0
Net Change in Fund Balance	\$ (38,900)	\$ 0	\$ (38,900)	\$ 0
Fund Balance, July 1, 2010	38,900	0	38,900	0
Fund Balance, June 30, 2011	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit G-7

Maury County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,627,734	\$ 0	\$ 0	\$ 2,627,734	\$ 2,582,263	\$ 2,582,263	\$ 45,471
Other Local Revenues	19,405	0	0	19,405	0	13,480	5,925
State of Tennessee	2,762,450	0	0	2,762,450	3,472,642	3,472,642	(710,192)
Federal Government	1,045,280	0	0	1,045,280	0	1,043,521	1,759
Other Governments and Citizens Groups	5,409	0	0	5,409	0	13,449	(8,040)
Total Revenues	\$ 6,460,278	\$ 0	\$ 0	\$ 6,460,278	\$ 6,054,905	\$ 7,125,355	\$ (665,077)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 218,701	(250)	\$ 0	\$ 218,451	\$ 218,899	\$ 218,917	\$ 466
Highway and Bridge Maintenance	3,536,806	(91,676)	110,471	3,555,601	3,133,369	3,767,025	211,424
Operation and Maintenance of Equipment	754,631	(936)	598	754,293	760,500	776,090	21,797
Other Charges	364,324	0	0	364,324	408,582	407,187	42,863
Employee Benefits	2,412	0	0	2,412	2,000	2,415	3
Capital Outlay	635,481	(87,303)	84,116	632,294	1,397,493	1,387,768	755,474
<u>Capital Projects</u>							
Highway and Street Capital Projects	1,421,713	0	33,394	1,455,107	75,000	1,464,451	9,344
Total Expenditures	\$ 6,934,068	\$ (180,165)	\$ 228,579	\$ 6,982,482	\$ 5,995,843	\$ 8,023,853	\$ 1,041,371
Excess (Deficiency) of Revenues Over Expenditures	\$ (473,790)	\$ 180,165	\$ (228,579)	\$ (522,204)	\$ 59,062	\$ (898,498)	\$ 376,294
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 30,327	\$ 0	\$ 0	\$ 30,327	\$ 0	\$ 1,032	\$ 29,295
Total Other Financing Sources (Uses)	\$ 30,327	\$ 0	\$ 0	\$ 30,327	\$ 0	\$ 1,032	\$ 29,295
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (443,463)	\$ 180,165	\$ (228,579)	\$ (491,877)	\$ 59,062	\$ (897,466)	\$ 405,589
Fund Balance, July 1, 2010	2,745,433	(180,165)	0	2,565,268	2,931,197	2,931,197	(365,929)
Fund Balance, June 30, 2011	\$ 2,301,970	\$ 0	\$ (228,579)	\$ 2,073,391	\$ 2,990,259	\$ 2,033,731	\$ 39,660

Exhibit G-8

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 674,142	\$ 0	\$ 674,142	\$ 630,289	\$ 630,289	\$ 43,853
Other Local Revenues	10,360	0	10,360	10,000	10,000	360
Total Revenues	\$ 684,502	\$ 0	\$ 684,502	\$ 640,289	\$ 640,289	\$ 44,213
<u>Expenditures</u>						
<u>Public Safety</u>						
Civil Defense	\$ 19,710	\$ 0	\$ 19,710	\$ 15,000	\$ 19,710	\$ 0
<u>Other Operations</u>						
Other Charges	9,085	30,000	39,085	41,250	39,086	1
Miscellaneous	13,426	0	13,426	22,000	22,000	8,574
<u>Support Services</u>						
Board of Education	0	0	0	642,000	0	0
<u>Capital Projects - Donated</u>						
Capital Projects Donated to School Department	585,611	0	585,611	0	639,454	53,843
Total Expenditures	\$ 627,832	\$ 30,000	\$ 657,832	\$ 720,250	\$ 720,250	\$ 62,418
Excess (Deficiency) of Revenues Over Expenditures	\$ 56,670	\$ (30,000)	\$ 26,670	\$ (79,961)	\$ (79,961)	\$ 106,631
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 56,670	\$ (30,000)	\$ 26,670	\$ (79,961)	\$ (79,961)	\$ 106,631
	232,503	0	232,503	231,864	231,864	639
Fund Balance, June 30, 2011	\$ 289,173	\$ (30,000)	\$ 259,173	\$ 151,903	\$ 151,903	\$ 107,270

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit H

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,987,265	\$ 8,127,544	\$ 8,127,544	\$ 859,721
Other Local Revenues	399,791	312,000	312,000	87,791
State of Tennessee	823,276	850,000	850,000	(26,724)
Federal Government	689	200	200	489
Other Governments and Citizens Groups	247,984	0	0	247,984
Total Revenues	<u>\$ 10,459,005</u>	<u>\$ 9,289,744</u>	<u>\$ 9,289,744</u>	<u>\$ 1,169,261</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 2,208,651	\$ 1,768,281	\$ 2,208,651	\$ 0
Highways and Streets	479,550	479,550	479,550	0
Education	7,430,799	5,541,170	7,430,800	1
<u>Interest on Debt</u>				
General Government	632,252	640,913	632,253	1
Highways and Streets	17,644	20,120	20,120	2,476
Education	2,591,596	2,413,089	2,593,273	1,677
<u>Other Debt Service</u>				
General Government	161,404	148,000	153,200	(8,204)
Education	1,763	0	0	(1,763)
Total Expenditures	<u>\$ 13,523,659</u>	<u>\$ 11,011,123</u>	<u>\$ 13,517,847</u>	<u>\$ (5,812)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,064,654)</u>	<u>\$ (1,721,379)</u>	<u>\$ (4,228,103)</u>	<u>\$ 1,163,449</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,503,356	0	0	\$ 1,503,356
Total Other Financing Sources (Uses)	<u>\$ 1,503,356</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,503,356</u>
Net Change in Fund Balance	\$ (1,561,298)	\$ (1,721,379)	\$ (4,228,103)	\$ 2,666,805
Fund Balance, July 1, 2010	12,763,378	12,760,182	12,760,182	3,196
Fund Balance, June 30, 2011	<u>\$ 11,202,080</u>	<u>\$ 11,038,803</u>	<u>\$ 8,532,079</u>	<u>\$ 2,670,001</u>

Fiduciary Funds

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

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

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

Exhibit I-1

Maury County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,047,586	\$ 2,047,586
Investments	0	38,520	38,520
Accounts Receivable	0	878	878
Due from Other Governments	1,584,285	0	1,584,285
Total Assets	<u>\$ 1,584,285</u>	<u>\$ 2,086,984</u>	<u>\$ 3,671,269</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,584,285	\$ 0	\$ 1,584,285
Due to Litigants, Heirs, and Others	0	2,086,984	2,086,984
Total Liabilities	<u>\$ 1,584,285</u>	<u>\$ 2,086,984</u>	<u>\$ 3,671,269</u>

Exhibit I-2

Maury County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,267,781	\$ 9,267,781	\$ 0
Due from Other Governments	1,557,151	1,584,285	1,557,151	1,584,285
Total Assets	\$ 1,557,151	\$ 10,852,066	\$ 10,824,932	\$ 1,584,285
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,557,151	\$ 10,852,066	\$ 10,824,932	\$ 1,584,285
Total Liabilities	\$ 1,557,151	\$ 10,852,066	\$ 10,824,932	\$ 1,584,285
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,871,095	\$ 15,968,027	\$ 15,791,536	\$ 2,047,586
Accounts Receivable	0	878	0	878
Investments	38,137	38,520	38,137	38,520
Total Assets	\$ 1,909,232	\$ 16,007,425	\$ 15,829,673	\$ 2,086,984
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,909,232	\$ 16,007,425	\$ 15,829,673	\$ 2,086,984
Total Liabilities	\$ 1,909,232	\$ 16,007,425	\$ 15,829,673	\$ 2,086,984
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,871,095	\$ 15,968,027	\$ 15,791,536	\$ 2,047,586
Equity in Pooled Cash and Investments	0	9,267,781	9,267,781	0
Due from Other Governments	1,557,151	1,584,285	1,557,151	1,584,285
Accounts Receivable	0	878	0	878
Investments	38,137	38,520	38,137	38,520
Total Assets	\$ 3,466,383	\$ 26,859,491	\$ 26,654,605	\$ 3,671,269
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,557,151	\$ 10,852,066	\$ 10,824,932	\$ 1,584,285
Due to Litigants, Heirs, and Others	1,909,232	16,007,425	15,829,673	2,086,984
Total Liabilities	\$ 3,466,383	\$ 26,859,491	\$ 26,654,605	\$ 3,671,269

Maury County School Department

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

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

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

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

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

Exhibit J-1

Maury County, Tennessee
Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 58,559,132	\$ 372,939	\$ 12,481,660	\$ 0	\$ (45,704,533)	
Support Services	33,126,893	262,562	429,792	4,931,821	(27,502,718)	
Operation of Non-Instructional Services	6,886,716	2,099,574	3,678,116	0	(1,109,026)	
Interest on Long-term Debt	47,686	0	0	0	(47,686)	
Total Governmental Activities	<u>\$ 98,620,427</u>	<u>\$ 2,735,075</u>	<u>\$ 16,589,568</u>	<u>\$ 4,931,821</u>	<u>\$ (74,363,963)</u>	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 20,320,278	
Local Option Sales Tax					10,210,893	
Interstate Telecommunications Tax					5,801	
Grants and Contributions Not Restricted to Specific Programs					43,913,860	
Unrestricted Investment Earnings					16,003	
Miscellaneous					164,408	
Total General Revenues					<u>\$ 74,631,243</u>	
Change in Net Assets					\$ 267,280	
Net Assets, July 1, 2010					115,764,242	
Net Assets, June 30, 2011					<u>\$ 116,031,522</u>	

Exhibit J-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 2,358,729	\$ 2,358,729
Equity in Pooled Cash and Investments	3,335,207	1,004,525	2,260,854	6,600,586
Accounts Receivable	186,402	549	18	186,969
Due from Other Governments	3,347,362	6,658	42,125	3,396,145
Due from Other Funds	128,034	0	0	128,034
Property Taxes Receivable	20,296,320	0	0	20,296,320
Allowance for Uncollectible Property Taxes	(984,519)	0	0	(984,519)
Total Assets	\$ 26,308,806	\$ 1,011,732	\$ 4,661,726	\$ 31,982,264
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 12,718	\$ 0	\$ 35,270	\$ 47,988
Payroll Deductions Payable	221,777	20,641	4,340	246,758
Contracts Payable	0	0	774,851	774,851
Due to Other Funds	0	128,034	0	128,034
Due to State of Tennessee	0	0	3,877	3,877
Deferred Revenue - Current Property Taxes	18,638,782	0	0	18,638,782
Deferred Revenue - Delinquent Property Taxes	603,435	0	0	603,435
Other Deferred Revenues	1,048,072	0	0	1,048,072
Total Liabilities	\$ 20,524,784	\$ 148,675	\$ 818,338	\$ 21,491,797
<u>Fund Balances</u>				
<u>Restricted:</u>				
Restricted for Education	\$ 46,702	\$ 863,057	\$ 3,843,388	\$ 4,753,147
<u>Assigned:</u>				
Assigned for Education	764,012	0	0	764,012
Unassigned	4,973,308	0	0	4,973,308
Total Fund Balances	\$ 5,784,022	\$ 863,057	\$ 3,843,388	\$ 10,490,467
Total Liabilities and Fund Balances	\$ 26,308,806	\$ 1,011,732	\$ 4,661,726	\$ 31,982,264

Exhibit J-3

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Maury County School Department
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	10,490,467
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	3,019,939	
Add: construction in progress		30,530,872	
Add: building and improvements net of accumulated depreciation		75,403,199	
Add: other capital assets net of accumulated depreciation		<u>3,950,708</u>	112,904,718
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(227,005)	
Less: capital leases payable		(749,742)	
Less: accrued interest on notes payable and capital leases		(26,832)	
Less: other postemployment benefits liability		(4,269,843)	
Less: compensated absences payable		<u>(3,741,748)</u>	(9,015,170)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,651,507</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>116,031,522</u></u>

Exhibit J-4

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Other Govern-mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 30,585,235	\$ 0	\$ 0	\$ 30,585,235
Licenses and Permits	5,757	0	0	5,757
Charges for Current Services	364,110	0	2,159,125	2,523,235
Other Local Revenues	223,088	0	33,161	256,249
State of Tennessee	46,263,655	0	59,721	46,323,376
Federal Government	425,017	10,262,480	3,618,395	14,305,892
Other Governments and Citizens Groups	0	0	4,368,750	4,368,750
Total Revenues	<u>\$ 77,866,862</u>	<u>\$ 10,262,480</u>	<u>\$ 10,239,152</u>	<u>\$ 98,368,494</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 49,168,805	\$ 6,115,706	\$ 0	\$ 55,284,511
Support Services	26,932,432	3,756,762	63,408	30,752,602
Operation of Non-Instructional Services	1,061,487	0	5,692,929	6,754,416
Debt Service:				
Principal on Debt	298,683	0	0	298,683
Interest on Debt	55,851	0	0	55,851
Capital Projects	0	0	3,329,741	3,329,741
Total Expenditures	<u>\$ 77,517,258</u>	<u>\$ 9,872,468</u>	<u>\$ 9,086,078</u>	<u>\$ 96,475,804</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 349,604	\$ 390,012	\$ 1,153,074	\$ 1,892,690
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 134,859	\$ 207,279	\$ 0	\$ 342,138
Transfers Out	(207,279)	(134,859)	0	(342,138)
Total Other Financing Sources (Uses)	<u>\$ (72,420)</u>	<u>\$ 72,420</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 277,184	\$ 462,432	\$ 1,153,074	\$ 1,892,690
Fund Balance, July 1, 2010	5,506,838	400,625	2,690,314	8,597,777
Fund Balance, June 30, 2011	<u>\$ 5,784,022</u>	<u>\$ 863,057</u>	<u>\$ 3,843,388</u>	<u>\$ 10,490,467</u>

Exhibit J-5

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	1,892,690
(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	\$	2,581,132	
Less: current-year depreciation expense		<u>(4,336,966)</u>	(1,755,834)
(2) The net effect of donations involving capital assets is to increase net assets.			563,071
(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, 2010	\$	(1,695,365)	
Add: deferred delinquent property taxes and other deferred June 30, 2011		<u>1,651,507</u>	(43,858)
(4) The issuance of long-term debt (e.g., notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Add: principal payments on notes	\$	71,304	
Add: principal payment on capital lease		<u>227,379</u>	298,683
(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	\$	8,165	
Change in compensated absences payable		129,485	
Change in other postemployment benefits liability		<u>(825,122)</u>	<u>(687,472)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$</u> <u>267,280</u>

Exhibit J-6

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2011

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Cash	\$ 4,529	\$ 2,354,200	\$ 2,358,729
Equity in Pooled Cash and Investments	1,915,598	345,256	2,260,854
Accounts Receivable	18	0	18
Due from Other Governments	42,125	0	42,125
Total Assets	\$ 1,962,270	\$ 2,699,456	\$ 4,661,726
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 35,270	\$ 0	\$ 35,270
Payroll Deductions Payable	4,340	0	4,340
Contracts Payable	0	774,851	774,851
Due to State of Tennessee	3,877	0	3,877
Total Liabilities	\$ 43,487	\$ 774,851	\$ 818,338
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 1,918,783	\$ 1,924,605	\$ 3,843,388
Total Fund Balances	\$ 1,918,783	\$ 1,924,605	\$ 3,843,388
Total Liabilities and Fund Balances	\$ 1,962,270	\$ 2,699,456	\$ 4,661,726

