ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2011

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF COUNTY AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

RACHELLE CABADING, CFE
Auditor 4

JOSEPH ENSMINGER, CFE
CARRIE SABIN
WENDY HEATH, CFE
State Auditors

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

MONTGOMERY COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2011

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- Deficiencies were noted in the collection of funds at the Building and Codes Department.
- The Juvenile Court had accounting deficiencies related to the execution docket.
- Multiple employees operated from the same cash drawer in Juvenile Court.

OFFICE OF SHERIFF

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

BEST PRACTICE

Montgomery County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice 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 Montgomery County.

INTRODUCTORY SECTION

Montgomery County Officials
June 30, 2011

Officials

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

Board of County Commissioners

Carolyn Bowers, County Mayor, Chairperson
John Gannon, Sr.
Keith Politi
Edward Baggett
Mark Riggins
John Genis
Robert Gibbs, Jr.
Dalton Harrison
John Fuson
Ronald Sokol
Charles Keene
Martha Brockman
Joe Creek
Nick Robards
Loretta Bryant
Robert Nichols
Tommy Vallejos
Lettie Kendall
Glen Demorest
Mark Banasiak
Jeremy Bowles
Jerry Allbert

Highway Commission

Mike Frost, Highway Supervisor, Chairman
Edgar Ray Groves
Milan Lewis

Board of Education

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

Audit Committee

John Gannon, Sr., Chairman
Martha Brockman
Ronald Sokol
Nick Robards
Robert Gibbs, Jr.

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

January 12, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Montgomery County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montgomery County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Clarksville-Montgomery County Public Library, which represent 1.2 percent and .9 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; the discretely presented Bi-County Solid Waste Management System, which represent 4.4 percent and 3.5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the discretely presented Clarksville-Montgomery County Industrial Development Board, which represent six percent and 10.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Clarksville-Montgomery County Public Library, Bi-County Solid Waste Management System, and Clarksville-Montgomery County Industrial Development Board, is based on the report 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.

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

In our opinion, except for the effects of not including the financial statements of the Montgomery County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Montgomery County, Tennessee, as of June 30, 2011, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, 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, each major fund, and the aggregate remaining fund information of Montgomery 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 January 12, 2012, on our consideration of Montgomery County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.A., Montgomery 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 96 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery 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 Clarksville-Montgomery County School System (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 Clarksville-Montgomery County School System (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,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Basic Financial Statements

Exhibit A

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

	Primary Government	Component Units			
	Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board
ASSETS					
Cash	$ 133,298	$ 4,888,477	$ 573,377	$ 0	$ 1,962,590
Equity in Pooled Cash and Investments	68,209,276	34,003,905	0	7,452,341	0
Investments	0	0	2,309,942	0	0
Inventories	49,522	606,883	0	15,857	0
Accounts Receivable	5,323,303	161,867	486,006	1,369,473	32,922
Allowance for Uncollectibles	(1,567,121)	0	(243,002)	0	0
Due from Other Governments	2,513,878	14,396,697	0	63,115	2,251,491
Due from Other Funds	1,314	0	0	0	0
Due from Primary Government	0	42,852	0	0	0
Due from Component Units	10,210	0	0	0	0
Property Taxes Receivable	76,580,538	30,625,035	0	0	0
Allowance for Uncollectible Property Taxes	(1,669,400)	(729,204)	0	0	0
Prepaid Items	16,868	40,263	6,431	0	0
Deferred Charges - Debt Issuance Costs	2,083,778	0	0	0	0
Notes Receivable	0	0	0	0	3,376,157
Unbilled Reimbursable Costs	0	0	0	0	70,151
Property Held for Sale or Lease	0	0	0	0	14,250,534
Due from Related Party	0	0	0	0	18,688
Capital Assets:					
Assets Not Depreciated:					
Land	7,816,469	12,666,258	0	1,078,863	37,641
Construction in Progress	2,742,869	16,924,648	0	1,090,887	346,134
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	81,768,339	232,583,410	0	0	0
Other Capital Assets	4,175,310	13,233,241	1,522,480	6,693,905	1,861,795
Intangibles	1,498,512	0	0	0	0
Infrastructure	24,804,769	0	0	0	0
Total Assets	$ 274,491,732	$ 359,444,332	$ 4,655,234	$ 17,764,441	$ 24,208,103
LIABILITIES					
Accounts Payable	$ 1,271,817	$ 2,252,136	$ 18,271	$ 309,970	$ 2,993,699
Accrued Payroll	1,603,458	5,974,582	0	124,935	0
Payroll Deductions Payable	216,837	3,628,542	0	0	0
Accrued Interest Payable	2,724,211	0	0	0	0
Due to State of Tennessee	1,203	0	0	0	0
Due to Primary Government	0	10,210	0	0	0
Due to Component Units	42,852	0	0	0	0
Due to Litigants, Heirs, and Others	77,151	0	0	0	0
Other Current Liabilities	273,920	0	0	37,923	3,283,696
Unearned State Grant Revenue	0	0	0	0	373,254
Customer Deposits Payable	2,000	109,304	0	33,630	0
Deferred Revenue - Current Taxes	72,978,393	28,954,902	0	0	0
Noncurrent Liabilities:					
Due Within One Year	24,891,815	1,424,535	0	0	146,293
Due in More Than One Year (net of unamortized premiums and deferred amount on refunding)	294,416,184	2,705,655	51,615	16,645,775	1,610,122
Total Liabilities	$ 398,499,841	$ 45,059,866	$ 69,886	$ 17,152,233	$ 8,407,064

(Continued)

Exhibit A

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

	Primary Government	Component Units			
	Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	$ 8,513,273	$ 0	$ 0	$ 0	$ 213,978
Invested in Capital Assets	0	275,407,557	1,522,480	8,863,655	0
Restricted for:					
Capital Projects	1,407,279	7,631,299	0	0	0
Debt Service	39,365,974	0	0	0	0
Highways	2,988,398	0	0	0	0
Inventory	0	606,883	0	0	0
Payroll	0	40,263	0	0	0
Library	0	0	2,817,419	0	0
General Government	216,274	0	0	0	0
Finance	501,097	0	0	0	0
Administration of Justice	651,243	0	0	0	0
Public Safety	254,721	0	0	0	0
Public Health and Welfare	260,596	0	0	0	0
Social, Cultural, and Recreational Services	7,566	0	0	0	0
Education	0	6,844,087	0	0	0
Unrestricted	(178,174,530)	23,854,377	245,449	(8,251,447)	15,587,061
Total Net Assets (Deficit)	$ (124,008,109)	$ 314,384,466	$ 4,585,348	$ 612,208	$ 15,801,039

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

Exhibit B

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government	Component Units			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board
Primary Government:									
Governmental Activities:									
General Government	$ 9,020,549	$ 2,608,266	$ 170,346	$ 0	$ (6,241,937)	$ 0	$ 0	$ 0	$ 0
Finance	5,229,258	4,399,718	0	0	(829,540)	0	0	0	0
Administration of Justice	6,115,537	4,119,231	599,664	0	(1,396,642)	0	0	0	0
Public Safety	24,544,386	1,297,787	1,485,487	2,300	(21,758,812)	0	0	0	0
Public Health and Welfare	11,026,720	5,890,965	1,817,053	2,106,151	(1,212,551)	0	0	0	0
Social, Cultural, and Recreational Services	2,316,300	16,802	0	18,541	(2,280,957)	0	0	0	0
Agriculture and Natural Resources	389,824	0	22,000	0	(367,824)	0	0	0	0
Other Operations	4,362,226	0	0	0	(4,362,226)	0	0	0	0
Highways/Public Works	6,151,676	65,538	3,450,284	185,236	(2,450,618)	0	0	0	0
Education	31,446,470	33,716,628	0	0	2,270,158	0	0	0	0
Interest on Long-term Debt	14,463,509	0	0	0	(14,463,509)	0	0	0	0
Other Debt Service	633,784	0	0	0	(633,784)	0	0	0	0
Total Primary Government	$ 115,700,239	$ 52,114,935	$ 7,544,834	$ 2,312,228	$ (53,728,242)	$ 0	$ 0	$ 0	$ 0
Component Units:									
Clarksville-Montgomery County School System	$ 237,499,992	$ 5,332,852	$ 29,530,976	$ 4,319,768	$ 0	$ (198,316,396)	$ 0	$ 0	$ 0
Clarksville-Montgomery County Public Library	2,358,238	196,687	222,088	0	0	0	(1,939,463)	0	0
Bi-County Solid Waste Management System	10,280,036	9,659,774	0	0	0	0	0	(620,262)	0
Clarksville-Montgomery County Industrial Development Board	28,339,574	0	27,578,142	0	0	0	0	0	(761,432)
Total Component Unit	$ 278,477,840	$ 15,189,313	$ 57,331,206	$ 4,319,768	$ 0	$ (198,316,396)	$ (1,939,463)	$ (620,262)	$ (761,432)

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Component Units: Clarksville-Montgomery County School System	Component Units: Clarksville-Montgomery County Public Library	Component Units: Bi-County Solid Waste Management System	Component Units: Clarksville-Montgomery County Industrial Development Board
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					$ 33,227,374	$ 28,009,357	$ 0	$ 0	$ 0
Property Taxes Levied for Debt Service					25,946,005	0	0	0	0
Local Option Sales Tax					3,225,459	34,725,687	0	0	0
Hotel/Motel Tax					1,553,554	0	0	0	0
Wheel Tax					0	3,890,329	0	0	0
Business Tax					1,262,844	609,651	0	0	0
Adequate Facilities/Development Tax					809,360	0	0	0	0
Litigation Tax					1,125,513	0	0	0	0
Wholesale Beer Tax					402,173	0	0	0	0
Mineral Severance Tax					345,726	0	0	0	0
Interstate Telecommunications Tax					2,117	9,110	0	0	0
Grants and Contributions Not Restricted to Specific Programs					5,165,006	133,450,885	1,771,472	123,909	624,616
Interest Income					858,074	36,566	253,732	45,327	14,790
Miscellaneous					1,579,781	158,487	3,811	0	360,759
Total General Revenues					$ 75,502,986	$ 200,890,072	$ 2,029,015	$ 169,236	$ 1,000,165
Change in Net Assets					$ 21,774,744	$ 2,573,676	$ 89,552	$ (451,026)	$ 238,733
Net Assets (Deficit), July 1, 2010					(123,834,637)	311,810,790	4,495,796	788,051	15,562,306
Prior-period Adjustment					(21,948,216)	0	0	275,183	0
Net Assets (Deficit), June 30, 2011					$ (124,008,109)	$ 314,384,466	$ 4,585,348	$ 612,208	$ 15,801,039

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

Exhibit C-1

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

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS				
Cash	$ 82,438	$ 0	$ 860	$ 83,298
Equity in Pooled Cash and Investments	21,928,429	27,535,744	6,353,668	55,817,841
Inventories	49,522	0	0	49,522
Accounts Receivable	5,115,704	182,302	25,068	5,323,074
Allowance for Uncollectibles	(1,567,121)	0	0	(1,567,121)
Due from Other Governments	1,265,369	561,126	687,383	2,513,878
Due from Other Funds	1,314	32,367	2,995	36,676
Property Taxes Receivable	34,617,501	36,484,612	5,478,425	76,580,538
Allowance for Uncollectible Property Taxes	(774,537)	(765,036)	(129,827)	(1,669,400)
Prepaid Items	16,868	0	0	16,868
Advances to Other Funds	0	1,275,000	0	1,275,000
Total Assets	$ 60,735,487	$ 65,306,115	$ 12,418,572	$ 138,460,174
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 724,887	$ 0	$ 443,509	$ 1,168,396
Accrued Payroll	1,500,527	0	98,822	1,599,349
Payroll Deductions Payable	190,958	0	25,273	216,231
Due to Other Funds	85,705	0	1,379	87,084
Due to State of Tennessee	1,203	0	0	1,203
Due to Litigants, Heirs, and Others	74,038	0	3,113	77,151
Other Current Liabilities	23,920	250,000	0	273,920
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	2,000	0	0	2,000
Deferred Revenue - Current Property Taxes	32,915,007	34,881,421	5,181,965	72,978,393
Deferred Revenue - Delinquent Property Taxes	805,843	726,546	146,018	1,678,407
Other Deferred Revenues	2,350,682	280,723	380,510	3,011,915
Advances from Other Funds	0	0	1,275,000	1,275,000
Total Liabilities	$ 38,674,770	$ 36,138,690	$ 7,555,589	$ 82,369,049
Fund Balances				
Nonspendable:				
Inventory	$ 49,522	$ 0	$ 0	$ 49,522
Prepaid Items	16,868	0	0	16,868
Restricted:				
Restricted for General Government	216,274	0	0	216,274
Restricted for Finance	501,097	0	0	501,097
Restricted for Administration of Justice	651,243	0	0	651,243
Restricted for Public Safety	191,005	0	63,716	254,721
Restricted for Public Health and Welfare	260,596	0	0	260,596
Restricted for Social, Cultural, and Recreational Services	7,566	0	0	7,566
Restricted for Highways/Public Works	0	0	2,675,230	2,675,230
Restricted for Debt Service	0	29,167,425	0	29,167,425
Restricted for Capital Projects	0	0	2,124,037	2,124,037
Committed:				
Committed for Public Safety	91,275	0	0	91,275
Assigned:				
Assigned for General Government	107,591	0	0	107,591
Assigned for Finance	143,934	0	0	143,934
Assigned for Public Safety	4,481	0	0	4,481
Assigned for Public Health and Welfare	1,431	0	0	1,431
Assigned for Social, Cultural, and Recreational Services	21,439	0	0	21,439
Unassigned	19,796,395	0	0	19,796,395
Total Fund Balances	$ 22,060,717	$ 29,167,425	$ 4,862,983	$ 56,091,125
Total Liabilities and Fund Balances	$ 60,735,487	$ 65,306,115	$ 12,418,572	$ 138,460,174

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

Exhibit C-2

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 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)		$ 56,091,125
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 7,816,469	
Add: construction in progress	2,742,869	
Add: buildings and improvements net of accumulated depreciation	81,768,339	
Add: other capital assets net of accumulated depreciation	4,175,310	
Add: intangibles net of accumulated depreciation	1,498,512	
Add: infrastructure net of accumulated depreciation	24,804,769	
Less: capital assets of internal service funds, which are included below in item (2)	(20,234)	122,786,034
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		9,275,120
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (266,750,000)	
Less: notes payable	(3,655,840)	
Less: other loans payable	(41,012,415)	
Add: deferred amount on refunding	11,915,491	
Add: deferred charges - debt issuance costs	2,083,778	
Less: other deferred revenue - premium on debt	(13,491,294)	
Less: accrued interest on bonds, notes, and other loans	(2,724,211)	
Less: other postemployment benefits liability	(1,085,315)	
Less: compensated absences payable	(2,130,904)	(316,850,710)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,690,322
Net assets (deficit) of governmental activities (Exhibit A)		$ (124,008,109)

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

Exhibit C-3

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

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 33,659,026	$ 31,688,761	$ 5,267,751	$ 70,615,538
Licenses and Permits	1,050,400	0	0	1,050,400
Fines, Forfeitures, and Penalties	1,169,054	0	6,556	1,175,610
Charges for Current Services	4,460,323	0	40,055	4,500,378
Other Local Revenues	2,045,233	235,246	132,299	2,412,778
Fees Received from County Officials	7,611,008	0	0	7,611,008
State of Tennessee	5,556,004	0	2,979,600	8,535,604
Federal Government	1,219,731	112,376	2,641,294	3,973,401
Other Governments and Citizens Groups	608,822	275,399	169,932	1,054,153
Total Revenues	$ 57,379,601	$ 32,311,782	$ 11,237,487	$ 100,928,870
Expenditures				
Current:				
General Government	$ 6,407,864	$ 0	$ 0	$ 6,407,864
Finance	5,398,215	0	0	5,398,215
Administration of Justice	5,720,352	0	39,865	5,760,217
Public Safety	23,025,799	0	29,019	23,054,818
Public Health and Welfare	10,154,877	0	0	10,154,877
Social, Cultural, and Recreational Services	1,904,905	0	0	1,904,905
Agriculture and Natural Resources	358,754	0	0	358,754
Other Operations	4,362,226	0	0	4,362,226
Highways	118,436	0	7,009,113	7,127,549
Debt Service:				
Principal on Debt	0	17,437,215	0	17,437,215
Interest on Debt	0	13,560,386	0	13,560,386
Other Debt Service	0	633,784	0	633,784
Capital Projects	0	0	8,507,555	8,507,555
Total Expenditures	$ 57,451,428	$ 31,631,385	$ 15,585,552	$ 104,668,365
Excess (Deficiency) of Revenues Over Expenditures	$ (71,827)	$ 680,397	$ (4,348,065)	$ (3,739,495)
Other Financing Sources (Uses)				
Other Loans Issued	$ 0	$ 0	$ 3,994,268	$ 3,994,268
Insurance Recovery	15,501	0	64,962	80,463
Transfers In	0	32,367	0	32,367
Transfers Out	(32,367)	0	0	(32,367)
Total Other Financing Sources (Uses)	$ (16,866)	$ 32,367	$ 4,059,230	$ 4,074,731
Net Change in Fund Balances	$ (88,693)	$ 712,764	$ (288,835)	$ 335,236
Fund Balance, July 1, 2010	22,149,410	28,454,661	5,151,818	55,755,889
Fund Balance, June 30, 2011	$ 22,060,717	$ 29,167,425	$ 4,862,983	$ 56,091,125

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

Exhibit C-4

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)			$ 335,236
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 3,188,116	
	Less: current-year depreciation expense	(3,701,397)	
	Add: current-year depreciation expense in internal service fund	991	(512,290)
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
	Less: loss on disposal of capital assets		(141,095)
(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	$ (4,491,954)	
	Add: deferred delinquent property taxes and other deferred June 30, 2011	4,690,322	198,368
(4)	The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
	Less: other loan proceeds	$ (3,994,268)	
	Add: principal payments on notes	1,794,160	
	Add: principal payments on bonds	13,430,000	
	Add: principal payments on other loans	2,213,055	
	Less: debt issuance cost amortized during year	(172,265)	
	Less: deferred charges on refunding debt amortized during the year	(875,034)	
	Add: amortization of debt issuance premiums	1,177,580	13,573,228
(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	$ 144,176	
	Change in other postemployment benefits liability	(397,557)	
	Change in compensated absences payable	(97,656)	(351,037)
(6)	Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		8,672,334
Change in net assets of governmental activities (Exhibit B)			$ 21,774,744

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

Exhibit D-1

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

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 12,391,435
Cash with Paying Agents	50,000
Accounts Receivable	229
Due from Other Funds	51,722
Due from Component Units	10,210
Total Current Assets	$ 12,503,596
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(4,569)
Total Noncurrent Assets	$ 20,234
Total Assets	$ 12,523,830
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 103,421
Accrued Payroll	4,109
Payroll Deductions Payable	606
Due to Component Units	42,852
Claims and Judgments Payable	1,548,861
Total Current Liabilities	$ 1,699,849
Noncurrent Liabilities:	
Claims and Judgments Payable	$ 1,548,861
Total Noncurrent Liabilities	$ 1,548,861
Total Liabilities	$ 3,248,710
NET ASSETS	
Unrestricted	$ 9,275,120
Total Net Assets	$ 9,275,120

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

Exhibit D-2

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

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for Current Services	$ 45,094,331
Total Operating Revenues	$ 45,094,331
Operating Expenses	
Risk Management	$ 326,610
Other Local Health Services	4,950
Depreciation	991
Other Charges	1,505,121
Employee Benefits	34,705,257
Total Operating Expenses	$ 36,542,929
Operating Income (Loss)	$ 8,551,402
Nonoperating Revenues (Expenses)	
Investment Income	$ 21,301
Miscellaneous Refunds	99,631
Total Nonoperating Revenues (Expenses)	$ 120,932
Changes in Net Assets	$ 8,672,334
Net Assets, July 1, 2010	602,786
Nets Assets, June 30, 2011	$ 9,275,120

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

Exhibit D-3

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

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Interfund Services Provided	$ 45,131,128
Other Self-Insured Claims	(36,764,312)
Other Receipts (Payments)	97,216
Net Cash Provided By (Used In) Operating Activities	$ 8,464,032
Cash Flows from Investing Activities	
Investment Income	$ 21,301
Net Cash Provided By (Used In) Investing Activities	$ 21,301
Net Increase (Decrease) in Cash	$ 8,485,333
Cash, July 1, 2010	3,956,102
Cash, June 30, 2011	$ 12,441,435
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 8,551,402
Miscellaneous Refunds	99,631
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	26,433
(Increase) Decrease in Due from Other Funds	1,121
(Increase) Decrease in Due from Component Units	5,581
Increase (Decrease) in Accounts Payable	91,647
Increase (Decrease) in Accrued Payroll	(1,016)
Increase (Decrease) in Payroll Deductions Payable	(533)
Increase (Decrease) in Due to Component Units	2,186
Increase (Decrease) in Claims and Judgments Payable	(313,411)
Net Cash Provided By (Used In) Operating Activities	$ 8,464,032

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 7,833,185
Equity in Pooled Cash and Investments	156,081
Accounts Receivable	3,012
Due from Other Governments	2,142,889
Total Assets	$ 10,135,167
LIABILITIES	
Accounts Payable	$ 6,014
Accrued Payroll	7,210
Due to Other Taxing Units	2,131,940
Due to Litigants, Heirs, and Others	7,818,072
Due to Other Funds	1,314
Due to Joint Ventures	170,617
Total Liabilities	$ 10,135,167

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Clarksville-Montgomery County School System operates the public school system in the county, and the voters of Montgomery County elect its board. The School System 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 System's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

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

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

The Clarksville-Montgomery County Industrial Development Board primarily provides inducements to industry to locate or remain in Montgomery County, and the Montgomery County Commission appoints its governing body. City and county appropriations provide the majority of its funding.

The Clarksville-Montgomery County Public Library provides for the maintenance and operation of the public library for the benefit of residents of Montgomery County, and the Montgomery County Commission appoints its seven board members. County appropriations and donations provide the majority of its funding.

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

Administrative Offices:

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

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

Clarksville-Montgomery County Industrial Development Board
P.O. Box 883
25 Jefferson Street, Suite 300
Clarksville, TN 37040

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

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

B. Government-wide and Fund Financial Statements

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

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

Montgomery County issues all debt for the discretely presented Clarksville-Montgomery County School System. Net debt issues totaling $4,319,768 were contributed by the county to the School System during the year ended June 30, 2011.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Montgomery County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

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

Montgomery County reports the following major governmental funds:

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

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

Additionally, Montgomery County reports the following fund types:

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

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

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

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

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

> **General Purpose School Fund** – This fund is the primary operating fund for the School System. It is used to account for general operations of the School System.
>
> **School Federal Projects Fund** – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.
>
> **Education Capital Projects Fund** – This fund is used to account for the receipt of debt issued by Montgomery County and contributed to the School System 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.

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

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

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, cash includes cash on deposit with the county trustee and cash with paying agents.

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

The county trustee maintains a cash and internal investment pool that is used by all funds of Montgomery County, the Clarksville-Montgomery County School System, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Montgomery County Rail Service Authority (joint venture). Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Montgomery County and the School System have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Advances receivable between funds, as reported in the General Debt Service Fund financial statements are included in restricted fund balance.

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and Judgments Payable totaling $3,097,722 for the primary government and $703,987 for the discretely presented Clarksville-Montgomery County School System are discussed in Note V.A. Risk Management.

3. Inventories and Prepaid Items

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

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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $25,000 ($5,000 for the School System) or more and an estimated useful life exceeding two years (one year for the School System). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	5 - 50
Other Capital Assets	4 - 20
Intangibles	7 - 100
Infrastructure:	
Roads	100
Bridges	50

5. Compensated Absences

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

6. Long-term Obligations

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

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

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

7. Net Assets and Fund Equity

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

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

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

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

As of June 30, 2011, Montgomery County had $202,515,653 in outstanding debt for capital purposes for the discretely presented Clarksville-Montgomery County School System. This debt is a liability of Montgomery County, but the capital assets acquired are reported in the financial statements of the School System. Therefore, Montgomery County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report 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 System'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.

8. Prior-period Adjustment

Capital assets of the primary government were restated $21,948,216 from the prior year due to a change in the capital assets policy.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

At June 30, 2011, Montgomery County and the Clarksville-Montgomery County School System reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Nonmajor Fund:		
Highway/Public Works	Guard-rail Improvements	$ 279,858
School System:		
Major Fund:		
Education Capital Projects	School Construction	4,441,154

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2011, Montgomery County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Montgomery County and the discretely presented Clarksville-Montgomery County School System since both pool their deposits and investments through the county trustee.

Investment	Maturities		Cost
State Treasurer's Investment Pool	Daily	$	46,251

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Montgomery County has no investment policy that would further limit its investment choices. As of June 30, 2011, Montgomery County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	* Restated Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	$ 7,904,463	$ 0	$ (87,994)	$ 7,816,469
Construction in Progress	4,678,738	879,194	(2,815,063)	2,742,869
Total Capital Assets Not Depreciated	$ 12,583,201	$ 879,194	$ (2,903,057)	$ 10,559,338
Capital Assets Depreciated:				
Buildings and Improvements	$ 101,025,561	$ 2,542,587	$ 0	$ 103,568,148
Infrastructure	40,051,085	1,336,950	(84,526)	41,303,509
Intangibles	8,647,119	149,895	0	8,797,014
Other Capital Assets	10,348,340	1,094,553	(175,909)	11,266,984
Total Capital Assets Depreciated	$ 160,072,105	$ 5,123,985	$ (260,435)	$ 164,935,655
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 19,366,710	$ 2,433,099	$ 0	$ 21,799,809
Infrastructure	16,202,052	345,704	(49,016)	16,498,740
Intangibles	7,116,837	181,665	0	7,298,502
Other Capital Assets	6,509,063	740,929	(158,318)	7,091,674
Total Accumulated Depreciation	$ 49,194,662	$ 3,701,397	$ (207,334)	$ 52,688,725
Total Capital Assets Depreciated, Net	$ 110,877,443	$ 1,422,588	$ (53,101)	$ 112,246,930
Governmental Activities Capital Assets, Net	$ 123,460,644	$ 2,301,782	$ (2,956,158)	$ 122,806,268

*See footnote I.D.8 for prior-period adjustment.

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

Governmental Activities:

General Government	$ 531,159
Finance	263,206
Administration of Justice	543,725
Public Safety	1,204,819
Public Health and Welfare	327,779
Social, Cultural, and Recreational Services	236,733
Agriculture and Natural Resources	34,982
Highway/Public Works	558,994
Total Depreciation Expense - Governmental Activities	$ 3,701,397

Discretely Presented Clarksville-Montgomery County School System

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	$ 12,556,577	$ 109,681	$ 0	$ 12,666,258
Construction in Progress	1,832,263	15,362,314	(269,929)	16,924,648
Total Capital Assets Not Depreciated	$ 14,388,840	$ 15,471,995	$ (269,929)	$ 29,590,906
Capital Assets Depreciated:				
Buildings and Improvements	$ 308,978,223	$ 1,160,834	$ 0	$ 310,139,057
Other Capital Assets	28,192,549	926,373	(800,257)	28,318,665
Total Capital Assets Depreciated	$ 337,170,772	$ 2,087,207	$ (800,257)	$ 338,457,722
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 70,902,172	$ 6,653,475	$ 0	$ 77,555,647
Other Capital Assets	14,223,455	1,659,685	(797,716)	15,085,424
Total Accumulated Depreciation	$ 85,125,627	$ 8,313,160	$ (797,716)	$ 92,641,071
Total Capital Assets Depreciated, Net	$ 252,045,145	$ (6,225,953)	$ (2,541)	$ 245,816,651
Governmental Activities Capital Assets, Net	$ 266,433,985	$ 9,246,042	$ (272,470)	$ 275,407,557

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

Governmental Activities:

Instruction	$ 29,131
Support Services	8,175,702
Operation of Non-Instructional Services	108,327
Total Depreciation Expense - Governmental Activities	$ 8,313,160

C. Construction Commitments

At June 30, 2011, the discretely presented School System's Education Capital Projects Fund had uncompleted construction contracts of approximately $4,441,154 for various construction projects. Funding for these future expenditures has been received.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	$ 32,367
General	Agency	1,314
Internal Service	General	50,343
Internal Service	Nonmajor governmental	1,379
Nonmajor governmental	General	2,995
School System Component Unit:		
General Purpose School	School Federal Projects	1,687,993
General Purpose School	Nonmajor governmental	428
School Federal Projects	General Purpose School	10,348
Nonmajor governmental	General Purpose School	9,347
Nonmajor governmental	School Federal Projects	78
Nonmajor governmental	Nonmajor governmental	10,430

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School System:	
Self-Insurance (Internal Service)	General Purpose School	$ 9,361
Self-Insurance (Internal Service)	School Federal Projects	193
Self-Insurance (Internal Service)	Nonmajor governmental	656
Component Unit:		
School System:	Primary Government:	
General Purpose School	Self-Insurance (Internal Service)	42,852

Interfund Transfers:

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

Primary Government

	Transfer In
Transfer Out	General Debt Service Fund
General Fund	$ 32,367

Discretely Presented Clarksville-Montgomery County School Department

	Transfers In	
Transfers Out	General Purpose School Fund	Nonmajor Governmental Funds
School Federal Projects Fund	$ 4,096,130	$ 1,297,915

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to four years for notes, and up to 21 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 Debt Service Fund.