Exhibit J-7

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 2,159,125	\$ 0	\$ 2,159,125
Other Local Revenues	27,835	5,326	33,161
State of Tennessee	55,721	4,000	59,721
Federal Government	3,618,395	0	3,618,395
Other Governments and Citizens Groups	0	4,368,750	4,368,750
Total Revenues	\$ 5,861,076	\$ 4,378,076	\$ 10,239,152
<u>Expenditures</u>			
Current:			
Support Services	\$ 63,408	\$ 0	\$ 63,408
Operation of Non-Instructional Services	5,692,929	0	5,692,929
Capital Projects	0	3,329,741	3,329,741
Total Expenditures	\$ 5,756,337	\$ 3,329,741	\$ 9,086,078
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,739	\$ 1,048,335	\$ 1,153,074
Net Change in Fund Balances	\$ 104,739	\$ 1,048,335	\$ 1,153,074
Fund Balance, July 1, 2010	1,814,044	876,270	2,690,314
Fund Balance, June 30, 2011	\$ 1,918,783	\$ 1,924,605	\$ 3,843,388

Exhibit J-8

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 30,585,235	\$ 0	\$ 0	\$ 30,585,235	\$ 30,076,582	\$ 30,076,582	\$ 508,653
Licenses and Permits	5,757	0	0	5,757	5,400	5,400	357
Charges for Current Services	364,110	0	0	364,110	295,000	332,818	31,292
Other Local Revenues	223,088	0	0	223,088	6,000	214,705	8,383
State of Tennessee	46,263,655	0	0	46,263,655	44,788,032	46,323,114	(59,459)
Federal Government	425,017	0	0	425,017	120,000	422,936	2,081
Total Revenues	\$ 77,866,862	\$ 0	\$ 0	\$ 77,866,862	\$ 75,291,014	\$ 77,375,555	\$ 491,307
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 38,634,610	\$ (195,582)	\$ 142,137	\$ 38,581,165	\$ 38,385,535	\$ 38,902,827	\$ 321,662
Alternative Instruction Program	478,102	0	0	478,102	419,420	485,090	6,988
Special Education Program	7,294,480	0	33,573	7,328,053	7,347,942	7,448,481	120,428
Vocational Education Program	2,761,613	(22,825)	39,744	2,778,532	2,808,676	2,836,676	58,144
<u>Support Services</u>							
Attendance	546,428	0	4,020	550,448	555,666	555,666	5,218
Health Services	376,654	(1,200)	1,230	376,684	281,547	381,763	5,079
Other Student Support	1,747,850	(6,604)	0	1,741,246	1,795,737	1,810,259	69,013
Regular Instruction Program	2,468,065	(113,064)	50,203	2,405,204	2,465,515	2,460,769	55,565
Alternative Instruction Program	144,005	0	920	144,925	144,601	149,303	4,378
Special Education Program	923,542	(231)	0	923,311	961,804	961,804	38,493
Vocational Education Program	143,490	(758)	1,505	144,237	147,415	147,415	3,178
Other Programs	428,078	0	0	428,078	0	428,078	0
Board of Education	2,126,972	0	0	2,126,972	2,330,759	2,313,029	186,057

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 290,983	\$ (1,465)	\$ 2,535	\$ 292,053	\$ 310,763	\$ 301,363	\$ 9,310
Office of the Principal	5,398,095	(1,059)	32,370	5,429,406	5,617,262	5,524,162	94,756
Fiscal Services	552,999	(2,218)	3,470	554,251	564,774	564,774	10,523
Human Services/Personnel	247,503	(3,918)	585	244,170	265,390	265,390	21,220
Operation of Plant	5,821,931	(1,294)	641	5,821,278	5,865,846	6,018,846	197,568
Maintenance of Plant	1,218,950	(16,664)	91,533	1,293,819	1,233,145	1,313,145	19,326
Transportation	3,701,148	(24,596)	72,847	3,749,399	3,867,467	3,869,567	120,168
Central and Other	795,739	(58,325)	65,640	803,054	756,828	814,286	11,232
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,061,487	(1,131)	4,378	1,064,734	0	1,071,606	6,872
<u>Principal on Debt</u>							
Education	298,683	0	0	298,683	298,683	298,683	0
<u>Interest on Debt</u>							
Education	55,851	0	0	55,851	55,852	55,852	1
Total Expenditures	\$ 77,517,258	\$ (450,934)	\$ 547,331	\$ 77,613,655	\$ 76,480,627	\$ 78,978,834	\$ 1,365,179
Excess (Deficiency) of Revenues Over Expenditures	\$ 349,604	\$ 450,934	\$ (547,331)	\$ 253,207	\$ (1,189,613)	\$ (1,603,279)	\$ 1,856,486
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 134,859	\$ 0	\$ 0	\$ 134,859	\$ 130,000	\$ 128,540	\$ 6,319
Transfers Out	(207,279)	0	0	(207,279)	(4,000)	(211,830)	4,551
Total Other Financing Sources (Uses)	\$ (72,420)	\$ 0	\$ 0	\$ (72,420)	\$ 126,000	\$ (83,290)	\$ 10,870

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 277,184	\$ 450,934	\$ (547,331)	\$ 180,787	\$ (1,063,613)	\$ (1,686,569)	\$ 1,867,356
Fund Balance, July 1, 2010	5,506,838	(450,934)	0	5,055,904	4,612,582	4,612,582	443,322
Fund Balance, June 30, 2011	\$ 5,784,022	\$ 0	\$ (547,331)	\$ 5,236,691	\$ 3,548,969	\$ 2,926,013	\$ 2,310,678

Exhibit J-9

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 10,262,480	\$ 9,573,817	\$ 12,384,206	\$ (2,121,726)
Total Revenues	\$ 10,262,480	\$ 9,573,817	\$ 12,384,206	\$ (2,121,726)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,288,680	\$ 3,027,152	\$ 3,691,468	\$ 402,788
Alternative Instruction Program	6,043	1,836	6,043	0
Special Education Program	2,688,983	2,423,830	3,799,005	1,110,022
Vocational Education Program	132,000	132,000	132,000	0
<u>Support Services</u>				
Health Services	209,845	215,696	261,567	51,722
Other Student Support	261,059	141,239	278,629	17,570
Regular Instruction Program	2,123,337	3,012,674	3,068,440	945,103
Special Education Program	475,220	486,884	669,143	193,923
Vocational Education Program	1,390	0	1,500	110
Office of the Principal	251,494	0	274,239	22,745
Operation of Plant	26,115	8,078	34,173	8,058
Transportation	408,302	345,897	366,011	(42,291)
Total Expenditures	\$ 9,872,468	\$ 9,795,286	\$ 12,582,218	\$ 2,709,750
Excess (Deficiency) of Revenues Over Expenditures	\$ 390,012	\$ (221,469)	\$ (198,012)	\$ 588,024
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 207,279	\$ 369,517	\$ 207,279	\$ 0
Transfers Out	(134,859)	(544,157)	(157,222)	22,363
Total Other Financing Sources (Uses)	\$ 72,420	\$ (174,640)	\$ 50,057	\$ 22,363
Net Change in Fund Balance	\$ 462,432	\$ (396,109)	\$ (147,955)	\$ 610,387
Fund Balance, July 1, 2010	400,625	396,109	396,109	4,516
Fund Balance, June 30, 2011	\$ 863,057	\$ 0	\$ 248,154	\$ 614,903

Exhibit J-10

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,159,125	\$ 2,418,000	\$ 2,418,000	\$ (258,875)
Other Local Revenues	27,835	23,650	23,650	4,185
State of Tennessee	55,721	57,000	57,000	(1,279)
Federal Government	3,618,395	3,273,000	3,564,025	54,370
Total Revenues	<u>\$ 5,861,076</u>	<u>\$ 5,771,650</u>	<u>\$ 6,062,675</u>	<u>\$ (201,599)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 63,408	\$ 62,752	\$ 63,408	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	5,692,929	6,031,756	6,352,725	659,796
Total Expenditures	<u>\$ 5,756,337</u>	<u>\$ 6,094,508</u>	<u>\$ 6,416,133</u>	<u>\$ 659,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 104,739</u>	<u>\$ (322,858)</u>	<u>\$ (353,458)</u>	<u>\$ 458,197</u>
Net Change in Fund Balance	\$ 104,739	\$ (322,858)	\$ (353,458)	\$ 458,197
Fund Balance, July 1, 2010	1,814,044	1,656,199	1,656,199	157,845
Fund Balance, June 30, 2011	<u>\$ 1,918,783</u>	<u>\$ 1,333,341</u>	<u>\$ 1,302,741</u>	<u>\$ 616,042</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Matured During Period	Paid and/or Outstanding 6-30-11
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
Payable through General Fund								
Animal Shelter	\$ 640,396	4.5 %	11-30-08	11-1-12	\$ 384,238	\$ 0	\$ 128,079	\$ 256,159
Total Payable through General Fund					\$ 384,238	\$ 0	\$ 128,079	\$ 256,159
Payable through General Debt Service Fund								
School Buildings, School Buses, and Refunding	15,185,000	3.64	12-19-06	4-1-17	\$ 13,790,000	\$ 0	\$ 800,000	\$ 12,990,000
Various Construction Projects and Equipment	4,257,000	3.49	10-9-07	12-21-10	1,419,000	0	1,419,000	0
Various Construction Projects, Vehicles, and Equipment	3,000,000	3.53	12-12-08	12-21-10	2,665,000	0	2,665,000	0
Total Payable through General Debt Service Fund					\$ 17,874,000	\$ 0	\$ 4,884,000	\$ 12,990,000
Total Notes Payable					\$ 18,258,238	\$ 0	\$ 5,012,079	\$ 13,246,159
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Fund								
School Computers	125,675	4.8	12-1-08	11-30-10	\$ 41,859	\$ 0	\$ 41,859	\$ 0
Total Capital Leases Payable					\$ 41,859	\$ 0	\$ 41,859	\$ 0
<u>OTHER LOANS PAYABLE</u>								
Payable through General Debt Service Fund								
Qualified School Construction Bond (QSCB)	4,408,000	(1)	10-1-10	9-15-27	\$ 0	\$ 4,408,000	\$ 0	\$ 4,408,000
Total Other Loans Payable					\$ 0	\$ 4,408,000	\$ 0	\$ 4,408,000
<u>BONDS PAYABLE</u>								
Payable through General Debt Service Fund								
Refunding Bond	21,420,000	4 to 5	3-1-04	4-1-11	\$ 3,870,000	\$ 0	\$ 3,870,000	\$ 0
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	15,500,000	0	100,000	15,400,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	4-1-20	11,465,000	0	1,165,000	10,300,000
Criminal Justice Center and School Construction	29,000,000	3.5 to 5	6-12-08	4-1-28	28,900,000	0	100,000	28,800,000
Total Bonds Payable					\$ 59,735,000	\$ 0	\$ 5,235,000	\$ 54,500,000

(Continued)

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Matured During Period	Outstanding 6-30-11
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
Payable through General Purpose School Fund	\$ 500,000	3 %	2-12-07	2-1-14	\$ 298,309	\$ 0	\$ 71,304	\$ 227,005
Energy Efficiency Improvements								
Total Notes Payable					\$ 298,309	\$ 0	\$ 71,304	\$ 227,005
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Purpose School Fund	1,598,657	4.8	11-1-06	11-1-13	\$ 977,121	\$ 0	\$ 227,379	\$ 749,742
Lighting Equipment								
Total Capital Leases Payable					\$ 977,121	\$ 0	\$ 227,379	\$ 749,742

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy, resulting in a net interest rate of zero percent.

Exhibit K-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 2,083,079	\$ 501,932	\$ 2,585,011
2013	2,158,080	417,968	2,576,048
2014	2,105,000	331,005	2,436,005
2015	2,195,000	246,805	2,441,805
2016	2,305,000	169,980	2,474,980
2017	2,400,000	87,000	2,487,000
Total	\$ 13,246,159	\$ 1,754,690	\$ 15,000,849

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2012	\$ 229,210	\$ 205,389	\$ 3,526	\$ 438,125
2013	275,052	213,700	3,526	492,278
2014	275,052	213,700	3,526	492,278
2015	275,052	213,700	3,526	492,278
2016	275,052	213,700	3,526	492,278
2017	275,052	213,700	3,526	492,278
2018	275,052	213,700	3,526	492,278
2019	275,052	213,700	3,526	492,278
2020	275,052	213,700	3,526	492,278
2021	275,052	213,700	3,526	492,278
2022	275,052	213,700	3,526	492,278
2023	275,052	213,700	3,526	492,278
2024	275,052	213,700	3,526	492,278
2025	275,052	213,700	3,526	492,278
2026	275,052	213,700	3,526	492,278
2027	302,128	213,700	3,526	519,354
2028	25,934	1,617	888	28,439
Total	\$ 4,408,000	\$ 3,412,506	\$ 57,304	\$ 7,877,810

(Continued)

Exhibit K-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,185,000	\$ 2,170,447	\$ 5,355,447
2013	3,380,000	2,061,998	5,441,998
2014	3,575,000	1,921,060	5,496,060
2015	3,985,000	1,788,035	5,773,035
2016	3,800,000	1,641,475	5,441,475
2017	3,965,000	1,475,475	5,440,475
2018	5,005,000	1,306,875	6,311,875
2019	5,120,000	1,117,425	6,237,425
2020	5,235,000	918,000	6,153,000
2021	2,200,000	706,125	2,906,125
2022	2,150,000	618,125	2,768,125
2023	2,150,000	532,125	2,682,125
2024	2,150,000	446,125	2,596,125
2025	2,150,000	360,125	2,510,125
2026	2,150,000	271,437	2,421,437
2027	2,150,000	182,750	2,332,750
2028	2,150,000	91,375	2,241,375
Total	\$ 54,500,000	\$ 17,608,977	\$ 72,108,977

DISCRETELY PRESENTED MAURY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 73,443	\$ 6,810	\$ 80,253
2013	75,646	4,607	80,253
2014	77,916	2,337	80,253
Total	\$ 227,005	\$ 13,754	\$ 240,759

(Continued)

Exhibit K-2

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

DISCRETELY PRESENTED MAURY
COUNTY SCHOOL DEPARTMENT (CONT.)

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2012	\$ 238,293	\$ 35,988	\$ 274,281
2013	249,731	24,549	274,280
2014	261,718	12,562	274,280
Total	\$ 749,742	\$ 73,099	\$ 822,841

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Maury County, Tennessee
Schedule of Investments
June 30, 2011

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u> <u>Clerk and Master</u> Merrill Lynch - NOW Account	Various	None	Varies	\$ <u>38,520</u>

Exhibit K-4

Maury County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Drug Control	Phone commission	\$ 3,600
"	General Debt Service	Tax rebate for QSCB	93,808
Special Purpose	General	Close fund	499,372
Other Special Revenue	"	"	38,900
General Capital Projects	General Debt Service	Close projects	1,324,009
Highway Capital Projects	"	"	<u>85,539</u>
Total Transfers Primary Government			<u>\$ 2,045,228</u>
<u>DISCRETELY PRESENTED MAURY</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 134,859
General Purpose School	School Federal Projects	Reimburse IDEA early intervention	<u>207,279</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 342,138</u>

Mauzy County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Mauzy County School Department
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 86,592	\$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, TCA	79,440	100,000	RLI Insurance Company
Director of Schools	State Board of Education and Local Board of Education	120,995 (1)	(6)	
Trustee	Section 8-24-102, TCA	72,216	2,965,300	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	72,966 (2)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	72,216	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	72,216	50,000	"
Clerk and Master:	Section 8-24-102, TCA, and Chancery Court Judge	24,827 (3)	50,000	RLI Insurance Company
Cheryl Church (7-1-10 through 10-31-10)	Section 8-24-102, TCA, and Chancery Court Judge	51,007 (4)	50,000	"
Larry Roe, Jr. (11-1-10 through 6-30-11)	Section 8-24-102, TCA	72,216	25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	83,064 (5)	25,000	"
Director of Accounts and Budgets	Chapter 233, Private Acts of 1963, as amended	55,422	25,000	RLI Insurance Company
Director of Human Resources	Chapter 91, Private Acts of 2004	64,553 (7)	(7)	
Purchasing Agent	County Commission	54,101	25,000	"
Other Bonds				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			1,000,000	Indiana Insurance Company

- (1) Includes \$1,000 for a chief executive officer training supplement.
- (2) Includes \$750 for a state board of equalization salary supplement.
- (3) Includes \$755 in special commissioner fees.
- (4) Includes \$2,865 in special commissioner fees.
- (5) Includes \$3,024 for serving as workhouse superintendent and \$600 for a law enforcement training supplement.
- (6) Covered under the school's blanket bond.
- (7) Covered under the county's blanket bond.

Exhibit K-6

Maury County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works			
Local Taxes								
<u>County Property Taxes</u>								
Current Property Tax	\$ 10,760,370	\$ 0	\$ 0	\$ 0	\$ 2,407,900	\$ 5,416,957	\$ 612,290	\$ 19,197,517
Trustee's Collections - Prior Year	371,041	0	0	0	83,023	181,621	36,268	671,953
Trustee's Collections - Bankruptcy	7,735	0	0	0	1,691	3,779	470	13,675
Circuit/Clerk & Master Collections - Prior Years	233,606	0	0	0	112,349	12,742	12,742	408,644
Interest and Penalty	74,655	0	0	0	16,695	36,704	6,747	134,801
Pick-up Taxes	92,583	0	0	0	20,718	46,487	5,625	165,413
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	269,680	0	269,680
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	383,633	0	383,633
Payments in-Lieu-of Taxes - Other	1,673,023	0	0	0	0	258,541	0	1,931,564
<u>County Local Option Taxes</u>								
Local Option Sales Tax	301,864	0	0	0	0	0	0	301,864
Hotel/Motel Tax	364,949	0	0	0	0	0	0	364,949
Wheel Tax	0	0	0	0	0	1,843,672	0	1,843,672
Litigation Tax - General	425,136	0	0	0	0	0	0	425,136
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	417,822	0	417,822
Business Tax	800,010	0	0	0	0	0	0	800,010
Mineral Severance Tax	0	0	0	0	47,760	0	0	47,760
Adequate Facilities/Development Tax	0	0	321,978	0	0	0	0	321,978
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	16,020	0	16,020
Wholesale Beer Tax	347,730	0	0	0	0	0	0	347,730
Interstate Telecommunications Tax	949	0	0	0	0	0	0	949
Total Local Taxes	\$ 15,453,651	\$ 0	\$ 321,978	\$ 0	\$ 2,627,734	\$ 8,987,265	\$ 674,142	\$ 28,064,770
<u>Licenses and Permits</u>								
Licenses								
Cable TV Franchise	\$ 145,155	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 145,155
<u>Permits</u>								
Beer Permits	1,646	0	0	0	0	0	0	1,646
Building Permits	103,220	0	0	0	0	0	0	103,220

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	Capital Projects Fund	
<u>Licenses and Permits (Cont.)</u>								
<u>Permits (Cont.)</u>								
Other Permits	\$ 11,085	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,085
Total Licenses and Permits	\$ 261,106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 261,106
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 9,816	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,816
Officers Costs	10,959	0	0	0	0	0	0	10,959
Drug Control Fines	0	14,281	0	0	0	0	0	14,281
Jail Fees	8,032	0	0	0	0	0	0	8,032
DUI Treatment Fines	4,512	0	0	0	0	0	0	4,512
Data Entry Fee - Circuit Court	1,566	0	0	0	0	0	0	1,566
Courtroom Security Fee	343	0	0	0	0	0	0	343
Victims Assistance Assessments	29,790	0	0	0	0	0	0	29,790
<u>Criminal Court</u>								
Victims Assistance Assessments	14,895	0	0	0	0	0	0	14,895
<u>General Sessions Court</u>								
Fines	63,251	0	0	0	0	0	0	63,251
Officers Costs	58,958	0	0	0	0	0	0	58,958
Game and Fish Fines	1,853	0	0	0	0	0	0	1,853
Drug Control Fines	0	12,860	0	0	0	0	0	12,860
Jail Fees	49,074	0	0	0	0	0	0	49,074
DUI Treatment Fines	12,657	0	0	0	0	0	0	12,657
Data Entry Fee - General Sessions Court	29,083	0	0	0	0	0	0	29,083
Courtroom Security Fee	112	0	0	0	0	0	0	112
Victims Assistance Assessments	14,895	0	0	0	0	0	0	14,895
<u>Juvenile Court</u>								
Data Entry Fee - Juvenile Court	1,264	0	0	0	0	0	0	1,264
<u>Chancery Court</u>								
Officers Costs	7,711	0	0	0	0	0	0	7,711
Data Entry Fee - Chancery Court	5,214	0	0	0	0	0	0	5,214

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works			
Fines, Forfeitures, and Penalties (Cont.)								
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property								
Other Fines, Forfeitures, and Penalties								
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 75,877	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,877
	\$ 8,505	0	0	0	0	0	0	\$ 8,505
	\$ 332,490	\$ 103,018	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 435,508
Charges for Current Services								
General Service Charges								
Work Release Charges for Board Fees	\$ 16,995	0	0	0	0	0	0	\$ 16,995
Subdivision Lot Fees	8,952	0	0	0	0	0	0	8,952
Recreation Fees	37,190	0	0	0	0	0	0	37,190
Copy Fees	1,609	0	0	0	0	0	0	1,609
Library Fees	19,391	0	0	0	0	0	0	19,391
Greenbelt Late Application Fee	250	0	0	0	0	0	0	250
Telephone Commissions	89,191	0	0	0	0	0	0	89,191
Vending Machine Collections	4,981	0	0	0	0	0	0	4,981
Tourism Fees	50,302	0	0	0	0	0	0	50,302
Constitutional Officers' Fees and Commissions	0	0	0	770,110	0	0	0	770,110
Special Commissioner Fees/Special Master Fees	0	0	0	3,620	0	0	0	3,620
Data Processing Fee - Register	29,096	0	0	0	0	0	0	29,096
Data Processing Fee - Sheriff	8,046	0	0	0	0	0	0	8,046
Sexual Offender Registration Fees - Sheriff	5,100	0	0	0	0	0	0	5,100
Data Processing Fee - County Clerk	7,568	0	0	0	0	0	0	7,568
Total Charges for Current Services	\$ 278,671	\$ 0	\$ 0	\$ 773,730	\$ 0	\$ 0	\$ 0	\$ 1,052,401
Other Local Revenues								
Recurring Items								
Investment Income	\$ 8	0	0	0	0	399,365	0	\$ 399,373
Lease/Rentals	107,314	0	0	0	0	0	0	107,314
Sale of Materials and Supplies	0	0	0	0	19,356	0	0	19,356
Sale of Animals/Livestock	109,368	0	0	0	0	0	0	109,368

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	Capital Projects Fund	
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Miscellaneous Refunds	\$ 3,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,576
Nonrecurring Items								
Sale of Equipment	3,391	0	0	0	0	0	10,360	13,751
Sale of Property	100	0	0	0	0	0	0	100
Contributions and Gifts	15,626	0	0	0	0	0	0	15,626
<u>Other Local Revenues</u>	377,682	0	0	0	49	426	0	378,157
<u>Total Other Local Revenues</u>	\$ 617,065	\$ 0	\$ 0	\$ 0	\$ 19,405	\$ 399,791	\$ 10,360	\$ 1,046,621
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	252,963	0	0	0	0	0	0	252,963
Clerk and Master	90,072	0	0	0	0	0	0	90,072
Fees in-Lieu-of Salary								
Circuit Court Clerk	228,157	0	0	0	0	0	0	228,157
General Sessions Court Clerk	659,987	0	0	0	0	0	0	659,987
Juvenile Court Clerk	79,039	0	0	0	0	0	0	79,039
Register	339,274	0	0	0	0	0	0	339,274
Sheriff	45,297	0	0	0	0	0	0	45,297
Trustee	1,304,469	0	0	0	0	0	0	1,304,469
<u>Total Fees Received from County Officials</u>	\$ 2,999,258	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,999,258
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	14,000	0	0	0	0	0	0	14,000
State Reappraisal Grant	1,750	0	0	0	0	0	0	1,750
Public Safety Grants								
Law Enforcement Training Programs	48,600	0	0	0	0	0	0	48,600
Health and Welfare Grants								
Other Health and Welfare Grants	705,011	0	0	0	0	0	0	705,011

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects			
<u>State of Tennessee (Cont.)</u>										
<u>Public Works Grants</u>										
Bridge Program					383,529				383,529	
<u>Other State Revenues</u>										
Income Tax										
Beer Tax	154,683	0	0	0	0	0	0	0	154,683	
Alcoholic Beverage Tax	0	0	0	0	17,535	0	0	0	17,535	
State Revenue Sharing - T.V.A.	111,267	0	0	0	0	0	0	0	111,267	
Board of Jurors	0	0	0	0	0	823,276	0	0	823,276	
Contracted Prisoner Boarding	999	0	0	0	0	0	0	0	999	
Gasoline and Motor Fuel Tax	927,675	0	0	0	0	0	0	0	927,675	
Petroleum Special Tax	0	0	0	0	2,237,294	0	0	0	2,237,294	
Registrar's Salary Supplement	19,259	0	0	0	55,814	0	0	0	55,814	
Other State Revenues	26,402	0	0	0	68,278	0	0	0	19,259	
Total State of Tennessee	\$ 2,009,646	\$ 0	\$ 0	\$ 0	\$ 2,762,450	\$ 823,276	\$ 0	\$ 0	\$ 5,595,372	
<u>Federal Government</u>										
<u>Federal Through State</u>										
Disaster Relief										
Homeland Security Grants					968,112				968,112	
ARRA Grant # 1	172,431	0	0	0	0	0	0	0	172,431	
ARRA Grant # 2	353,228	0	0	0	0	0	0	0	353,228	
Other Federal through State	280	0	0	0	0	0	0	0	280	
Direct Federal Revenue	14,275	0	0	0	0	0	0	0	14,275	
Asset Forfeiture Funds										
Tax Credit Bond Rebate	0	2,068	0	0	0	0	0	0	2,068	
ARRA Grant # 6	93,808	0	0	0	0	0	0	0	93,808	
Other Direct Federal Revenue	35,520	0	0	0	1,760	0	0	0	37,280	
Total Federal Government	\$ 68,101	\$ 0	\$ 0	\$ 0	\$ 75,408	\$ 689	\$ 0	\$ 0	\$ 144,198	
Total Federal Government	\$ 737,643	\$ 2,068	\$ 0	\$ 0	\$ 1,045,280	\$ 689	\$ 0	\$ 0	\$ 1,785,680	

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works			
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 16,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,224
Paving and Maintenance	0	0	0	0	5,409	0	0	5,409
Contributions	168,722	0	0	0	0	247,984	0	416,706
<u>Citizens Groups</u>								
Donations	36,857	0	0	0	0	0	0	36,857
<u>Other</u>	16,225	0	0	0	0	0	0	16,225
<u>Total Other Governments and Citizens Groups</u>	\$ 238,028	\$ 0	\$ 0	\$ 0	\$ 5,409	\$ 247,984	\$ 0	\$ 491,421
<u>Total</u>	\$ 22,927,558	\$ 105,086	\$ 321,978	\$ 773,730	\$ 6,460,278	\$ 10,459,005	\$ 684,502	\$ 41,732,137

Exhibit K-7

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 19,111,978	\$ 0	\$ 0	\$ 0	\$ 19,111,978
Trustee's Collections - Prior Year	562,866	0	0	0	562,866
Trustee's Collections - Bankruptcy	14,036	0	0	0	14,036
Circuit/Clerk & Master Collections - Prior Years	394,670	0	0	0	394,670
Interest and Penalty	128,753	0	0	0	128,753
Pick-up Taxes	163,483	0	0	0	163,483
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,203,648	0	0	0	10,203,648
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	5,801	0	0	0	5,801
Total Local Taxes	\$ 30,585,235	\$ 0	\$ 0	\$ 0	\$ 30,585,235
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,757	\$ 0	\$ 0	\$ 0	\$ 5,757
Total Licenses and Permits	\$ 5,757	\$ 0	\$ 0	\$ 0	\$ 5,757
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 288	\$ 0	\$ 0	\$ 0	\$ 288
<u>Education Charges</u>					
Tuition - Regular Day Students	19,175	0	0	0	19,175
Tuition - Other	140	0	0	0	140
Lunch Payments - Children	0	0	1,147,074	0	1,147,074
Lunch Payments - Adults	0	0	155,248	0	155,248
Income from Breakfast	0	0	97,795	0	97,795
A la carte Sales	0	0	699,169	0	699,169
Receipts from Individual Schools	194,125	0	0	0	194,125
<u>Other Charges for Services</u>					
Other Charges for Services	150,382	0	59,839	0	210,221
Total Charges for Current Services	\$ 364,110	\$ 0	\$ 2,159,125	\$ 0	\$ 2,523,235
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 10,677	\$ 5,326	\$ 16,003
Lease/Rentals	4,001	0	0	0	4,001
Sale of Materials and Supplies	9,508	0	0	0	9,508
Refund of Telecommunication & Internet Fees (E-Rate)	54,928	0	0	0	54,928
Miscellaneous Refunds	119,826	0	17,158	0	136,984
<u>Nonrecurring Items</u>					
Resale of Materials - T&I House	28,000	0	0	0	28,000
Damages Recovered from Individuals	2,920	0	0	0	2,920
Contributions and Gifts	3,905	0	0	0	3,905
Total Other Local Revenues	\$ 223,088	\$ 0	\$ 27,835	\$ 5,326	\$ 256,249
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 428,078	\$ 0	\$ 0	\$ 0	\$ 428,078

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 39,608,885	\$ 0	\$ 0	\$ 0	\$ 39,608,885
Basic Education Program - ARRA	4,245,115	0	0	0	4,245,115
Early Childhood Education	949,857	0	0	0	949,857
School Food Service	0	0	55,721	0	55,721
Energy Efficient School Initiative	0	0	0	4,000	4,000
Other State Education Funds	18,183	0	0	0	18,183
Coordinated School Health - ARRA	99,883	0	0	0	99,883
Internet Connectivity - ARRA	34,147	0	0	0	34,147
Family Resource Centers - ARRA	99,900	0	0	0	99,900
Statewide Student Management System (SSMS) - ARRA	28,763	0	0	0	28,763
Career Ladder Program	516,643	0	0	0	516,643
Career Ladder - Extended Contract	1,167	0	0	0	1,167
Career Ladder - Extended Contract - ARRA	140,814	0	0	0	140,814
<u>Other State Revenues</u>					
Mixed Drink Tax	47,278	0	0	0	47,278
Safe Schools - ARRA	44,942	0	0	0	44,942
Total State of Tennessee	\$ 46,263,655	\$ 0	\$ 55,721	\$ 4,000	\$ 46,323,376
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,527,500	\$ 0	\$ 2,527,500
USDA - Commodities	0	0	291,025	0	291,025
Breakfast	0	0	798,825	0	798,825
USDA - Other	0	0	1,045	0	1,045
Vocational Education - Basic Grants to States	0	203,111	0	0	203,111
Title I Grants to Local Education Agencies	0	3,941,707	0	0	3,941,707
Special Education - Grants to States	100,539	3,986,280	0	0	4,086,819
Special Education Preschool Grants	0	86,823	0	0	86,823
English Language Acquisition Grants	0	50,684	0	0	50,684
Education for Homeless Children and Youth	0	7,978	0	0	7,978
Eisenhower Professional Development State Grants	0	467,000	0	0	467,000
Race-to-the-Top - ARRA	0	275,300	0	0	275,300
Other Federal through State	181,075	1,243,597	0	0	1,424,672
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	143,403	0	0	0	143,403
Total Federal Government	\$ 425,017	\$ 10,262,480	\$ 3,618,395	\$ 0	\$ 14,305,892
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 4,368,750	\$ 4,368,750
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 4,368,750	\$ 4,368,750
Total	\$ 77,866,862	\$ 10,262,480	\$ 5,861,076	\$ 4,378,076	\$ 98,368,494