General obligation bonds, other loans, and capital outlay notes 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	2 to 5.625%	$ 128,850,000	$ 69,525,000
General Obligation Bonds - Refunding	2 to 5.12095	331,705,000	197,225,000
Capital Outlay Notes	2.65 to 4	4,750,000	3,655,840
Other Loans	variable	46,375,705	41,012,415

In prior years, Montgomery County entered into loan agreements with the Tennessee State School Bond Authority. Under these loan agreements, the authority borrowed $2,470,731 (Series 2001) and $3,763,987 (Series 2005) Qualified Zone Academy Bonds and loaned the proceeds to Montgomery County for various renovation and construction projects. These loans are repayable at zero percent interest with annual administrative fees of $847 and $1,246, respectively.

In prior years, Montgomery County entered into a loan agreement with the City of Clarksville Public Building Authority. This loan agreement provided for the authority to make $20,140,987 available for loan to Montgomery County on an as-needed basis for various renovation and construction projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly,

depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2011, the variable interest rate was .24 percent and other fees totaled approximately .15 percent (letter of credit), .08 percent (remarketing) of the outstanding loan principal, and $85 per month trustee fee.

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

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	$ 15,265,000	$ 12,363,313	$ 27,628,313
2013	17,050,000	11,659,011	28,709,011
2014	18,085,000	10,874,562	28,959,562
2015	19,055,000	10,101,261	29,156,261
2016	19,190,000	9,299,263	28,489,263
2017-2021	109,885,000	32,207,605	142,092,605
2022-2026	63,345,000	9,534,213	72,879,213
2027-2030	4,875,000	529,725	5,404,725
Total	$ 266,750,000	$ 96,568,953	$ 363,318,953

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	$ 3,500,000	$ 92,749	$ 3,592,749
2013	49,923	6,234	56,157
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157
Total	$ 3,655,840	$ 105,380	$ 3,761,220

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	$ 2,447,050	$ 347,890	$ 84,974	$ 2,879,914
2013	2,474,047	346,058	74,848	2,894,953
2014	2,501,049	344,162	61,325	2,906,536
2015	2,530,049	342,202	59,405	2,931,656
2016	2,560,049	340,171	57,417	2,957,637
2017-2021	12,267,832	1,667,820	254,736	14,190,388
2022-2026	12,138,692	1,605,252	193,471	13,937,415
2027-2029	4,093,647	44,552	26,962	4,165,161
Total	$ 41,012,415	$ 5,038,107	$ 813,138	$ 46,863,660

There is $29,167,425 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $1,548, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans, totaled $1,807, based on the 2010 federal census.

Changes in Long-term liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2010	$ 280,180,000	$ 5,450,000	$ 39,231,202
Additions	0	0	3,994,268
Deductions	(13,430,000)	(1,794,160)	(2,213,055)
Balance, June 30, 2011	$ 266,750,000	$ 3,655,840	$ 41,012,415
Balance Due Within One Year	$ 15,265,000	$ 3,500,000	$ 2,447,050

	Compensated Absences	Other Postemployment Benefits	Claims and Judgments
Balance, July 1, 2010	$ 2,033,248	$ 687,758	$ 3,411,133
Additions	2,711,650	442,745	31,027,678
Deductions	(2,613,994)	(45,188)	(31,341,089)
Balance, June 30, 2011	$ 2,130,904	$ 1,085,315	$ 3,097,722
Balance Due Within One Year	$ 2,130,904	$ 0	$ 1,548,861

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$	317,732,196
Less: Due Within One Year		(24,891,815)
Add: Unamortized Premium on Debt		13,491,294
Less: Deferred Amount on Refunding		(11,915,491)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$	294,416,184

The internal service funds primarily serve the governmental funds. Accordingly, claims and judgments for the internal service funds are included as part of the above totals for governmental activities. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Defeasance of Prior Debt

In prior years, Montgomery County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2011, the following outstanding bonds are considered defeased:

2001 General Obligation	$42,345,000
2001 General Obligation and Public Improvement	6,940,000
2003 General Obligation Refunding	17,300,000
2003 General Obligation and Public Improvement	5,000,000
2004 General Obligation School and Public Improvement	18,300,000
2005 General Obligation School and Public Improvement	27,850,000

Discretely Presented Clarksville-Montgomery County School System

Changes in Long-term Liabilities

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

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2010	$ 1,624,666	$ 1,101,610	$ 764,028
Additions	1,326,413	1,172,858	74,846
Deductions	(600,358)	(1,198,986)	(134,887)
Balance, June 30, 2011	$ 2,350,721	$ 1,075,482	$ 703,987
Balance Due Within One Year	$ 0	$ 1,043,217	$ 381,318

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$ 4,130,190
Less: Due Within One Year	(1,424,535)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,705,655

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Clarksville-Montgomery County School System. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were $72,742. The School System has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

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

	7-1-10	Issued	Paid	6-30-11
Tax Anticipation Notes	$ 0	$ 1,250,000	$ (1,250,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2009-10	$ 2,367,526	$ 36,848,360	$ (36,203,153)	$ 3,012,733
2010-11	3,012,733	30,957,495	(31,213,229)	2,756,999

Montgomery County has decided to maintain a self-insurance plan for risks associated with workers' compensation claims. Claims are paid from the Workers' Compensation Fund. The county administers this plan internally instead of contracting out this service. The county retains the risk of loss to a limit of $300,000 per specific loss. Montgomery County has obtained a stop/loss commercial insurance policy to cover claims beyond this liability.

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2009-10	$ 456,164	$ 0	$ (139,164)	$ 317,000
2010-11	317,000	0	(57,677)	259,323

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2009-10	$ 67,500	$ 13,900	$ 0	$ 81,400
2010-11	81,400	70,183	(70,183)	81,400

Montgomery County, the Clarksville-Montgomery County School System, the Emergency Communications District of Montgomery County, and the Bi-County Solid Waste Management System decided to maintain a self-insurance plan for risks associated with unemployment compensation claims. The county and the above-noted component units participate in the unemployment

compensation program administered by the State of Tennessee. The fund is financed from interest earnings, and each fund is assessed for excess claims filed.

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

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2009-10	$ 817,623	$ 0	$ (134,267)	$ 683,356
2010-11	683,356	0	(38,017)	645,339

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2009-10	$ 86,254	$ 87,207	$ (92,789)	$ 80,672
2010-11	80,672	74,846	(96,870)	58,648

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. Montgomery County and the Clarksville-Montgomery County School System have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Event

On July 28, 2011, Montgomery County issued general obligation bonds totaling $65,000,000 for various county and school improvements.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain

maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Bi-County Solid Waste Management System, a component unit, will report a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

F. Joint Ventures

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

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Airport and the Clarksville Montgomery County Regional Planning Commission. These joint ventures are operated by county/city-appointed boards/commissions for the benefit of all citizens of the two entities. Montgomery County has control over budgeting and financing the joint ventures only to the extent of representation by the board members appointed. Each entity is responsible for funding 50 percent of any deficits from operations if not covered by prior earnings. Montgomery County contributed $272,156 to the operations of the airport during the year ended June 30, 2011.

The Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2010-11 year.

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

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the

investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2010-11 year.

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

Administrative Offices:

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

Clarksville Montgomery County Airport
200 Airport Road
Clarksville, TN 37042

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

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

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

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

G. Jointly Governed Organizations

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

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

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute

at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 14.63 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 $8,861,226 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 six 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	$8,861,226	100%	$0
6-30-10	8,448,199	100	0
6-30-09	8,182,159	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.59 percent funded. The actuarial accrued liability for benefits was $145 million, and the actuarial value of assets was $122 million, resulting in an unfunded actuarial accrued liability (UAAL) of $24 million. The covered payroll (annual payroll of active employees covered by the plan) was $56 million, and the ratio of the UAAL to the covered payroll was 42.25 percent.

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

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

SCHOOL TEACHERS

Plan Description

The Montgomery County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. 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 $9,822,189, $6,735,354, and $6,367,471, respectively, equal to the required contributions for each year.

2. Deferred Compensation – Primary Government

Montgomery County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

3. Deferred Compensation – Discretely Presented Clarksville-Montgomery County School System

The discretely presented Clarksville-Montgomery County School System offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding this program are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

I. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

All full-time employees and eligible retirees of the primary government and the discretely presented Clarksville-Montgomery County School System are eligible to participate in the health and dental insurance cost sharing plan

accounted for in the Self-Insurance Fund (internal service fund). For accounting purposes, the plan is an agent single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

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

Employees who retire from Montgomery County become eligible for retiree health coverage if they have 20 years of service and were enrolled in the health insurance program for at least three years. Montgomery County pays a portion of the premium for retirees and their spouses.

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

The School System also provides postemployment life insurance benefits to certified employees with 20 years of service. The School System pays 100 percent of life insurance premiums ($7,000 policy) until death. Employees hired after July 1, 2008, are not eligible for this benefit.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School System	Total
ARC	$ 440,843	$ 1,321,044	$ 1,761,887
Interest on the NPO	25,896	73,110	99,006
Adjustment to the ARC	(23,994)	(67,741)	(91,735)
Annual OPEB cost	$ 442,745	$ 1,326,413	$ 1,769,158
Amount of contribution	(45,188)	(600,358)	(645,546)
Increase/decrease in NPO	$ 397,557	$ 726,055	$ 1,123,612
Net OPEB obligation, 7-1-10	687,758	1,624,666	2,312,424
Net OPEB obligation, 6-30-11	$ 1,085,315	$ 2,350,721	$ 3,436,036

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government	$ 350,621	12 %	$ 309,188
6-30-10	"	410,808	8	687,758
6-30-11	"	442,745	10	1,085,315
6-30-09	School System	1,330,852	40	796,831
6-30-10	"	1,332,892	38	1,624,666
6-30-11	"	1,326,413	45	2,350,721

Funded Status and Funding Progress

The funded status of the plans as of January 1, 2010, and July 1, 2010, was:

	Primary Government	School System
Actuarial valuation date	1-1-10	7-1-10
Actuarial accrued liability (AAL)	$ 3,650,542	$ 13,235,795
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 3,650,542	$ 13,235,795
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 26,550,578	$ 137,204,785
UAAL as a % of covered payroll	14%	10%

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 School System, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent for 2010, grading down to five percent for 2019 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

In the January 1, 2010, actuarial valuation for the primary government, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent for 2010, grading down to five percent for 2016 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

J. Office of Central Accounting, Budgeting, and Purchasing

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

K. Purchasing Laws

Office of Central Purchasing

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

Office of Director of Schools

Purchasing procedures for the School System are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also provides for the School System, which has a purchasing division, to use a comprehensive vendor list to solicit competitive

bids on all purchases exceeding $10,000 provided the vendors on such list are given notice to bid. This statute also requires the purchasing division to periodically advertise in a county newspaper of general circulation for vendors and to update the list of vendors following such advertisement.

VI. OTHER NOTES – DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY PUBLIC LIBRARY

A. Significant Accounting Policies

1. Reporting Entity

The Clarksville-Montgomery County Public Library, for financial purposes, includes all of the funds for which the library is considered to be financially accountable. The library is a special purpose single-program government with only governmental activities. The library is a component unit of Montgomery County Government. The board is comprised of members that are appointed by the Montgomery County Commission. The county provides approximately 78 percent of the revenues of the library.

2. Government-wide Financial Statements

The government-wide financial statements include a statement of net assets and a statement of activities. These statements present summaries of governmental activities for the library.

Government-wide statements are prepared using an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the library's assets and liabilities are included in the accompanying Statement of Net Assets.

3. Basis of Presentation and Measurement Focus

The library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The library has only governmental type funds.

4. Property, Plant, and Equipment

All property, plant, and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated items are valued at their estimated fair value on the date donated. No interest was capitalized during the audit period.

Depreciation is computed on capital assets using the straight-line method over the following useful lives:

Assets	Years
Furniture and Equipment	5 - 10
Building Improvements	10
Books and Videos	5

Property with an expected life of five years or greater and that is susceptible to misappropriation is capitalized. There is no dollar threshold.

5. Basis of Accounting

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

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

The library utilizes the modified accrual basis of accounting as required for governmental fund types. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The library considers revenues to be available if they are collected within 60 days of the end of the fiscal year. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

6. Donated Services

Donated services are not valued as contributions and are not recorded as expenditures.

7. Donated Supplies and Equipment

Donated supplies and equipment are recorded as gifts at fair market value on the date donated. Supplies are recorded as expenditures at the same value and donated equipment is capitalized.

8. Accrued Compensated Absences

The library accrues unused annual leave as compensated absences. Unused sick leave is not valued since it is paid only when actually used.

9. Major Funding

The library is primarily funded by transfers of funds from Montgomery County. Cessation of funding by Montgomery County would have a major economic impact on the library and might adversely affect the library's ability to continue operations.

10. Grant Accounting

Grants are accounted for separately, and separate bank accounts are utilized for large grants. The library received no material grants during the audit period.

11. Restricted/Unrestricted Resources Usage

The library's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

12. Date of Management Review

Subsequent events have been evaluated through November 10, 2011, which is the date the financial statements were available to be issued.

13. Net Assets

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

a. Invested in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

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.

14. Other Significant Accounting Policies

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

B. Bank Deposit Information

Statement No. 40, *Deposit and Investment Risk Disclosures*, of the Governmental Accounting Standards Board, states "If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The library does not have an official investment policy. Although there is no official investment policy for the library, to provide a safe temporary medium for investment of the library's idle funds, the library invests those idle funds under the provisions of *Tennessee Code Annotated* (*TCA*), Section 6-56-106. The library is a passive investor, in that investments are held until maturity. The investments made by the library are authorized by Section 6-56-106, *TCA*. The library recognizes its investments may have one or more risks: (1) custodial credit risk, (2) concentrations of credit risk, (3) interest rate risk, and (4) foreign currency risk; however, because of the relative safety of the investments authorized in *TCA*, Sections 6-56-106 (a) 1-6 and 8, the exposure to risk is generally limited to interest rate risk.

State statutes authorize the library to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federally chartered banks and savings and loan associations; and (3) the Local Government Investment Pool of the State of Tennessee. During the current fiscal year, the library invested funds in regular demand deposits. At year end, the carrying amount of the library's cash deposits was $74,828, and the bank balances were $105,069. The cash deposits at year end were held by a bank that is a member of the Tennessee bank collateral pool.

The library's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the State of Tennessee. The FDIC insures the first $250,000 of the library's deposits at each financial institution. Deposit balances over $250,000 are insured by the collateral pool. State statutes provide for additional amounts to be assessed on a pro rata basis to financial institutions in the collateral pool in the event that the pool's funds would be insufficient to cover a loss.

C. Gracey Trust Income

The library was named as a beneficiary of a portion of the estate of Mrs. Donald Gracey. The principal of the bequest is held in trust for a period of 30 years from the settlement of the estate. Income from this trust totaling 28.5 percent is to be paid to the library on at least a quarterly basis. Upon expiration of 30 years, 28.5 percent of the trust corpus will be delivered to the

library. The estate was settled in 1992. During the year, income of $93,137 was donated to the library. The bequest is to be used for general library purposes as directed by its board.

D. Memorial Income

The memorial income is used to receive and expense memorial and other special donations to the library. The funds are restricted and are accounted for as a part of the general fund. The restricted cash balance on June 30, 2011, was $10,678.

E. Component Unit

The Clarksville-Montgomery County Public Library Foundation is a legally separate, tax-exempt component unit of the library. The foundation's primary purpose is to provide assistance to the library through fund-raising activities and through the management, investment, and administration of the funds under the foundation's control. The funds raised by the foundation are not to be used for the funding of day-to-day operations of the library but for special programs, activities, and capital projects. The three-member board is self-perpetuating and consists of residents of Montgomery County with diverse business, personal, and professional experience. Although the library does not control the timing or amount of receipts from the foundation, the majority of the resources that the foundation holds are restricted to library purposes. Because these resources can only be used by or for the benefit of the library, the foundation is considered a component unit of the library. The foundation is required to disburse between 25 percent and 75 percent of the annual interest or dividends earned on foundation investments during the previous year ending December 31.

The foundation's year-end, December 31, differs from the library's year-end. The December 31, 2010, audited financial statements are included in the library's June 30, 2011, basic financial statements. The foundation's bylaws, adopted April 1, 2005, require the foundation's accounts to be audited annually.

Complete financial statements for the foundation can be obtained from the Secretary/Treasurer, Clarksville-Montgomery County Public Library Foundation, 350 Pageant Lane, Suite 501, Clarksville, Tennessee 37040.

F. Capital Assets

Changes in the capital assets for the year were as follows:

	Balance 7-1-10	Additions	Deductions	Balance 6-30-11
Depreciable Assets				
Furniture, Fixtures, Equipment and Software	$ 1,884,960	$ 156,679	$ 0	$ 2,041,639
Building Improvements	120,976	3,051	0	124,027
Library Resources	3,786,038	303,971	174,097	3,915,912
Total	$ 5,791,974	$ 463,701	$ 174,097	$ 6,081,578
Accumulated Depreciation				
Furniture, Fixtures, Equipment and Software	$ 1,327,680	$ 157,748	$ 0	$ 1,485,428
Building Improvements	60,679	625	0	61,304
Library Resources	2,879,149	307,314	174,097	3,012,366
Total	$ 4,267,508	$ 465,687	$ 174,097	$ 4,559,098
Capital Assets, Net of Accumulated Depreciation	$ 1,524,466	$ (1,986)	$ 0	$ 1,522,480

The building and related facilities are furnished to the library by Montgomery County. Depreciation expense for the year is $465,687.

G. Pension Information

1. Plan Description

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

2. Funding Policy

The library has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011, was 14.77 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost

For the year ended June 30, 2011, the library's annual pension cost of $109,944 to TCRS was equal to the library'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 five-year period. The library'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 six years. An actuarial valuation was performed at July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Perentage of APC Contributed	Net Pension Obligation
6-30-11	$ 109,944	100%	$ 0
6-30-10	92,618	100	0
6-30-09	85,849	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 82.54 percent funded. The actuarial accrued liability for benefits was $1.63 million, and the actuarial value of assets was $1.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.3 million. The covered payroll (annual payroll of active employees covered by the plan) was $.7 million, and the ratio of the UAAL to the covered payroll was 43.37 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.

H. Risk Management

The library is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The library has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the Tennessee Municipal League Pool. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

I. Customer Receivables

There were customer receivables of $486,006 and uncollectible amounts of $243,002, which include uncollectible, waived, or returned items. Gross customer receivables include not only fines and fees receivable, but also an

amount due the library for lost books. When a book is returned, the amount due the library is reduced by the cost of the book, but the library receives no cash in this situation. The estimate of uncollectible, waived and returned items is based on statistical information traced by the library of amounts due and amounts collected by month.

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

The system, a component unit of Montgomery County, Tennessee, provides landfill and collection services for Montgomery and Stewart counties. The board members of the system are appointed by the joint participants; however, Montgomery County appoints a voting majority of the board members. The system is treated as a discrete component unit of Montgomery County since Montgomery County may unilaterally control the operations of the system. The financial reporting entity of the system only includes the assets and operations of the system and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

2. Basis of Accounting

The system uses the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and measurable, and expenses are recognized when the liability is incurred. Operating revenue is revenue that is generated from the primary operations of the system. All other revenue is reported as non-operating revenue. Operating expenses are those expenses that are essential to the primary operations of the system. All other expenses are reported as non-operating expenses.

The system follows all pronouncements of the Governmental Accounting Standards Board (GASB) and pronouncements of the Financial Accounting Standards Board (FASB) issued on or before

November 30, 1989. The system has not elected to follow FASB pronouncements issued after November 30, 1989.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting reporting purposes in the following three net asset groups:

Invested in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The system had no debt as of June 30, 2011. Invested in capital assets at June 30, 2011, has been calculated as follows:

Capital Assets	$ 16,722,228
Accumulated Depreciation	(7,858,573)
Total	$ 8,863,655

Restricted: Net assets for which use is subject to externally imposed stipulations that can be fulfilled by actions of the system pursuant to those stipulations or that expire by the passage of time. The system had no restricted net assets as of June 30, 2011.

Unrestricted: Net assets that are not subject to externally imposed stipulations and that do not meet the definition of "restricted" or "invested in capital assets." Unrestricted net assets may be otherwise limited by contractual agreements with outside parties. The system had a deficit of unrestricted net assets of $8,251,447 as of June 30, 2011.

3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates in the near term and those variations can have a material effect on these financial statements.

4. Concentration of Credit Risk

Financial instruments that potentially subject the system to significant concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Custodial credit risk for the system's deposits is the risk that in the event of a bank failure, the deposits may not be returned to it. As required by state statutes, the system's policy is to require that financial institutions holding its deposits be members of the Tennessee Collateral Pool or pledge collateral in excess of federal depository insurance. The collateral is required to be held by the system or its agent in the system's name. With respect to accounts receivable, credit risk is dispersed across a large number of customers who are geographically concentrated in the system's service area.

5. Cash and Cash Equivalents

The system considers all highly liquid debt instruments purchased with maturities of 90 days or less to be cash equivalents.

6. Accounts Receivable

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

7. Inventories

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

8. Capital Assets

Capital assets, which include property, plant and equipment, are defined by the system as assets with an initial, individual cost of $10,000 or more and an estimated useful life exceeding 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 once the asset is placed in service.

Property, plant, and equipment are depreciated using the straight-line method with salvage value over the following estimated useful lives:

Assets	Years
Buildings and Improvements	15 - 30
Equipment and Vehicles	5 - 10

9. Compensated Absences

The system's policy is to permit employees to accumulate a limited amount of earned but unused vacation benefits which will be paid to employees upon separation from service. The system also provides for time worked in excess of a 40-hour work week known as "comp time." Comp time is to be paid within 12 months of being accrued or it will be forfeited. The granting of sick leave has no guaranteed payment attached, either through official policy or custom, and is therefore not required to be accrued or recorded.

10. Restricted Net Assets

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

11. Date of Management's Review

Subsequent events have been evaluated through December 19, 2011, which is the date the financial statements were available to be issued.

B. Deposits and Investments

The system participates in an internal cash and investment pool through the Office of Montgomery County Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. The system's portion of this pool is displayed on the Statement of Net Assets as cash and cash equivalents. The system paid the County Trustee's Office $93,239 during the year ended June 30, 2011, for these services.

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 by 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 funds 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 with market value equal to 105 percent of the average 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 system.

The system is authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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. The system is 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.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. State statutes limit the maturities of certain investments as previously disclosed. The system 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 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. The system has no investment policy that would further limit its investments choices.

C. Capital Assets

A summary of changes in capital assets follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Land-Held for Expansion	$ 616,156	$ 0	$ 0	$ 616,156
Land	91,853	370,854	0	462,707
Construction in Progress	193,979	896,908	0	1,090,887
Buildings and Improvments	2,705,804	0	(55,020)	2,650,784
Property and Equipment	9,895,735	1,438,473	(301,452)	11,032,756
Other Property	868,938	0	0	868,938
Total Capital Assets	$ 14,372,465	$ 2,706,235	$ (356,472)	$ 16,722,228

Land included in the totals above is not depreciated. Construction in progress is not depreciated until placed in service.

A summary of changes in accumulated depreciation follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Buildings and Improvments	$ 905,194	$ 73,819	$ (49,517)	$ 929,496
Property and Equipment	5,650,040	704,523	(271,308)	6,083,255
Other Property	843,647	2,175	0	845,822
Total Accumulated Depreciation	$ 7,398,881	$ 780,517	$ (320,825)	$ 7,858,573

D. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the system to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the system will report a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Closure/postclosure costs are calculated from an engineering evaluation. The $16,307,461 reported as landfill closure and postclosure liability at June 30, 2011, represents the cumulative amount reported to date based on 85 percent use of the estimated capacity of the currently open sections of the landfill. The landfill will recognize an additional estimated cost of closure and postclosure care of $2,857,314 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Also, expansion of the landfill property could change these estimates. The system expects to close the landfill in 2017.

Montgomery and Stewart counties have executed a Contract in-Lieu-of Performance Bond totaling $19,164,775 to provide financial assurance to the State of Tennessee for estimated operation, closure, and postclosure costs.

Change in Long-term Obligation for Closure and Postclosure Cost:

Accrued Liability at July 1, 2010	$ 15,780,674
Current Year Accrual	535,287
Current Year Closure Costs	(8,500)
Accrued Liability at June 30, 2011	$ 16,307,461

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

E. Accrued Compensated Absences

Changes in accrued compensated absences for the year ended June 30, 2011, were as follows:

	Balance 7-1-10	Additions	Deletions	Balance 6-30-11
Accured Compensated Absences	$ 199,026	$ 128,647	$ (117,372)	$ 210,301

F. Other Postemployment Benefits (OPEB)

The system provides support for medical and dental insurance coverage and premiums for qualifying retired employees. Qualifying retired employees must have a minimum of 30 years of creditable service in the Tennessee Consolidated Retirement System (TCRS), with or without military service or accumulated sick leave, at any age, or must have a minimum of 20 years of service with the system, and be at least age 55. Coverage will continue until the retired employee is eligible for Medicare. The retired employee must make premium payments to the director of accounts and budgets for Montgomery County in a timely manner, must be a current participant, and must have participated for at least two years in the group medical insurance program. The employee must be eligible for, and begin receiving retirement benefits from TCRS at the time of retirement from the system and must elect to receive this benefit at the time of retirement. For qualifying retired employees the system pays a portion of the medical insurance premium until the retired employee is eligible for Medicare. The co-payment schedule is as follows:

Months up to age 65	System	Retiree
0 to 120	85 %	15 %
121 to 132	80	20
133 to 144	75	25
145 to 156	70	30
157 to 168	65	35
169 to 180	60	40

This plan is a single-employer defined benefit plan. Prior to the year ended June 30, 2010, the plan was funded and expensed on a pay-as-you-go basis. The provisions of Governmental Accounting Standards Board (GASB) Statement No. 45 were retroactively implemented in the year ended June 30, 2010, to be effective as of June 30, 2009. For 2010 and forward, the plan continued to be funded on a pay-as-you-go basis with expense calculated under provisions of GASB Statement No. 45 as described below. The plan does not issue stand-alone financial reports.

In July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires employers that participate in single-employer or agent multiple-employer defined OPEB plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

The annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the system's annual medical and dental insurance OPEB cost for the year, the amount actually contributed to the plan, and changes in the system's net OPEB obligation:

	Year Ended 6-30-11
Normal Cost	$ 30,662
30 year Amortization of Accrued Liability	14,648
Interest on Net OPEB Obligation	1,008
Annual Required Contribution	$ 46,318
Interest on Net OPEB Obligation	3,664
Adjustment on Annual Required Contribution	(3,395)
Annual OPEB Expense	$ 46,587
Contributions Made	0
Increase in Net OPEB Obligation	$ 46,587
Net OPEN Obligation - 7-1-10	81,426
Net OPEN Obligation - 6-30-11	$ 128,013

The system's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6-30-11	$ 46,587	0%	$ 128,013

As of January 1, 2010, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $359,100, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $359,100. The covered payroll (annual payroll of active employees covered by the plan) was $2,170,500 and the ratio of the UAAL to the covered payroll was 16.55 percent. The ARC was 2.13 percent of covered payroll and the funding was determined on a pay-as-you-go basis.

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with 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 liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the

substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to be consistent with the long-term perspective of the calculations.

In the January 1, 2010, actuarial valuations, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011, is 27 years.

The system pays and expenses the costs of the benefits as they are incurred. At June 30, 2011, the system had no eligible retirees receiving benefits and made no related cash payments during the year then ended.

G. Retirement Commitments

1. Plan Description

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

Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

2. Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Montgomery County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 14.63 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirements for the system are established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Costs and Actuarial Information

Pension costs and actuarial information for the system's Solid Waste Management System cannot be separately stated. The system is a component unit of Montgomery County, and aggregated pension information is reported for all Montgomery County employees in the June 30, 2011, Montgomery County Annual Financial Report.