Exhibit K-8

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	33,440	
Social Security		2,073	
Employer Medicare		485	
Legal Notices, Recording, and Court Costs		1,126	
Office Supplies		529	
Total County Commission			\$ 37,653

Board of Equalization

Board and Committee Members Fees	\$	1,022	
Social Security		60	
Employer Medicare		14	
Total Board of Equalization			1,096

Other Boards and Committees

Legal Services	\$	6,865	
Legal Notices, Recording, and Court Costs		652	
Postal Charges		206	
Other Contracted Services		7,317	
Office Supplies		30	
Other Supplies and Materials		2,042	
Liability Insurance		2,015	
Total Other Boards and Committees			19,127

County Mayor/Executive

County Official/Administrative Officer	\$	86,592	
Assistant(s)		34,707	
Clerical Personnel		33,015	
Longevity Pay		950	
Social Security		9,671	
State Retirement		11,629	
Life Insurance		135	
Medical Insurance		16,303	
Dental Insurance		596	
Disability Insurance		481	
Unemployment Compensation		180	
Employer Medicare		2,262	
Communication		361	
Dues and Memberships		1,914	
Legal Notices, Recording, and Court Costs		181	
Maintenance Agreements		329	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Postal Charges	\$	440	
Printing, Stationery, and Forms		393	
Travel		935	
Office Supplies		512	
Periodicals		56	
Total County Mayor/Executive			\$ 201,642

Personnel Office

County Official/Administrative Officer	\$	64,553	
Clerical Personnel		92,193	
Longevity Pay		1,550	
Social Security		9,441	
State Retirement		11,820	
Life Insurance		172	
Medical Insurance		20,765	
Dental Insurance		776	
Disability Insurance		558	
Unemployment Compensation		355	
Employer Medicare		2,208	
Dues and Memberships		203	
Legal Notices, Recording, and Court Costs		224	
Maintenance Agreements		2,958	
Postal Charges		177	
Travel		523	
Other Contracted Services		195	
Office Supplies		711	
Total Personnel Office			209,382

County Attorney

County Official/Administrative Officer	\$	62,004	
Social Security		3,137	
State Retirement		4,644	
Life Insurance		44	
Medical Insurance		5,282	
Dental Insurance		193	
Disability Insurance		211	
Unemployment Compensation		90	
Employer Medicare		734	
Dues and Memberships		150	
Postal Charges		88	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Electricity	\$	750	
Office Supplies		3,000	
Other Supplies and Materials		1,250	
Indirect Cost		4,119	
Total County Attorney			\$ 85,696

Election Commission

County Official/Administrative Officer	\$	64,998
Clerical Personnel		56,355
Part-time Personnel		12,491
Longevity Pay		1,600
Overtime Pay		41
Other Salaries and Wages		1,403
Election Commission		4,800
Election Workers		74,232
Social Security		9,988
State Retirement		9,317
Life Insurance		135
Medical Insurance		16,303
Dental Insurance		596
Disability Insurance		406
Unemployment Compensation		618
Employer Medicare		2,336
Communication		417
Contracts with Public Carriers		4,000
Data Processing Services		3,600
Dues and Memberships		250
Legal Notices, Recording, and Court Costs		7,549
Maintenance Agreements		7,787
Maintenance and Repair Services - Buildings		160
Maintenance and Repair Services - Equipment		16,132
Pest Control		230
Postal Charges		5,075
Printing, Stationery, and Forms		10,160
Rentals		1,950
Travel		1,665
Data Processing Supplies		2,040
Electricity		5,370
Natural Gas		2,218
Office Supplies		1,068

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Capital Outlay	\$ 10,775	
Total Election Commission		\$ 336,065

Register of Deeds

County Official/Administrative Officer	\$ 72,216	
Clerical Personnel	139,607	
Longevity Pay	2,400	
Social Security	13,224	
State Retirement	16,045	
Life Insurance	256	
Medical Insurance	32,834	
Dental Insurance	1,200	
Disability Insurance	733	
Unemployment Compensation	450	
Employer Medicare	3,093	
Data Processing Services	13,133	
Dues and Memberships	549	
Maintenance Agreements	8,965	
Maintenance and Repair Services - Office Equipment	120	
Postal Charges	1,775	
Data Processing Supplies	767	
Office Supplies	3,341	
Data Processing Equipment	1,895	
Total Register of Deeds		312,603

Development

County Official/Administrative Officer	\$ 58,596
Assistant(s)	41,621
Secretary(ies)	37,731
Clerical Personnel	31,096
Longevity Pay	4,350
Other Salaries and Wages	89,606
Social Security	16,122
State Retirement	19,699
Life Insurance	272
Medical Insurance	32,834
Dental Insurance	1,200
Disability Insurance	879
Unemployment Compensation	540
Employer Medicare	3,770

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Consultants	\$	54,175	
Dues and Memberships		315	
Legal Notices, Recording, and Court Costs		1,348	
Maintenance Agreements		2,328	
Maintenance and Repair Services - Vehicles		2,399	
Postal Charges		791	
Printing, Stationery, and Forms		214	
Travel		801	
Gasoline		4,289	
Office Supplies		577	
Periodicals		58	
Total Development			\$ 405,611

County Buildings

Supervisor/Director	\$	45,906
Custodial Personnel		74,323
Longevity Pay		5,450
Overtime Pay		3,761
Other Salaries and Wages		164,853
Social Security		18,074
State Retirement		19,770
Life Insurance		346
Medical Insurance		41,792
Dental Insurance		1,476
Disability Insurance		857
Unemployment Compensation		990
Employer Medicare		4,227
Communication		8,450
Laundry Service		778
Licenses		1,305
Maintenance Agreements		17,729
Maintenance and Repair Services - Buildings		54,979
Maintenance and Repair Services - Equipment		429
Maintenance and Repair Services - Vehicles		1,478
Pest Control		2,193
Disposal Fees		6,796
Other Contracted Services		17,007
Custodial Supplies		8,744
Electricity		151,970
Gasoline		9,293

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Natural Gas	\$	20,362	
Office Supplies		174	
Small Tools		217	
Boiler Insurance		3,884	
Building and Contents Insurance		52,729	
Total County Buildings			\$ 740,342

Other General Administration

Audit Services	\$	20,849	
Consultants		2,806	
Dues and Memberships		12,551	
Legal Services		8,758	
Maintenance and Repair Services - Vehicles		97	
Remittance of Revenue Collected		2,400	
Other Contracted Services		2,661	
Gasoline		1,391	
Natural Gas		70	
Judgments		25,720	
Liability Insurance		165,166	
Premiums on Corporate Surety Bonds		1,807	
Vehicle and Equipment Insurance		69,917	
Workers' Compensation Insurance		347,756	
Other Charges		9,876	
Total Other General Administration			671,825

Preservation of Records

County Official/Administrative Officer	\$	50,568	
Assistant(s)		31,086	
Part-time Personnel		1,927	
Longevity Pay		650	
Social Security		5,153	
State Retirement		6,164	
Life Insurance		89	
Medical Insurance		10,792	
Dental Insurance		394	
Disability Insurance		278	
Unemployment Compensation		200	
Employer Medicare		1,205	
Communication		417	
Dues and Memberships		40	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Janitorial Services	\$	1,500	
Maintenance Agreements		4,314	
Postal Charges		176	
Printing, Stationery, and Forms		180	
Travel		980	
Custodial Supplies		156	
Library Books/Media		1,883	
Office Supplies		1,245	
Periodicals		111	
Furniture and Fixtures		390	
Other Capital Outlay		15,580	
Total Preservation of Records			\$ 135,478

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	55,422	
Assistant(s)		55,757	
Accountants/Bookkeepers		102,120	
Clerical Personnel		76,960	
Longevity Pay		2,300	
Social Security		17,783	
State Retirement		21,912	
Life Insurance		274	
Medical Insurance		27,324	
Dental Insurance		1,033	
Disability Insurance		986	
Unemployment Compensation		571	
Employer Medicare		4,159	
Communication		38	
Maintenance Agreements		845	
Postal Charges		2,771	
Printing, Stationery, and Forms		46	
Travel		175	
Data Processing Supplies		500	
Office Supplies		1,546	
Periodicals		215	
Other Charges		30	
Furniture and Fixtures		93	
Total Accounting and Budgeting			372,860

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

County Official/Administrative Officer	\$	54,101	
Accountants/Bookkeepers		96,304	
Longevity Pay		2,500	
Social Security		9,284	
State Retirement		11,452	
Life Insurance		135	
Medical Insurance		16,303	
Dental Insurance		596	
Disability Insurance		511	
Unemployment Compensation		270	
Employer Medicare		2,171	
Dues and Memberships		74	
Postal Charges		224	
Office Supplies		224	
Premiums on Corporate Surety Bonds		50	
Total Purchasing			\$ 194,199

Property Assessor's Office

County Official/Administrative Officer	\$	72,216
Clerical Personnel		131,855
Longevity Pay		5,700
Other Salaries and Wages		170,880
In-Service Training		1,750
Social Security		23,098
State Retirement		19,029
Life Insurance		431
Medical Insurance		54,876
Dental Insurance		1,905
Disability Insurance		1,190
Unemployment Compensation		900
Employer Medicare		5,402
Audit Services		26,075
Communication		80
Data Processing Services		18,843
Dues and Memberships		2,003
Maintenance Agreements		1,176
Maintenance and Repair Services - Vehicles		2,057
Postal Charges		3,697
Printing, Stationery, and Forms		229
Travel		1,846

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Contracted Services	\$	185	
Data Processing Supplies		3,223	
Gasoline		3,278	
Office Supplies		1,596	
Other Charges		107	
Total Property Assessor's Office			\$ 553,627

Reappraisal Program

Clerical Personnel	\$	28,619	
Temporary Personnel		7,315	
Longevity Pay		1,650	
Other Salaries and Wages		67,722	
Social Security		6,512	
State Retirement		7,339	
Life Insurance		137	
Medical Insurance		16,532	
Dental Insurance		604	
Disability Insurance		328	
Unemployment Compensation		347	
Employer Medicare		1,523	
Communication		1	
Data Processing Services		10,323	
Maintenance Agreements		529	
Maintenance and Repair Services - Vehicles		131	
Postal Charges		145	
Travel		109	
Gasoline		1,018	
Office Supplies		1,206	
Other Charges		14	
Total Reappraisal Program			152,104

County Trustee's Office

County Official/Administrative Officer	\$	72,216	
Clerical Personnel		129,602	
Temporary Personnel		10,326	
Longevity Pay		3,000	
Social Security		13,063	
State Retirement		15,341	
Life Insurance		226	
Medical Insurance		27,324	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dental Insurance	\$	998	
Disability Insurance		686	
Unemployment Compensation		465	
Employer Medicare		3,106	
Data Processing Services		9,206	
Dues and Memberships		684	
Legal Notices, Recording, and Court Costs		45	
Maintenance Agreements		529	
Postal Charges		8,611	
Travel		949	
Office Supplies		1,813	
Total County Trustee's Office			\$ 298,190

County Clerk's Office

State Retirement	\$	35,002	
Life Insurance		615	
Medical Insurance		76,918	
Dental Insurance		2,811	
Disability Insurance		1,564	
Unemployment Compensation		1,170	
Data Processing Services		13,608	
Dues and Memberships		1,034	
Maintenance Agreements		1,515	
Postal Charges		15,064	
Printing, Stationery, and Forms		8,474	
Travel		10	
Office Supplies		2,676	
Data Processing Equipment		503	
Furniture and Fixtures		30	
Office Equipment		500	
Total County Clerk's Office			161,494

Data Processing

County Official/Administrative Officer	\$	74,778	
Data Processing Personnel		108,876	
Longevity Pay		1,600	
Social Security		11,368	
State Retirement		13,875	
Life Insurance		131	
Medical Insurance		15,845	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Dental Insurance	\$	579	
Disability Insurance		624	
Unemployment Compensation		270	
Employer Medicare		2,659	
Communication		79,378	
Data Processing Services		20,796	
Maintenance Agreements		33,451	
Postal Charges		14	
Travel		794	
Data Processing Supplies		7,336	
Office Supplies		3,523	
Periodicals		249	
Small Tools		10	
Other Charges		335	
Communication Equipment		5	
Data Processing Equipment		70,090	
Total Data Processing			\$ 446,586

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,216
Clerical Personnel		490,422
Part-time Personnel		45,315
Longevity Pay		6,300
Jury and Witness Expense		37,440
Other Per Diem and Fees		12,425
Social Security		38,276
State Retirement		37,950
Life Insurance		754
Medical Insurance		90,697
Dental Insurance		2,920
Disability Insurance		1,917
Unemployment Compensation		2,280
Employer Medicare		8,952
Data Processing Services		17,994
Dues and Memberships		534
Legal Notices, Recording, and Court Costs		409
Maintenance Agreements		8,068
Postal Charges		10,557
Printing, Stationery, and Forms		14,610

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Office Supplies	\$	5,894	
Periodicals		253	
Other Charges		4,381	
Office Equipment		113	
Total Circuit Court			\$ 910,677

General Sessions Court

Judge(s)	\$	438,012	
Clerical Personnel		120,952	
Temporary Personnel		61,542	
Longevity Pay		2,750	
Overtime Pay		449	
Other Salaries and Wages		118,136	
Social Security		38,558	
State Retirement		49,642	
Life Insurance		384	
Medical Insurance		43,397	
Dental Insurance		1,586	
Disability Insurance		1,775	
Unemployment Compensation		960	
Employer Medicare		10,554	
Communication		4,865	
Data Processing Services		814	
Dues and Memberships		1,485	
Licenses		400	
Maintenance Agreements		1,740	
Pest Control		391	
Printing, Stationery, and Forms		1,803	
Travel		5,998	
Electricity		7,999	
Office Supplies		2,008	
Periodicals		781	
Other Charges		45	
Data Processing Equipment		15,047	
Office Equipment		195	
Total General Sessions Court			932,268

Drug Court

Drug Treatment	\$	35,104	
Total Drug Court			35,104

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Social Security	\$	24	
State Retirement		19,478	
Life Insurance		304	
Medical Insurance		36,740	
Dental Insurance		1,343	
Disability Insurance		820	
Unemployment Compensation		894	
Data Processing Services		7,618	
Dues and Memberships		718	
Maintenance Agreements		1,353	
Postal Charges		13,141	
Printing, Stationery, and Forms		2,846	
Travel		425	
Office Supplies		3,873	
Periodicals		613	
Other Charges		90	
Total Chancery Court			\$ 90,280