H. Concentrations

The system receives a substantial amount of its Charges for Services (tipping fees) from three haulers: Clarksville Disposal, Outlaw Disposal, and Waste Industries. These three haulers comprised 66.05 percent of tipping fee revenues earned during the year ended June 30, 2011, as well as $373,316 (27.26 percent) of accounts receivable balances at June 30, 2011. The system also collects a user fee from each household in Montgomery and Stewart counties. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the system.

I. Operating Leases

The system has convenience centers in 18 locations in Montgomery and Stewart counties. These convenience centers are located on leased property. The lease payments for the year ended June 30, 2011, were $13,777 and are included in the contracted services category on the Statement of Revenues, Expenses, and Changes in Net Assets.

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

Year Ending June 30,		Lease Payments
2012	$	16,350
2013		8,400
2014		6,150
2015		3,150
2016		2,400
Total	$	36,450

J. Risk Management

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

The system, along with other Montgomery County component units, has chosen to establish a combined Self-Insurance Fund for risks associated with the employees' health insurance plan, worker's compensation claims (including on-the-job-injury) and unemployment compensation claims.

K. Commitments and Contingencies

In the normal course of conducting its business, the system may be involved in legal proceedings. Due to the nature and scope of the system's business, which brings it into regular contact with the general public, a variety of businesses, and multiple governmental entities, which regulate and examine its operations, the system is inherently subject to the hazards of potential litigation, claims, and assessments. Additionally, routine examination performed by the system's federal and state oversight agencies could result in findings and violations, which have an adverse effect on the system. Currently, management is not aware of any such conditions, which would have a material adverse effect on the System.

L. Prior-period Adjustment

Accounts receivable and accumulated depreciation were adjusted as of June 30, 2010, to correct accounting errors that occurred in previous years. These errors resulted from failure to properly accrue revenues related to user fees and failure to depreciate assets using proper salvage values and estimated useful lives.

Following is a schedule of adjustments to the June 30, 2010, Statement of Net Assets:

Increase in Accounts Receivable	$ 231,100
Decrease in Accumulated Depreciation	44,083
Total Increase in Net Assets	$ 275,183
Net Assets (Deficit), June 30, 2010, as Previously Reported	(3,080,765)
Net Assets (Deficit), June 30, 2010, as Restated	$ (2,805,582)

Historically, the system accounted for two funds, the landfill, accounted for as a proprietary fund, and the recycle fund, accounted for as a special revenue fund. Per state statute *Tennessee Code Annotated* 68-211-874, the recycle fund may be presented as either a special revenue fund or a proprietary fund. Management has concluded that the recycle fund should be presented as a proprietary fund. Accordingly, beginning net assets of the proprietary fund were adjusted to include the net assets of the recycle fund as of June 30, 2010.

Following is a schedule of reclassifications to the June 30, 2010, Statement of Net Assets:

Net Assets, June 30, 2010, as Restated Before Reclassification	$ (2,805,582)
Reclassification of Recycle Fund Net Assets	3,868,816
Net Assets, June 30, 2010, as Restated After Reclassification	$ 1,063,234

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

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

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

The board is a component unit of Montgomery County, Tennessee, which is the principal reporting entity and primary government. The board is treated as a discrete component unit of Montgomery County

since Montgomery County may unilaterally control the operations of the board. The county is responsible for appointing the majority of the board of directors and provides its primary funding support. The financial reporting entity of the board only includes the assets and operations of the board and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

In fiscal year 1995, the Clarksville-Montgomery County Tourism Commission (Tourism), the Clarksville Area Chamber of Commerce (Chamber), and the board jointly organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate, and implement a comprehensive marketing plan relating to economic prosperity of Clarksville-Montgomery County and the surrounding area. The board, Tourism, and Chamber evenly share the cost of the EDC director's salary, payroll taxes, benefits, and other operating costs and of expenses related to the general administration of the EDC. All other expenses of the EDC are share based on usage allocations.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (the governmental fund balance sheet/statement of net assets and the statement of governmental fund revenues, expenditures, and changes in fund balance/statement of activities) report information on all of the nonfiduciary activities of the board.

The governmental fund financial statements are shown in combination with the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct operation expenses are those that are clearly identifiable with a specific function or segment. 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 or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Subsidies and other items that are not properly included among program revenues are reported instead as general revenues.

3. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are

recorded when a liability is incurred, regardless of the timing of the related cash flow.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are 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 board considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The board's only fund is the general fund. It accounts for all the financial resources of the board.

The board follows all pronouncements of the Governmental Accounting Standards Board (GASB) and pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989. The board has not elected to follow FASB pronouncements issued after November 30, 1989.

4. Funding

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

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and the variances could have a material effect on the financial statements.

6. Concentrations of Credit Risk

Financial instruments that potentially subject the board to significant concentrations of credit risk consist principally of cash and receivables. The board is exposed to credit risk by placing its deposits in financial institutions. The board has mitigated this risk because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee bank collateral pool. With respect to receivables,

credit risk is primarily limited to amounts due from escrow agents in connection with the sale of property and from grantors including Aspire Clarksville and the State of Tennessee.

7. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the board as assets with an initial, individual cost of $500 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed and are depreciated over their estimated useful lives, which range from five years for furniture, fixtures and equipment to 39 years for buildings, using the straight-line method. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs are not capitalized.

8. Property Held for Sale or Lease

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

9. Accrued Compensated Absences

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

10. Fund Equity

Beginning with fiscal year 2011, the board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.

- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- Committed Fund Balance – amounts constrained to specific purposes by the board's governing body, using its highest level of decision-making authority (i.e., the board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the board of directors takes the same highest level action to remove or change the constraint.

- Assigned Fund Balance – amounts the board intends to use for a specific purpose. Intent can be expressed by management of the board.

- Unassigned Fund Balance – amounts that are available for any purpose.

It is the board's policy to use restricted funds first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted or the assignment has been changed by management. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

11. Uncollectible Accounts

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

12. Date of Management's Review

Subsequent events have been evaluated through December 28, 2011, which is the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash and other deposits are restricted to deposits with federally insured institutions and must be approved by the board of directors.

Custodial credit risk for the board's deposits is the risk that in the event of a bank failure, the board's deposits may not be returned to it. As required by state statutes, the board's policy is to require that financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the board or its agent in the board's name. At June 30, 2011, cash and other deposits reported in the financial statements totaling $1,962,590 were represented by bank balances totaling $1,962,733, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Collateral Pool.

The board considers all highly liquid debt instruments purchased with maturities of 90 days or less to be cash equivalents. Both cash and cash equivalents are carried at cost, which approximated fair value at June 30, 2011.

C. Investments and Other Deposits

Investments and other deposits are restricted by state law to deposits with financial institutions and certain obligations guaranteed by the United States Government. Investments and other deposits are stated at cost or amortized cost, which approximates fair value at June 30, 2011. The following is a summary of the board's certificates of deposit at June 30, 2011, all of which were insured by the FDIC or the State of Tennessee Collateral Pool.

	Carrying Amount	Market Value
Certificates of Deposit	$ 590,582	$ 590,582

D. Note Receivable from Sale of Land

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

	Balance 6-30-11
Three C Group, LLC note	$ 233,300
Hemlock Semiconductor, LLC note	3,142,857
Total	$ 3,376,157

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

E. Property Held for Sale or Lease

	Acres Available	At Cost
Land-Park Expansion	893.21	$ 12,740,868
Goodpasture Property	20.19	125,032
Bell Property	54.18	199,398
Hamill Property	7.75	44,602
Darnell Property	28.84	35,949
Homemax Property	2	13,965
Pad-Ready Site	40	1,090,720
Total		$ 14,250,534

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

F. Capital Assets

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

Capital Assets	Balance 7-1-10	Additions	Deductions	Balance 6-30-11
Equipment	$ 80,335	$ 0	$ 0	$ 80,335
Vehicles	36,790	0	0	36,790
Leasehold Improvements	48,793	0	0	48,793
Buildings	1,883,553	0	0	1,883,553
Land	37,641	0	0	37,641
Software	1,385	0	0	1,385
Total	$ 2,088,497	$ 0	$ 0	$ 2,088,497
Accumulated Depreciation				
Equipment	$ 42,710	$ 10,229	$ 0	$ 52,939
Vehicles	11,333	7,358	0	18,691
Leasehold Improvements	11,114	3,253	0	14,367
Buildings	54,936	47,089	0	102,025
Software	577	462	0	1,039
Total	$ 120,670	$ 68,391	$ 0	$ 189,061

Land is not depreciated or amortized. Capital assets with net book values totaling $1,883,337 were pledged as collateral for debt at June 30, 2011.

G. Construction in Progress

A summary of changes in construction in progress follows:

	Balance 7-1-10	Additions	Deductions	Balance 6-30-11
Rail to Park Expansion	$ 267,662	$ 0	$ 0	$ 267,662
Speculative Building	75,337	3,135	0	78,472
Total	$ 342,999	$ 3,135	$ 0	$ 346,134

Construction in progress is not depreciated until placed in service.

H. Land Sale Options

The board had two land sales options from prospective buyers outstanding at June 30, 2011. The first outstanding option, granted in fiscal year 2004, allows the holder to purchase a 20-acre tract of land at $16,000 per acre. The option was given for a $6,400 consideration, with $7,200 additional consideration received in fiscal year 2009 in order to purchase the right of first refusal. This option expires in 2014.

On August 1, 2008, the board entered into a letter of agreement for the second land sale option in which a developer would purchase or lease a 225-acre lot for the development of approximately two million square feet of Class A bulk warehouse, manufacturing, office, and flex distribution space thereon. Once the option is final, the developer will pay $5,000 initial consideration and $50,000 earnest money. The purchase price of the lot is $34,000 per acre. The option will expire five years after being finalized, at which time additional consideration of $5,000 will be due if the developer has not acquired all of the property. On June 10, 2009, the board extended the letter of agreement for one year. On June 10, 2010, the board extended the letter of agreement for an additional year. On May 11, 2011, the board extended the letter of agreement until December 31, 2011.

The option that was exercised, granted in fiscal year 2006, allowed the holder to purchase 12 acres of land for $240,000. This option was given for the initial consideration of $5,000 and additional consideration of $1,000 payable annually for the next five years. The option was exercised during the fiscal year ended June 30, 2011.

I. Unearned State Grant Revenue

During the fiscal year ended June 30, 2009, the board was required to prepay the estimated costs to move a gas pipeline. Upon completion of the project during the fiscal year ended June 30, 2010, the vendor refunded approximately $835,000 in project costs, which was credited to unearned state grant revenue. The State of Tennessee allowed the board to keep these funds in anticipation of any future unforeseen nonreimbursable project-related expenses. As of June 30, 2011, the unexpended portion of the unearned state grant revenue was $373,254.

J. Notes Payable

Notes payable consists of the following:

	2011
Note payable bearing interest at 5.5% secured by land and a building; principal and interest paid in monthly installments, maturing May 2021.	$ 1,743,358
Note payable bearing interest at 3.9% secured by a vehicle; principal and interest are payable in monthly installments, maturing November 2013.	13,057
Total Notes Payable	$ 1,756,415
Less: Current Portion	(146,293)
Total Notes Payable Excluding Current Portion	$ 1,610,122

Changes in notes payable (including current portions) for the year ended June 30, 2011, were as follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11	Estimated Amount Due in Year Ending 6-30-10
Notes Payable	$ 2,050,361	$ 0	$ 293,946	$ 1,756,415	$ 146,293

Future payments on notes payable are as follows:

Year Ending June 30	Total Principal	Total Interest
2012	$ 146,293	$ 95,388
2013	154,457	87,223
2014	159,776	78,634
2015	166,291	69,732
2016	175,672	60,352
2017-2021	953,926	141,538
Total	$ 1,756,415	$ 532,867

K. Operating Leases

Beginning December 2006, the board began subleasing office space in the Green Bank building from the EDC under a five-year agreement. Rental expense under the operating lease was $19,998 for the year ended June 30, 2011. This lease expires in November 2011. The board intends to extend the lease for an additional five years.

Future payments on lease obligations are as follows:

2012	$ 19,565
2013	24,444
2014	26,667
2015	26,667
2016	26,667
After 2016	8,889
Total	$ 132,899

L. Lease Contracts

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

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

Year Ending June 30	Lease Payments
2012	$ 258,513
2013	258,513
2014	258,513
2015	258,513
2016	258,513
2017 and thereafter	1,163,309

M. Retirement Plan

EDC maintains a defined contribution 401(k) plan administered by American Chamber of Commerce Executives (ACCE) under which employees of the board can participate. Substantially all employees who have completed one year of service, reached age 21, and work 1,000 hours or more per year are eligible to participate. For each plan year that an employee participates, the board will contribute an amount equal to four percent of the participant's total annual earnings as the employer's basic contribution. Employees can make pre-tax contributions from one to 100 percent of total annual earnings in which they are immediately vested. The board will match 100 percent of pre-tax contributions up to a maximum of four percent as the employer matching contribution. With regard to contributions of the board, vesting occurs immediately.

During the fiscal year ended June 30, 2011, contributions totaling $31,033 were paid and expensed by the board. Employee contributions to the plan were $20,857 for the year ended June 30, 2011.

N. Related-party Transactions

The board paid EDC $256,845 for its share of EDC expenses during the year ended June 30, 2011. The board had related-party payables at June 30, 2011, totaling $58,807, and related-party receivables of $18,688. Included in related party receivables at June 30, 2011, is $17,000 that was advanced to the EDC to facilitate payment of routine board expenses and is not expected to be collected within one year.

O. Conduit Debt Obligations

The board has participated in several issues of industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The board is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements. The principal balance outstanding as of June 30, 2011, totaled $604,919,229.

P. Annual Budget Procedures

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

Q. Commitments and Contingencies

Under terms of an interlocal agreement among Montgomery County, Tennessee, the City of Clarksville, Tennessee, and the board, the sales price of property held for sale or lease will be split 90 percent to the city and ten percent to the board. Any revenue in excess of the first $10,000 per acre (per transaction) will be split 45 percent to the city, 45 percent to the county, and ten percent to the board. The splitting of the proceeds will remain in effect until such time as either the city annexes the land being purchased for expansion or the city has recovered its investment, which shall include interest paid.

After such time as the city has either annexed the land being purchased or recovered its investment, the sale of the land shall be divided equally between the city and county after ten percent is deducted for the board. At June 30, 2011, there was an accrued liability of $141,322 to the city and $68,332 to the county for sales of land that took place during the fiscal year ended June 30, 2008.

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 33,659,026	$ 0	$ 0	$ 33,659,026	$ 33,232,851	$ 33,582,851	$ 76,175
Licenses and Permits	1,050,400	0	0	1,050,400	1,091,503	1,091,503	(41,103)
Fines, Forfeitures, and Penalties	1,169,054	0	0	1,169,054	1,354,891	1,354,891	(185,837)
Charges for Current Services	4,460,323	0	0	4,460,323	4,271,505	4,240,605	219,718
Other Local Revenues	2,045,233	0	0	2,045,233	3,100,260	3,170,774	(1,125,541)
Fees Received from County Officials	7,611,008	0	0	7,611,008	7,632,249	7,664,616	(53,608)
State of Tennessee	5,556,004	0	0	5,556,004	5,850,513	5,985,734	(429,730)
Federal Government	1,219,731	0	0	1,219,731	1,469,677	2,489,522	(1,269,791)
Other Governments and Citizens Groups	608,822	0	0	608,822	158,630	200,430	408,392
Total Revenues	$ 57,379,601	$ 0	$ 0	$ 57,379,601	$ 58,162,079	$ 59,780,926	$ (2,401,325)
Expenditures							
General Government							
County Commission	$ 196,757	$ 0	$ 170	$ 196,927	$ 207,248	$ 207,248	$ 10,321
Board of Equalization	1,464	0	0	1,464	2,688	2,688	1,224
Beer Board	1,340	0	0	1,340	3,076	3,076	1,736
Other Boards and Committees	1,938	0	0	1,938	3,121	3,121	1,183
County Mayor/Executive	415,942	0	0	415,942	438,408	438,408	22,466
Personnel Office	308,427	0	0	308,427	326,992	326,992	18,565
County Attorney	53,373	0	0	53,373	24,000	59,000	5,627
Election Commission	566,834	0	0	566,834	623,767	623,767	56,933
Register of Deeds	425,219	0	0	425,219	445,942	445,942	20,723
Planning	332,227	0	0	332,227	332,227	332,227	0
Building	143,081	0	0	143,081	144,327	144,327	1,246
Codes Compliance	594,601	(9,900)	0	584,701	613,828	623,728	39,027

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
General Government (Cont.)							
Geographical Information Systems	$ 160,178	$ 0	$ 0	$ 160,178	$ 114,896	$ 185,410	$ 25,232
County Buildings	1,375,290	0	0	1,375,290	1,307,170	1,457,981	82,691
Other Facilities	1,148,379	0	0	1,148,379	1,156,489	1,156,489	8,110
Other General Administration	554,417	0	0	554,417	555,014	555,014	597
Preservation of Records	128,397	0	0	128,397	120,261	131,261	2,864
Finance							
Accounting and Budgeting	659,290	0	0	659,290	743,362	743,362	84,072
Purchasing	269,291	0	0	269,291	279,272	279,272	9,981
Property Assessor's Office	1,035,260	0	0	1,035,260	1,047,499	1,047,499	12,239
County Trustee's Office	495,244	0	0	495,244	465,166	533,316	38,072
County Clerk's Office	1,624,021	0	2,257	1,626,278	1,702,060	1,690,060	63,782
Data Processing	1,270,047	(799)	0	1,269,248	1,345,236	1,346,036	76,788
Other Finance	45,062	0	0	45,062	50,550	50,550	5,488
Administration of Justice							
Circuit Court	1,886,537	0	0	1,886,537	1,984,697	1,992,237	105,700
General Sessions Court	1,667,085	0	4,658	1,671,743	1,679,191	1,760,612	88,869
Drug Court	43,317	0	0	43,317	50,000	50,000	6,683
Chancery Court	478,922	0	0	478,922	483,277	485,277	6,355
District Attorney General	137,913	0	0	137,913	139,983	192,515	54,602
Office of Public Defender	23,207	0	0	23,207	23,625	23,625	418
Judicial Commissioners	237,092	0	0	237,092	245,834	250,834	13,742
Other Administration of Justice	516,385	0	0	516,385	520,111	520,111	3,726
Probation Services	729,894	0	0	729,894	842,861	842,861	112,967

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety							
Sheriff's Department	$ 6,936,650	$ (2,536)	$ 7,908	$ 6,942,022	$ 7,128,347	$ 7,262,795	$ 320,773
Special Patrols	1,578,201	0	0	1,578,201	1,758,504	1,758,504	180,303
Administration of the Sexual Offender Registry	8,330	0	0	8,330	16,841	16,841	8,511
Jail	10,940,777	0	0	10,940,777	11,482,077	11,778,635	837,858
Workhouse	1,506,826	0	0	1,506,826	1,599,247	1,599,247	92,421
Correctional Incentive Program Improvements	445,883	0	0	445,883	468,789	483,789	37,906
Juvenile Services	201,155	0	0	201,155	214,711	213,666	12,511
Fire Prevention and Control	209,200	(31,300)	0	177,900	187,840	228,340	50,440
Civil Defense	394,188	0	0	394,188	390,458	398,242	4,054
Other Emergency Management	625,232	0	0	625,232	1,111,936	1,869,287	1,244,055
County Coroner/Medical Examiner	179,357	0	0	179,357	213,120	213,120	33,763
Public Health and Welfare							
Local Health Center	261,882	0	0	261,882	267,892	280,092	18,210
Rabies and Animal Control	476,363	0	0	476,363	467,072	496,072	19,709
Ambulance/Emergency Medical Services	7,192,833	0	0	7,192,833	6,747,526	7,255,328	62,495
Other Local Health Services	1,817,054	0	0	1,817,054	2,076,400	2,134,300	317,246
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	214,695	0	0	214,695	214,695	214,695	0
Other Local Welfare Services	101,900	0	0	101,900	101,825	101,900	0
Other Public Health and Welfare	80,150	0	0	80,150	42,500	117,425	37,275
Social, Cultural, and Recreational Services							
Libraries	1,604,251	0	0	1,604,251	1,604,251	1,604,251	0
Parks and Fair Boards	291,639	0	0	291,639	307,837	307,837	16,198
Other Social, Cultural, and Recreational	9,015	0	0	9,015	9,728	9,728	713

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Agriculture and Natural Resources							
Agriculture Extension Service	$ 305,304	$ (399)	$ 0	$ 304,905	$ 362,420	$ 343,473	$ 38,568
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	51,450	0	0	51,450	52,945	52,945	1,495
Other Operations							
Tourism	1,230,415	0	0	1,230,415	1,087,100	1,332,313	101,898
Industrial Development	624,616	0	0	624,616	624,616	624,616	0
Airport	272,156	0	0	272,156	272,156	272,156	0
Veterans' Services	334,913	0	0	334,913	345,235	344,603	9,690
Other Charges	1,132,591	0	0	1,132,591	1,696,178	1,246,178	113,587
Contributions to Other Agencies	142,493	0	0	142,493	168,858	168,857	26,364
Employee Benefits	400,055	0	0	400,055	326,300	401,300	1,245
ARRA Grant # 2	45,266	0	0	45,266	50,000	50,000	4,734
ARRA Grant # 3	118,753	0	0	118,753	129,156	124,903	6,150
ARRA Grant # 5	46,202	0	40,494	86,696	0	100,000	13,304
Miscellaneous	14,766	0	0	14,766	22,025	22,025	7,259
Highways							
Litter and Trash Collection	118,436	0	0	118,436	128,966	128,966	10,530
Total Expenditures	$ 57,451,428	$ (44,934)	$ 55,487	$ 57,461,981	$ 59,711,729	$ 62,073,275	$ 4,611,294
Excess (Deficiency) of Revenues Over Expenditures	$ (71,827)	$ 44,934	$ (55,487)	$ (82,380)	$ (1,549,650)	$ (2,292,349)	$ 2,209,969
Other Financing Sources (Uses)							
Insurance Recovery	$ 15,501	$ 0	$ 0	$ 15,501	$ 0	$ 0	$ 15,501

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses) (Cont.)							
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 302,028	$ 309,568	$ (309,568)
Transfers Out	(32,367)	0	0	(32,367)	0	(32,367)	0
Total Other Financing Sources (Uses)	$ (16,866)	$ 0	$ 0	$ (16,866)	$ 302,028	$ 277,201	$ (294,067)
Net Change in Fund Balance	$ (88,693)	$ 44,934	$ (55,487)	$ (99,246)	$ (1,247,622)	$ (2,015,148)	$ 1,915,902
Fund Balance, July 1, 2010	22,149,410	(44,934)	0	22,104,476	18,986,675	18,986,675	3,117,801
Fund Balance, June 30, 2011	$ 22,060,717	$ 0	$ (55,487)	$ 22,005,230	$ 17,739,053	$ 16,971,527	$ 5,033,703

Exhibit F-2

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

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the 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 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-3

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Clarksville-Montgomery County School System
June 30, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	7-1-08	$ 0	$ 3,753	$ 3,753	0%	$ 25,359	15%
"	1-1-10	0	3,651	3,651	0	26,551	14
School System	7-1-08	0	14,188	14,188	0	129,482	11
"	7-1-10	0	13,236	13,236	0	137,205	10

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

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

BUDGETARY INFORMATION

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

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

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

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.

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

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

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

Capital Projects Fund

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.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Fund	
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 810	$ 50	$ 860	$ 0	$ 860
Equity in Pooled Cash and Investments	63,032	0	2,580,865	2,643,897	3,709,771	6,353,668
Accounts Receivable	684	2,303	12,398	15,385	9,683	25,068
Due from Other Governments	0	0	687,383	687,383	0	687,383
Due from Other Funds	0	0	0	0	2,995	2,995
Property Taxes Receivable	0	0	4,261,020	4,261,020	1,217,405	5,478,425
Allowance for Uncollectible Property Taxes	0	0	(97,359)	(97,359)	(32,468)	(129,827)
Total Assets	$ 63,716	$ 3,113	$ 7,444,357	$ 7,511,186	$ 4,907,386	$ 12,418,572
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 0	$ 0	$ 115,239	$ 115,239	$ 328,270	$ 443,509
Accrued Payroll	0	0	98,822	98,822	0	98,822
Payroll Deductions Payable	0	0	25,273	25,273	0	25,273
Due to Other Funds	0	0	1,379	1,379	0	1,379
Due to Litigants, Heirs, and Others	0	3,113	0	3,113	0	3,113
Deferred Revenue - Current Property Taxes	0	0	4,043,924	4,043,924	1,138,041	5,181,965
Deferred Revenue - Delinquent Property Taxes	0	0	103,980	103,980	42,038	146,018
Other Deferred Revenues	0	0	380,510	380,510	0	380,510
Advances from Other Funds	0	0	0	0	1,275,000	1,275,000
Total Liabilities	$ 0	$ 3,113	$ 4,769,127	$ 4,772,240	$ 2,783,349	$ 7,555,589
Fund Balances						
Restricted:						
Restricted for Public Safety	$ 63,716	$ 0	$ 0	$ 63,716	$ 0	$ 63,716
Restricted for Highways/Public Works	0	0	2,675,230	2,675,230	0	2,675,230
Restricted for Capital Projects	0	0	0	0	2,124,037	2,124,037
Total Fund Balances	$ 63,716	$ 0	$ 2,675,230	$ 2,738,946	$ 2,124,037	$ 4,862,983
Total Liabilities and Fund Balances	$ 63,716	$ 3,113	$ 7,444,357	$ 7,511,186	$ 4,907,386	$ 12,418,572

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Fund	
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	Total Nonmajor Governmental Funds
Revenues						
Local Taxes	$ 0	$ 0	$ 4,118,810	$ 4,118,810	$ 1,148,941	$ 5,267,751
Fines, Forfeitures, and Penalties	6,556	0	0	6,556	0	6,556
Charges for Current Services	0	39,865	190	40,055	0	40,055
Other Local Revenues	0	0	87,731	87,731	44,568	132,299
State of Tennessee	0	0	2,979,600	2,979,600	0	2,979,600
Federal Government	0	0	514,302	514,302	2,126,992	2,641,294
Other Governments and Citizens Groups	0	0	33,701	33,701	136,231	169,932
Total Revenues	$ 6,556	$ 39,865	$ 7,734,334	$ 7,780,755	$ 3,456,732	$ 11,237,487
Expenditures						
Current:						
Administration of Justice	$ 0	$ 39,865	$ 0	$ 39,865	$ 0	$ 39,865
Public Safety	29,019	0	0	29,019	0	29,019
Highways	0	0	7,009,113	7,009,113	0	7,009,113
Capital Projects	0	0	0	0	8,507,555	8,507,555
Total Expenditures	$ 29,019	$ 39,865	$ 7,009,113	$ 7,077,997	$ 8,507,555	$ 15,585,552
Excess (Deficiency) of Revenues Over Expenditures	$ (22,463)	$ 0	$ 725,221	$ 702,758	$ (5,050,823)	$ (4,348,065)
Other Financing Sources (Uses)						
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 3,994,268	$ 3,994,268
Insurance Recovery	0	0	17,236	17,236	47,726	64,962
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 17,236	$ 17,236	$ 4,041,994	$ 4,059,230
Net Change in Fund Balances	$ (22,463)	$ 0	$ 742,457	$ 719,994	$ (1,008,829)	$ (288,835)
Fund Balance, July 1, 2010	86,179	0	1,932,773	2,018,952	3,132,866	5,151,818
Fund Balance, June 30, 2011	$ 63,716	$ 0	$ 2,675,230	$ 2,738,946	$ 2,124,037	$ 4,862,983

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 6,556	$ 0	$ 6,556	$ 12,500	$ 12,500	$ (5,944)
Total Revenues	$ 6,556	$ 0	$ 6,556	$ 12,500	$ 12,500	$ (5,944)
Expenditures						
Public Safety						
Sheriff's Department	$ 29,019	$ (10,500)	$ 18,519	$ 52,115	$ 52,115	$ 33,596
Total Expenditures	$ 29,019	$ (10,500)	$ 18,519	$ 52,115	$ 52,115	$ 33,596
Excess (Deficiency) of Revenues Over Expenditures	$ (22,463)	$ 10,500	$ (11,963)	$ (39,615)	$ (39,615)	$ 27,652
Net Change in Fund Balance	$ (22,463)	$ 10,500	$ (11,963)	$ (39,615)	$ (39,615)	$ 27,652
Fund Balance, July 1, 2010	86,179	(10,500)	75,679	39,615	39,615	36,064
Fund Balance, June 30, 2011	$ 63,716	$ 0	$ 63,716	$ 0	$ 0	$ 63,716

Exhibit G-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,118,810	$ 0	$ 0	$ 4,118,810	$ 4,015,000	$ 4,015,000	$ 103,810
Charges for Current Services	190	0	0	190	100	100	90
Other Local Revenues	87,731	0	0	87,731	64,000	64,000	23,731
State of Tennessee	2,979,600	0	0	2,979,600	3,931,579	3,931,579	(951,979)
Federal Government	514,302	0	0	514,302	0	0	514,302
Other Governments and Citizens Groups	33,701	0	0	33,701	100,000	100,000	(66,299)
Total Revenues	$ 7,734,334	$ 0	$ 0	$ 7,734,334	$ 8,110,679	$ 8,110,679	$ (376,345)
Expenditures							
Highways							
Administration	$ 386,207	$ 0	$ 0	$ 386,207	$ 383,213	$ 389,713	$ 3,506
Highway and Bridge Maintenance	4,149,494	(1,800)	0	4,147,694	4,204,175	4,630,975	483,281
Operation and Maintenance of Equipment	1,110,704	0	0	1,110,704	1,103,084	1,203,084	92,380
Traffic Control	407,284	(2,497)	0	404,787	441,634	444,131	39,344
Other Charges	380,610	0	0	380,610	564,990	568,290	187,680
Employee Benefits	44,374	0	0	44,374	33,000	53,000	8,626
Capital Outlay	530,440	(161,386)	372,262	741,316	1,595,442	1,756,828	1,015,512
Interest on Debt							
Highways and Streets	0	0	0	0	7,000	7,000	7,000
Total Expenditures	$ 7,009,113	$ (165,683)	$ 372,262	$ 7,215,692	$ 8,332,538	$ 9,053,021	$ 1,837,329
Excess (Deficiency) of Revenues Over Expenditures	$ 725,221	$ 165,683	$ (372,262)	$ 518,642	$ (221,859)	$ (942,342)	$ 1,460,984
Other Financing Sources (Uses)							
Insurance Recovery	$ 17,236	$ 0	$ 0	$ 17,236	$ 0	$ 0	$ 17,236
Transfers In	0	0	0	0	670,937	670,937	(670,937)
Total Other Financing Sources (Uses)	$ 17,236	$ 0	$ 0	$ 17,236	$ 670,937	$ 670,937	$ (653,701)
Net Change in Fund Balance	$ 742,457	$ 165,683	$ (372,262)	$ 535,878	$ 449,078	$ (271,405)	$ 807,283
Fund Balance, July 1, 2010	1,932,773	(165,683)	0	1,767,090	721,902	721,902	1,045,188
Fund Balance, June 30, 2011	$ 2,675,230	$ 0	$ (372,262)	$ 2,302,968	$ 1,170,980	$ 450,497	$ 1,852,471

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

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 31,688,761	$ 29,750,000	$ 30,535,000	$ 1,153,761
Other Local Revenues	235,246	985,000	280,962	(45,716)
Federal Government	112,376	0	112,376	0
Other Governments and Citizens Groups	275,399	112,376	0	275,399
Total Revenues	$ 32,311,782	$ 30,847,376	$ 30,928,338	$ 1,383,444
Expenditures				
Principal on Debt				
General Government	$ 4,935,902	$ 5,141,743	$ 5,189,746	$ 253,844
Education	12,501,313	12,442,648	12,521,306	19,993
Interest on Debt				
General Government	4,641,679	4,633,525	4,641,679	0
Education	8,918,707	9,436,258	9,411,469	492,762
Other Debt Service				
General Government	181,610	178,500	188,500	6,890
Education	452,174	458,500	475,593	23,419
Total Expenditures	$ 31,631,385	$ 32,291,174	$ 32,428,293	$ 796,908
Excess (Deficiency) of Revenues Over Expenditures	$ 680,397	$ (1,443,798)	$ (1,499,955)	$ 2,180,352
Other Financing Sources (Uses)				
Transfers In	$ 32,367	$ 0	$ 0	$ 32,367
Total Other Financing Sources (Uses)	$ 32,367	$ 0	$ 0	$ 32,367
Net Change in Fund Balance	$ 712,764	$ (1,443,798)	$ (1,499,955)	$ 2,212,719
Fund Balance, July 1, 2010	28,454,661	26,381,709	26,381,709	2,072,952
Fund Balance, June 30, 2011	$ 29,167,425	$ 24,937,911	$ 24,881,754	$ 4,285,671

Proprietary Funds

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

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

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

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

Exhibit I-1

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	$ 10,316,086	$ 1,989,082	$ 86,267	$ 12,391,435
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	0	201	28	229
Due from Other Funds	1,972	0	49,750	51,722
Due from Component Units	10,210	0	0	10,210
Total Current Assets	$ 10,328,268	$ 2,039,283	$ 136,045	$ 12,503,596
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	$ 24,803	$ 0	$ 0	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(4,569)	0	0	(4,569)
Total Noncurrent Assets	$ 20,234	$ 0	$ 0	$ 20,234
Total Assets	$ 10,348,502	$ 2,039,283	$ 136,045	$ 12,523,830
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 32,828	$ 48,024	$ 22,569	$ 103,421
Accrued Payroll	0	4,109	0	4,109
Payroll Deductions Payable	0	606	0	606
Due to Component Units	42,852	0	0	42,852
Claims and Judgments Payable	1,378,499	170,362	0	1,548,861
Total Current Liabilities	$ 1,454,179	$ 223,101	$ 22,569	$ 1,699,849
Noncurrent Liabilities:				
Claims and Judgments Payable	$ 1,378,500	$ 170,361	$ 0	$ 1,548,861
Total Noncurrent Liabilities	$ 1,378,500	$ 170,361	$ 0	$ 1,548,861
Total Liabilities	$ 2,832,679	$ 393,462	$ 22,569	$ 3,248,710
NET ASSETS				
Unrestricted	$ 7,515,823	$ 1,645,821	$ 113,476	$ 9,275,120
Total Net Assets	$ 7,515,823	$ 1,645,821	$ 113,476	$ 9,275,120

Exhibit I-2

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Operating Revenues				
Charges for Current Services	$ 44,979,331	$ 0	$ 115,000	$ 45,094,331
Total Operating Revenues	$ 44,979,331	$ 0	$ 115,000	$ 45,094,331
Operating Expenses				
Risk Management	$ 0	$ 326,610	$ 0	$ 326,610
Other Local Health Services	0	0	4,950	4,950
Depreciation	991	0	0	991
Other Charges	1,214,125	0	290,996	1,505,121
Employee Benefits	34,705,257	0	0	34,705,257
Total Operating Expenses	$ 35,920,373	$ 326,610	$ 295,946	$ 36,542,929
Operating Income (Loss)	$ 9,058,958	$ (326,610)	$ (180,946)	$ 8,551,402
Nonoperating Revenues (Expenses)				
Investment Income	$ 17,600	$ 2,442	$ 1,259	$ 21,301
Miscellaneous Refunds	97,216	2,415	0	99,631
Total Nonoperating Revenues (Expenses)	$ 114,816	$ 4,857	$ 1,259	$ 120,932
Changes in Net Assets	$ 9,173,774	$ (321,753)	$ (179,687)	$ 8,672,334
Nets Assets (Deficit), July 1, 2010	(1,657,951)	1,967,574	293,163	602,786
Nets Assets, June 30, 2011	$ 7,515,823	$ 1,645,821	$ 113,476	$ 9,275,120

Exhibit I-3

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	$ 45,011,339	$ 4,789	$ 115,000	$ 45,131,128
Other Self-Insured Claims	(36,141,591)	(342,968)	(279,753)	(36,764,312)
Other Receipts (Payments)	97,216	0	0	97,216
Net Cash Provided By (Used In) Operating Activities	$ 8,966,964	$ (338,179)	$ (164,753)	$ 8,464,032
Cash Flows from Investing Activities				
Investment Income	$ 17,600	$ 2,442	$ 1,259	$ 21,301
Net Cash Provided By (Used In) Investing Activities	$ 17,600	$ 2,442	$ 1,259	$ 21,301
Net Increase (Decrease) in Cash	$ 8,984,564	$ (335,737)	$ (163,494)	$ 8,485,333
Cash, July 1, 2010	1,331,522	2,374,819	249,761	3,956,102
Cash, June 30, 2011	$ 10,316,086	$ 2,039,082	$ 86,267	$ 12,441,435

(Continued)

Exhibit I-3

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	$ 9,058,958	$ (326,610)	$ (180,946)	$ 8,551,402
Miscellaneous Refunds	97,216	2,415	0	99,631
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation Expense	991	0	0	991
(Increase) Decrease in Accounts Receivable	26,351	(1)	83	26,433
(Increase) Decrease in Due from Other Funds	76	2,375	(1,330)	1,121
(Increase) Decrease in Due from Component Units	5,581	0	0	5,581
Increase (Decrease) in Accounts Payable	31,339	42,868	17,440	91,647
Increase (Decrease) in Accrued Payroll	0	(1,016)	0	(1,016)
Increase (Decrease) in Payroll Deductions Payable	0	(533)	0	(533)
Increase (Decrease) in Due to Component Units	2,186	0	0	2,186
Increase (Decrease) in Claims and Judgments Payable	(255,734)	(57,677)	0	(313,411)
Net Cash Provided By (Used In) Operating Activities	$ 8,966,964	$ (338,179)	$ (164,753)	$ 8,464,032

Fiduciary Funds

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

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

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

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

Exhibit J-1

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

	Agency Funds			
	Cities - Sales Tax	Constitu-tional Officers - Agency	Judicial District Drug	Total
ASSETS				
Cash	$ 0	$ 7,815,243	$ 17,942	$ 7,833,185
Equity in Pooled Cash and Investments	0	0	156,081	156,081
Accounts Receivable	0	2,829	183	3,012
Due from Other Governments	2,131,940	0	10,949	2,142,889
Total Assets	$ 2,131,940	$ 7,818,072	$ 185,155	$ 10,135,167
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 6,014	$ 6,014
Accrued Payroll	0	0	7,210	7,210
Due to Other Taxing Units	2,131,940	0	0	2,131,940
Due to Litigants, Heirs, and Others	0	7,818,072	0	7,818,072
Due to Other Funds	0	0	1,314	1,314
Due to Joint Ventures	0	0	170,617	170,617
Total Liabilities	$ 2,131,940	$ 7,818,072	$ 185,155	$ 10,135,167

Exhibit J-2

Montgomery 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 12,160,832	$ 12,160,832	$ 0
Due from Other Governments	2,011,097	2,131,940	2,011,097	2,131,940
Total Assets	$ 2,011,097	$ 14,292,772	$ 14,171,929	$ 2,131,940
Liabilities				
Due to Other Taxing Units	$ 2,011,097	$ 14,292,772	$ 14,171,929	$ 2,131,940
Total Liabilities	$ 2,011,097	$ 14,292,772	$ 14,171,929	$ 2,131,940
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 6,747,183	$ 33,428,227	$ 32,360,167	$ 7,815,243
Accounts Receivable	2,784	2,829	2,784	2,829
Total Assets	$ 6,749,967	$ 33,431,056	$ 32,362,951	$ 7,818,072
Liabilities				
Due to Litigants, Heirs, and Others	$ 6,749,967	$ 33,431,056	$ 32,362,951	$ 7,818,072
Total Liabilities	$ 6,749,967	$ 33,431,056	$ 32,362,951	$ 7,818,072
Judicial District Drug Fund				
Assets				
Cash	$ 13,786	$ 17,942	$ 13,786	$ 17,942
Equity in Pooled Cash and Investments	248,764	384,866	477,549	156,081
Accounts Receivable	358	183	358	183
Due from Other Governments	8,520	10,949	8,520	10,949
Total Assets	$ 271,428	$ 413,940	$ 500,213	$ 185,155
Liabilities				
Accounts Payable	$ 6,942	$ 6,014	$ 6,942	$ 6,014
Accrued Payroll	7,994	7,210	7,994	7,210
Other Current Liabilities	62,036	0	62,036	0
Due to Other Funds	0	1,314	0	1,314
Due to Joint Ventures	194,456	399,402	423,241	170,617
Total Liabilities	$ 271,428	$ 413,940	$ 500,213	$ 185,155

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Totals - All Agency Funds				
Assets				
Cash	$ 6,760,969	$ 33,446,169	$ 32,373,953	$ 7,833,185
Equity in Pooled Cash and Investments	248,764	12,545,698	12,638,381	156,081
Accounts Receivable	3,142	3,012	3,142	3,012
Due from Other Governments	2,019,617	2,142,889	2,019,617	2,142,889
Total Assets	$ 9,032,492	$ 48,137,768	$ 47,035,093	$ 10,135,167
Liabilities				
Accounts Payable	$ 6,942	$ 6,014	$ 6,942	$ 6,014
Accrued Payroll	7,994	7,210	7,994	7,210
Other Current Liabilities	62,036	0	62,036	0
Due to Other Funds	0	1,314	0	1,314
Due to Other Taxing Units	2,011,097	14,292,772	14,171,929	2,131,940
Due to Litigants, Heirs, and Others	6,749,967	33,431,056	32,362,951	7,818,072
Due to Joint Ventures	194,456	399,402	423,241	170,617
Total Liabilities	$ 9,032,492	$ 48,137,768	$ 47,035,093	$ 10,135,167

Clarksville-Montgomery County School System

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

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

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

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

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

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

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

Exhibit K-1

Montgomery County, Tennessee
Statement of Activities
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:					
Instruction	$ 134,112,503	$ 218,984	$ 16,292,560	$ 0	$ (117,600,959)
Support Services	89,938,623	233,546	3,606,464	4,319,768	(81,778,845)
Operation of Non-Instructional Services	13,415,012	4,880,322	9,631,952	0	1,097,262
Other Debt Service	33,854	0	0	0	(33,854)
Total Governmental Activities	$ 237,499,992	$ 5,332,852	$ 29,530,976	$ 4,319,768	$ (198,316,396)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 28,009,357
Local Option Sales Tax					34,725,687
Wheel Tax					3,890,329
Business Tax					609,651
Interstate Telecommunications Tax					9,110
Grants and Contributions Not Restricted to Specific Programs					133,450,885
Unrestricted Investment Earnings					36,566
Miscellaneous					158,487
Total General Revenues					$ 200,890,072
Change in Net Assets					$ 2,573,676
Net Assets, July 1, 2010					311,810,790
Net Assets, June 30, 2011					$ 314,384,466

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2011

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 6,335	$ 0	$ 4,315,164	$ 566,978	$ 4,888,477
Equity in Pooled Cash and Investments	22,363,791	3,407,820	3,436,317	4,795,977	34,003,905
Inventories	245,307	0	0	361,576	606,883
Accounts Receivable	83,668	1,378	0	76,821	161,867
Due from Other Governments	11,524,353	1,387,790	829,059	655,495	14,396,697
Due from Other Funds	1,688,421	10,348	0	19,855	1,718,624
Due from Primary Government	42,852	0	0	0	42,852
Property Taxes Receivable	28,865,628	0	0	1,759,407	30,625,035
Allowance for Uncollectible Property Taxes	(685,546)	0	0	(43,658)	(729,204)
Prepaid Items	36,799	0	0	3,464	40,263
Total Assets	$ 64,171,608	$ 4,807,336	$ 8,580,540	$ 8,195,915	$ 85,755,399
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 876,513	$ 287,014	$ 949,241	$ 139,368	$ 2,252,136
Accrued Payroll	5,521,669	452,913	0	0	5,974,582
Payroll Deductions Payable	3,356,054	265,014	0	7,474	3,628,542
Due to Other Funds	19,696	1,688,072	0	10,856	1,718,624
Due to Primary Government	9,361	193	0	656	10,210
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	0	0	109,304	109,304
Deferred Revenue - Current Property Taxes	27,298,023	0	0	1,656,879	28,954,902
Deferred Revenue - Delinquent Property Taxes	765,985	0	0	51,123	817,108
Other Deferred Revenues	3,343,431	896,500	0	0	4,239,931
Total Liabilities	$ 41,190,732	$ 3,589,706	$ 949,241	$ 1,975,660	$ 47,705,339
Fund Balances					
Nonspendable:					
Inventory	$ 245,307	$ 0	$ 0	$ 361,576	$ 606,883
Prepaid Items	36,799	0	0	3,464	40,263
Restricted:					
Restricted for Education	6,229	1,217,630	0	5,788,962	7,012,821
Restricted for Capital Projects	0	0	7,631,299	0	7,631,299
Committed:					
Committed for Education	2,850,218	0	0	66,253	2,916,471
Assigned:					
Assigned for Education	338,521	0	0	0	338,521
Unassigned	19,503,802	0	0	0	19,503,802
Total Fund Balances	$ 22,980,876	$ 1,217,630	$ 7,631,299	$ 6,220,255	$ 38,050,060
Total Liabilities and Fund Balances	$ 64,171,608	$ 4,807,336	$ 8,580,540	$ 8,195,915	$ 85,755,399

Exhibit K-3

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Clarksville-Montgomery County School System
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 K-2)		$ 38,050,060
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 12,666,258	
Add: construction in progress	16,924,648	
Add: buildings and improvements net of accumulated depreciation	232,583,410	
Add: other capital assets net of accumulated depreciation	13,233,241	275,407,557
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: claims and judgments payable	$ (703,987)	
Less: other postemployment benefits liability	(2,350,721)	
Less: compensated absences payable	(1,075,482)	(4,130,190)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		5,057,039
Net assets of governmental activities (Exhibit A)		$ 314,384,466

Exhibit K-4

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 66,477,940	$ 0	$ 0	$ 1,811,171	$ 68,289,111
Charges for Current Services	61,020	0	0	4,943,892	5,004,912
Other Local Revenues	440,560	301	28,351	182,293	651,505
State of Tennessee	115,943,880	391,466	0	7,851,876	124,187,222
Federal Government	5,561,255	23,842,369	0	7,448,432	36,852,056
Other Governments and Citizens Groups	31,768	0	4,319,768	0	4,351,536
Total Revenues	$ 188,516,423	$ 24,234,136	$ 4,348,119	$ 22,237,664	$ 239,336,342
Expenditures					
Current:					
Instruction	$ 119,871,240	$ 13,359,545	$ 0	$ 143,287	$ 133,374,072
Support Services	64,779,092	5,009,641	0	11,176,177	80,964,910
Operation of Non-Instructional Services	1,913,538	0	0	11,580,102	13,493,640
Debt Service:					
Interest on Debt	33,854	0	0	0	33,854
Capital Projects	0	0	17,968,975	0	17,968,975
Total Expenditures	$ 186,597,724	$ 18,369,186	$ 17,968,975	$ 22,899,566	$ 245,835,451
Excess (Deficiency) of Revenues Over Expenditures	$ 1,918,699	$ 5,864,950	$ (13,620,856)	$ (661,902)	$ (6,499,109)
Other Financing Sources (Uses)					
Insurance Recovery	$ 27,512	$ 0	$ 0	$ 0	$ 27,512
Transfers In	4,096,130	0	0	1,297,915	5,394,045
Transfers Out	0	(5,394,045)	0	0	(5,394,045)
Total Other Financing Sources (Uses)	$ 4,123,642	$ (5,394,045)	$ 0	$ 1,297,915	$ 27,512
Net Change in Fund Balances	$ 6,042,341	$ 470,905	$ (13,620,856)	$ 636,013	$ (6,471,597)
Fund Balance, July 1, 2010	16,938,535	746,725	21,252,155	5,584,242	44,521,657
Fund Balance, June 30, 2011	$ 22,980,876	$ 1,217,630	$ 7,631,299	$ 6,220,255	$ 38,050,060

Exhibit K-5

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Clarksville-Montgomery County School System
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 K-4)			$ (6,471,597)
(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	$ 17,289,273	
	Less: current-year depreciation expense	(8,313,160)	8,976,113
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
	Less: revenue from the sale of capital assets	$ (43,962)	
	Add: gain on disposal of capital assets	41,421	(2,541)
(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	$ (4,345,452)	
	Add: deferred delinquent property taxes and other deferred June 30, 2011	5,057,039	711,587
(4)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in claims and judgments payable	$ 60,041	
	Change in other postemployment benefits liability	(726,055)	
	Change in compensated absences payable	26,128	(639,886)
Change in net assets of governmental activities (Exhibit B)			$ 2,573,676

Exhibit K-6

Montgomery County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2011

	Special Revenue Funds			Total
	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
ASSETS				
Cash	$ 566,978	$ 0	$ 0	$ 566,978
Equity in Pooled Cash and Investments	3,384,835	1,334,528	76,614	4,795,977
Inventories	361,576	0	0	361,576
Accounts Receivable	50,021	26,800	0	76,821
Due from Other Governments	655,495	0	0	655,495
Due from Other Funds	15,578	4,277	0	19,855
Property Taxes Receivable	0	1,759,407	0	1,759,407
Allowance for Uncollectible Property Taxes	0	(43,658)	0	(43,658)
Prepaid Items	0	0	3,464	3,464
Total Assets	$ 5,034,483	$ 3,081,354	$ 80,078	$ 8,195,915
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 57,580	$ 77,588	$ 4,200	$ 139,368
Payroll Deductions Payable	527	786	6,161	7,474
Due to Other Funds	60	10,796	0	10,856
Due to Primary Government	221	435	0	656
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	109,304	0	0	109,304
Deferred Revenue - Current Property Taxes	0	1,656,879	0	1,656,879
Deferred Revenue - Delinquent Property Taxes	0	51,123	0	51,123
Total Liabilities	$ 167,692	$ 1,797,607	$ 10,361	$ 1,975,660
Fund Balances				
Nonspendable:				
Inventory	$ 361,576	$ 0	$ 0	$ 361,576
Prepaid Items	0	0	3,464	3,464
Restricted:				
Restricted for Education	4,505,215	1,283,747	0	5,788,962
Committed:				
Committed for Education	0	0	66,253	66,253
Total Fund Balances	$ 4,866,791	$ 1,283,747	$ 69,717	$ 6,220,255
Total Liabilities and Fund Balances	$ 5,034,483	$ 3,081,354	$ 80,078	$ 8,195,915

Exhibit K-7

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

	Special Revenue Funds			Total
	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
Revenues				
Local Taxes	$ 0	$ 1,811,171	$ 0	$ 1,811,171
Charges for Current Services	4,759,195	0	184,697	4,943,892
Other Local Revenues	127,477	54,816	0	182,293
State of Tennessee	121,726	7,730,150	0	7,851,876
Federal Government	7,448,432	0	0	7,448,432
Total Revenues	$ 12,456,830	$ 9,596,137	$ 184,697	$ 22,237,664
Expenditures				
Current:				
Instruction	$ 0	$ 0	$ 143,287	$ 143,287
Support Services	0	11,139,675	36,502	11,176,177
Operation of Non-Instructional Services	11,580,102	0	0	11,580,102
Total Expenditures	$ 11,580,102	$ 11,139,675	$ 179,789	$ 22,899,566
Excess (Deficiency) of Revenues Over Expenditures	$ 876,728	$ (1,543,538)	$ 4,908	$ (661,902)
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 1,297,915	$ 0	$ 1,297,915
Total Other Financing Sources (Uses)	$ 0	$ 1,297,915	$ 0	$ 1,297,915
Net Change in Fund Balances	$ 876,728	$ (245,623)	$ 4,908	$ 636,013
Fund Balance, July 1, 2010	3,990,063	1,529,370	64,809	5,584,242
Fund Balance, June 30, 2011	$ 4,866,791	$ 1,283,747	$ 69,717	$ 6,220,255

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 66,477,940	$ 0	$ 0	$ 66,477,940	$ 64,912,219	$ 65,712,324	$ 765,616
Charges for Current Services	61,020	0	0	61,020	43,300	43,300	17,720
Other Local Revenues	440,560	0	0	440,560	282,000	459,910	(19,350)
State of Tennessee	115,943,880	0	0	115,943,880	112,822,073	115,630,269	313,611
Federal Government	5,561,255	0	0	5,561,255	4,580,000	5,644,585	(83,330)
Other Governments and Citizens Groups	31,768	0	0	31,768	25,000	25,000	6,768
Total Revenues	$ 188,516,423	$ 0	$ 0	$ 188,516,423	$ 182,664,592	$ 187,515,388	$ 1,001,035
Expenditures							
Instruction							
Regular Instruction Program	$ 97,350,629	$ (621,956)	$ 0	$ 96,728,673	$ 97,786,830	$ 99,156,241	$ 2,427,568
Alternative Instruction Program	841,845	0	0	841,845	843,056	875,482	33,637
Special Education Program	16,950,804	(24,100)	4,213	16,930,917	17,217,406	19,657,364	2,726,447
Vocational Education Program	4,727,962	0	2,412	4,730,374	5,060,988	4,993,700	263,326
Support Services							
Attendance	722,952	0	0	722,952	703,831	782,651	59,699
Health Services	1,114,830	0	2,101	1,116,931	1,160,891	1,189,077	72,146
Other Student Support	7,022,993	(554)	2,000	7,024,439	7,217,045	7,335,520	311,081
Regular Instruction Program	7,700,030	0	1,197	7,701,227	7,567,526	7,900,459	199,232
Alternative Instruction Program	36,048	0	0	36,048	36,256	36,861	813
Special Education Program	1,490,873	(160)	0	1,490,713	1,647,824	1,944,148	453,435
Vocational Education Program	101,729	0	0	101,729	100,934	103,403	1,674
Adult Programs	76,914	0	0	76,914	76,381	78,611	1,697
Other Programs	72,742	0	0	72,742	0	72,742	0

(Continued)

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Board of Education	$ 212,915	$ 0	$ 0	$ 212,915	$ 220,165	$ 220,507	$ 7,592
Director of Schools	829,916	0	18,489	848,405	883,589	927,231	78,826
Office of the Principal	13,870,410	0	0	13,870,410	14,194,732	14,703,698	833,288
Fiscal Services	3,317,817	0	0	3,317,817	3,370,535	3,442,392	124,575
Human Services/Personnel	2,320,616	(136)	10,301	2,330,781	2,560,492	2,713,530	382,749
Operation of Plant	14,683,742	(61,910)	89,990	14,711,822	15,075,192	15,287,516	575,694
Maintenance of Plant	4,755,162	(84,699)	116,682	4,787,145	4,812,352	4,971,064	183,919
Central and Other	6,449,403	(28,097)	91,136	6,512,442	6,920,341	7,438,148	925,706
Operation of Non-Instructional Services							
Early Childhood Education	1,913,538	(19,177)	0	1,894,361	1,886,964	1,942,603	48,242
Interest on Debt							
Education	33,854	0	0	33,854	35,000	35,000	1,146
Total Expenditures	$ 186,597,724	$ (840,789)	$ 338,521	$ 186,095,456	$ 189,378,330	$ 195,807,948	$ 9,712,492
Excess (Deficiency) of Revenues Over Expenditures	$ 1,918,699	$ 840,789	$ (338,521)	$ 2,420,967	$ (6,713,738)	$ (8,292,560)	$ 10,713,527
Other Financing Sources (Uses)							
Insurance Recovery	$ 27,512	$ 0	$ 0	$ 27,512	$ 25,000	$ 25,000	$ 2,512
Transfers In	4,096,130	0	0	4,096,130	1,426,000	4,117,760	(21,630)
Total Other Financing Sources (Uses)	$ 4,123,642	$ 0	$ 0	$ 4,123,642	$ 1,451,000	$ 4,142,760	$ (19,118)
Net Change in Fund Balance	$ 6,042,341	$ 840,789	$ (338,521)	$ 6,544,609	$ (5,262,738)	$ (4,149,800)	$ 10,694,409
Fund Balance, July 1, 2010	16,938,535	(840,789)	0	16,097,746	13,561,798	13,561,798	2,535,948
Fund Balance, June 30, 2011	$ 22,980,876	$ 0	$ (338,521)	$ 22,642,355	$ 8,299,060	$ 9,411,998	$ 13,230,357

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Federal Projects 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Other Local Revenues	$ 301	$ 0	$ 0	$ 301	$ 0	$ 300	$ 1
State of Tennessee	391,466	0	0	391,466	486,442	569,411	(177,945)
Federal Government	23,842,369	0	0	23,842,369	13,790,687	28,209,141	(4,366,772)
Total Revenues	$ 24,234,136	$ 0	$ 0	$ 24,234,136	$ 14,277,129	$ 28,778,852	$ (4,544,716)
Expenditures							
Instruction							
Regular Instruction Program	$ 7,902,001	$ (6,275)	$ 0	$ 7,895,726	$ 5,570,161	$ 10,742,557	$ 2,846,831
Alternative Instruction Program	0	0	0	0	0	1,269	1,269
Special Education Program	5,097,276	0	8,048	5,105,324	2,567,520	6,217,462	1,112,138
Vocational Education Program	277,377	0	867	278,244	240,360	290,973	12,729
Adult Education Program	82,891	0	0	82,891	94,849	120,480	37,589
Support Services							
Attendance	0	0	0	0	0	1,850	1,850
Other Student Support	571,617	0	0	571,617	359,329	604,844	33,227
Regular Instruction Program	2,350,421	(26,807)	1,590	2,325,204	2,116,909	3,066,807	741,603
Special Education Program	1,636,670	(3,269)	11,483	1,644,884	1,236,375	2,239,918	595,034
Vocational Education Program	2,378	0	0	2,378	5,500	2,378	0
Adult Programs	139,116	0	0	139,116	136,119	144,766	5,650
Director of Schools	519	0	0	519	0	519	0
Office of the Principal	52,369	0	0	52,369	0	58,176	5,807
Human Services/Personnel	0	0	0	0	0	298	298
Operation of Plant	130,041	0	0	130,041	76,200	145,800	15,759
Transportation	126,510	0	0	126,510	1,390,443	173,648	47,138