District Attorney General

Contributions	\$	2,500	
Total District Attorney General			2,500

Victims Assistance Programs

Contributions	\$	27,925	
Total Victims Assistance Programs			27,925

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,440	
Deputy(ies)		1,977,825	
Investigator(s)		590,314	
Captain(s)		136,176	
Lieutenant(s)		208,660	
Sergeant(s)		379,195	
Dispatchers/Radio Operators		182,367	
Clerical Personnel		203,639	
Part-time Personnel		21,126	
Longevity Pay		40,050	
Overtime Pay		165,188	
In-Service Training		43,700	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Social Security	\$	245,194	
State Retirement		283,713	
Life Insurance		4,016	
Medical Insurance		487,294	
Dental Insurance		17,993	
Disability Insurance		12,552	
Unemployment Compensation		8,498	
Employer Medicare		57,336	
Communication		21,419	
Data Processing Services		45,050	
Dues and Memberships		3,860	
Evaluation and Testing		38,700	
Maintenance Agreements		11,746	
Maintenance and Repair Services - Equipment		1,402	
Maintenance and Repair Services - Vehicles		33,962	
Postal Charges		2,447	
Printing, Stationery, and Forms		1,465	
Travel		28,312	
Veterinary Services		382	
Other Contracted Services		1,934	
Animal Food and Supplies		692	
Data Processing Supplies		5,797	
Food Supplies		41	
Gasoline		228,035	
Law Enforcement Supplies		14,832	
Lubricants		5,754	
Office Supplies		9,032	
Periodicals		1,487	
Tires and Tubes		16,455	
Uniforms		18,664	
Vehicle Parts		49,273	
Other Charges		373	
Communication Equipment		2,044	
Data Processing Equipment		12,370	
Furniture and Fixtures		133	
Law Enforcement Equipment		9,860	
Motor Vehicles		37,883	
Office Equipment		314	
Other Equipment		30	
Total Sheriff's Department			\$ 5,748,024

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$ 1,400		
Total Administration of the Sexual Offender Registry		\$	1,400

Jail

County Official/Administrative Officer	\$ 3,024
Sergeant(s)	199,108
Maintenance Personnel	39,666
Longevity Pay	12,150
Overtime Pay	154,148
Other Salaries and Wages	1,632,169
In-Service Training	2,400
Social Security	125,073
State Retirement	144,324
Life Insurance	2,534
Medical Insurance	306,282
Dental Insurance	11,292
Disability Insurance	6,219
Unemployment Compensation	5,679
Employer Medicare	29,245
Communication	2,182
Contracts with Government Agencies	179,630
Maintenance Agreements	12,863
Maintenance and Repair Services - Buildings	50,177
Maintenance and Repair Services - Equipment	1,357
Maintenance and Repair Services - Vehicles	3,680
Medical and Dental Services	180,746
Pest Control	2,397
Postal Charges	3,300
Printing, Stationery, and Forms	6,005
Travel	5,858
Disposal Fees	2,655
Other Contracted Services	1,695
Custodial Supplies	27,666
Drugs and Medical Supplies	173,977
Electricity	186,328
Food Supplies	291,978
Gasoline	25,328
Law Enforcement Supplies	1,323
Lubricants	698
Natural Gas	45,203

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Periodicals	\$	593	
Prisoners Clothing		9,748	
Tires and Tubes		1,087	
Uniforms		4,666	
Vehicle Parts		6,216	
Other Supplies and Materials		330	
Other Charges		3,023	
Communication Equipment		1,579	
Food Service Equipment		10,571	
Other Equipment		987	
Total Jail			\$ 3,917,159

Juvenile Services

Assistant(s)	\$	28,693	
Probation Officer(s)		30,410	
Youth Service Officer(s)		23,340	
Longevity Pay		600	
Overtime Pay		4,486	
Social Security		5,372	
State Retirement		6,556	
Life Insurance		99	
Medical Insurance		11,948	
Dental Insurance		437	
Disability Insurance		223	
Unemployment Compensation		270	
Employer Medicare		1,256	
Communication		78	
Dues and Memberships		90	
Postal Charges		44	
Printing, Stationery, and Forms		24	
Travel		3,557	
Other Contracted Services		119,340	
Office Supplies		65	
Total Juvenile Services			236,888

Civil Defense

Contributions	\$	140,000	
Vehicle and Equipment Insurance		24,248	
Other Charges		12,177	
Other Equipment		46,495	
Total Civil Defense			222,920

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Clerical Personnel	\$	33,450	
Social Security		2,028	
State Retirement		2,505	
Life Insurance		44	
Medical Insurance		5,282	
Dental Insurance		193	
Disability Insurance		114	
Unemployment Compensation		90	
Employer Medicare		474	
Communication		7,180	
Consultants		5,475	
Dues and Memberships		285	
Maintenance Agreements		1,928	
Maintenance and Repair Services - Equipment		4,363	
Maintenance and Repair Services - Vehicles		3,163	
Postal Charges		103	
Printing, Stationery, and Forms		1,666	
Travel		1,988	
Other Contracted Services		3,422	
Gasoline		4,875	
Office Supplies		5,127	
Small Tools		2,922	
Tires and Tubes		800	
Uniforms		1,406	
Vehicle Parts		16	
Other Supplies and Materials		104,020	
Vehicle and Equipment Insurance		9,534	
Other Charges		4,258	
Other Equipment		240,043	
Total Other Emergency Management			\$ 446,754

Public Safety Grant Programs

Uniforms	\$	3,587	
Law Enforcement Equipment		9,626	
Total Public Safety Grant Programs			13,213

Public Health and Welfare

Local Health Center

Medical Personnel	\$	313,066	
Clerical Personnel		124,114	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Part-time Personnel	\$	25,625	
Longevity Pay		2,700	
Social Security		28,351	
State Retirement		31,668	
Life Insurance		745	
Medical Insurance		89,078	
Dental Insurance		3,105	
Disability Insurance		1,385	
Unemployment Compensation		1,971	
Employer Medicare		6,630	
Communication		9,903	
Dues and Memberships		200	
Janitorial Services		31,200	
Licenses		85	
Maintenance Agreements		9,087	
Maintenance and Repair Services - Buildings		1,649	
Maintenance and Repair Services - Equipment		1,284	
Medical and Dental Services		432	
Pest Control		561	
Travel		9,370	
Electricity		42,072	
Natural Gas		18,379	
Office Supplies		3,651	
Other Supplies and Materials		9,048	
Liability Insurance		196	
Workers' Compensation Insurance		5,314	
Total Local Health Center			\$ 770,869

Rabies and Animal Control

County Official/Administrative Officer	\$	33,450
Part-time Personnel		64,612
Longevity Pay		900
Other Salaries and Wages		208,702
Social Security		18,821
State Retirement		15,469
Life Insurance		393
Medical Insurance		47,534
Dental Insurance		1,705
Disability Insurance		790
Unemployment Compensation		1,392

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Employer Medicare	\$	4,402	
Advertising		335	
Communication		866	
Data Processing Services		10,010	
Licenses		334	
Maintenance Agreements		4,530	
Maintenance and Repair Services - Buildings		1,551	
Maintenance and Repair Services - Equipment		668	
Maintenance and Repair Services - Vehicles		1,259	
Medical and Dental Services		324	
Printing, Stationery, and Forms		735	
Travel		1,552	
Veterinary Services		25,195	
Disposal Fees		2,689	
Custodial Supplies		1,986	
Drugs and Medical Supplies		23,729	
Electricity		29,356	
Gasoline		7,913	
Natural Gas		21,004	
Office Supplies		1,360	
Other Supplies and Materials		11,850	
Building and Contents Insurance		291	
Refunds		5,202	
Other Equipment		123	
Total Rabies and Animal Control			\$ 551,032
<u>Appropriation to State</u>			
Contracts with Government Agencies	\$	69,900	
Total Appropriation to State			69,900
<u>Other Local Welfare Services</u>			
Other Contracted Services	\$	5,926	
Total Other Local Welfare Services			5,926
<u>Other Public Health and Welfare</u>			
Other Contracted Services	\$	3,500	
Total Other Public Health and Welfare			3,500

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 33,640	
Total Senior Citizens Assistance		\$ 33,640

Libraries

County Official/Administrative Officer	\$ 46,470	
Librarians	241,256	
Part-time Personnel	51,608	
Longevity Pay	4,950	
Social Security	20,825	
State Retirement	21,922	
Life Insurance	452	
Medical Insurance	54,647	
Dental Insurance	1,847	
Disability Insurance	979	
Unemployment Compensation	1,365	
Employer Medicare	4,863	
Communication	1,558	
Dues and Memberships	150	
Janitorial Services	5,500	
Licenses	415	
Maintenance Agreements	11,371	
Maintenance and Repair Services - Buildings	5,597	
Pest Control	646	
Postal Charges	399	
Other Contracted Services	234	
Custodial Supplies	1,826	
Electricity	26,041	
Library Books/Media	29,613	
Natural Gas	5,026	
Office Supplies	7,798	
Periodicals	4,267	
Data Processing Equipment	95	
Furniture and Fixtures	89	
Other Capital Outlay	28,238	
Total Libraries		580,047

Parks and Fair Boards

County Official/Administrative Officer	\$ 63,552
Assistant(s)	76,206
Laborers	146,412

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Clerical Personnel	\$	20,291	
Temporary Personnel		39,178	
Longevity Pay		3,350	
Overtime Pay		2,637	
Social Security		21,728	
State Retirement		22,601	
Life Insurance		391	
Medical Insurance		47,198	
Dental Insurance		1,707	
Disability Insurance		995	
Unemployment Compensation		1,273	
Employer Medicare		5,082	
Communication		1,107	
Dues and Memberships		70	
Laundry Service		3,147	
Maintenance Agreements		576	
Maintenance and Repair Services - Buildings		847	
Maintenance and Repair Services - Equipment		6,601	
Maintenance and Repair Services - Vehicles		2,997	
Pest Control		646	
Postal Charges		50	
Printing, Stationery, and Forms		183	
Rentals		154	
Travel		386	
Other Contracted Services		18,247	
Custodial Supplies		6,624	
Electricity		72,354	
Equipment Parts - Light		1,958	
Fertilizer, Lime, and Seed		5,943	
Gasoline		15,826	
Lubricants		482	
Natural Gas		6,621	
Office Supplies		469	
Uniforms		390	
Other Supplies and Materials		16,897	
Building Improvements		1,665	
Furniture and Fixtures		499	
Site Development		267	
Other Capital Outlay		119,925	
Total Parks and Fair Boards			\$ 737,532

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	325	
Social Security		20	
Employer Medicare		5	
Contracts with Government Agencies		103,016	
Dues and Memberships		305	
Maintenance Agreements		1,697	
Postal Charges		176	
Travel		2,500	
Office Supplies		1,604	
Total Agriculture Extension Service			\$ 109,648

Forest Service

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

Soil Conservation

Longevity Pay	\$	1,000	
Other Salaries and Wages		34,258	
Social Security		2,164	
State Retirement		2,641	
Life Insurance		46	
Medical Insurance		5,511	
Dental Insurance		201	
Disability Insurance		117	
Unemployment Compensation		90	
Employer Medicare		506	
Total Soil Conservation			46,534

Other Operations

Tourism

County Official/Administrative Officer	\$	55,765	
Part-time Personnel		20,716	
Longevity Pay		1,200	
Overtime Pay		157	
Other Salaries and Wages		70,557	
Social Security		9,173	
State Retirement		9,551	
Life Insurance		131	
Medical Insurance		10,792	
Dental Insurance		596	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Disability Insurance	\$	441	
Unemployment Compensation		458	
Employer Medicare		2,145	
Advertising		92,941	
Communication		485	
Dues and Memberships		3,075	
Maintenance Agreements		513	
Postal Charges		3,784	
Printing, Stationery, and Forms		11,588	
Rentals		109	
Travel		5,597	
Other Contracted Services		41,895	
Electricity		1,703	
Gasoline		480	
Office Supplies		2,206	
Periodicals		111	
Other Supplies and Materials		5,895	
Other Charges		2,304	
Furniture and Fixtures		280	
Total Tourism			\$ 354,648

Industrial Development

Contributions	\$	175,000	
Electricity		2,048	
Total Industrial Development			177,048

Other Economic and Community Development

Other Contracted Services	\$	359	
Other Charges		246	
Total Other Economic and Community Development			605

Airport

Contributions	\$	40,000	
Total Airport			40,000

Veterans' Services

Clerical Personnel	\$	31,468	
Part-time Personnel		18,870	
Longevity Pay		1,000	
Social Security		3,181	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

State Retirement	\$	2,432	
Life Insurance		46	
Medical Insurance		5,511	
Dental Insurance		201	
Disability Insurance		107	
Unemployment Compensation		180	
Employer Medicare		744	
Dues and Memberships		25	
Maintenance Agreements		764	
Postal Charges		640	
Printing, Stationery, and Forms		55	
Travel		495	
Office Supplies		414	
Periodicals		134	
Total Veterans' Services			\$ 66,267
<u>Contributions to Other Agencies</u>			
Contributions	\$	97,525	
Total Contributions to Other Agencies			97,525
<u>Employee Benefits</u>			
Medical and Dental Services	\$	10,102	
Other Supplies and Materials		4,384	
Total Employee Benefits			14,486
<u>Payments to Cities</u>			
Contracts with Government Agencies	\$	185,706	
Total Payments to Cities			185,706
<u>ARRA Grant # 1</u>			
Other Contracted Services	\$	421,373	
Total ARRA Grant # 1			421,373
<u>ARRA Grant # 2</u>			
Motor Vehicles	\$	280	
Total ARRA Grant # 2			280
<u>ARRA Grant # 6</u>			
Maintenance and Repair Services - Buildings	\$	34,796	
Total ARRA Grant # 6			34,796

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Medical and Dental Services	\$ 91,641	
Other Contracted Services	46,260	
Trustee's Commission	283,598	
Tax Relief Program	145,712	
Total Miscellaneous		\$ 567,211

Operation of Non-Instructional Services

Early Childhood Education

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

Principal on Debt

General Government

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

Education

Principal on Capital Leases	\$ 41,859	
Total Education		41,859

Interest on Debt

General Government

Interest on Notes	\$ 17,291	
Total General Government		17,291

Education

Interest on Capital Leases	\$ 2,061	
Total Education		2,061

Total General Fund \$ 23,086,535

Special Purpose Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Other Capital Outlay	\$ 31,185	
Total Parks and Fair Boards		\$ 31,185

Total Special Purpose Fund 31,185

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	8,135	
Contributions		17,530	
Data Processing Services		650	
Confidential Drug Enforcement Payments		12,000	
Dues and Memberships		210	
Maintenance Agreements		522	
Maintenance and Repair Services - Vehicles		6,063	
Postal Charges		13	
Printing, Stationery, and Forms		168	
Rentals		16,800	
Travel		2,625	
Data Processing Supplies		63	
Electricity		9,472	
Gasoline		13,597	
Instructional Supplies and Materials		8,184	
Law Enforcement Supplies		395	
Lubricants		64	
Office Supplies		196	
Tires and Tubes		596	
Uniforms		1,000	
Vehicle Parts		3,896	
Trustee's Commission		1,011	
Other Charges		4,834	
Law Enforcement Equipment		2,638	
Motor Vehicles		10,951	
Total Drug Enforcement		<u>10,951</u>	\$ <u>121,613</u>

Total Drug Control Fund \$ 121,613

Adequate Facilities/Development Tax Fund

General Government

Development

Refunds	\$	<u>371</u>	
Total Development			\$ 371

Capital Projects

Highway and Street Capital Projects

Highway Construction	\$	<u>446,082</u>	
Total Highway and Street Capital Projects			<u>446,082</u>

Total Adequate Facilities/Development Tax Fund 446,453

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 13	
Total Register of Deeds		\$ 13

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 509,441	
Total County Clerk's Office		509,441

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 224	
Total Circuit Court		224

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 2,307	
Total General Sessions Court Clerk		2,307

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 3,620	
Constitutional Officers' Operating Expenses	280,438	
Total Chancery Court		284,058

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 229	
Total Sheriff's Department		229

Total Constitutional Officers - Fees Fund		\$ 796,272
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,440
Purchasing Personnel	34,198
Longevity Pay	1,200
Overtime Pay	1,434
Other Salaries and Wages	51,513
Social Security	10,392
State Retirement	12,496
Life Insurance	135

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Medical Insurance	\$	16,303	
Dental Insurance		596	
Disability Insurance		559	
Unemployment Compensation		180	
Employer Medicare		2,430	
Dues and Memberships		3,978	
Maintenance Agreements		550	
Maintenance and Repair Services - Office Equipment		145	
Postal Charges		335	
Printing, Stationery, and Forms		70	
Travel		620	
Office Supplies		1,842	
Other Charges		285	
Total Administration			\$ 218,701

Highway and Bridge Maintenance

Foremen	\$	64,566
Mechanic(s)		234,767
Equipment Operators - Heavy		355,919
Equipment Operators - Light		250,694
Truck Drivers		285,267
Laborers		73,884
Guards		61,230
Longevity Pay		25,600
Overtime Pay		18,757
Other Salaries and Wages		118,486
Social Security		90,352
State Retirement		107,976
Life Insurance		1,927
Medical Insurance		238,541
Dental Insurance		8,397
Disability Insurance		4,986
Unemployment Compensation		4,020
Employer Medicare		21,131
Advertising		149
Engineering Services		5,567
Rentals		3,855
Asphalt		541,860
Concrete		23,584
Crushed Stone		868,665

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Fertilizer, Lime, and Seed	\$	490	
Other Road Supplies		8,244	
Pipe		72,020	
Road Signs		26,514	
Salt		15,823	
Wood Products		3,535	
Total Highway and Bridge Maintenance			\$ 3,536,806

Operation and Maintenance of Equipment

Communication	\$	1,029	
Maintenance Agreements		629	
Maintenance and Repair Services - Buildings		1,627	
Maintenance and Repair Services - Equipment		12,753	
Maintenance and Repair Services - Vehicles		24,310	
Other Contracted Services		2,779	
Custodial Supplies		1,954	
Diesel Fuel		346,037	
Drugs and Medical Supplies		1,419	
Equipment and Machinery Parts		73,905	
Garage Supplies		10,054	
Gasoline		35,752	
Lubricants		23,868	
Small Tools		18,598	
Tires and Tubes		70,158	
Vehicle Parts		101,589	
Other Supplies and Materials		28,170	
Total Operation and Maintenance of Equipment			754,631

Other Charges

Communication	\$	2	
Contributions		20,000	
Laundry Service		11,824	
Pest Control		459	
Electricity		14,141	
Natural Gas		2,406	
Uniforms		287	
Building and Contents Insurance		1,748	
Liability Insurance		49,591	
Trustee's Commission		74,883	
Vehicle and Equipment Insurance		28,073	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Workers' Compensation Insurance	\$ 160,614	
Other Charges	<u>296</u>	
Total Other Charges		\$ 364,324

Employee Benefits

Medical and Dental Services	\$ 2,412	
Total Employee Benefits		2,412

Capital Outlay

Bridge Construction	\$ 169,272	
Highway Construction	<u>466,209</u>	
Total Capital Outlay		635,481

Capital Projects

Highway and Street Capital Projects

Bridge Construction	\$ 1,380,296	
Other Capital Outlay	<u>41,417</u>	
Total Highway and Street Capital Projects		<u>1,421,713</u>

Total Highway/Public Works Fund \$ 6,934,068

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 779,972	
Principal on Notes	<u>1,428,679</u>	
Total General Government		\$ 2,208,651

Highways and Streets

Principal on Bonds	\$ 224,130	
Principal on Notes	<u>255,420</u>	
Total Highways and Streets		479,550

Education

Principal on Bonds	\$ 4,230,898	
Principal on Notes	<u>3,199,901</u>	
Total Education		7,430,799

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 300,035	
Interest on Notes	332,217	
Total General Government	\$ 632,252	\$ 632,252

Highways and Streets

Interest on Bonds	\$ 11,206	
Interest on Notes	6,438	
Total Highways and Streets	17,644	17,644

Education

Interest on Bonds	\$ 2,096,612	
Interest on Notes	287,652	
Interest on Other Loans	207,332	
Total Education	2,591,596	2,591,596

Other Debt Service

General Government

Bank Charges	\$ 2,250	
Trustee's Commission	159,154	
Total General Government	161,404	161,404

Education

Other Debt Service	\$ 1,763	
Total Education	1,763	1,763

Total General Debt Service Fund \$ 13,523,659

General Capital Projects Fund

Capital Projects

General Administration Projects

Contributions	\$ 100,517	
Total General Administration Projects	\$ 100,517	\$ 100,517

Administration of Justice Projects

Architects	\$ 43,396	
Total Administration of Justice Projects	43,396	43,396

Total General Capital Projects Fund 143,913

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 4,368,750	
Other Debt Issuance Charges	<u>39,250</u>	
Total Capital Projects Donated to School Department		<u>\$ 4,408,000</u>
Total Education Capital Projects Fund		\$ 4,408,000
<u>Other Capital Projects Fund</u>		
<u>Public Safety</u>		
<u>Civil Defense</u>		
Motor Vehicles	\$ 15,000	
Other Equipment	<u>4,710</u>	
Total Civil Defense		\$ 19,710
<u>Other Operations</u>		
<u>Other Charges</u>		
Other Charges	\$ 9,085	
Total Other Charges		9,085
<u>Miscellaneous</u>		
Trustee's Commission	\$ 13,426	
Total Miscellaneous		13,426
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Motor Vehicles	\$ 585,611	
Total Capital Projects Donated to School Department		<u>585,611</u>
Total Other Capital Projects Fund		<u>627,832</u>
Total Governmental Funds - Primary Government		<u>\$ 50,119,530</u>

Exhibit K-9

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 25,727,135	
Career Ladder Program	293,205	
Career Ladder Extended Contracts	125,310	
Homebound Teachers	53,590	
Educational Assistants	414,998	
Other Salaries and Wages	520,292	
Certified Substitute Teachers	37,920	
Non-certified Substitute Teachers	371,819	
Social Security	1,676,653	
State Retirement	2,433,090	
Life Insurance	43,684	
Medical Insurance	4,053,056	
Dental Insurance	135,889	
Employer Medicare	384,216	
Other Contracted Services	209,838	
Instructional Supplies and Materials	363,177	
Textbooks	1,522,191	
Other Supplies and Materials	9,743	
Fee Waivers	85,794	
Regular Instruction Equipment	173,010	
Total Regular Instruction Program		\$ 38,634,610

Alternative Instruction Program

Teachers	\$ 266,833	
Career Ladder Program	2,000	
Educational Assistants	70,436	
Certified Substitute Teachers	1,290	
Non-certified Substitute Teachers	4,320	
Social Security	20,943	
State Retirement	29,169	
Life Insurance	657	
Medical Insurance	67,232	
Dental Insurance	2,555	
Employer Medicare	4,898	
Other Contracted Services	5,324	
Instructional Supplies and Materials	2,445	
Total Alternative Instruction Program		478,102

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 3,709,665	
Career Ladder Program	40,477	
Homebound Teachers	55,761	
Educational Assistants	669,873	
Speech Pathologist	623,746	
Other Salaries and Wages	40,258	
Certified Substitute Teachers	2,264	
Non-certified Substitute Teachers	14,600	
Social Security	307,691	
State Retirement	447,445	
Life Insurance	10,141	
Medical Insurance	907,240	
Dental Insurance	33,428	
Employer Medicare	71,927	
Contracts with Private Agencies	93,983	
Maintenance and Repair Services - Equipment	1,433	
Other Contracted Services	193,828	
Instructional Supplies and Materials	31,757	
Textbooks	18,352	
Other Supplies and Materials	6,082	
Special Education Equipment	14,529	
Total Special Education Program		\$ 7,294,480

Vocational Education Program

Teachers	\$ 1,944,746
Career Ladder Program	13,999
Certified Substitute Teachers	1,312
Non-certified Substitute Teachers	7,650
Social Security	117,528
State Retirement	177,268
Life Insurance	2,934
Medical Insurance	268,652
Dental Insurance	9,133
Employer Medicare	27,492
Maintenance and Repair Services - Equipment	3,163
Other Contracted Services	13,569
Instructional Supplies and Materials	47,648
T&I Construction Materials	11,866
Textbooks	56,362

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Other Charges	\$	291	
Vocational Instruction Equipment		58,000	
Total Vocational Education Program			\$ 2,761,613

Support Services

Attendance

Supervisor/Director	\$	75,830	
Career Ladder Program		1,000	
Social Workers		30,132	
Clerical Personnel		102,704	
Other Salaries and Wages		160,979	
Social Security		22,610	
State Retirement		28,294	
Life Insurance		777	
Medical Insurance		57,648	
Dental Insurance		2,470	
Employer Medicare		5,288	
Communication		2,127	
Travel		4,617	
Other Contracted Services		1,357	
Other Supplies and Materials		14,805	
In Service/Staff Development		1,123	
Other Charges		8,578	
Attendance Equipment		26,089	
Total Attendance			546,428

Health Services

Medical Personnel	\$	198,298	
Secretary(ies)		21,780	
Other Salaries and Wages		42,452	
Certified Substitute Teachers		450	
Social Security		16,024	
State Retirement		20,326	
Life Insurance		417	
Medical Insurance		42,128	
Dental Insurance		1,369	
Employer Medicare		3,748	
Communication		2,913	
Maintenance and Repair Services - Equipment		176	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Travel	\$	9,157	
Drugs and Medical Supplies		3,069	
Other Supplies and Materials		12,460	
In Service/Staff Development		1,145	
Health Equipment		742	
Total Health Services			\$ 376,654

Other Student Support

Career Ladder Program	\$	14,000	
Guidance Personnel		1,285,992	
Social Security		78,361	
State Retirement		117,650	
Life Insurance		2,010	
Medical Insurance		177,649	
Dental Insurance		6,117	
Employer Medicare		18,327	
Evaluation and Testing		41,944	
Other Supplies and Materials		5,800	
Total Other Student Support			1,747,850

Regular Instruction Program

Supervisor/Director	\$	335,743	
Career Ladder Program		31,600	
Career Ladder Extended Contracts		2,600	
Librarians		1,004,146	
Secretary(ies)		30,426	
Clerical Personnel		41,931	
Educational Assistants		29,628	
Other Salaries and Wages		79,615	
Social Security		93,700	
State Retirement		137,217	
Life Insurance		2,078	
Medical Insurance		194,024	
Dental Insurance		6,893	
Employer Medicare		21,914	
Communication		22,763	
Operating Lease Payments		32,492	
Travel		62,920	
Other Contracted Services		58,747	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	71,883	
Periodicals		75,381	
Other Supplies and Materials		11,280	
In Service/Staff Development		61,671	
Other Charges		10,450	
Other Equipment		48,963	
Total Regular Instruction Program			\$ 2,468,065

Alternative Instruction Program

Supervisor/Director	\$	54,713	
Guidance Personnel		26,517	
Clerical Personnel		18,371	
Social Security		6,147	
State Retirement		8,313	
Life Insurance		216	
Medical Insurance		20,565	
Dental Insurance		708	
Employer Medicare		1,438	
Communication		3,154	
Travel		692	
Other Contracted Services		1,500	
Other Supplies and Materials		555	
In Service/Staff Development		450	
Other Equipment		666	
Total Alternative Instruction Program			144,005

Special Education Program

Supervisor/Director	\$	57,199	
Career Ladder Program		8,772	
Psychological Personnel		323,549	
Assessment Personnel		168,165	
Secretary(ies)		30,626	
Clerical Personnel		15,340	
Other Salaries and Wages		65,272	
Social Security		40,076	
State Retirement		59,820	
Life Insurance		899	
Medical Insurance		91,845	
Dental Insurance		2,987	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	9,373	
Communication		3,765	
Travel		28,792	
Other Supplies and Materials		1,698	
In Service/Staff Development		10,911	
Other Charges		1,449	
Other Equipment		3,004	
Total Special Education Program			\$ 923,542

Vocational Education Program

Supervisor/Director	\$	70,510	
Career Ladder Program		4,000	
Clerical Personnel		24,158	
Social Security		6,061	
State Retirement		8,553	
Life Insurance		144	
Medical Insurance		11,014	
Dental Insurance		472	
Employer Medicare		1,418	
Communication		539	
Travel		10,413	
Other Contracted Services		200	
Other Supplies and Materials		2,437	
In Service/Staff Development		976	
Other Charges		1,262	
Other Equipment		1,333	
Total Vocational Education Program			143,490

Other Programs

On-Behalf Payments to OPEB	\$	428,078	
Total Other Programs			428,078

Board of Education

Secretary to Board	\$	3,378	
Other Salaries and Wages		207	
Board and Committee Members Fees		13,275	
Social Security		17,674	
State Retirement		1,269	
Unemployment Compensation		123,313	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Employer Medicare	\$	4,133	
Other Fringe Benefits		884,911	
Audit Services		20,000	
Dues and Memberships		8,184	
Legal Services		34,933	
Travel		506	
Liability Insurance		11,877	
Trustee's Commission		631,568	
Workers' Compensation Insurance		366,443	
In Service/Staff Development		2,185	
Other Charges		3,116	
Total Board of Education			\$ 2,126,972

Director of Schools

County Official/Administrative Officer	\$	120,995	
Career Ladder Program		133	
Secretary(ies)		30,333	
Other Salaries and Wages		45,012	
Social Security		11,305	
State Retirement		16,995	
Life Insurance		186	
Medical Insurance		21,039	
Dental Insurance		798	
Employer Medicare		2,833	
Communication		1,956	
Dues and Memberships		6,000	
Maintenance and Repair Services - Equipment		47	
Postal Charges		14,039	
Travel		2,042	
Other Contracted Services		1,310	
Office Supplies		1,474	
In Service/Staff Development		1,167	
Other Charges		2,362	
Administration Equipment		10,957	
Total Director of Schools			290,983

Office of the Principal

Principals	\$	1,529,747	
Career Ladder Program		32,297	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Extended Contracts	\$	3,500	
Assistant Principals		1,200,534	
Secretary(ies)		562,800	
Clerical Personnel		625,878	
Social Security		237,763	
State Retirement		333,621	
Life Insurance		6,580	
Medical Insurance		559,594	
Dental Insurance		20,459	
Employer Medicare		55,608	
Communication		118,520	
Other Contracted Services		86,441	
Office Supplies		24,753	
Total Office of the Principal			\$ 5,398,095

Fiscal Services

Supervisor/Director	\$	74,418	
Accountants/Bookkeepers		239,874	
Purchasing Personnel		33,142	
Clerical Personnel		23,669	
Social Security		22,641	
State Retirement		27,795	
Life Insurance		703	
Medical Insurance		55,586	
Dental Insurance		2,360	
Employer Medicare		5,295	
Maintenance and Repair Services - Equipment		1,115	
Travel		2,071	
Other Contracted Services		13,610	
Office Supplies		19,117	
In Service/Staff Development		1,719	
Other Charges		4,216	
Administration Equipment		25,668	
Total Fiscal Services			552,999