(Continued)

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Central and Other	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,949	$ 2,949
Operation of Non-Instructional Services							
Early Childhood Education	0	0	0	0	0	492	492
Total Expenditures	$ 18,369,186	$ (36,351)	$ 21,988	$ 18,354,823	$ 13,793,765	$ 23,815,186	$ 5,460,363
Excess (Deficiency) of Revenues Over Expenditures	$ 5,864,950	$ 36,351	$ (21,988)	$ 5,879,313	$ 483,364	$ 4,963,666	$ 915,647
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 1,250,000	$ 0	$ 0
Transfers Out	(5,394,045)	0	0	(5,394,045)	(1,233,364)	(5,580,755)	186,710
Total Other Financing Sources (Uses)	$ (5,394,045)	$ 0	$ 0	$ (5,394,045)	$ 16,636	$ (5,580,755)	$ 186,710
Net Change in Fund Balance	$ 470,905	$ 36,351	$ (21,988)	$ 485,268	$ 500,000	$ (617,089)	$ 1,102,357
Fund Balance, July 1, 2010	746,725	(36,351)	0	710,374	750,926	746,551	(36,177)
Fund Balance, June 30, 2011	$ 1,217,630	$ 0	$ (21,988)	$ 1,195,642	$ 1,250,926	$ 129,462	$ 1,066,180

Exhibit K-10

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
Central Cafeteria 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 4,759,195	$ 0	$ 0	$ 4,759,195	$ 4,659,274	$ 4,892,107	$ (132,912)
Other Local Revenues	127,477	0	0	127,477	197,986	177,926	(50,449)
State of Tennessee	121,726	0	0	121,726	115,500	121,726	0
Federal Government	7,448,432	0	0	7,448,432	6,261,734	6,648,467	799,965
Total Revenues	$ 12,456,830	$ 0	$ 0	$ 12,456,830	$ 11,234,494	$ 11,840,226	$ 616,604
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 11,580,102	$ (70,139)	$ 41,951	$ 11,551,914	$ 11,424,312	$ 11,876,479	$ 324,565
Total Expenditures	$ 11,580,102	$ (70,139)	$ 41,951	$ 11,551,914	$ 11,424,312	$ 11,876,479	$ 324,565
Excess (Deficiency) of Revenues Over Expenditures	$ 876,728	$ 70,139	$ (41,951)	$ 904,916	$ (189,818)	$ (36,253)	$ 941,169
Net Change in Fund Balance	$ 876,728	$ 70,139	$ (41,951)	$ 904,916	$ (189,818)	$ (36,253)	$ 941,169
Fund Balance, July 1, 2010	3,990,063	(70,139)	0	3,919,924	3,412,582	3,919,925	(1)
Fund Balance, June 30, 2011	$ 4,866,791	$ 0	$ (41,951)	$ 4,824,840	$ 3,222,764	$ 3,883,672	$ 941,168

Exhibit K-11

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Transportation 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,811,171	$ 0	$ 0	$ 1,811,171	$ 1,803,441	$ 1,789,441	$ 21,730
Other Local Revenues	54,816	0	0	54,816	53,700	55,700	(884)
State of Tennessee	7,730,150	0	0	7,730,150	7,730,150	7,730,150	0
Federal Government	0	0	0	0	1,297,915	0	0
Total Revenues	$ 9,596,137	$ 0	$ 0	$ 9,596,137	$ 10,885,206	$ 9,575,291	$ 20,846
Expenditures							
Support Services							
Fiscal Services	$ 36,665	$ 0	$ 0	$ 36,665	$ 40,000	$ 40,000	$ 3,335
Transportation	11,103,010	(55,929)	25,181	11,072,262	11,491,467	12,006,544	934,282
Total Expenditures	$ 11,139,675	$ (55,929)	$ 25,181	$ 11,108,927	$ 11,531,467	$ 12,046,544	$ 937,617
Excess (Deficiency) of Revenues Over Expenditures	$ (1,543,538)	$ 55,929	$ (25,181)	$ (1,512,790)	$ (646,261)	$ (2,471,253)	$ 958,463
Other Financing Sources (Uses)							
Transfers In	$ 1,297,915	$ 0	$ 0	$ 1,297,915	$ 0	$ 1,297,915	$ 0
Total Other Financing Sources (Uses)	$ 1,297,915	$ 0	$ 0	$ 1,297,915	$ 0	$ 1,297,915	$ 0
Net Change in Fund Balance	$ (245,623)	$ 55,929	$ (25,181)	$ (214,875)	$ (646,261)	$ (1,173,338)	$ 958,463
Fund Balance, July 1, 2010	1,529,370	(55,929)	0	1,473,441	992,672	1,467,051	6,390
Fund Balance, June 30, 2011	$ 1,283,747	$ 0	$ (25,181)	$ 1,258,566	$ 346,411	$ 293,713	$ 964,853

Exhibit K-12

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Clarksville-Montgomery County School System
Extended School Program Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 184,697	$ 165,000	$ 165,000	$ 19,697
Total Revenues	$ 184,697	$ 165,000	$ 165,000	$ 19,697
Expenditures				
Instruction				
Regular Instruction Program	$ 143,287	$ 154,930	$ 154,930	$ 11,643
Support Services				
Office of the Principal	27,629	28,008	28,008	379
Fiscal Services	821	1,000	1,000	179
Operation of Plant	8,052	9,783	9,783	1,731
Total Expenditures	$ 179,789	$ 193,721	$ 193,721	$ 13,932
Excess (Deficiency) of Revenues Over Expenditures	$ 4,908	$ (28,721)	$ (28,721)	$ 33,629
Net Change in Fund Balance	$ 4,908	$ (28,721)	$ (28,721)	$ 33,629
Fund Balance, July 1, 2010	64,809	48,344	48,344	16,465
Fund Balance, June 30, 2011	$ 69,717	$ 19,623	$ 19,623	$ 50,094

MISCELLANEOUS SCHEDULES

Exhibit L-1

Montgomery County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
NOTES PAYABLE								
Payable through General Debt Service Fund								
Refunding Capital Outlay Notes - Courts Center	$ 5,585,000	4 to 5 %	3-15-04	5-1-11	$ 1,200,000	$ 0	$ 1,200,000	$ 0
Various Capital Projects	4,500,000	2.65	3-6-09	4-1-12	4,000,000	0	500,000	3,500,000
Promissory Note - Land for Park	250,000	4	3-31-10	7-1-14	250,000	0	94,160	155,840
Total Notes Payable					$ 5,450,000	$ 0	$ 1,794,160	$ 3,655,840
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	$ 1,058,883	$ 0	$ 176,481	$ 882,402
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	2,725,587	0	259,600	2,465,987
School Projects	20,140,987	variable	6-6-08	5-5-29	15,446,732	3,994,268	737,000	18,704,000
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	20,000,000	0	1,039,974	18,960,026
Total Other Loans Payable					$ 39,231,202	$ 3,994,268	$ 2,213,055	$ 41,012,415
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Public Improvement and General Obligation Refunding	68,725,000	5.12095	12-1-01	5-1-21	$ 9,265,000	$ 0	$ 2,000,000	$ 7,265,000
Various County Capital Projects	25,000,000	2 to 5	6-17-03	5-1-23	17,000,000	0	1,000,000	16,000,000
General Obligation Refunding	81,640,000	3 to 4.75	6-17-03	5-1-13	22,540,000	0	7,140,000	15,400,000
General Obligation Refunding	43,240,000	2 to 5	3-15-04	3-15-20	42,750,000	0	100,000	42,650,000
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-25	3,200,000	0	100,000	3,100,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-26	11,700,000	0	200,000	11,500,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	59,445,000	0	1,625,000	57,820,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	16,775,000	0	650,000	16,125,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	17,950,000	0	550,000	17,400,000
General Obligation Schools - Build America Bonds	5,400,000	4.55 to 5.6	2-4-10	4-1-30	5,400,000	0	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	74,155,000	0	65,000	74,090,000
Total Bonds Payable					$ 280,180,000	$ 0	$ 13,430,000	$ 266,750,000

(1) Total amount available for draws is $130,013 of an authorized $3,894,000.

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	$ 3,500,000	$ 92,749	$ 3,592,749
2013	49,923	6,234	56,157
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157
Total	$ 3,655,840	$ 105,380	$ 3,761,220

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	$ 2,447,050	$ 347,890	$ 84,974	$ 2,879,914
2013	2,474,047	346,058	74,848	2,894,953
2014	2,501,049	344,162	61,325	2,906,536
2015	2,530,049	342,202	59,405	2,931,656
2016	2,560,049	340,171	57,417	2,957,637
2017	2,413,569	338,069	55,358	2,806,996
2018	2,445,569	335,894	53,229	2,834,692
2019	2,478,569	333,643	51,025	2,863,237
2020	2,512,569	331,313	48,743	2,892,625
2021	2,417,556	328,901	46,381	2,792,838
2022	2,324,969	326,405	43,937	2,695,311
2023	2,362,969	323,820	41,406	2,728,195
2024	2,401,969	321,144	38,786	2,761,899
2025	2,441,969	318,374	36,074	2,796,417
2026	2,606,816	315,509	33,268	2,955,593
2027	1,397,647	34,792	15,364	1,447,803
2028	1,325,000	6,470	7,356	1,338,826
2029	1,371,000	3,290	4,242	1,378,532
Total	$ 41,012,415	$ 5,038,107	$ 813,138	$ 46,863,660

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2012	$ 15,265,000	$ 12,363,313	$ 27,628,313
2013	17,050,000	11,659,011	28,709,011
2014	18,085,000	10,874,562	28,959,562
2015	19,055,000	10,101,261	29,156,261
2016	19,190,000	9,299,263	28,489,263
2017	20,445,000	8,422,537	28,867,537
2018	21,340,000	7,469,501	28,809,501
2019	22,500,000	6,480,242	28,980,242
2020	22,645,000	5,465,556	28,110,556
2021	22,955,000	4,369,769	27,324,769
2022	14,435,000	3,262,888	17,697,888
2023	14,475,000	2,565,875	17,040,875
2024	13,600,000	1,859,775	15,459,775
2025	11,755,000	1,185,175	12,940,175
2026	9,080,000	660,500	9,740,500
2027	1,725,000	247,700	1,972,700
2028	1,750,000	163,700	1,913,700
2029	675,000	77,725	752,725
2030	725,000	40,600	765,600
Total	$ 266,750,000	$ 96,568,953	$ 363,318,953

Exhibit L-3

Montgomery County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2011

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Commission on sales tax	$ 32,367
Total Transfers Primary Government			$ 32,367
DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY SCHOOL SYSTEM			
School Federal Projects	General Purpose School	Operations reimbursement	$ 750,000
"	"	Salaries	2,691,760
"	"	Indirect costs	654,370
"	School Transportation	Equipment	15,000
"	"	Salaries	1,282,915
Total Transfers Discretely Presented Montgomery County School System			$ 5,394,045

Exhibit L-4

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 125,437	$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, *TCA*	92,102	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	164,801 (1)		
Trustee	Section 8-24-102, *TCA*	83,720	7,383,400	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	83,720	10,000	RLI Insurance Company
Director of Accounts and Budgets	County Commission	85,238	115,700	"
Purchasing Agent	County Commission	63,939	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, *TCA*	83,720	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	83,720	50,000	"
Clerk and Master	Section 8-24-102, *TCA* , and Chancery Judge	83,720 (2)	50,000	Auto-Owners Mutual Insurance Company
Register	Section 8-24-102, *TCA*	83,720	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, *TCA* , and County Commission	107,574 (3)	25,000	"
County Employees:				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
School Employees:				
Public School System			500,000	Travelers Insurance

(1) Includes $4,800 transportation supplement and $5,809 payment for unused vacation days.
(2) Does not include special commissioner fees totaling $39,865.
(3) Includes $7,500 as workhouse superintendent and $600 for a law enforcement training supplement.

Exhibit L-5

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	$ 27,237,148	$ 0	$ 0	$ 3,514,471	$ 24,894,168	$ 1,083,628	$ 56,729,415
Trustee's Collections - Prior Year	1,004,248	0	0	129,576	907,057	50,753	2,091,634
Interest and Penalty	261,013	0	0	33,678	236,279	12,665	543,635
Payments in-Lieu-of Taxes - T.V.A.	2,501	0	0	0	0	0	2,501
Payments in-Lieu-of Taxes - Local Utilities	886,496	0	0	0	0	0	886,496
Payments in-Lieu-of Taxes - Other	742,632	0	0	0	785,714	0	1,528,346
County Local Option Taxes							
Local Option Sales Tax	0	0	0	0	3,236,669	0	3,236,669
Hotel/Motel Tax	1,553,554	0	0	0	0	0	1,553,554
Litigation Tax - General	373,254	0	0	0	326,490	0	699,744
Litigation Tax - Special Purpose	69,131	0	0	0	0	0	69,131
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	356,638	0	356,638
Business Tax	1,077,132	0	0	92,856	92,856	0	1,262,844
Mineral Severance Tax	0	0	0	342,084	0	0	342,084
Adequate Facilities/Development Tax	0	0	0	0	809,360	0	809,360
Statutory Local Taxes							
Bank Excise Tax	47,627	0	0	6,145	43,530	1,895	99,197
Wholesale Beer Tax	402,173	0	0	0	0	0	402,173
Interstate Telecommunications Tax	2,117	0	0	0	0	0	2,117
Total Local Taxes	$ 33,659,026	$ 0	$ 0	$ 4,118,810	$ 31,688,761	$ 1,148,941	$ 70,615,538
Licenses and Permits							
Licenses							
Animal Registration	$ 31,616	$ 0	$ 0	$ 0	$ 0	$ 0	$ 31,616
Animal Vaccination	5,159	0	0	0	0	0	5,159
Cable TV Franchise	209,543	0	0	0	0	0	209,543
Permits							
Building Permits	744,072	0	0	0	0	0	744,072
Plumbing Permits	1,425	0	0	0	0	0	1,425
Other Permits	58,585	0	0	0	0	0	58,585
Total Licenses and Permits	$ 1,050,400	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,050,400

(Continued)

Exhibit L-5

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

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	$ 5,738	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,738
Officers Costs	25,701	0	0	0	0	0	25,701
Drug Court Fees	4,108	0	0	0	0	0	4,108
Jail Fees	38,579	0	0	0	0	0	38,579
Data Entry Fee - Circuit Court	4,978	0	0	0	0	0	4,978
Courtroom Security Fee	6,913	0	0	0	0	0	6,913
Victims Assistance Assessments	29,640	0	0	0	0	0	29,640
General Sessions Court							
Fines	329,908	0	0	0	0	0	329,908
Fines for Littering	1,031	0	0	0	0	0	1,031
Officers Costs	186,451	0	0	0	0	0	186,451
Game and Fish Fines	736	0	0	0	0	0	736
Drug Court Fees	16,251	0	0	0	0	0	16,251
Jail Fees	233,366	0	0	0	0	0	233,366
DUI Treatment Fines	33,052	0	0	0	0	0	33,052
Data Entry Fee - General Sessions Court	23,840	0	0	0	0	0	23,840
Victims Assistance Assessments	57,930	0	0	0	0	0	57,930
Juvenile Court							
Fines	2,342	0	0	0	0	0	2,342
Jail Fees	73,889	0	0	0	0	0	73,889
Data Entry Fee - Juvenile Court	4,999	0	0	0	0	0	4,999
Chancery Court							
Officers Costs	30,366	0	0	0	0	0	30,366
Data Entry Fee - Chancery Court	2,232	0	0	0	0	0	2,232
Other Courts - In-county							
Fines	3,945	0	0	0	0	0	3,945
Drug Control Fines	0	6,556	0	0	0	0	6,556
Drug Court Fees	17,400	0	0	0	0	0	17,400
District Attorney General Fees	19,701	0	0	0	0	0	19,701

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)							
Other Fines, Forfeitures, and Penalties							
Other Fines, Forfeitures, and Penalties	$ 15,958	$ 0	$ 0	$ 0	$ 0	$ 0	$ 15,958
Total Fines, Forfeitures, and Penalties	$ 1,169,054	$ 6,556	$ 0	$ 0	$ 0	$ 0	$ 1,175,610
Charges for Current Services							
General Service Charges							
Patient Charges	$ 4,086,966	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,086,966
Zoning Studies	2,500	0	0	0	0	0	2,500
Other General Service Charges	40,521	0	0	0	0	0	40,521
Fees							
Recreation Fees	16,802	0	0	0	0	0	16,802
Copy Fees	9,028	0	0	0	0	0	9,028
Greenbelt Late Application Fee	200	0	0	0	0	0	200
Telephone Commissions	130,479	0	0	0	0	0	130,479
Vending Machine Collections	43,750	0	0	190	0	0	43,940
Special Commissioner Fees/Special Master Fees	0	0	39,865	0	0	0	39,865
Data Processing Fee - Register	64,264	0	0	0	0	0	64,264
Probation Fees	12,790	0	0	0	0	0	12,790
Data Processing Fee - Sheriff	30,305	0	0	0	0	0	30,305
Sexual Offender Registration Fees - Sheriff	9,700	0	0	0	0	0	9,700
Data Processing Fee - County Clerk	12,892	0	0	0	0	0	12,892
Other Charges for Services							
Other Charges for Services	126	0	0	0	0	0	126
Total Charges for Current Services	$ 4,460,323	$ 0	$ 39,865	$ 190	$ 0	$ 0	$ 4,500,378
Other Local Revenues							
Recurring Items							
Investment Income	$ 589,767	$ 0	$ 0	$ 0	$ 235,246	$ 11,760	$ 836,773
Lease/Rentals	602,269	0	0	0	0	0	602,269
Sale of Gasoline	0	0	0	64,628	0	0	64,628
Sale of Maps	978	0	0	0	0	0	978

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitu - tional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
Other Local Revenues (Cont.)							
Recurring Items (Cont.)							
Miscellaneous Refunds	$ 172,164	$ 0	$ 0	$ 23,103	$ 0	$ 0	$ 195,267
Nonrecurring Items							
Sale of Equipment	3,830	0	0	0	0	32,808	36,638
Damages Recovered from Individuals	543	0	0	0	0	0	543
Contributions and Gifts	10,400	0	0	0	0	0	10,400
Other Local Revenues							
Other Local Revenues	665,282	0	0	0	0	0	665,282
Total Other Local Revenues	$ 2,045,233	$ 0	$ 0	$ 87,731	$ 235,246	$ 44,568	$ 2,412,778
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 1,501,992	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,501,992
Circuit Court Clerk	663,996	0	0	0	0	0	663,996
General Sessions Court Clerk	1,277,204	0	0	0	0	0	1,277,204
Clerk and Master	335,335	0	0	0	0	0	335,335
Register	920,018	0	0	0	0	0	920,018
Sheriff	28,624	0	0	0	0	0	28,624
Trustee	2,883,839	0	0	0	0	0	2,883,839
Total Fees Received from County Officials	$ 7,611,008	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,611,008
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 578,664	$ 0	$ 0	$ 0	$ 0	$ 0	$ 578,664
Public Safety Grants							
Law Enforcement Training Programs	46,200	0	0	0	0	0	46,200
Public Works Grants							
State Aid Program	0	0	0	185,236	0	0	185,236
Litter Program	54,613	0	0	0	0	0	54,613
Other State Revenues							
Beer Tax	18,724	0	0	0	0	0	18,724

(Continued)

Exhibit L-5

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitu - tional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
State of Tennessee (Cont.)							
Other State Revenues (Cont.)							
Alcoholic Beverage Tax	$ 166,342	$ 0	$ 0	$ 0	$ 0	$ 0	$ 166,342
State Revenue Sharing - T.V.A.	1,412,457	0	0	0	0	0	1,412,457
Board of Jurors	6,533	0	0	0	0	0	6,533
Prisoner Transportation	10,242	0	0	0	0	0	10,242
Contracted Prisoner Boarding	921,235	0	0	0	0	0	921,235
Gasoline and Motor Fuel Tax	0	0	0	2,686,131	0	0	2,686,131
Petroleum Special Tax	0	0	0	108,233	0	0	108,233
Registrar's Salary Supplement	15,164	0	0	0	0	0	15,164
Other State Grants	2,271,840	0	0	0	0	0	2,271,840
Other State Revenues	53,990	0	0	0	0	0	53,990
Total State of Tennessee	$ 5,556,004	$ 0	$ 0	$ 2,979,600	$ 0	$ 0	$ 8,535,604
Federal Government							
Federal Through State							
Disaster Relief	$ 50,192	$ 0	$ 0	$ 514,302	$ 0	$ 0	$ 564,494
Homeland Security Grants	661,448	0	0	0	0	0	661,448
ARRA Grant # 2	45,267	0	0	0	0	0	45,267
ARRA Grant # 3	155,659	0	0	0	0	0	155,659
Other Federal through State	219,780	0	0	0	0	2,126,992	2,346,772
Direct Federal Revenue							
Tax Credit Bond Rebate	0	0	0	0	112,376	0	112,376
Other Direct Federal Revenue	87,385	0	0	0	0	0	87,385
Total Federal Government	$ 1,219,731	$ 0	$ 0	$ 514,302	$ 112,376	$ 2,126,992	$ 3,973,401
Other Governments and Citizens Groups							
Other Governments							
Prisoner Board	$ 92,285	$ 0	$ 0	$ 0	$ 0	$ 0	$ 92,285
Paving and Maintenance	0	0	0	33,701	0	0	33,701
Contributions	233,274	0	0	0	275,399	107,981	616,654
Citizens Groups							
Donations	283,263	0	0	0	0	28,250	311,513
Total Other Governments and Citizens Groups	$ 608,822	$ 0	$ 0	$ 33,701	$ 275,399	$ 136,231	$ 1,054,153
Total	$ 57,379,601	$ 6,556	$ 39,865	$ 7,734,334	$ 32,311,782	$ 3,456,732	$ 100,928,870

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	$ 25,227,168	$ 0	$ 0	$ 1,683,714	$ 0	$ 0	$ 26,910,882
Trustee's Collections - Prior Year	954,577	0	0	63,713	0	0	1,018,290
Interest and Penalty	247,031	0	0	16,488	0	0	263,519
Payments in-Lieu-of Taxes - Local Utilities	662,765	0	0	44,234	0	0	706,999
County Local Option Taxes							
Local Option Sales Tax	34,832,038	0	0	0	0	0	34,832,038
Wheel Tax	3,890,329	0	0	0	0	0	3,890,329
Business Tax	609,651	0	0	0	0	0	609,651
Statutory Local Taxes							
Bank Excise Tax	45,271	0	0	3,022	0	0	48,293
Interstate Telecommunications Tax	9,110	0	0	0	0	0	9,110
Total Local Taxes	$ 66,477,940	$ 0	$ 0	$ 1,811,171	$ 0	$ 0	$ 68,289,111
Charges for Current Services							
Education Charges							
Tuition - Regular Day Students	$ 25,153	$ 0	$ 0	$ 0	$ 0	$ 0	$ 25,153
Tuition - Summer School	0	0	0	0	184,697	0	184,697
Tuition - Out-of-State Systems	9,134	0	0	0	0	0	9,134
Lunch Payments - Children	0	0	2,754,893	0	0	0	2,754,893
Lunch Payments - Adults	0	0	146,622	0	0	0	146,622
Income from Breakfast	0	0	205,336	0	0	0	205,336
A la carte Sales	0	0	1,582,402	0	0	0	1,582,402
TBI Criminal Background Fees	20,212	0	0	0	0	0	20,212
Other Charges for Services							
Other Charges for Services	6,521	0	69,942	0	0	0	76,463
Total Charges for Current Services	$ 61,020	$ 0	$ 4,759,195	$ 0	$ 184,697	$ 0	$ 5,004,912
Other Local Revenues							
Recurring Items							
Investment Income	$ 323	$ 0	$ 7,892	$ 0	$ 0	$ 28,351	$ 36,566
Lease/Rentals	119,936	0	0	0	0	0	119,936
Sale of Materials and Supplies	95	0	71,133	2,465	0	0	73,693
Sale of Recycled Materials	9,496	0	0	1,799	0	0	11,295

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Other Local Revenues (Cont.)							
Recurring Items (Cont.)							
Refund of Telecommunication & Internet Fees (E-Rate)	$ 167,711	$ 0	$ 0	$ 0	$ 0	$ 0	$ 167,711
Miscellaneous Refunds	6,548	0	42,301	13,090	0	0	61,939
Nonrecurring Items							
Sale of Equipment	26,612	0	6,079	36,554	0	0	69,245
Damages Recovered from Individuals	584	0	72	908	0	0	1,564
Contributions and Gifts	109,255	301	0	0	0	0	109,556
Total Other Local Revenues	$ 440,560	$ 301	$ 127,477	$ 54,816	$ 0	$ 28,351	$ 651,505
State of Tennessee							
General Government Grants							
On-Behalf Contributions for OPEB	$ 72,742	$ 0	$ 0	$ 0	$ 0	$ 0	$ 72,742
Health and Welfare Grants							
Other Health and Welfare Grants	67,129	0	0	0	0	0	67,129
State Education Funds							
Basic Education Program	102,133,542	0	0	7,730,150	0	0	109,863,692
Basic Education Program - ARRA	10,245,308	0	0	0	0	0	10,245,308
Early Childhood Education	1,829,270	0	0	0	0	0	1,829,270
School Food Service	0	0	121,726	0	0	0	121,726
Energy Efficient School Initiative	98,350	0	0	0	0	0	98,350
Other State Education Funds	49,982	156,427	0	0	0	0	206,409
Coordinated School Health - ARRA	0	105,000	0	0	0	0	105,000
Internet Connectivity - ARRA	36,411	0	0	0	0	0	36,411
Career Ladder Program	792,881	0	0	0	0	0	792,881
Career Ladder - Extended Contract - ARRA	174,764	0	0	0	0	0	174,764
Other State Revenues							
Income Tax	193,335	0	0	0	0	0	193,335
Mixed Drink Tax	250,166	0	0	0	0	0	250,166
Safe Schools - ARRA	0	130,039	0	0	0	0	130,039
Total State of Tennessee	$ 115,943,880	$ 391,466	$ 121,726	$ 7,730,150	$ 0	$ 0	$ 124,187,222
Federal Government							
Federal Through State							
USDA School Lunch Program	$ 0	$ 0	$ 5,042,064	$ 0	$ 0	$ 0	$ 5,042,064

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Education Capital Projects	Total
Federal Government (Cont.)							
Federal Through State (Cont.)							
USDA - Commodities	$ 0	$ 0	$ 850,217	$ 0	$ 0	$ 0	$ 850,217
Breakfast	0	0	1,556,151	0	0	0	1,556,151
Adult Education State Grant Program	0	166,281	0	0	0	0	166,281
Vocational Education - Basic Grants to States	0	405,600	0	0	0	0	405,600
Title I Grants to Local Education Agencies	0	7,024,716	0	0	0	0	7,024,716
Special Education - Grants to States	0	8,272,941	0	0	0	0	8,272,941
Special Education Preschool Grants	0	118,215	0	0	0	0	118,215
English Language Acquisition Grants	0	188,239	0	0	0	0	188,239
Safe and Drug-free Schools - State Grants	0	753,197	0	0	0	0	753,197
Education for Homeless Children and Youth	0	4,182	0	0	0	0	4,182
Eisenhower Professional Development State Grants	0	1,233,103	0	0	0	0	1,233,103
Race to the Top - ARRA	0	1,069,184	0	0	0	0	1,069,184
Other Federal through State	159,533	3,366,466	0	0	0	0	3,525,999
Direct Federal Revenue							
Public Law 874 - Maintenance and Operation	4,933,061	0	0	0	0	0	4,933,061
ROTC Reimbursement	468,661	0	0	0	0	0	468,661
Other Direct Federal Revenue	0	1,240,245	0	0	0	0	1,240,245
Total Federal Government	$ 5,561,255	$ 23,842,369	$ 7,448,432	$ 0	$ 0	$ 0	$ 36,852,056
Other Governments and Citizens Groups							
Other Governments							
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,319,768	$ 4,319,768
Contracted Services	31,768	0	0	0	0	0	31,768
Total Other Governments and Citizens Groups	$ 31,768	$ 0	$ 0	$ 0	$ 0	$ 4,319,768	$ 4,351,536
Total	$ 188,516,423	$ 24,234,136	$ 12,456,830	$ 9,596,137	$ 184,697	$ 4,348,119	$ 239,336,342