Human Services/Personnel

Supervisor/Director	\$	82,264	
Clerical Personnel		86,238	
Social Security		10,335	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

State Retirement	\$	13,904	
Life Insurance		288	
Medical Insurance		22,029	
Dental Insurance		946	
Employer Medicare		2,417	
Advertising		449	
Communication		1,173	
Operating Lease Payments		2,452	
Travel		1,021	
Other Contracted Services		11,199	
Office Supplies		3,451	
Other Supplies and Materials		1,181	
In Service/Staff Development		845	
Other Charges		5,538	
Administration Equipment		1,773	
Total Human Services/Personnel			\$ 247,503

Operation of Plant

Supervisor/Director	\$	52,000	
Custodial Personnel		209,382	
Social Security		16,082	
State Retirement		19,490	
Life Insurance		1,253	
Medical Insurance		139,500	
Dental Insurance		6,251	
Employer Medicare		3,761	
Communication		341	
Janitorial Services		1,814,444	
Disposal Fees		37,157	
Other Contracted Services		172,559	
Custodial Supplies		49	
Electricity		2,339,263	
Natural Gas		532,185	
Water and Sewer		283,061	
Other Supplies and Materials		4,120	
Building and Contents Insurance		190,693	
In Service/Staff Development		280	
Other Charges		60	
Total Operation of Plant			5,821,931

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Secretary(ies)	\$	27,694	
Maintenance Personnel		559,693	
Social Security		36,044	
State Retirement		44,012	
Life Insurance		1,397	
Medical Insurance		112,713	
Dental Insurance		4,653	
Employer Medicare		8,430	
Communication		6,109	
Laundry Service		6,935	
Maintenance and Repair Services - Buildings		21,108	
Maintenance and Repair Services - Equipment		75,293	
Maintenance and Repair Services - Vehicles		10,028	
Other Contracted Services		26,368	
Other Supplies and Materials		272,895	
Other Charges		2,235	
Maintenance Equipment		3,343	
Total Maintenance of Plant			\$ 1,218,950

Transportation

Supervisor/Director	\$	80,130
Bus Drivers		1,290,554
Clerical Personnel		53,456
Other Salaries and Wages		186,331
Social Security		98,301
State Retirement		107,678
Life Insurance		7,458
Medical Insurance		620,004
Dental Insurance		26,517
Employer Medicare		22,991
Communication		2,403
Operating Lease Payments		1,501
Maintenance and Repair Services - Vehicles		812
Travel		403
Other Contracted Services		209,559
Diesel Fuel		575,356
Tires and Tubes		108,322
Vehicle Parts		153,034
Other Supplies and Materials		1,934

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle and Equipment Insurance	\$	87,342	
In Service/Staff Development		1,605	
Other Charges		32,728	
Transportation Equipment		32,729	
Total Transportation			\$ 3,701,148

Central and Other

Supervisor/Director	\$	66,650	
Other Salaries and Wages		317,721	
Social Security		22,717	
State Retirement		28,790	
Life Insurance		576	
Medical Insurance		44,388	
Dental Insurance		1,888	
Employer Medicare		5,313	
Communication		6,796	
Maintenance and Repair Services - Equipment		5,418	
Travel		3,845	
Other Contracted Services		49,858	
Office Supplies		872	
Other Supplies and Materials		50,425	
In Service/Staff Development		7,995	
Administration Equipment		2,946	
Data Processing Equipment		179,541	
Total Central and Other			795,739

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	506,484	
Educational Assistants		220,964	
Certified Substitute Teachers		6,210	
Social Security		44,048	
State Retirement		60,634	
Life Insurance		1,930	
Medical Insurance		153,129	
Dental Insurance		6,382	
Employer Medicare		10,307	
Travel		1,559	
Other Contracted Services		1,680	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Instructional Supplies and Materials	\$ 11,270	
Other Supplies and Materials	3,882	
In Service/Staff Development	6,396	
Other Equipment	26,612	
Total Early Childhood Education		\$ 1,061,487

Principal on Debt

Education

Principal on Notes	\$ 71,304	
Principal on Capital Leases	227,379	
Total Education		298,683

Interest on Debt

Education

Interest on Notes	\$ 8,949	
Interest on Capital Leases	46,902	
Total Education		55,851

Total General Purpose School Fund \$ 77,517,258

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,561,159	
Educational Assistants	364,753	
Other Salaries and Wages	27,233	
Certified Substitute Teachers	1,260	
Social Security	118,049	
State Retirement	145,759	
Life Insurance	2,010	
Medical Insurance	183,537	
Dental Insurance	6,664	
Unemployment Compensation	9,219	
Employer Medicare	27,651	
Maintenance and Repair Services - Equipment	142	
Instructional Supplies and Materials	403,305	
Other Supplies and Materials	10,873	
Regular Instruction Equipment	427,066	
Total Regular Instruction Program		\$ 3,288,680

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Alternative Instruction Program

Instructional Supplies and Materials	\$ 6,043	
Total Alternative Instruction Program		\$ 6,043

Special Education Program

Teachers	\$ 349,609	
Educational Assistants	1,023,539	
Certified Substitute Teachers	960	
Non-certified Substitute Teachers	15,390	
Social Security	78,177	
State Retirement	94,857	
Life Insurance	5,693	
Medical Insurance	437,172	
Dental Insurance	18,490	
Unemployment Compensation	8,814	
Employer Medicare	19,705	
Contracts with Private Agencies	4,238	
Maintenance and Repair Services - Equipment	10,942	
Other Contracted Services	181,350	
Instructional Supplies and Materials	134,649	
Other Supplies and Materials	107,393	
Special Education Equipment	198,005	
Total Special Education Program		2,688,983

Vocational Education Program

Instructional Supplies and Materials	\$ 27,000	
Vocational Instruction Equipment	105,000	
Total Vocational Education Program		132,000

Support Services

Health Services

Medical Personnel	\$ 95,936	
Other Salaries and Wages	63,687	
Social Security	9,749	
State Retirement	11,115	
Life Insurance	288	
Medical Insurance	25,207	
Dental Insurance	1,059	
Unemployment Compensation	524	
Employer Medicare	2,280	
Total Health Services		209,845

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	110,826	
Other Salaries and Wages		15,488	
Social Security		7,807	
State Retirement		11,559	
Life Insurance		120	
Medical Insurance		9,609	
Dental Insurance		391	
Unemployment Compensation		493	
Employer Medicare		1,826	
Travel		40,537	
Other Contracted Services		29,689	
Other Supplies and Materials		22,143	
In Service/Staff Development		4,587	
Other Charges		5,984	
Total Other Student Support			\$ 261,059

Regular Instruction Program

Supervisor/Director	\$	81,264	
Librarians		53,407	
Secretary(ies)		27,203	
Other Salaries and Wages		772,428	
Certified Substitute Teachers		93,540	
In-Service Training		41,206	
Non-certified Substitute Teachers		60	
Social Security		63,661	
State Retirement		87,858	
Life Insurance		1,184	
Medical Insurance		116,010	
Dental Insurance		3,818	
Unemployment Compensation		3,132	
Employer Medicare		15,010	
Consultants		141,218	
Operating Lease Payments		10,915	
Travel		82,749	
Other Contracted Services		33,500	
Library Books/Media		130,668	
Other Supplies and Materials		28,562	
In Service/Staff Development		271,633	
Other Equipment		64,311	
Total Regular Instruction Program			2,123,337

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	113,619	
Assessment Personnel		54,709	
Clerical Personnel		30,676	
Other Salaries and Wages		61,821	
Social Security		15,554	
State Retirement		23,126	
Life Insurance		339	
Medical Insurance		30,860	
Dental Insurance		1,079	
Unemployment Compensation		483	
Employer Medicare		3,638	
Consultants		715	
Operating Lease Payments		1,598	
Maintenance and Repair Services - Equipment		60	
Travel		16,024	
Other Supplies and Materials		52,259	
In Service/Staff Development		20,921	
Other Equipment		47,739	
Total Special Education Program			\$ 475,220

Vocational Education Program

Travel	\$	890	
In Service/Staff Development		500	
Total Vocational Education Program			1,390

Office of the Principal

Principals	\$	69,347	
Assistant Principals		57,382	
Secretary(ies)		26,198	
Clerical Personnel		36,840	
Social Security		11,391	
State Retirement		16,218	
Life Insurance		342	
Medical Insurance		29,403	
Dental Insurance		1,099	
Unemployment Compensation		610	
Employer Medicare		2,664	
Total Office of the Principal			251,494

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	17,978	
Social Security		1,088	
State Retirement		1,347	
Life Insurance		60	
Medical Insurance		5,068	
Dental Insurance		216	
Unemployment Compensation		104	
Employer Medicare		254	
Total Operation of Plant			\$ 26,115

Transportation

Bus Drivers	\$	155,158	
Other Salaries and Wages		89,669	
Social Security		14,894	
State Retirement		14,729	
Life Insurance		1,451	
Medical Insurance		120,344	
Dental Insurance		4,701	
Unemployment Compensation		1,871	
Employer Medicare		3,484	
Transportation Equipment		2,001	
Total Transportation			408,302

Total School Federal Projects Fund \$ 9,872,468

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	63,408	
Total Board of Education			\$ 63,408

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	69,886	
Accountants/Bookkeepers		61,832	
Clerical Personnel		27,916	
Cafeteria Personnel		916,489	
Temporary Personnel		17,316	
Longevity Pay		39,550	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Salaries and Wages	\$ 751,814	
Social Security	114,551	
State Retirement	118,924	
Life Insurance	7,240	
Medical Insurance	558,221	
Dental Insurance	23,636	
Unemployment Compensation	13,605	
Employer Medicare	26,790	
Maintenance and Repair Services - Equipment	46,691	
Postal Charges	1,012	
Travel	24,750	
Other Contracted Services	64,837	
Food Preparation Supplies	228,312	
Food Supplies	2,195,548	
Office Supplies	18,393	
USDA - Commodities	291,025	
Other Supplies and Materials	313	
In Service/Staff Development	5,990	
Food Service Equipment	68,288	
Total Food Service		\$ 5,692,929

Total Central Cafeteria Fund \$ 5,756,337

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$ 18,179	
Debt Service Contribution to Primary Government	247,984	
Building Construction	252,527	
Transportation Equipment	18,320	
Other Equipment	143,506	
Other Construction	2,322,582	
Other Capital Outlay	326,643	
Total Education Capital Projects		\$ 3,329,741

Total Education Capital Projects Fund 3,329,741

Total Governmental Funds - Maury County School Department \$ 96,475,804

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund <hr/> Central Maintenance Garage Fund <hr/>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 2,136,376
Total Charges for Current Services	<u>\$ 2,136,376</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 4,094
Total Other Local Revenues	<u>\$ 4,094</u>
Total Revenues	<u>\$ 2,140,470</u>
<u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 61,488
Mechanic(s)	189,428
Clerical Personnel	39,647
Longevity Pay	5,500
Overtime Pay	3,238
Social Security	17,795
State Retirement	22,418
Life Insurance	317
Medical Insurance	38,345
Dental Insurance	1,401
Disability Insurance	988
Unemployment Compensation	630
Employer Medicare	4,162
Communication	162
Laundry Service	3,431
Maintenance Agreements	2,207
Maintenance and Repair Services - Building	694
Maintenance and Repair Services - Equipment	2,868

(Continued)

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

	Governmental Activities - Internal <u>Service Fund</u> Central Maintenance Garage <u>Fund</u>
<u>Expenses (Cont.)</u>	
<u>General Administration (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Postal Charges	\$ 184
Travel	50
Disposal Fees	1,069
Other Contracted Services	92,526
Diesel Fuel	827,309
Electricity	25,694
Equipment and Machinery Parts	174,592
Garage Supplies	579
Gasoline	441,048
Lubricants	12,279
Natural Gas	7,745
Office Supplies	564
Small Tools	574
Tires and Tubes	86,671
Depreciation	13,573
Other Equipment	<u>8,377</u>
Total Expenses	<u>\$ 2,087,553</u>

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Residential Waste Collection Charge	\$ 604
Transfer Waste Stations Collection Charge	95,582
Tipping Fees	1,617,170
Other General Service Charges	235,721
Service Charges	12,670
Total Charges for Current Services	<u>\$ 1,961,747</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 178,789
Miscellaneous Refunds	1,443
Other Local Revenues	259
Total Other Local Revenues	<u>\$ 180,491</u>
Total Operating Revenues	<u>\$ 2,142,238</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 1,655,422
Trustee's Collections - Prior Year	57,094
Trustee's Collections - Bankruptcy	1,234
Circuit/Clerk and Master Collections - Prior Years	34,339
Interest and Penalty	11,497
Pick-up Taxes	14,243
<u>Nonrecurring Items</u>	
Insurance Recovery	6,405
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	13,576
<u>Public Works Grants</u>	
Litter Program	39,449
<u>Other Governments and Citizens Groups</u>	
<u>General Government Grants</u>	
Contributions	<u>100,517</u>
Total Nonoperating Revenues	<u>\$ 1,933,776</u>
Total Revenues	<u>\$ 4,076,014</u>

(Continued)

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

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 17,480
Longevity Pay	0
Social Security	1,068
State Retirement	1,309
Life Insurance	15
Dental Insurance	102
Disability Insurance	32
Unemployment Compensation	159
Employer Medicare	250
Contributions	6,486
Other Supplies and Materials	7,121
Total Waste Pickup	<u>\$ 34,022</u>
<u>Convenience Centers</u>	
Equipment Operators	\$ 180,604
Laborers	357,121
Longevity Pay	3,850
Overtime Pay	9,265
Social Security	33,635
State Retirement	15,829
Life Insurance	274
Medical Insurance	33,063
Dental Insurance	1,007
Disability Insurance	700
Unemployment Compensation	3,562
Employer Medicare	7,866
Communication	4,059
Maintenance and Repair Services - Equipment	17,761
Maintenance and Repair Services - Vehicles	10,607
Pest Control	1,326
Rentals	1,628
Other Contracted Services	2,903
Crushed Stone	2,513
Custodial Supplies	578
Diesel Fuel	62,500
Electricity	14,234
Equipment and Machinery Parts	19,014
Gasoline	6,156

(Continued)

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

	Business-type Activities - <hr/> Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Lubricants	\$ 3,626
Office Supplies	48
Tires and Tubes	29,214
Vehicle Parts	3,757
Other Supplies and Materials	25,744
Depreciation	18,761
Other Capital Outlay	4,709
Total Convenience Centers	<hr/> <u>\$ 875,914</u>
 <u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 62,936
Equipment Operators	133,425
Laborers	94,883
Clerical Personnel	52,429
Longevity Pay	5,050
Overtime	13,561
Social Security	21,895
State Retirement	24,067
Life Insurance	380
Medical Insurance	45,932
Dental Insurance	1,662
Disability Insurance	1,013
Unemployment Compensation	1,012
Employer Medicare	5,121
Communication	3,951
Dues and Memberships	231
Laundry Service	5,226
Legal Notices, Recording, and Court Costs	72
Licenses	704
Maintenance Agreements	9,750
Maintenance and Repair Services - Buildings	12,768
Maintenance and Repair Services - Vehicles	3,127
Matching Share	2,700
Medical and Dental Services	1,082
Pest Control	255
Postal Charges	998
Printing, Stationery, and Forms	749
Travel	1,096
Disposal Fees	1,735,929

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Permits	\$ 13,825
Other Contracted Services	21,613
Data Processing Supplies	230
Diesel Fuel	34,203
Electricity	24,580
Equipment and Machinery Parts	45,295
Gasoline	14,278
Lubricants	1,564
Natural Gas	6,021
Office Supplies	1,164
Tires and Tubes	26,648
Vehicle Parts	1,243
Other Supplies and Materials	21,072
Building and Contents Insurance	2,913
Liability Insurance	15,914
Refunds	25,604
Trustee's Commission	47,979
Vehicle and Equipment Insurance	10,594
Workers' Compensation Insurance	92,140
Depreciation	265,522
Other Charges	4,382
Office Equipment	541
Other Capital Outlay	6,942
Total Landfill Operation and Maintenance	<u>\$ 2,926,271</u>
Total Operating Expenses	<u>\$ 3,836,207</u>
Total Expenses	<u>\$ 3,836,207</u>

Exhibit K-12

Maury County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 9,267,781
Total Cash Receipts	<u>\$ 9,267,781</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 9,175,103
Trustee's Commission	92,678
Total Cash Disbursements	<u>\$ 9,267,781</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2010	<u>0</u>
 Cash Balance, June 30, 2011	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

February 23, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated February 23, 2012. Our report includes references to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Maury Regional Hospital (major proprietary fund), the discretely presented Maury County Board of Public Utilities Water System, and the discretely presented Maury County Emergency Communications District as described in our report on Maury County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maury County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of

expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maury County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.01, 11.02, 11.07, and 11.08. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

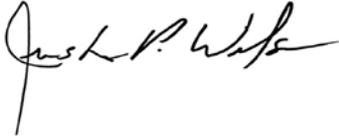
As part of obtaining reasonable assurance about whether Maury County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.03, 11.04, 11.05, and 11.06.