Exhibit L-7

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

General Fund				
General Government				
County Commission				
Secretary(ies)	$	31,548		
Board and Committee Members Fees		77,900		
Social Security		6,543		
State Retirement		2,299		
Life Insurance		32		
Medical Insurance		11,677		
Employer Medicare		1,530		
Advertising		1,072		
Audit Services		40,430		
Legal Notices, Recording, and Court Costs		3,099		
Printing, Stationery, and Forms		1,303		
Travel		6,970		
Tuition		4,445		
Other Contracted Services		5,571		
Duplicating Supplies		406		
Food Supplies		1,087		
Office Supplies		83		
Other Supplies and Materials		762		
Total County Commission			$	196,757
Board of Equalization				
Board and Committee Members Fees	$	1,360		
Social Security		84		
Employer Medicare		20		
Total Board of Equalization				1,464
Beer Board				
Board and Committee Members Fees	$	1,250		
Social Security		73		
Employer Medicare		17		
Total Beer Board				1,340
Other Boards and Committees				
Board and Committee Members Fees	$	1,800		
Social Security		112		
Employer Medicare		26		
Total Other Boards and Committees				1,938
County Mayor/Executive				
County Official/Administrative Officer	$	125,437		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Mayor/Executive (Cont.)		
Supervisor/Director	$ 85,220	
Secretary(ies)	55,430	
Clerical Personnel	22,069	
Overtime Pay	5	
Social Security	16,074	
State Retirement	39,439	
Life Insurance	161	
Medical Insurance	35,908	
Employer Medicare	4,058	
Advertising	324	
Communication	2,947	
Data Processing Services	10	
Dues and Memberships	335	
Licenses	15	
Maintenance and Repair Services - Vehicles	1,093	
Postal Charges	999	
Printing, Stationery, and Forms	363	
Rentals	2,496	
Travel	6,611	
Tuition	2,390	
Other Contracted Services	7,498	
Custodial Supplies	98	
Food Supplies	345	
Gasoline	2,531	
Library Books/Media	612	
Office Supplies	2,572	
Periodicals	180	
Tires and Tubes	515	
Other Supplies and Materials	207	
Total County Mayor/Executive		$ 415,942
Personnel Office		
Supervisor/Director	$ 81,598	
Accountants/Bookkeepers	41,475	
Clerical Personnel	65,152	
Overtime Pay	1,612	
Social Security	11,024	
State Retirement	25,480	
Life Insurance	141	
Medical Insurance	24,532	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Personnel Office (Cont.)		
Unemployment Compensation	$ 7,759	
Employer Medicare	2,578	
Communication	1,175	
Dues and Memberships	823	
Evaluation and Testing	12,328	
Legal Services	210	
Postal Charges	1,298	
Rentals	2,796	
Travel	1,103	
Tuition	2,936	
Other Contracted Services	16,490	
Data Processing Supplies	617	
Duplicating Supplies	645	
Riprap	1,565	
Instructional Supplies and Materials	3,966	
Office Supplies	1,009	
Periodicals	115	
Total Personnel Office		$ 308,427
County Attorney		
Legal Services	$ 53,373	
Total County Attorney		53,373
Election Commission		
Supervisor/Director	$ 75,358	
Clerical Personnel	107,195	
Temporary Personnel	19,026	
Overtime Pay	10,179	
Election Commission	7,244	
Election Workers	109,443	
Social Security	12,882	
State Retirement	28,102	
Life Insurance	192	
Medical Insurance	43,199	
Employer Medicare	3,013	
Communication	2,351	
Legal Notices, Recording, and Court Costs	15,636	
Maintenance and Repair Services - Office Equipment	14,050	
Postal Charges	14,009	
Printing, Stationery, and Forms	9,697	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Rentals	$ 50,913	
Travel	3,534	
Tuition	1,900	
Other Contracted Services	21,854	
Data Processing Supplies	843	
Equipment and Machinery Parts	996	
Office Supplies	4,873	
Other Supplies and Materials	3,606	
Data Processing Equipment	6,254	
Furniture and Fixtures	485	
Total Election Commission		$ 566,834
Register of Deeds		
County Official/Administrative Officer	$ 83,720	
Deputy(ies)	161,226	
Social Security	14,519	
State Retirement	35,835	
Life Insurance	230	
Medical Insurance	51,218	
Employer Medicare	3,396	
Communication	1,175	
Data Processing Services	63,148	
Maintenance and Repair Services - Office Equipment	615	
Postal Charges	691	
Rentals	3,375	
Other Contracted Services	2,247	
Data Processing Supplies	1,317	
Duplicating Supplies	1,583	
Other Supplies and Materials	826	
Premiums on Corporate Surety Bonds	98	
Total Register of Deeds		425,219
Planning		
Contributions	$ 332,227	
Total Planning		332,227
Building		
Supervisor/Director	$ 76,523	
Other Salaries and Wages	32,072	
Social Security	6,606	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Building (Cont.)		
State Retirement	$ 15,887	
Life Insurance	77	
Medical Insurance	5,642	
Employer Medicare	1,532	
Communication	1,509	
Dues and Memberships	500	
Licenses	400	
Postal Charges	144	
Tuition	790	
Other Contracted Services	565	
Gasoline	610	
Office Supplies	45	
Other Supplies and Materials	179	
Total Building		$ 143,081
Codes Compliance		
Assistant(s)	$ 232,614	
Supervisor/Director	61,547	
Clerical Personnel	73,195	
Social Security	21,837	
State Retirement	53,545	
Life Insurance	379	
Medical Insurance	73,561	
Employer Medicare	5,107	
Advertising	2,000	
Communication	7,402	
Contracts with Private Agencies	18,550	
Dues and Memberships	1,105	
Legal Services	840	
Legal Notices, Recording, and Court Costs	2,164	
Licenses	18	
Maintenance and Repair Services - Office Equipment	1,435	
Maintenance and Repair Services - Vehicles	3,420	
Postal Charges	1,017	
Rentals	6,214	
Tuition	1,790	
Permits	3,460	
Other Contracted Services	813	
Gasoline	15,780	
Library Books/Media	2,704	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Codes Compliance (Cont.)		
Office Supplies	$ 603	
Uniforms	1,079	
Other Supplies and Materials	2,422	
Total Codes Compliance		$ 594,601
Geographical Information Systems		
Contracts with Government Agencies	$ 52,190	
Data Processing Equipment	107,988	
Total Geographical Information Systems		160,178
County Buildings		
Supervisor/Director	$ 92,227	
Secretary(ies)	34,108	
Custodial Personnel	91,624	
Maintenance Personnel	297,772	
Part-time Personnel	14,536	
Overtime Pay	9,494	
Social Security	31,216	
State Retirement	73,852	
Life Insurance	643	
Medical Insurance	144,433	
Employer Medicare	7,301	
Communication	23,133	
Data Processing Services	24	
Evaluation and Testing	170	
Licenses	768	
Maintenance and Repair Services - Buildings	10,049	
Maintenance and Repair Services - Equipment	73,083	
Maintenance and Repair Services - Vehicles	7,675	
Pest Control	2,760	
Postal Charges	26	
Printing, Stationery, and Forms	159	
Rentals	2,440	
Travel	637	
Tuition	1,800	
Disposal Fees	3,600	
Other Contracted Services	16,716	
Custodial Supplies	26,027	
Data Processing Supplies	11,897	
Drugs and Medical Supplies	563	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Duplicating Supplies	$ 84	
Electricity	250,380	
Equipment Parts - Light	1,194	
Gasoline	17,994	
General Construction Materials	571	
Library Books/Media	253	
Natural Gas	39,256	
Office Supplies	876	
Salt	6,319	
Tires and Tubes	468	
Uniforms	2,669	
Water and Sewer	11,477	
Other Supplies and Materials	42,201	
Boiler Insurance	1,096	
Building Improvements	6,816	
Communication Equipment	4,467	
Maintenance Equipment	3,610	
Other Equipment	1,027	
Other Capital Outlay	5,799	
Total County Buildings		$ 1,375,290
Other Facilities		
Secretary(ies)	$ 34,846	
Clerical Personnel	25,023	
Custodial Personnel	123,103	
Maintenance Personnel	166,331	
Overtime Pay	4,481	
Social Security	19,823	
State Retirement	51,759	
Life Insurance	480	
Medical Insurance	111,273	
Employer Medicare	4,636	
Communication	8,187	
Licenses	1,095	
Maintenance and Repair Services - Buildings	520	
Maintenance and Repair Services - Equipment	110,770	
Pest Control	3,200	
Rentals	2,505	
Disposal Fees	1,860	
Other Contracted Services	9,935	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Other Facilities (Cont.)		
Custodial Supplies	$ 17,268	
Electricity	294,898	
Equipment and Machinery Parts	827	
Food Supplies	811	
Natural Gas	58,467	
Uniforms	1,767	
Water and Sewer	37,536	
Other Supplies and Materials	30,913	
Building and Contents Insurance	2,678	
Communication Equipment	9,553	
Heating and Air Conditioning Equipment	2,966	
Other Equipment	10,868	
Total Other Facilities		$ 1,148,379
Other General Administration		
County Official/Administrative Officer	$ 50,929	
Social Security	2,932	
State Retirement	7,451	
Life Insurance	38	
Medical Insurance	13,247	
Employer Medicare	686	
Communication	1,110	
Contracts with Other Public Agencies	467,804	
Travel	474	
Other Contracted Services	5,764	
Other Supplies and Materials	1,034	
Furniture and Fixtures	2,948	
Total Other General Administration		554,417
Preservation of Records		
Supervisor/Director	$ 39,998	
Clerical Personnel	20,806	
Part-time Personnel	10,594	
Board and Committee Members Fees	550	
Social Security	4,296	
State Retirement	8,896	
Life Insurance	96	
Medical Insurance	5,642	
Employer Medicare	1,005	
Communication	1,088	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Preservation of Records (Cont.)		
Data Processing Services	$ 9,000	
Dues and Memberships	367	
Maintenance and Repair Services - Office Equipment	2,569	
Rentals	338	
Travel	1,664	
Other Contracted Services	7,391	
Duplicating Supplies	263	
Library Books/Media	2,652	
Office Supplies	3,771	
Other Supplies and Materials	55	
Data Processing Equipment	1,500	
Furniture and Fixtures	856	
Other Equipment	5,000	
Total Preservation of Records		$ 128,397
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 85,238	
Accountants/Bookkeepers	297,793	
Clerical Personnel	23,062	
Overtime Pay	5,507	
Social Security	23,568	
State Retirement	57,139	
Life Insurance	378	
Medical Insurance	90,475	
Employer Medicare	5,512	
Communication	2,782	
Data Processing Services	27,369	
Dues and Memberships	1,004	
Legal Services	172	
Legal Notices, Recording, and Court Costs	1,878	
Postal Charges	4,252	
Printing, Stationery, and Forms	55	
Rentals	720	
Travel	3,404	
Tuition	9,216	
Other Contracted Services	8,806	
Data Processing Supplies	3,007	
Duplicating Supplies	598	
Food Supplies	364	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Library Books/Media	$ 254	
Office Supplies	2,214	
Periodicals	10	
Other Supplies and Materials	473	
Premiums on Corporate Surety Bonds	580	
Other Charges	1,083	
Data Processing Equipment	2,058	
Furniture and Fixtures	319	
Total Accounting and Budgeting		$ 659,290
Purchasing		
County Official/Administrative Officer	$ 63,939	
Purchasing Personnel	36,816	
Clerical Personnel	33,675	
Other Salaries and Wages	27,206	
Social Security	9,396	
State Retirement	23,648	
Life Insurance	154	
Medical Insurance	38,832	
Employer Medicare	2,197	
Communication	2,824	
Dues and Memberships	420	
Maintenance and Repair Services - Equipment	9,067	
Maintenance and Repair Services - Vehicles	748	
Postal Charges	1,796	
Rentals	7,008	
Travel	102	
Other Contracted Services	619	
Custodial Supplies	7	
Duplicating Supplies	4,034	
Food Supplies	65	
Gasoline	2,536	
Office Supplies	267	
Periodicals	115	
Tires and Tubes	508	
Other Supplies and Materials	3,148	
Premiums on Corporate Surety Bonds	164	
Total Purchasing		269,291

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office		
County Official/Administrative Officer	$ 83,720	
Deputy(ies)	466,821	
Temporary Personnel	7,717	
Overtime Pay	132	
Social Security	32,129	
State Retirement	80,563	
Life Insurance	538	
Medical Insurance	156,090	
Employer Medicare	7,514	
Audit Services	80,343	
Communication	6,655	
Data Processing Services	38,498	
Dues and Memberships	3,187	
Legal Notices, Recording, and Court Costs	199	
Licenses	6,902	
Maintenance and Repair Services - Vehicles	2,771	
Postal Charges	7,051	
Printing, Stationery, and Forms	186	
Rentals	2,322	
Travel	4,420	
Tuition	3,110	
Other Contracted Services	4,923	
Data Processing Supplies	16,464	
Duplicating Supplies	865	
Food Supplies	286	
Gasoline	13,074	
Library Books/Media	543	
Office Supplies	1,045	
Other Supplies and Materials	1,610	
Data Processing Equipment	5,238	
Furniture and Fixtures	344	
Total Property Assessor's Office		$ 1,035,260
County Trustee's Office		
County Official/Administrative Officer	$ 83,720	
Supervisor/Director	41,018	
Deputy(ies)	99,567	
Accountants/Bookkeepers	40,789	
Part-time Personnel	20,723	
Overtime Pay	986	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Board and Committee Members Fees	$ 250	
Social Security	16,668	
State Retirement	38,180	
Life Insurance	262	
Medical Insurance	68,018	
Employer Medicare	3,898	
Bank Charges	60	
Communication	4,265	
Data Processing Services	22,053	
Dues and Memberships	1,071	
Legal Notices, Recording, and Court Costs	1,880	
Postal Charges	22,836	
Printing, Stationery, and Forms	2,136	
Rentals	6,188	
Travel	2,341	
Tuition	515	
Other Contracted Services	689	
Food Supplies	154	
Office Supplies	6,705	
Periodicals	876	
Premiums on Corporate Surety Bonds	5,434	
Other Capital Outlay	3,962	
Total County Trustee's Office		$ 495,244
County Clerk's Office		
County Official/Administrative Officer	$ 83,720	
Supervisor/Director	46,904	
Deputy(ies)	801,291	
Accountants/Bookkeepers	631	
Part-time Personnel	45,551	
Overtime Pay	4,850	
Social Security	54,539	
State Retirement	131,882	
Life Insurance	1,184	
Medical Insurance	309,378	
Unemployment Compensation	2,142	
Employer Medicare	12,755	
Communication	6,375	
Maintenance and Repair Services - Equipment	16,965	
Postal Charges	43,738	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Clerk's Office (Cont.)		
Printing, Stationery, and Forms	$ 6,097	
Rentals	23,480	
Travel	1,482	
Other Contracted Services	2,251	
Data Processing Supplies	9,847	
Duplicating Supplies	1,686	
Food Supplies	954	
Office Supplies	8,650	
Other Supplies and Materials	2,160	
Premiums on Corporate Surety Bonds	248	
Data Processing Equipment	400	
Furniture and Fixtures	4,861	
Total County Clerk's Office		$ 1,624,021
Data Processing		
Supervisor/Director	$ 75,489	
Computer Programmer(s)	312,246	
Data Processing Personnel	157,248	
Secretary(ies)	31,490	
Temporary Personnel	1,758	
Social Security	34,677	
State Retirement	82,784	
Life Insurance	403	
Medical Insurance	69,256	
Employer Medicare	8,110	
Communication	34,401	
Data Processing Services	391,224	
Dues and Memberships	230	
Licenses	47,724	
Maintenance and Repair Services - Vehicles	37	
Postal Charges	6	
Rentals	1,541	
Travel	3,177	
Tuition	675	
Custodial Supplies	51	
Data Processing Supplies	13,221	
Food Supplies	123	
Gasoline	787	
Instructional Supplies and Materials	90	
Office Supplies	277	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
Data Processing (Cont.)		
Uniforms	$ 54	
Other Supplies and Materials	603	
Communication Equipment	2,365	
Total Data Processing		$ 1,270,047
Other Finance		
Legal Notices, Recording, and Court Costs	$ 35,062	
Postal Charges	10,000	
Total Other Finance		45,062
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 83,720	
Assistant(s)	80,444	
Supervisor/Director	135,128	
Deputy(ies)	699,916	
Accountants/Bookkeepers	71,490	
Part-time Personnel	76,257	
Overtime Pay	3,792	
Jury and Witness Expense	49,308	
Social Security	65,875	
State Retirement	155,659	
Life Insurance	1,450	
Medical Insurance	299,689	
Employer Medicare	15,406	
Communication	7,390	
Data Processing Services	9,193	
Dues and Memberships	566	
Legal Services	22,980	
Legal Notices, Recording, and Court Costs	1,797	
Maintenance and Repair Services - Office Equipment	442	
Postal Charges	12,482	
Printing, Stationery, and Forms	14,846	
Rentals	8,977	
Travel	2,330	
Tuition	240	
Other Contracted Services	3,917	
Custodial Supplies	520	
Data Processing Supplies	6,614	
Duplicating Supplies	7,117	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court (Cont.)		
Food Supplies	$ 2,075	
Library Books/Media	1,341	
Office Supplies	7,671	
Other Supplies and Materials	102	
Premiums on Corporate Surety Bonds	388	
Building Improvements	919	
Data Processing Equipment	14,276	
Furniture and Fixtures	13,568	
Office Equipment	1,112	
Other Equipment	7,540	
Total Circuit Court		$ 1,886,537
General Sessions Court		
Judge(s)	$ 437,986	
Supervisor/Director	67,642	
Probation Officer(s)	44,097	
Youth Service Officer(s)	186,775	
Secretary(ies)	39,099	
Clerical Personnel	136,865	
Part-time Personnel	16,636	
Overtime Pay	6,811	
Social Security	51,583	
State Retirement	128,510	
Life Insurance	627	
Medical Insurance	166,125	
Employer Medicare	13,278	
Communication	8,450	
Operating Lease Payments	4,389	
Legal Services	35	
Postal Charges	1,372	
Travel	17,237	
Other Contracted Services	322,605	
Library Books/Media	3,643	
Office Supplies	11,241	
Uniforms	1,242	
Furniture and Fixtures	837	
Total General Sessions Court		1,667,085
Drug Court		
Communication	$ 1,080	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Drug Court (Cont.)		
Dues and Memberships	$ 220	
Evaluation and Testing	10,601	
Travel	3,304	
Other Contracted Services	26,080	
Office Supplies	2,032	
Total Drug Court		$ 43,317
Chancery Court		
County Official/Administrative Officer	$ 83,720	
Deputy(ies)	235,249	
Social Security	18,361	
State Retirement	46,666	
Life Insurance	346	
Medical Insurance	64,272	
Employer Medicare	4,294	
Communication	396	
Dues and Memberships	716	
Legal Notices, Recording, and Court Costs	2,409	
Maintenance and Repair Services - Office Equipment	981	
Postal Charges	4,441	
Printing, Stationery, and Forms	3,739	
Rentals	6,012	
Tuition	50	
Data Processing Supplies	2,693	
Duplicating Supplies	2,019	
Library Books/Media	935	
Office Supplies	1,036	
Premiums on Corporate Surety Bonds	587	
Total Chancery Court		478,922
District Attorney General		
Assistant(s)	$ 7,216	
Other Salaries and Wages	48,500	
Social Security	3,454	
State Retirement	7,096	
Medical Insurance	13,015	
Employer Medicare	808	
Communication	2,602	
Dues and Memberships	645	
Janitorial Services	3,000	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
District Attorney General (Cont.)		
Legal Notices, Recording, and Court Costs	$ 20	
Postal Charges	117	
Travel	34,787	
Tuition	4,804	
Other Contracted Services	1,882	
Custodial Supplies	796	
Data Processing Supplies	370	
Duplicating Supplies	542	
Food Supplies	951	
Library Books/Media	3,533	
Office Supplies	1,050	
Other Supplies and Materials	436	
Premiums on Corporate Surety Bonds	129	
Data Processing Equipment	2,160	
Total District Attorney General		$ 137,913
Office of Public Defender		
Contributions	$ 124	
Travel	19,908	
Tuition	3,175	
Total Office of Public Defender		23,207
Judicial Commissioners		
Part-time Personnel	$ 53,048	
Other Salaries and Wages	101,815	
Social Security	8,365	
State Retirement	16,291	
Life Insurance	182	
Medical Insurance	47,488	
Employer Medicare	1,956	
Communication	3,134	
Rentals	1,862	
Travel	989	
Other Contracted Services	1,791	
Duplicating Supplies	75	
Office Supplies	96	
Total Judicial Commissioners		237,092
Other Administration of Justice		
Supervisor/Director	$ 59,987	

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Other Administration of Justice (Cont.)		
Social Security	$ 3,548	
State Retirement	8,776	
Life Insurance	38	
Medical Insurance	11,689	
Employer Medicare	830	
Communication	1,280	
Contracts with Private Agencies	422,082	
Dues and Memberships	850	
Postal Charges	218	
Printing, Stationery, and Forms	235	
Travel	541	
Duplicating Supplies	367	
Instructional Supplies and Materials	5,911	
Office Supplies	33	
Total Other Administration of Justice		$ 516,385
Probation Services		
Assistant(s)	$ 23,583	
Supervisor/Director	58,072	
Probation Officer(s)	172,254	
Part-time Personnel	22,610	
Overtime Pay	156	
Other Salaries and Wages	170,976	
Social Security	26,448	
State Retirement	61,800	
Life Insurance	493	
Medical Insurance	80,992	
Unemployment Compensation	181	
Employer Medicare	6,114	
Communication	717	
Dues and Memberships	250	
Evaluation and Testing	39,836	
Legal Notices, Recording, and Court Costs	747	
Licenses	810	
Postal Charges	435	
Printing, Stationery, and Forms	2,715	
Rentals	1,577	
Travel	1,463	
Tuition	410	
Other Contracted Services	16,327	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Probation Services (Cont.)		
Data Processing Supplies	$ 2,125	
Duplicating Supplies	818	
Instructional Supplies and Materials	26,268	
Office Supplies	5,882	
Other Supplies and Materials	2,416	
Data Processing Equipment	755	
Furniture and Fixtures	2,280	
Office Equipment	384	
Total Probation Services		$ 729,894
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 99,474	
Assistant(s)	81,569	
Supervisor/Director	51,559	
Deputy(ies)	2,235,805	
Investigator(s)	381,971	
Captain(s)	204,949	
Lieutenant(s)	162,039	
Sergeant(s)	539,425	
Secretary(ies)	30,769	
Clerical Personnel	281,236	
Part-time Personnel	29,864	
Overtime Pay	279,454	
In-Service Training	46,200	
Social Security	259,420	
State Retirement	626,107	
Life Insurance	3,801	
Medical Insurance	900,476	
Unemployment Compensation	5,969	
Employer Medicare	60,671	
Communication	23,584	
Evaluation and Testing	4,142	
Legal Services	25,739	
Licenses	156	
Maintenance and Repair Services - Equipment	45,788	
Maintenance and Repair Services - Vehicles	49,073	
Medical and Dental Services	410	
Pest Control	128	
Postal Charges	4,761	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Printing, Stationery, and Forms	$ 5,109	
Rentals	14,430	
Transportation - Other than Students	17,119	
Travel	12,674	
Tuition	6,719	
Veterinary Services	785	
Other Contracted Services	52,700	
Animal Food and Supplies	1,074	
Custodial Supplies	484	
Data Processing Supplies	5,144	
Drugs and Medical Supplies	345	
Duplicating Supplies	33	
Electricity	3,016	
Food Supplies	157	
Gasoline	235,711	
Law Enforcement Supplies	33,268	
Library Books/Media	1,980	
Natural Gas	1,281	
Office Supplies	7,003	
Periodicals	1,119	
Tires and Tubes	12,699	
Uniforms	64,583	
Vehicle Parts	1,670	
Water and Sewer	329	
Other Supplies and Materials	3,506	
Liability Insurance	8,835	
Premiums on Corporate Surety Bonds	1,832	
Law Enforcement Equipment	5,336	
Other Capital Outlay	3,170	
Total Sheriff's Department		$ 6,936,650
Special Patrols		
Supervisor/Director	$ 97,899	
Deputy(ies)	737,594	
Investigator(s)	142,336	
Sergeant(s)	45,972	
Clerical Personnel	32,905	
Overtime Pay	8,490	
Social Security	62,917	
State Retirement	155,838	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Special Patrols (Cont.)		
Life Insurance	$ 981	
Medical Insurance	182,223	
Employer Medicare	14,714	
Communication	8,467	
Evaluation and Testing	180	
Maintenance and Repair Services - Equipment	1,382	
Maintenance and Repair Services - Vehicles	5,879	
Postal Charges	36	
Printing, Stationery, and Forms	45	
Rentals	504	
Travel	10,661	
Tuition	5,960	
Other Contracted Services	1,440	
Data Processing Supplies	688	
Gasoline	29,092	
Law Enforcement Supplies	8,448	
Office Supplies	237	
Tires and Tubes	3,300	
Uniforms	8,920	
Vehicle Parts	20	
Other Supplies and Materials	773	
Law Enforcement Equipment	9,478	
Other Equipment	822	
Total Special Patrols		$ 1,578,201
Administration of the Sexual Offender Registry		
Overtime Pay	$ 3,957	
Communication	2,609	
Tuition	671	
Other Contracted Services	682	
Data Processing Supplies	102	
Law Enforcement Supplies	94	
Office Supplies	215	
Total Administration of the Sexual Offender Registry		8,330
Jail		
Supervisor/Director	$ 103,313	
Deputy(ies)	3,782,224	
Lieutenant(s)	63,972	
Sergeant(s)	454,674	

(Continued)

Exhibit L-7

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

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

Clerical Personnel	$ 573,162
Maintenance Personnel	162,523
Temporary Personnel	5,153
Overtime Pay	131,814
Board and Committee Members Fees	1,600
Social Security	308,012
State Retirement	715,548
Life Insurance	5,692
Medical Insurance	1,137,098
Unemployment Compensation	21,688
Employer Medicare	72,035
Communication	9,374
Evaluation and Testing	7,778
Laundry Service	4,590
Operating Lease Payments	600
Legal Services	30,685
Licenses	1,550
Maintenance and Repair Services - Buildings	2,636
Maintenance and Repair Services - Equipment	83,710
Maintenance and Repair Services - Vehicles	2,080
Medical and Dental Services	1,576,982
Pest Control	4,440
Postal Charges	263
Printing, Stationery, and Forms	2,575
Rentals	10,365
Travel	1,108
Tuition	270
Disposal Fees	28,871
Other Contracted Services	518,394
Custodial Supplies	50,696
Data Processing Supplies	4,815
Duplicating Supplies	2,967
Electricity	375,994
Equipment and Machinery Parts	3,364
Food Preparation Supplies	71
Gasoline	10,132
Law Enforcement Supplies	23,088
Library Books/Media	476
Natural Gas	72,095
Office Supplies	1,173