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 23, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Maury County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Maury County's management. Our responsibility is to express an opinion on Maury County's compliance based on our audit.

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

audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Maury County's compliance with those requirements.

In our opinion, Maury County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Maury 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 Maury County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

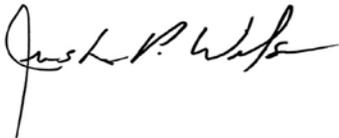
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County as of and for the year ended June 30, 2011, and have issued our report thereon dated February 23, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Maury County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 75,408
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	291,025 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	798,825
National School Lunch Program	10.555	(2)	2,527,500 (4)
Summer Food Service Program for Children	10.559	(2)	1,045
Total U.S. Department of Agriculture			<u>\$ 3,693,803</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants, Recovery Act	14.225	GG-10-294113-00	\$ 421,373
HOME Investments Partnership Program	14.239	(2)	3,500
Total U.S. Department of Housing and Urban Development			<u>\$ 424,873</u>
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 2,068
State Criminal Alien Assistance Program	16.606	N/A	1,249
Passed-through City of Columbia:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to State and Territories	16.803	(2)	280
Total U.S. Department of Justice			<u>\$ 3,597</u>
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	N/A	\$ 34,796
Total U.S. Department of Energy			<u>\$ 34,796</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,822,790
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	670,078
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,930,828
Special Education - Grants to States, Recovery Act	84.391	N/A	923,086
Special Education - Preschool Grants	84.173	N/A	47,997
Special Education - Preschool Grants, Recovery Act	84.392	N/A	36,643
Career and Technical Education - Basis Grants to States	84.048	N/A	203,111
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	13,048
Twenty-first Century Community Learning Centers	84.287	N/A	84,108
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	22,607
Education Technology State Grants, Recovery Act	84.386	N/A	68,069
English Language Acquisition Grants	84.365	N/A	49,304
Improving Teacher Quality State Grants	84.367	N/A	464,258
School Improvement Grants	84.377	N/A	505,826
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	7,978

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund, Education State Grants, Recovery Act	84.394	N/A	\$ 4,245,115
State Fiscal Stabilization Fund, Government Services, Recovery Act	84.397	N/A	453,872
State Fiscal Stabilization Fund, Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	238,069
Education Jobs Fund	84.410		1,104,175
Passed-through Williamson County Board of Education: Fund for the Improvement of Education	84.215	N/A	971
Total U.S. Department of Education			<u>\$ 14,891,933</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State: Help America Vote Act Requirements Payments	90.401	(2)	\$ 10,775
Total U.S. Election Assistance Commission			<u>\$ 10,775</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education: Temporary Assistance for Needy Families, Recovery Act	93.558	(2)	\$ 95,996
Total U.S. Department of Health and Human Services			<u>\$ 95,996</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 968,112
Homeland Security Grant Program	97.067	(2)	172,431
Total U.S. Department of Homeland Security			<u>\$ 1,140,543</u>
Total Expenditures of Federal Awards			<u>\$ 20,296,316</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 1,750
Health Department Program - State Department of Health	N/A	(3)	705,011
Early Childhood Education - State Department of Education	N/A	(2)	949,857
Energy Efficient School Initiative - State Department of Education	N/A	(2)	4,000
Litter Program - State Department of Transportation	N/A	(2)	39,449
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	13,576
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	Z-09-022882-00	9,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-09-023392-00	5,000
Total State Grants			<u>\$ 1,727,643</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-10-219744-00: \$12,782; GG-11-31979-00: \$692,229.
- (4) Total for CFDA No. 10.555 is \$2,818,525.

Maury County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Maury County, Tennessee, for the year ended June 30, 2010, which have not been corrected.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	228	Expenditures exceeded appropriations

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Numbers</u>	<u>Subject</u>
10.07	229	Expenditures exceeded appropriations

OFFICE OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.10	230	Duties were not segregated adequately

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Maury County is unqualified.
2. The audit of the financial statements of Maury County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Maury County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants, Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); Nutrition Cluster: School Breakfast Program, National School Lunch Program, Summer Food Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); State Fiscal Stabilization Funds: State Fiscal Stabilization Funds – Education State Grants, Recovery Act and State Fiscal Stabilization Funds – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); Education Jobs Fund (CFDA No. 84.410); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$608,889 threshold was used to distinguish between Type A and Type B federal programs.
9. Maury County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, director of accounts and budgets, director of schools, circuit and general sessions courts clerk, clerk and master, and the director of building and zoning are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE SOLID WASTE DEPARTMENT DID NOT BID THE SALE OF SOME RECYCLABLES**

(Internal Control – Significant Deficiency Under *Government Audit Standards*)

The Solid Waste Department sells various recyclables such as paper, glass, plastic, and steel/iron. The department solicited quotes for the sale of recyclable paper, glass, and plastic, but did not solicit bids or quotes for the sale of the steel/iron. Since 2004, the department has sold steel/iron to a company owned by the solid waste director's brother for \$.01 a pound. It should be noted that after our review began, the department solicited and received competitive bids for steel/iron that ranged from \$.065 to \$.085, which far exceeded the \$.01 per pound they were receiving. Sound business practices dictate that competitive bids or quotes should be solicited for the sale of all recyclables to maximize revenue. The failure to solicit bid/quotes for steel/iron was a management decision, which may have resulted in the loss of county revenue.

RECOMMENDATION

Management should solicit competitive bids or quotes for the sale of all recyclables.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Management agrees with the recommendation of using competitive bids or quotes for the sale of all recyclables such as paper, glass, plastic, and iron/steel. All of the noted items have used this procedure with the exception of the sale of iron/steel, which we refer to in Maury County as unprocessed scrap coming from our convenience centers. The unprocessed scrap has not been bid due to the lack of an available bidder in our county. Up until the early 2000s, Maury County sold its scrap to a local vendor who has now retired and closed his business. We looked for another vendor to purchase unprocessed scrap but were unsuccessful in locating a vendor in close proximity. Outside county vendors were contacted, but the additional costs incurred for transport made this process too costly. The brother of our solid waste director had a recycling business in our county and agreed to take our unprocessed scrap at the same rate as our previous vendor. The Health and Environment Committee was made aware of this procedure, and our unprocessed scrap was then transported to the Mt. Pleasant site. One must remember that the price of scrap did not begin to escalate until later in the decade and reached its current price level sometime in 2010.

In January 2011, my office received a complaint that we should be bidding our unprocessed scrap, and after a thorough study, the bidding process for scrap was placed under the Maury County Purchasing Department. Bid letters were sent to eight vendors on March 28, 2011. The only local vendor, who just opened his business in late 2010, indicated that he was not interested in bidding, and he indicated such by a letter dated January 24, 2011.

We included the new local vendor in the March bid letter, and he changed his mind and submitted the successful bid, which was awarded to him on May 16, 2011. Maury County began delivering the unprocessed scrap the next week, and the contract runs through May 2012. It must be remembered that there was no vendor in Maury County to bid on our unprocessed scrap until early 2011, and the bid of \$0.65 - \$0.85 reflects the unprecedented escalation of price that has occurred.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We agree with this finding and recommendation. We are currently getting competitive bids for this material and will continue to do so. In the interest of transparency and full disclosure, the reader should note that 12,184,758 pounds of this material was sold during this audit time period.

FINDING 11.02 **THE RECEIPTING SOFTWARE USED BY THE OFFICE OF ZONING AND BUILDING INSPECTIONS DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We noted the following internal control weaknesses in the building permits software application:

- A. The software application did not provide a record of changes to previously issued receipts. Users had the ability to change information on receipts, leaving no evidence of the original receipts.
- B. The application allowed users to delete receipts without leaving an audit trail.
- C. Users could receipt collections to a previous date. This created a skip in the receipt numbers listed on the current day's collection report. Because users could reset receipt numbers, it would be difficult to determine what caused the skip.
- D. The daily collections report did not display receipt numbers for adequate facilities tax collections.

Sound business practices dictate that proper application controls be implemented. These controls would help to ensure the reliability and integrity of the information maintained by

the system. Since the vendor did not design the system with these controls, inappropriate system activity could occur. This deficiency is also a result of management’s failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes or deletions of receipt information. The receipt number reset capability should be removed from the system. The daily collections report should display receipt numbers for the adequate facility tax collections.

MANAGEMENT’S RESPONSE – DIRECTOR OF BUILDING AND ZONING

We have called our software provider and discussed the issues with them, and hopefully they can correct the deficiencies. We have also checked into changing software to one that would correct the deficiencies and found several possible vendors. I will ask for the funding in the upcoming budget to purchase new software or have the deficiencies corrected by our current provider. For the time being, the office staff will continue to manually write receipts and include the receipt numbers in the daily collections report.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 11.03 **EXPENDITURES EXCEEDED APPROPRIATIONS**
 (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission as noted below:

- A. Expenditures exceeded appropriations in the following major appropriation categories (the legal level of control) of the General Fund:

Major Category	Amount Overspent
Sheriff's Department	\$ 33,636
Other Public Health and Welfare	3,500
Transfers Out	93,808

- B. Expenditures exceeded total appropriations in the General Debt Service Fund by \$5,812, primarily due to trustee’s commissions exceeding appropriations by \$8,954.

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.”

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We agree with the finding and will continue to work in this area to secure budget amendments to appropriate additional funds as needed.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.04 **THE SCHOOL DEPARTMENT VIOLATED THE CONFLICT OF INTEREST STATUTE AND MADE PURCHASES FROM A BUSINESS OWNED BY A MEMBER OF THE BOARD OF EDUCATION**

(Noncompliance Under *Government Auditing Standards*)

During the year, the School Department paid \$2,144 to B’s Tees, a business owned by Board of Education member Robert Burcham. In the prior year, the department paid \$1,086 to B’s Tees. These payments, to a business owned by a member of the Board of Education, violate the conflict of interest statute, Section 12-4-101(a)(1), *Tennessee Code Annotated*. This statute states that “it is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county ... shall or may be interested, to be directly interested in any such contract.” The Board of Education has done business with B’s Tees for several years prior to Mr. Burcham becoming a member of the board. Management advised that they did not know Mr. Burcham owned the business. Mr. Burcham submitted his resignation to the Board of Education effective July 12, 2011.

RECOMMENDATION

The School Department should ensure that it does not conduct business with a company owned by a member of the Board of Education.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. We have established procedures to prevent any future conflicts of interest.

FINDING 11.05 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the Board of Education in the Transportation major appropriation category (the legal level of control) by \$42,291 in the School Federal Projects Fund. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limit authorized by the Board of Education, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the Board of Education.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. We have reviewed these over expenditures with the appropriate staff, and steps have been taken to prevent this in the future.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 11.06 **AN EMPLOYEE KNOWINGLY MADE FALSE ENTRIES IN THE GOVERNMENTAL RECORDS**
(Noncompliance Under *Government Auditing Standards*)

On May 18, 2010, the Office of Circuit Court Clerk received a call from a probation officer inquiring about expunging the record of defendant #1. Research into the file led to the discovery that defendant #1 had not paid any fines and costs associated with the sentencing she received. It was also discovered that fees and costs had been removed from the computer records.

Further research on a defendant #2, who was related to the aforementioned caller, led to the discovery that fees and costs had been removed from defendant #2’s records that should not have been. It was also discovered that a Court Action Report was filed on October 29, 2009, with the Department of Safety, falsely claiming that all fines and fees had been paid.

In October 2010, after the clerk investigated these discrepancies, the employment of the court employee who submitted the false Court Action Report was terminated. The clerk filed a Fraud Reporting Form with the state Comptroller’s Office on November 3, 2010. Section 8-4-501, *Tennessee Code Annotated (TCA)*, requires that a fraud reporting form be filed within five working days of the time the clerk has knowledge that suspected unlawful conduct has occurred.

Our investigation further identified that a falsified document was used in court to suspend supervised probation on defendant #1 who had not paid any fines or costs. Section 39-16-504, *TCA*, states that it is unlawful to “knowingly make a false entry in, or false alteration of, a governmental record.”

During the investigation, it was also noted that employees of the office share passwords, and passwords are not always secured. Each employee has their own user identification and password for the computer and the TNCIS system where information is entered and maintained on court cases. Fees and costs were removed from the pending court case of defendant #1 by an employee using another employee’s password, who was out of the office that day. Sharing passwords eliminates reliability on who is responsible, based on system information. Due to loose password security, we were unable to determine who knowingly made a false entry in, or false alteration of the governmental records for the cases of defendant #1 and defendant #2.

We have discussed this finding with the district attorney general.

RECOMMENDATION

The official should continually review internal control procedures and monitor the operations of her office. The clerk should file a Fraud Reporting Form in a more timely manner in accordance with provisions of Section 8-4-501, et. seq., *TCA*, for any suspected fraud. Passwords should remain confidential and should be changed periodically.

OFFICES OF TRUSTEE, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER

FINDING 11.07 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee’s receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

This office is in the process of working with the software vendor to implement the audit recommendation.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I have reviewed your recommendation and information detailing internal controls and am in the process of reviewing the material with my chief deputy to work on an implementation plan. At this early stage of the review process, I am not certain on any specific implementation schedule or procedure, but I will keep you apprised of my progress.

OFFICE OF REGISTER

FINDING 10.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the Office of Register. Employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The register should segregate duties to the extent possible using available resources.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Maury County.

ITEM 1. **MAURY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Maury County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee could significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit

Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks.

ITEM 2. MAURY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Maury County operates under the provisions of Chapter 233, Private Acts of 1963, which provides for a central system of accounting and budgeting covering funds administered by the county mayor and road superintendent. Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and road superintendent, but exclude the School Department. Sound business practices dictate that establishing a central system for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

MAURY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011

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

Director of Accounts and Budgets – Summary Schedule of Prior-Year's Findings

FINDINGS 10.05 and 10.11

Maury County complied with the reporting requirements of the American Recovery and Reinvestment Act (ARRA) by submitting quarterly reports to the Department of Energy within 30 days of the end of the quarter.