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Prisoners Clothing	$ 4,985	
Tires and Tubes	722	
Uniforms	40,637	
Water and Sewer	114,206	
Other Supplies and Materials	72,256	
Boiler Insurance	731	
Building and Contents Insurance	149,001	
Liability Insurance	143,464	
Communication Equipment	3,538	
Furniture and Fixtures	1,414	
Maintenance Equipment	4,952	
Other Equipment	35,221	
Total Jail		$ 10,940,777
Workhouse		
County Official/Administrative Officer	$ 7,500	
Deputy(ies)	616,411	
Lieutenant(s)	17,622	
Sergeant(s)	81,201	
Overtime Pay	11,384	
Social Security	42,748	
State Retirement	100,559	
Life Insurance	720	
Medical Insurance	106,733	
Employer Medicare	9,998	
Communication	3,221	
Laundry Service	1,783	
Maintenance and Repair Services - Buildings	1,050	
Maintenance and Repair Services - Equipment	2,850	
Maintenance and Repair Services - Vehicles	973	
Medical and Dental Services	301,000	
Pest Control	360	
Rentals	1,432	
Disposal Fees	2,559	
Other Contracted Services	86,072	
Custodial Supplies	12,359	
Data Processing Supplies	45	
Diesel Fuel	4,351	
Electricity	26,890	
Gasoline	3,685	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Workhouse (Cont.)		
Law Enforcement Supplies	$ 1,947	
Natural Gas	6,531	
Prisoners Clothing	1,398	
Tires and Tubes	416	
Uniforms	1,922	
Water and Sewer	15,131	
Other Supplies and Materials	8,446	
Building and Contents Insurance	14,328	
Liability Insurance	10,868	
Furniture and Fixtures	476	
Other Equipment	1,857	
Total Workhouse		$ 1,506,826
Correctional Incentive Program Improvements		
Supervisor/Director	$ 55,071	
Probation Officer(s)	199,796	
Secretary(ies)	19,196	
Social Security	16,781	
State Retirement	38,857	
Life Insurance	314	
Medical Insurance	30,621	
Employer Medicare	3,924	
Communication	9,398	
Maintenance and Repair Services - Office Equipment	90	
Maintenance and Repair Services - Vehicles	590	
Postal Charges	78	
Printing, Stationery, and Forms	385	
Rentals	31,692	
Travel	6,849	
Tuition	2,264	
Other Contracted Services	6,516	
Custodial Supplies	370	
Data Processing Supplies	49	
Duplicating Supplies	287	
Electricity	1,356	
Food Supplies	177	
Gasoline	2,551	
Natural Gas	646	
Office Supplies	2,994	
Periodicals	120	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Correctional Incentive Program Improvements (Cont.)		
Water and Sewer	$ 276	
Other Supplies and Materials	4,055	
Building and Contents Insurance	455	
Liability Insurance	1,286	
Vehicle and Equipment Insurance	1,607	
Data Processing Equipment	7,232	
Total Correctional Incentive Program Improvements		$ 445,883
Juvenile Services		
Supervisor/Director	$ 43,472	
Probation Officer(s)	24,000	
Medical Personnel	36,878	
Clerical Personnel	21,946	
Overtime Pay	11	
Social Security	5,825	
State Retirement	14,701	
Life Insurance	96	
Medical Insurance	30,191	
Employer Medicare	1,362	
Communication	2,882	
Dues and Memberships	942	
Operating Lease Payments	2,256	
Postal Charges	530	
Rentals	7,500	
Travel	2,183	
Other Contracted Services	2,000	
Custodial Supplies	40	
Data Processing Supplies	45	
Electricity	777	
Food Supplies	25	
Natural Gas	39	
Office Supplies	1,339	
Water and Sewer	117	
Other Supplies and Materials	531	
Liability Insurance	1,467	
Total Juvenile Services		201,155
Fire Prevention and Control		
Board and Committee Members Fees	$ 2,550	
Social Security	158	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control (Cont.)		
Employer Medicare	$ 37	
Communication	2,183	
Contributions	2,980	
Licenses	46	
Maintenance and Repair Services - Equipment	9,474	
Maintenance and Repair Services - Vehicles	24,346	
Medical and Dental Services	144	
Postal Charges	31	
Other Contracted Services	9,186	
Diesel Fuel	13,144	
Equipment and Machinery Parts	1,703	
Food Preparation Supplies	33	
Food Supplies	191	
Gasoline	15,747	
Instructional Supplies and Materials	862	
Uniforms	14,819	
Utilities	26,898	
Chemicals	2,025	
Other Supplies and Materials	14,608	
Liability Insurance	6,998	
Workers' Compensation Insurance	11,621	
Communication Equipment	4,427	
Other Equipment	44,989	
Total Fire Prevention and Control		$ 209,200
Civil Defense		
Assistant(s)	$ 42,153	
Supervisor/Director	78,753	
Secretary(ies)	38,646	
Other Salaries and Wages	33,700	
Social Security	11,496	
State Retirement	28,273	
Life Insurance	154	
Medical Insurance	25,490	
Employer Medicare	2,689	
Communication	5,970	
Contracts with Private Agencies	960	
Maintenance and Repair Services - Vehicles	1,003	
Rentals	80,303	
Other Contracted Services	3,026	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense (Cont.)		
Gasoline	$ 1,226	
Utilities	38,874	
Other Supplies and Materials	1,472	
Total Civil Defense		$ 394,188
Other Emergency Management		
Tuition	$ 148,709	
Other Contracted Services	4,681	
Other Supplies and Materials	373	
Communication Equipment	352,965	
Other Equipment	118,504	
Total Other Emergency Management		625,232
County Coroner/Medical Examiner		
Medical and Dental Services	$ 178,100	
Liability Insurance	1,257	
Total County Coroner/Medical Examiner		179,357
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 42,207	
Custodial Personnel	48,651	
Social Security	5,055	
State Retirement	12,963	
Life Insurance	109	
Medical Insurance	24,384	
Employer Medicare	1,182	
Communication	22,352	
Dues and Memberships	200	
Laundry Service	345	
Licenses	275	
Maintenance Agreements	2,536	
Maintenance and Repair Services - Buildings	6,175	
Maintenance and Repair Services - Equipment	2,813	
Pest Control	225	
Rentals	1,064	
Travel	118	
Disposal Fees	2,446	
Other Contracted Services	4,883	
Custodial Supplies	5,187	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Drugs and Medical Supplies	$ 2,856	
Duplicating Supplies	216	
Electricity	58,184	
Instructional Supplies and Materials	302	
Natural Gas	11,546	
Office Supplies	450	
Periodicals	115	
Water and Sewer	2,899	
Other Supplies and Materials	708	
Boiler Insurance	242	
Furniture and Fixtures	1,194	
Total Local Health Center		$ 261,882
Rabies and Animal Control		
Supervisor/Director	$ 46,485	
Clerical Personnel	26,636	
Overtime Pay	11,364	
Other Salaries and Wages	148,992	
Board and Committee Members Fees	600	
Social Security	13,490	
State Retirement	33,718	
Life Insurance	298	
Medical Insurance	74,429	
Unemployment Compensation	225	
Employer Medicare	3,155	
Communication	5,719	
Legal Services	70	
Maintenance and Repair Services - Buildings	35	
Maintenance and Repair Services - Equipment	203	
Maintenance and Repair Services - Vehicles	4,584	
Printing, Stationery, and Forms	1,745	
Rentals	974	
Travel	1,734	
Tuition	600	
Other Contracted Services	14,242	
Animal Food and Supplies	1,870	
Custodial Supplies	6,562	
Drugs and Medical Supplies	8,986	
Electricity	20,761	
Gasoline	17,691	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Natural Gas	$ 5,334	
Office Supplies	927	
Tires and Tubes	1,098	
Uniforms	1,697	
Water and Sewer	2,526	
Other Supplies and Materials	8,839	
Other Capital Outlay	10,774	
Total Rabies and Animal Control		$ 476,363
Ambulance/Emergency Medical Services		
Assistant(s)	$ 64,958	
Supervisor/Director	96,574	
Captain(s)	228,329	
Lieutenant(s)	370,712	
Accountants/Bookkeepers	36,014	
Medical Personnel	1,964,940	
Part-time Personnel	264,479	
Overtime Pay	1,293,923	
Board and Committee Members Fees	2,650	
Social Security	250,594	
State Retirement	567,090	
Life Insurance	3,694	
Medical Insurance	850,795	
Unemployment Compensation	1,860	
Employer Medicare	58,607	
Communication	36,231	
Data Processing Services	9,912	
Debt Collection Services	24,674	
Dues and Memberships	655	
Freight Expenses	227	
Janitorial Services	8,305	
Laundry Service	7,503	
Legal Services	939	
Licenses	5,250	
Maintenance and Repair Services - Buildings	6,908	
Maintenance and Repair Services - Equipment	81,523	
Maintenance and Repair Services - Vehicles	154,375	
Medical and Dental Services	3,474	
Pest Control	2,212	
Postal Charges	11,487	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Printing, Stationery, and Forms	$ 2,164	
Rentals	2,460	
Travel	8,530	
Tuition	44,686	
Disposal Fees	4,131	
Other Contracted Services	13,147	
Custodial Supplies	5,291	
Diesel Fuel	202,678	
Drugs and Medical Supplies	252,334	
Duplicating Supplies	1,289	
Electricity	52,380	
Food Supplies	4,052	
Gasoline	20,754	
Instructional Supplies and Materials	6,828	
Natural Gas	12,094	
Office Supplies	5,358	
Propane Gas	10,383	
Tires and Tubes	24,418	
Uniforms	33,053	
Water and Sewer	6,958	
Other Supplies and Materials	17,691	
Indirect Cost	5,552	
Building Improvements	1,245	
Communication Equipment	2,070	
Data Processing Equipment	22,000	
Food Service Equipment	838	
Furniture and Fixtures	7,096	
Other Equipment	3,357	
Other Capital Outlay	11,102	
Total Ambulance/Emergency Medical Services		$ 7,192,833
Other Local Health Services		
Social Workers	$ 182,057	
Medical Personnel	618,104	
Clerical Personnel	380,887	
Educational Assistants	23,751	
Part-time Personnel	35,585	
Social Security	71,800	
State Retirement	160,601	
Life Insurance	1,270	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Local Health Services (Cont.)		
Medical Insurance	$ 274,142	
Unemployment Compensation	8,367	
Employer Medicare	16,973	
Licenses	800	
Pest Control	150	
Rentals	3,060	
Travel	8,847	
Disposal Fees	176	
Liability Insurance	30,484	
Total Other Local Health Services		$ 1,817,054
Regional Mental Health Center		
Contributions	$ 10,000	
Total Regional Mental Health Center		10,000
Appropriation to State		
Contributions	$ 214,695	
Total Appropriation to State		214,695
Other Local Welfare Services		
Contributions	$ 85,000	
Pauper Burials	16,500	
Other Contracted Services	400	
Total Other Local Welfare Services		101,900
Other Public Health and Welfare		
Contributions	$ 30,000	
Medical and Dental Services	50,150	
Total Other Public Health and Welfare		80,150
Social, Cultural, and Recreational Services		
Libraries		
Contributions	$ 1,604,251	
Total Libraries		1,604,251
Parks and Fair Boards		
Assistant(s)	$ 35,105	
Supervisor/Director	61,381	
Maintenance Personnel	13,443	
Temporary Personnel	34,624	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Parks and Fair Boards (Cont.)		
Overtime Pay	$ 213	
Social Security	8,766	
State Retirement	11,111	
Life Insurance	81	
Medical Insurance	13,033	
Employer Medicare	2,050	
Communication	5,775	
Dues and Memberships	270	
Postal Charges	110	
Rentals	250	
Travel	2,088	
Tuition	400	
Disposal Fees	1,819	
Other Contracted Services	29,338	
Custodial Supplies	1,357	
Electricity	29,019	
Food Supplies	4	
Gasoline	9,593	
Office Supplies	155	
Water and Sewer	4,655	
Other Supplies and Materials	18,640	
Furniture and Fixtures	5,002	
Maintenance Equipment	3,357	
Total Parks and Fair Boards		$ 291,639
Other Social, Cultural, and Recreational		
Postal Charges	$ 31	
Gasoline	7,271	
Office Supplies	106	
Vehicle and Equipment Insurance	1,607	
Total Other Social, Cultural, and Recreational		9,015
Agriculture and Natural Resources		
Agriculture Extension Service		
Assistant(s)	$ 54,926	
Salary Supplements	158,200	
Part-time Personnel	5,070	
Board and Committee Members Fees	500	
Social Security	7,163	
State Retirement	18,116	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Agriculture Extension Service (Cont.)		
Life Insurance	$ 60	
Medical Insurance	31,661	
Unemployment Compensation	35	
Employer Medicare	2,910	
Communication	4,126	
Rentals	3,143	
Other Contracted Services	18,000	
Office Supplies	927	
Workers' Compensation Insurance	68	
Other Capital Outlay	399	
Total Agriculture Extension Service		$ 305,304
Forest Service		
Contributions	$ 2,000	
Total Forest Service		2,000
Soil Conservation		
Secretary(ies)	$ 36,704	
Social Security	2,194	
State Retirement	5,370	
Life Insurance	38	
Medical Insurance	5,642	
Employer Medicare	513	
Other Contracted Services	814	
Office Supplies	15	
Other Supplies and Materials	160	
Total Soil Conservation		51,450
Other Operations		
Tourism		
Contracts with Government Agencies	$ 307,604	
Contracts with Other Public Agencies	922,811	
Total Tourism		1,230,415
Industrial Development		
Contributions	$ 624,616	
Total Industrial Development		624,616
Airport		
Contributions	$ 272,156	
Total Airport		272,156

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Veterans' Services		
Assistant(s)	$ 115,960	
Supervisor/Director	49,608	
Secretary(ies)	49,088	
Board and Committee Members Fees	1,350	
Social Security	12,753	
State Retirement	31,404	
Life Insurance	266	
Medical Insurance	44,475	
Employer Medicare	2,983	
Communication	2,011	
Postal Charges	2,829	
Printing, Stationery, and Forms	128	
Travel	4,823	
Other Contracted Services	2,854	
Custodial Supplies	60	
Electricity	3,456	
Food Supplies	661	
Natural Gas	10	
Office Supplies	117	
Water and Sewer	843	
Other Supplies and Materials	7,627	
Furniture and Fixtures	1,607	
Total Veterans' Services		$ 334,913
Other Charges		
Boiler Insurance	$ 10,854	
Building and Contents Insurance	334,325	
Premiums on Corporate Surety Bonds	1,560	
Trustee's Commission	785,852	
Total Other Charges		1,132,591
Contributions to Other Agencies		
Contributions	$ 127,490	
Dues and Memberships	15,003	
Total Contributions to Other Agencies		142,493
Employee Benefits		
Handling Charges and Administrative Costs	$ 14,870	
Medical Insurance	153,203	
Disability Insurance	200,947	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Other Operations (Cont.)		
Employee Benefits (Cont.)		
Other Fringe Benefits	$ 31,035	
Total Employee Benefits		$ 400,055
ARRA Grant # 2		
Probation Officer(s)	$ 36,954	
Social Security	2,260	
State Retirement	5,486	
Life Insurance	38	
Employer Medicare	528	
Total ARRA Grant # 2		45,266
ARRA Grant # 3		
Communication	$ 30,706	
Other Contracted Services	2,512	
Other Supplies and Materials	5,443	
Data Processing Equipment	80,092	
Total ARRA Grant # 3		118,753
ARRA Grant # 5		
Heating and Air Conditioning Equipment	$ 20,956	
Traffic Control Equipment	25,246	
Total ARRA Grant # 5		46,202
Miscellaneous		
Advertising	$ 1,000	
Legal Services	324	
Postal Charges	21	
Travel	1,599	
Other Contracted Services	9,550	
Office Supplies	61	
Other Supplies and Materials	2,211	
Total Miscellaneous		14,766
Highways		
Litter and Trash Collection		
Deputy(ies)	$ 84,543	
Social Security	5,242	
State Retirement	12,368	
Life Insurance	77	
Unemployment Compensation	180	

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
Highways (Cont.)			
Litter and Trash Collection (Cont.)			
Employer Medicare	$ 1,226		
Printing, Stationery, and Forms	5,000		
Other Contracted Services	5,650		
Other Supplies and Materials	4,150		
Total Litter and Trash Collection		$ 118,436	
Total General Fund			$ 57,451,428
Drug Control Fund			
Public Safety			
Sheriff's Department			
Legal Services	$ 11,078		
Veterinary Services	1,015		
Other Contracted Services	10,239		
Animal Food and Supplies	631		
Trustee's Commission	56		
Other Equipment	6,000		
Total Sheriff's Department		$ 29,019	
Total Drug Control Fund			29,019
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 39,865		
Total Chancery Court		$ 39,865	
Total Constitutional Officers - Fees Fund			39,865
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 92,102		
Assistant(s)	57,585		
Accountants/Bookkeepers	37,697		
Secretary(ies)	32,080		
Clerical Personnel	32,080		
Overtime Pay	943		
Board and Committee Members Fees	3,600		
Social Security	15,069		

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
State Retirement	$ 36,937	
Life Insurance	192	
Medical Insurance	47,527	
Employer Medicare	3,524	
Dues and Memberships	4,110	
Legal Services	4,200	
Printing, Stationery, and Forms	314	
Rentals	3,222	
Travel	377	
Other Contracted Services	5,293	
Drugs and Medical Supplies	2,486	
Office Supplies	1,095	
Other Supplies and Materials	5,774	
Total Administration		$ 386,207
Highway and Bridge Maintenance		
Foremen	$ 376,196	
Mechanic(s)	112,666	
Equipment Operators - Heavy	475,122	
Equipment Operators - Light	173,882	
Truck Drivers	482,232	
Laborers	59,246	
Temporary Personnel	14,510	
Overtime Pay	75,018	
Social Security	102,698	
State Retirement	250,912	
Life Insurance	1,870	
Medical Insurance	441,529	
Employer Medicare	24,018	
Rentals	10,031	
Other Contracted Services	5,032	
Asphalt - Hot Mix	933,552	
Asphalt - Liquid	36,303	
Concrete	3,630	
Crushed Stone	110,487	
Fertilizer, Lime, and Seed	2,498	
Pipe - Metal	26,382	
Salt	408,919	
Sand	5,067	
Structural Steel	4,858	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Other Supplies and Materials	$ 12,836	
Total Highway and Bridge Maintenance		$ 4,149,494
Operation and Maintenance of Equipment		
Foremen	$ 46,726	
Mechanic(s)	168,162	
Truck Drivers	28,501	
Clerical Personnel	32,163	
Overtime Pay	8,833	
Social Security	16,831	
State Retirement	40,594	
Life Insurance	259	
Medical Insurance	52,963	
Employer Medicare	3,936	
Operating Lease Payments	880	
Maintenance and Repair Services - Equipment	8,337	
Maintenance and Repair Services - Vehicles	12,173	
Other Contracted Services	1,878	
Diesel Fuel	181,555	
Equipment and Machinery Parts	178,906	
Garage Supplies	2,361	
Gasoline	143,918	
Lubricants	28,271	
Small Tools	4,915	
Tires and Tubes	51,000	
Vehicle Parts	72,915	
Other Supplies and Materials	24,627	
Total Operation and Maintenance of Equipment		1,110,704
Traffic Control		
Foremen	$ 46,726	
Equipment Operators - Heavy	59,937	
Laborers	51,831	
Overtime Pay	6,887	
Social Security	9,997	
State Retirement	24,195	
Life Insurance	166	
Medical Insurance	22,669	
Employer Medicare	2,338	
Operating Lease Payments	390	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Traffic Control (Cont.)			
Other Contracted Services	$ 6,213		
Electricity	4,597		
Road Signs	42,633		
Small Tools	72		
Other Supplies and Materials	128,633		
Total Traffic Control		$ 407,284	
Other Charges			
Communication	$ 7,531		
Licenses	818		
Electricity	26,895		
Natural Gas	8,877		
Water and Sewer	2,587		
Building and Contents Insurance	216,065		
Indirect Cost	11,690		
Trustee's Commission	106,147		
Total Other Charges		380,610	
Employee Benefits			
Medical Insurance	$ 42,995		
Unemployment Compensation	1,379		
Total Employee Benefits		44,374	
Capital Outlay			
Engineering Services	$ 35,427		
Bridge Construction	1,136		
Building Construction	625		
Building Improvements	11,697		
Communication Equipment	9,095		
Data Processing Equipment	2,722		
Furniture and Fixtures	802		
Heating and Air Conditioning Equipment	1,817		
Highway Equipment	146,078		
Motor Vehicles	22,620		
State Aid Projects	295,955		
Other Equipment	2,466		
Total Capital Outlay		530,440	
Total Highway/Public Works Fund			$ 7,009,113

(Continued)

Exhibit L-7

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 3,773,302		
Principal on Notes	1,162,600		
Total General Government		$ 4,935,902	
Education			
Principal on Bonds	$ 9,656,698		
Principal on Notes	631,560		
Principal on Other Loans	2,213,055		
Total Education		12,501,313	
Interest on Debt			
Education			
Interest on Other Loans	$ 366,868		
Total Education		8,918,707	
General Government			
Interest on Bonds	$ 4,489,103		
Interest on Notes	152,576		
Total General Government		4,641,679	
Education			
Interest on Bonds	$ 8,520,261		
Interest on Notes	31,578		
Total Education		8,918,707	
Other Debt Service			
General Government			
Trustee's Commission	$ 179,708		
Other Debt Service	1,902		
Total General Government		181,610	
Education			
Trustee's Commission	$ 388,987		
Other Debt Issuance Charges	58,886		
Other Debt Service	4,301		
Total Education		452,174	
Total General Debt Service Fund			$ 31,631,385

(Continued)

Exhibit L-7

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

General Capital Projects Fund		
Capital Projects		
General Administration Projects		
Architects	$ 34,335	
Contracts with Private Agencies	3,688	
Trustee's Commission	23,082	
Building Construction	267,101	
Building Improvements	225,949	
Data Processing Equipment	314,156	
Heating and Air Conditioning Equipment	43,895	
Highway Construction	89,064	
Maintenance Equipment	15,885	
Motor Vehicles	49,767	
Other Equipment	11,780	
Other Capital Outlay	34,700	
Total General Administration Projects		$ 1,113,402
Administration of Justice Projects		
Building Improvements	$ 18,891	
Total Administration of Justice Projects		18,891
Public Safety Projects		
Building Improvements	$ 192,474	
Furniture and Fixtures	35,025	
Motor Vehicles	463,389	
Other Equipment	374,068	
Other Capital Outlay	20,330	
Total Public Safety Projects		1,085,286
Public Health and Welfare Projects		
Architects	$ 147,250	
Engineering Services	39,965	
Building Construction	8,425	
Communication Equipment	2,138	
Motor Vehicles	77,600	
Health Equipment	84,523	
Other Equipment	40,467	
Total Public Health and Welfare Projects		400,368
Social, Cultural, and Recreation Projects		
Architects	$ 66,344	
Printing, Stationery, and Forms	2,619	
Building Construction	260,222	

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Social, Cultural, and Recreation Projects (Cont.)			
Maintenance Equipment	$ 11,788		
Motor Vehicles	58,207		
Other Capital Outlay	195,863		
Total Social, Cultural, and Recreation Projects		$ 595,043	
Other General Government Projects			
Building Improvements	$ 101,033		
Data Processing Equipment	60,426		
Other Capital Outlay	813,338		
Total Other General Government Projects		974,797	
Education Capital Projects			
Contributions	$ 4,319,768		
Total Education Capital Projects		4,319,768	
Total General Capital Projects Fund			$ 8,507,555
Total Governmental Funds - Primary Government			$ 104,668,365

Exhibit L-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 67,141,263	
Career Ladder Program	429,891	
Career Ladder Extended Contracts	108,818	
Homebound Teachers	129,427	
Educational Assistants	1,056,139	
Overtime Pay	190	
Social Security	4,081,131	
State Retirement	6,287,491	
Life Insurance	94,073	
Medical Insurance	12,161,489	
Employer Medicare	954,609	
Maintenance and Repair Services - Equipment	12,600	
Transportation - Other than Students	1,745	
Travel	13,449	
Tuition	185,377	
Contracts for Substitute Teachers - Certified	926,903	
Contracts for Substitute Teachers - Non-certified	725,267	
Other Contracted Services	24,556	
Basic Skills Materials	33,511	
Instructional Supplies and Materials	750,976	
Textbooks	1,802,402	
Other Supplies and Materials	137	
Fee Waivers	366,910	
Regular Instruction Equipment	62,275	
Total Regular Instruction Program		$ 97,350,629
Alternative Instruction Program		
Teachers	$ 621,715	
Career Ladder Program	3,000	
Educational Assistants	11,756	
Social Security	38,231	
State Retirement	57,130	
Life Insurance	777	
Medical Insurance	73,682	
Employer Medicare	8,941	
Rentals	1,227	
Contracts for Substitute Teachers - Certified	16,848	
Contracts for Substitute Teachers - Non-certified	5,538	
Instructional Supplies and Materials	3,000	
Total Alternative Instruction Program		841,845

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program		
Teachers	$ 8,793,349	
Career Ladder Program	80,750	
Career Ladder Extended Contracts	810	
Homebound Teachers	56,037	
Educational Assistants	1,682,096	
Speech Pathologist	997,002	
Overtime Pay	60	
Social Security	682,050	
State Retirement	1,133,309	
Life Insurance	17,156	
Medical Insurance	2,195,701	
Employer Medicare	159,610	
Contracts with Private Agencies	756,201	
Travel	2,679	
Contracts for Substitute Teachers - Certified	128,909	
Contracts for Substitute Teachers - Non-certified	173,097	
Other Contracted Services	15,151	
Instructional Supplies and Materials	67,130	
Special Education Equipment	9,707	
Total Special Education Program		$ 16,950,804
Vocational Education Program		
Teachers	$ 3,198,902	
Career Ladder Program	14,999	
Salary Supplements	27,341	
Social Security	192,060	
State Retirement	293,393	
Life Insurance	4,376	
Medical Insurance	603,973	
Employer Medicare	44,856	
Maintenance and Repair Services - Equipment	690	
Contracts for Substitute Teachers - Certified	30,347	
Contracts for Substitute Teachers - Non-certified	43,203	
Instructional Supplies and Materials	152,967	
T&I Construction Materials	106,250	
Vocational Instruction Equipment	14,605	
Total Vocational Education Program		4,727,962

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services				
Attendance				
Supervisor/Director	$	90,185		
Career Ladder Program		6,000		
Career Ladder Extended Contracts		600		
Pupil Personnel		380,129		
Secretary(ies)		62,273		
Social Security		32,052		
State Retirement		52,069		
Life Insurance		558		
Medical Insurance		77,135		
Employer Medicare		7,496		
Dues and Memberships		160		
Travel		5,926		
Office Supplies		3,174		
In Service/Staff Development		5,195		
Total Attendance			$	722,952
Health Services				
Medical Personnel	$	756,314		
Temporary Personnel		14,527		
Overtime Pay		146		
Social Security		44,731		
State Retirement		101,851		
Life Insurance		1,412		
Medical Insurance		152,258		
Employer Medicare		10,461		
Other Contracted Services		11,051		
Other Supplies and Materials		13,831		
Health Equipment		8,248		
Total Health Services				1,114,830
Other Student Support				
Career Ladder Program	$	28,080		
Guidance Personnel		3,263,673		
Career Ladder Extended Contracts		4,388		
Social Workers		125,525		
Salary Supplements		1,435,437		
Clerical Personnel		268,354		
Educational Assistants		127,656		
Overtime Pay		188		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Other Salaries and Wages	$ 26,406	
Social Security	313,926	
State Retirement	481,591	
Life Insurance	5,257	
Medical Insurance	732,744	
Employer Medicare	73,447	
Evaluation and Testing	125,983	
Other Contracted Services	9,488	
Instructional Supplies and Materials	850	
Total Other Student Support		$ 7,022,993
Regular Instruction Program		
Supervisor/Director	$ 1,103,309	
Career Ladder Program	65,716	
Career Ladder Extended Contracts	3,000	
Librarians	2,183,248	
Salary Supplements	169,272	
Secretary(ies)	67,578	
Clerical Personnel	31,083	
Educational Assistants	626,149	
Overtime Pay	33	
Other Salaries and Wages	985,732	
Social Security	309,260	
State Retirement	511,704	
Life Insurance	5,885	
Medical Insurance	805,881	
Employer Medicare	72,681	
Dues and Memberships	26,900	
Travel	10,735	
Other Contracted Services	9,400	
Gasoline	1,346	
Library Books/Media	76,587	
Office Supplies	9,397	
Periodicals	26,649	
Other Supplies and Materials	404,641	
In Service/Staff Development	178,598	
Other Charges	15,246	
Total Regular Instruction Program		7,700,030

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Alternative Instruction Program				
Clerical Personnel	$	18,744		
Social Security		938		
State Retirement		2,742		
Life Insurance		40		
Medical Insurance		13,365		
Employer Medicare		219		
Total Alternative Instruction Program			$	36,048
Special Education Program				
Supervisor/Director	$	92,124		
Career Ladder Program		9,725		
Psychological Personnel		594,401		
Secretary(ies)		47,655		
Other Salaries and Wages		332,005		
Social Security		63,927		
State Retirement		101,618		
Life Insurance		1,058		
Medical Insurance		162,551		
Employer Medicare		14,951		
Dues and Memberships		1,652		
Travel		18,698		
Office Supplies		5,419		
Other Supplies and Materials		40,007		
In Service/Staff Development		5,082		
Total Special Education Program				1,490,873
Vocational Education Program				
Supervisor/Director	$	61,416		
Secretary(ies)		15,260		
Social Security		4,588		
State Retirement		7,690		
Life Insurance		82		
Medical Insurance		11,162		
Employer Medicare		1,073		
Office Supplies		458		
Total Vocational Education Program				101,729
Adult Programs				
Supervisor/Director	$	35,314		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Adult Programs (Cont.)				
Career Ladder Program	$	1,000		
Guidance Personnel		29,510		
Social Security		4,029		
State Retirement		3,131		
Life Insurance		142		
Medical Insurance		2,846		
Employer Medicare		942		
Total Adult Programs			$	76,914
Other Programs				
On-Behalf Payments to OPEB	$	72,742		
Total Other Programs				72,742
Board of Education				
Secretary to Board	$	25,488		
Board and Committee Members Fees		24,450		
Social Security		3,013		
State Retirement		3,729		
Life Insurance		31		
Medical Insurance		5,581		
Employer Medicare		705		
Dues and Memberships		31,625		
Legal Services		103,308		
In Service/Staff Development		13,592		
Other Charges		1,393		
Total Board of Education				212,915
Director of Schools				
County Official/Administrative Officer	$	164,801		
Education Media Personnel		77,223		
Secretary(ies)		25,488		
Clerical Personnel		106,274		
Other Salaries and Wages		142,032		
Social Security		27,350		
State Retirement		74,427		
Life Insurance		441		
Medical Insurance		66,651		
Employer Medicare		7,167		
Dues and Memberships		2,412		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Postal Charges	$ 53,943	
Travel	854	
Other Contracted Services	12,210	
Duplicating Supplies	34,333	
Food Supplies	2,063	
Office Supplies	7,159	
Periodicals	403	
Other Supplies and Materials	5,379	
In Service/Staff Development	13,322	
Other Equipment	5,984	
Total Director of Schools		$ 829,916
Office of the Principal		
Principals	$ 2,952,407	
Career Ladder Program	58,749	
Accountants/Bookkeepers	1,257,082	
Career Ladder Extended Contracts	32,138	
Assistant Principals	3,859,466	
Clerical Personnel	1,912,805	
Temporary Personnel	5,528	
Overtime Pay	13,201	
Social Security	597,518	
State Retirement	1,067,394	
Life Insurance	11,115	
Medical Insurance	1,912,031	
Employer Medicare	139,796	
Dues and Memberships	7,875	
Other Contracted Services	11,805	
In Service/Staff Development	31,500	
Total Office of the Principal		13,870,410
Fiscal Services		
Supervisor/Director	$ 212,056	
Accountants/Bookkeepers	648,451	
Purchasing Personnel	68,673	
Secretary(ies)	2,683	
Temporary Personnel	8,581	
Overtime Pay	1,597	
Other Salaries and Wages	336,918	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services (Cont.)		
Social Security	$ 75,475	
State Retirement	187,112	
Life Insurance	1,220	
Medical Insurance	194,956	
Employer Medicare	17,681	
Advertising	682	
Audit Services	58,500	
Bank Charges	10,262	
Dues and Memberships	1,245	
Laundry Service	3,162	
Maintenance and Repair Services - Equipment	1,781	
Travel	559	
Other Contracted Services	34,319	
Gasoline	12,006	
Office Supplies	49,357	
Other Supplies and Materials	1,440	
Premiums on Corporate Surety Bonds	1,493	
Trustee's Commission	1,137,138	
Liability Claims	67,808	
Other Self-Insured Claims	109,674	
In Service/Staff Development	4,059	
Other Charges	68,929	
Total Fiscal Services		$ 3,317,817
Human Services/Personnel		
Supervisor/Director	$ 435,461	
Secretary(ies)	378,547	
Overtime Pay	94	
Other Salaries and Wages	37,745	
Other Per Diem and Fees	6,000	
Social Security	51,026	
State Retirement	123,684	
Life Insurance	723	
Medical Insurance	105,725	
Disability Insurance	412,345	
Unemployment Compensation	115,000	
Employer Medicare	11,938	
Other Fringe Benefits	394,716	
Advertising	2,087	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Human Services/Personnel (Cont.)		
Dues and Memberships	$ 2,415	
Travel	5,280	
Other Contracted Services	33,345	
Office Supplies	14,095	
Other Supplies and Materials	9,452	
Workers' Compensation Insurance	127,677	
In Service/Staff Development	26,327	
Criminal Investigation of Applicants - TBI	26,262	
Administration Equipment	672	
Total Human Services/Personnel		$ 2,320,616
Operation of Plant		
Supervisor/Director	$ 202,432	
Salary Supplements	30,000	
Foremen	51,240	
Secretary(ies)	33,026	
Custodial Personnel	4,066,447	
Overtime Pay	10,691	
Social Security	254,628	
State Retirement	622,222	
Life Insurance	6,844	
Medical Insurance	1,325,953	
Employer Medicare	59,499	
Evaluation and Testing	7,400	
Laundry Service	63,554	
Licenses	5,085	
Travel	1,438	
Other Contracted Services	247,985	
Custodial Supplies	337,291	
Electricity	5,406,008	
Fertilizer, Lime, and Seed	35,000	
Fuel Oil	24,585	
Natural Gas	485,565	
Office Supplies	3,001	
Water and Sewer	624,545	
Gravel and Chert	16,756	
Other Supplies and Materials	26,244	
Building and Contents Insurance	671,238	
In Service/Staff Development	1,725	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
Furniture and Fixtures	$ 36,066	
Plant Operation Equipment	27,274	
Total Operation of Plant		$ 14,683,742
Maintenance of Plant		
Supervisor/Director	$ 71,857	
Foremen	54,950	
Secretary(ies)	51,976	
Maintenance Personnel	2,013,716	
Overtime Pay	528	
Social Security	129,290	
State Retirement	310,141	
Life Insurance	2,405	
Medical Insurance	504,473	
Employer Medicare	30,238	
Dues and Memberships	50	
Laundry Service	11,157	
Maintenance and Repair Services - Equipment	331,427	
Maintenance and Repair Services - Vehicles	1,185	
Other Contracted Services	138,506	
Gasoline	177,201	
Lubricants	3,171	
Office Supplies	3,376	
Tires and Tubes	8,929	
Vehicle Parts	34,638	
Chemicals	32,165	
Other Supplies and Materials	809,779	
Vehicle and Equipment Insurance	14,946	
In Service/Staff Development	5,694	
Maintenance Equipment	13,364	
Total Maintenance of Plant		4,755,162
Central and Other		
Supervisor/Director	$ 220,010	
Computer Programmer(s)	275,267	
Instructional Computer Personnel	927,907	
Salary Supplements	5,208	
Secretary(ies)	33,697	
Other Salaries and Wages	531,229	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Central and Other (Cont.)			
Social Security	$ 118,304		
State Retirement	263,583		
Life Insurance	1,804		
Medical Insurance	294,161		
Employer Medicare	27,668		
Communication	633,845		
Dues and Memberships	1,095		
Travel	29,895		
Other Contracted Services	1,316,711		
Data Processing Supplies	825,254		
Office Supplies	1,460		
Other Supplies and Materials	72,982		
In Service/Staff Development	19,835		
Data Processing Equipment	226,392		
Other Equipment	623,096		
Total Central and Other		$ 6,449,403	
Operation of Non-Instructional Services			
Early Childhood Education			
Teachers	$ 914,998		
Educational Assistants	308,319		
Overtime Pay	145		
Other Salaries and Wages	89,163		
Social Security	76,540		
State Retirement	131,435		
Life Insurance	2,175		
Medical Insurance	302,456		
Employer Medicare	17,901		
Travel	517		
Contracts for Substitute Teachers - Certified	14,135		
Contracts for Substitute Teachers - Non-certified	21,576		
Instructional Supplies and Materials	9,939		
In Service/Staff Development	5,062		
Other Equipment	19,177		
Total Early Childhood Education		1,913,538	
Interest on Debt			
Education			
Interest on Notes	$ 33,854		
Total Education		33,854	
Total General Purpose School Fund			$ 186,597,724

(Continued)

Exhibit L-8

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

School Federal Projects Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 3,488,184	
Salary Supplements	949,532	
Educational Assistants	472,714	
Other Salaries and Wages	98,324	
Social Security	289,570	
State Retirement	485,469	
Life Insurance	5,781	
Medical Insurance	698,738	
Employer Medicare	77,487	
Travel	3,925	
Contracts for Substitute Teachers - Certified	93,299	
Contracts for Substitute Teachers - Non-certified	59,320	
Other Contracted Services	118,598	
Instructional Supplies and Materials	733,015	
Textbooks	157,704	
Regular Instruction Equipment	170,341	
Total Regular Instruction Program		$ 7,902,001
Special Education Program		
Teachers	$ 1,350,636	
Educational Assistants	1,775,486	
Speech Pathologist	73,105	
Overtime Pay	68	
Other Salaries and Wages	9,778	
Social Security	183,604	
State Retirement	369,910	
Life Insurance	6,320	
Medical Insurance	686,312	
Employer Medicare	44,668	
Contracts for Substitute Teachers - Certified	1,278	
Contracts for Substitute Teachers - Non-certified	429	
Other Contracted Services	166,902	
Instructional Supplies and Materials	94,596	
Textbooks	209,939	
Other Supplies and Materials	16,793	
Special Education Equipment	107,452	
Total Special Education Program		5,097,276

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program				
Teachers	$	35,743		
Social Security		1,604		
State Retirement		3,356		
Life Insurance		62		
Medical Insurance		5,693		
Employer Medicare		897		
Contracts for Substitute Teachers - Non-certified		89		
Instructional Supplies and Materials		14,434		
Other Supplies and Materials		8,861		
Other Charges		2,411		
Vocational Instruction Equipment		204,227		
Total Vocational Education Program			$	277,377
Adult Education Program				
Teachers	$	63,472		
Social Security		3,288		
State Retirement		600		
Employer Medicare		917		
Other Contracted Services		525		
Instructional Supplies and Materials		9,589		
Regular Instruction Equipment		4,500		
Total Adult Education Program				82,891
Support Services				
Other Student Support				
Guidance Personnel	$	42,095		
Social Workers		44,805		
Other Salaries and Wages		125,328		
Social Security		8,529		
State Retirement		14,691		
Life Insurance		343		
Medical Insurance		27,953		
Employer Medicare		3,269		
Travel		51,221		
Other Contracted Services		125,003		
Other Supplies and Materials		33,584		
In Service/Staff Development		56,728		
Other Charges		27,447		
Other Equipment		10,621		
Total Other Student Support				571,617

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program		
Supervisor/Director	$ 120,907	
Secretary(ies)	14,695	
Clerical Personnel	19,751	
Other Salaries and Wages	1,223,721	
Social Security	82,781	
State Retirement	129,531	
Life Insurance	1,276	
Medical Insurance	190,347	
Employer Medicare	19,919	
Communication	720	
Consultants	2,291	
Dues and Memberships	2,995	
Travel	9,857	
Other Contracted Services	119,605	
Library Books/Media	22,986	
Other Supplies and Materials	36,805	
In Service/Staff Development	318,098	
Other Charges	21,476	
Other Equipment	12,660	
Total Regular Instruction Program		$ 2,350,421
Special Education Program		
Psychological Personnel	$ 210,811	
Assessment Personnel	184,919	
Secretary(ies)	35,122	
Clerical Personnel	62,776	
Other Salaries and Wages	507,344	
Social Security	59,293	
State Retirement	95,992	
Life Insurance	1,152	
Medical Insurance	171,023	
Employer Medicare	13,867	
Travel	785	
Other Contracted Services	10,190	
Other Supplies and Materials	218,907	
In Service/Staff Development	63,579	
Other Equipment	910	
Total Special Education Program		1,636,670

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Vocational Education Program				
Travel	$	206		
In Service/Staff Development		2,172		
Total Vocational Education Program			$	2,378
Adult Programs				
Supervisor/Director	$	35,314		
Clerical Personnel		26,603		
Other Salaries and Wages		31,180		
Social Security		5,417		
State Retirement		11,653		
Medical Insurance		19,701		
Employer Medicare		1,267		
Office Supplies		3,989		
In Service/Staff Development		3,992		
Total Adult Programs				139,116
Director of Schools				
Other Supplies and Materials	$	519		
Total Director of Schools				519
Office of the Principal				
Assistant Principals	$	35,468		
Other Salaries and Wages		3,790		
Social Security		2,306		
State Retirement		3,553		
Life Insurance		31		
Medical Insurance		6,682		
Employer Medicare		539		
Total Office of the Principal				52,369
Operation of Plant				
Communication	$	14,000		
Other Contracted Services		2,200		
Other Equipment		113,841		
Total Operation of Plant				130,041
Transportation				
Bus Drivers	$	78,707		
Social Security		4,747		

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
State Retirement	$ 8,411		
Life Insurance	68		
Medical Insurance	4,350		
Employer Medicare	1,111		
Contracts with Parents	177		
Travel	9,717		
Gasoline	15,472		
Lubricants	950		
Vehicle Parts	2,800		
Total Transportation		$ 126,510	
Total School Federal Projects Fund			$ 18,369,186
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 162,408		
Salary Supplements	14,570		
Truck Drivers	58,776		
Secretary(ies)	111,414		
Cafeteria Personnel	2,635,406		
Custodial Personnel	188,300		
Overtime Pay	22,352		
Other Salaries and Wages	258,264		
Social Security	198,047		
State Retirement	495,640		
Life Insurance	7,562		
Medical Insurance	1,020,280		
Employer Medicare	46,360		
Bank Charges	4,433		
Dues and Memberships	8,014		
Laundry Service	59,653		
Licenses	2,640		
Printing, Stationery, and Forms	3,106		
Travel	7,989		
Other Contracted Services	376,686		
Equipment and Machinery Parts	58,635		
Food Supplies	3,828,556		
Gasoline	8,202		

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Lubricants	$ 90		
Office Supplies	33,891		
Tires and Tubes	495		
Uniforms	12,199		
Utilities	244,500		
Vehicle Parts	1,981		
USDA - Commodities	850,217		
Other Supplies and Materials	450,431		
Workers' Compensation Insurance	2,606		
In Service/Staff Development	14,674		
Food Service Equipment	391,725		
Total Food Service		$ 11,580,102	
Total Central Cafeteria Fund			$ 11,580,102
School Transportation Fund			
Support Services			
Fiscal Services			
Trustee's Commission	$ 36,665		
Total Fiscal Services		$ 36,665	
Transportation			
Supervisor/Director	$ 187,845		
Salary Supplements	13,750		
Mechanic(s)	539,004		
Bus Drivers	3,729,431		
Dispatchers/Radio Operators	170,078		
Secretary(ies)	116,230		
Temporary Personnel	258,296		
Overtime Pay	12,679		
Other Salaries and Wages	852,095		
Social Security	344,362		
State Retirement	801,521		
Life Insurance	13,638		
Medical Insurance	1,522,825		
Employer Medicare	80,756		
Dues and Memberships	250		
Laundry Service	6,604		
Licenses	5,743		

(Continued)

Exhibit L-8

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

School Transportation Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Maintenance and Repair Services - Equipment	$ 11,628		
Maintenance and Repair Services - Vehicles	19,069		
Medical and Dental Services	30,880		
Transportation - Other than Students	115,025		
Other Contracted Services	27,448		
Garage Supplies	5,744		
Gasoline	1,043,592		
Lubricants	20,474		
Office Supplies	13,114		
Tires and Tubes	74,989		
Vehicle Parts	266,780		
Other Supplies and Materials	6,329		
Vehicle and Equipment Insurance	51,684		
In Service/Staff Development	8,830		
Communication Equipment	81,462		
Transportation Equipment	670,855		
Total Transportation		$ 11,103,010	
Total School Transportation Fund			$ 11,139,675
Extended School Program Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 105,972		
Educational Assistants	11,298		
Social Security	7,271		
State Retirement	11,346		
Employer Medicare	1,700		
Other Contracted Services	5,700		
Total Regular Instruction Program		$ 143,287	
Support Services			
Office of the Principal			
Assistant Principals	$ 23,675		
Social Security	1,468		
State Retirement	2,143		
Employer Medicare	343		
Total Office of the Principal		27,629	

(Continued)

Exhibit L-8

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

Extended School Program Fund (Cont.)			
Support Services (Cont.)			
Fiscal Services			
Trustee's Commission	$ 821		
Total Fiscal Services		$ 821	
Operation of Plant			
Custodial Personnel	$ 6,585		
Social Security	408		
State Retirement	963		
Employer Medicare	96		
Total Operation of Plant		8,052	
Total Extended School Program Fund			$ 179,789
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 600,811		
Contributions	285,382		
Building Construction	13,818,580		
Building Improvements	2,215,422		
Data Processing Equipment	384,268		
Land	313,646		
Plant Operation Equipment	80,882		
Site Development	269,984		
Total Education Capital Projects		$ 17,968,975	
Total Education Capital Projects Fund			17,968,975
Total Governmental Funds - Clarksville-Montgomery County School System			$ 245,835,451

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds
For the Year Ended June 30, 2011

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Revenues				
Operating Revenues				
Charges for Current Services				
Self-Insurance Premiums/Contributions	$ 40,349,978	$ 0	$ 115,000	$ 40,464,978
Other Employee Benefit Charges	3,039,656	0	0	3,039,656
Other Charges for Services	44,044	0	0	44,044
Retirees' Insurance Payments	1,545,653	0	0	1,545,653
Total Operating Revenues	$ 44,979,331	$ 0	$ 115,000	$ 45,094,331
Nonoperating Revenues				
Investment Income	$ 17,600	$ 2,442	$ 1,259	$ 21,301
Miscellaneous Refunds	97,216	2,415	0	99,631
Total Nonoperating Revenues	$ 114,816	$ 4,857	$ 1,259	$ 120,932
Total Revenues	$ 45,094,147	$ 4,857	$ 116,259	$ 45,215,263
Expenses				
Operating Expenses				
Risk Management				
Supervisor/Director	$ 0	$ 38,093	$ 0	$ 38,093
Clerical Personnel	0	6,794	0	6,794
Social Security	0	2,533	0	2,533
State Retirement	0	5,573	0	5,573
Life Insurance	0	38	0	38
Medical Insurance	0	13,247	0	13,247
Employer Medicare	0	592	0	592
Communication	0	696	0	696
Consultants	0	13,400	0	13,400
Contracts with Private Agencies	0	59,462	0	59,462
Dues and Memberships	0	170	0	170
Legal Services	0	1,976	0	1,976
Medcal and Dental Services	0	117,693	0	117,693
Postal Charges	0	46	0	46
Printing, Stationery, and Forms	0	165	0	165
Travel	0	857	0	857
Tuition	0	425	0	425
Drug and Medical Supplies	0	10,167	0	10,167
Other Supplies and Materials	0	738	0	738
Judgments	0	51,996	0	51,996
Furniture and Fixtures	0	1,949	0	1,949
Total Risk Management	$ 0	$ 326,610	$ 0	$ 326,610

(Continued)

Exhibit L-9

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Expenses (Cont.)				
Other Local Health Services				
Unemployment Compensation	$ 0	$ 0	$ 4,950	$ 4,950
Total Other Local Health Services	$ 0	$ 0	$ 4,950	$ 4,950
Other Charges				
Other Contracted Services	$ 961,763	$ 0	$ 0	$ 961,763
Other Supplies and Materials	210,475	0	0	210,475
Depreciation	991	0	0	991
Other Charges	41,887	0	0	41,887
Total Other Charges	$ 1,215,116	$ 0	$ 0	$ 1,215,116
Employee Benefits				
Life Insurance	$ 274,980	$ 0	$ 0	$ 274,980
Medical and Dental Services	175,346	0	0	175,346
Excess Risk Insurance	719,940	0	0	719,940
Medical Claims	28,802,406	0	0	28,802,406
Contracts with Private Agencies	1,654,110	0	0	1,654,110
Other Contracted Services	563,977	0	0	563,977
Other Charges	359,409	0	0	359,409
Other Self-Insured Claims	2,155,089	0	0	2,155,089
Total Employee Benefits	$ 34,705,257	$ 0	$ 0	$ 34,705,257
Other				
Unemployment Compensation	$ 0	$ 0	$ 290,996	$ 290,996
Total Other	$ 0	$ 0	$ 290,996	$ 290,996
Total Expenses	$ 35,920,373	$ 326,610	$ 295,946	$ 36,542,929

Exhibit L-10

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 12,160,832
Total Cash Receipts	$ 12,160,832
Cash Disbursements	
Remittance of Revenues Collected	$ 12,039,224
Trustee's Commission	121,608
Total Cash Disbursements	$ 12,160,832
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2010	0
Cash Balance, June 30, 2011	$ 0

SINGLE AUDIT SECTION

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

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

January 12, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Montgomery County's basic financial statements and have issued our report thereon dated January 12, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Montgomery County Emergency Communications District, which were not available from other auditors as of the date of this report. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Clarksville-Montgomery County Public Library, the discretely presented Bi-County Solid Waste Management System, and the discretely presented Clarksville-Montgomery County Industrial Development Board as described in our report on Montgomery County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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: items 11.02(A) and 11.03. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01, 11.02(B), and 11.04.

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

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

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

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

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

January 12, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Montgomery County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Montgomery County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Montgomery County's management. Our responsibility is to express an opinion on Montgomery County's compliance based on our audit.

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

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

In our opinion, Montgomery County complied, in all material respects, with the requirements referred to above that 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 Montgomery County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Montgomery County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Montgomery County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

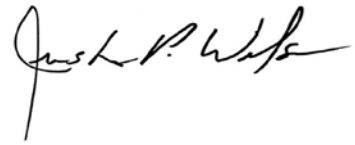
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County as of and for the year ended June 30, 2011, and have issued our report thereon dated January 12, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Montgomery County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements 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.

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Montgomery 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:				
Rural Business Enterprise Grants	10.769	N/A	$ 22,000	
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	850,217	(3)
Cooperative Forestry Assistance	10.664	(2)	20,841	
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(2)	1,556,151	
National School Lunch Program	10.555	(2)	5,042,064	(3)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	155,675	
Total U.S. Department of Agriculture			$ 7,646,948	
U.S. Department of Defense:				
Direct Program:				
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	$ 490,245	
Passed through WBKearney & Associates, Inc.:				
Army Youth Programs in Your Neighborhood	12.XXX	(2)	361,255	
Total U.S. Department of Defense			$ 851,500	
U.S. Department of Justice:				
Direct Program:				
State Criminal Alien Assistance Program	16.606	N/A	$ 34,558	
Bulletproof Vest Partnership Program	16.607	N/A	8,559	
Passed-through State Office of Criminal Justice Programs:				
Project Safe Neighborhoods	16.609	(2)	72,321	
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	12,000	
Passed-through the City of Clarksville:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	13,551	
Passed-through State Administrative Office of the Courts:				
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	(2)	45,267	
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	16.804	(2)	155,659	
Total U.S. Department of Justice			$ 341,915	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
State and Community Highway Safety	20.600	(2)	$ 70,908	
Total U.S. Department of Transportation			$ 70,908	
U.S. Department of Energy:				
Passed-through State Housing Development Agency:				
Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act	81.128	(2)	$ 46,202	
Total U.S. Department of Energy			$ 46,202	
U.S. Department of Education:				
Direct Program:				
Impact Aid	84.041	N/A	$ 4,933,061	
Passed-through State Department of Education:				
Adult Education - Basic Grants to States	84.002	(2)	166,281	
Title I Cluster:				
Title I Grants to Local Educational Agencies	84.010	N/A	4,291,882	
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	2,369,860	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	$ 5,031,369
Special Education - Preschool Grants	84.173	N/A	20,268
Special Education - Grants to States, Recovery Act	84.391	N/A	3,199,849
Special Education - Preschool Grants, Recovery Act	84.392	N/A	93,339
Career and Technical Education - Basic Grants to States	84.048	N/A	399,263
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	3,197
Twenty-first Century Community Learning Centers	84.287	(2)	750,000
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	52,987
Education Technology State Grants, Recovery Act	84.386	N/A	23,038
English Language Acquisition Grants	84.365	N/A	173,767
Improving Teacher Quality State Grants	84.367	N/A	1,096,310
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	4,182
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds - Education State Grants, Recovery Act	84.394	N/A	10,245,308
State Fiscal Stabilization Funds - Government Services, Recovery Act	84.397	N/A	335,351
State Fiscal Stabilization Fund (SFSF) - Race to the Top Grants, Recovery Act	84.395	(2)	1,066,121
Education Jobs Fund	84.410	(2)	2,881,753
Total U.S. Department of Education			$ 37,137,186
National Archives and Records Administration			
Passed-through Tennessee Department of State:			
National Historical Publications and Records Grants	89.003	(2)	$ 5,000
Total National Archives and Records Administration			$ 5,000
U.S. Election Assistance Commission			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	$ 46,000
Total U.S. Election Assistance Commission			$ 46,000
U.S. Department of Health and Human Services			
Passed-through State Department of Education:			
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(2)	$ 156,061
Total U.S. Department of Health and Human Services			$ 156,061
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	$ 8,490
Passed-through Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	564,494
Emergency Management Performance Grant	97.042	(2)	1,814
Homeland Security Grant Program	97.067	(2)	651,144
Total U.S. Department of Homeland Security			$ 1,225,942
Total Federal Awards			$ 47,527,662

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Early Childhood Education - State Department of Education	N/A	(2)	$ 1,829,270
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	247,500
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	9,000
Safe Schools Act - State Department of Education	N/A	(2)	130,039
Adult Education - State Department of Education	N/A	(2)	55,727
Child Advocacy Center - State Department of Children's Services	N/A	(2)	95,732
Juvenile Court Prevention - State Department of Children's Services	N/A	(2)	60,850
Litter Program - State Department of Transportation	N/A	(2)	54,613
Rural Local Health Services - State Department of Health	N/A	(2)	1,817,053
Community Correction Grant - State Department of Correction	N/A	(2)	445,787
School to Work Transition Grant - State Department of Human Services	N/A	(2)	67,129
Teen Learning Center - State Department of Children's Services	N/A	(2)	422,082
Total State Grants			$ 5,234,782

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $5,892,281.

Montgomery 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 is the finding from the Annual Financial Report for Montgomery County, Tennessee, for the year ended June 30, 2010, which has not been corrected.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
10.05	200	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires

MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

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

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

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

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

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

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

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Impact Aid (CFDA No. 84.041); the Special Education Cluster: Special Education – Grants to States, Special Education - Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.

8. A $1,425,830 threshold was used to distinguish between Type A and Type B federal programs.

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of accounts and budgets and the director of schools provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 11.01 **DEFICIENCIES WERE NOTED IN THE COLLECTION OF FUNDS AT THE BUILDING AND CODES DEPARTMENT**
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the collection of funds at the Building and Codes Department:

A. In some instances, Building and Codes Department funds were not deposited with the county trustee within three days of collection. Section 5-8-207, *Tennessee Code Annotated* (*TCA*), requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of management oversight and increases the risk of fraud and abuse.

B. In some instances, the Building and Codes Department did not issue official receipts for collections as required by Section 9-2-104, *TCA*. Instead, the department used generic receipts that did not display the official name of the department on each receipt. This deficiency is the result of management decisions and exposes the department to risks that collections may not be accounted for properly.

RECOMMENDATION

All funds should be deposited within three days of collection. The department should issue official prenumbered receipts that clearly reflect the name of the county and the department.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Part A. has been addressed with the Building and Codes Department as well as the entire county government in the form of an email reminder and during a monthly department head and elected officials meeting.

Regarding Part B., Montgomery County government goes beyond the state mandate and requires that all departments post publicly a notice stating that the public be issued a prenumbered receipt for all revenue collections. If a receipt is not issued, citizens are directed to contact the Office of Accounts and Budgets or the State of Tennessee Fraud and Abuse Hotline. In Montgomery County, a prenumbered receipt is issued from a system where receipt numbers cannot be altered, rather than costly preprinted receipts. Generic receipts were issued during the year for permit renewals originally issued on an old system.

This policy has been discontinued and all permits are generated in a system that issued a computerized receipt.

FINDING 11.02 **THE JUVENILE COURT HAD ACCOUNTING DEFICIENCIES RELATED TO THE EXECUTION DOCKET**
(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

The following deficiencies were noted that related to the Juvenile Court, which resulted from a lack of management oversight and could result in unauthorized transactions:

A. The computerized execution docket did not accurately reflect litigant investment activity and account balances. Three investments totaling $34,500 were not recorded on the execution docket.

B. A trial balance of execution docket cause balances was not prepared for cash bonds as required by Section 18-2-103, *Tennessee Code Annotated* (*TCA*). Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the court for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office.

RECOMMENDATION

Execution dockets should reflect all financial activity and account balances. Trial balances of execution docket cause balances should be prepared and reconciled with cash journal accounts for Juvenile Court cash bonds as required by state statutes. To further comply with state statutes, the office should report and pay to the state Treasurer's Office any unclaimed funds held for more than one year.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. Monthly reconciliations are performed by the department. Due to an employee transition in the department, the process of printing the monthly reconciliation report was not continued. This has been corrected. Further, the Adult Probation Department is moving toward closing this account and transitioning the related processes to the Office of Accounts and Budgets.

FINDING 11.03 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER IN JUVENILE COURT**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

All employees operated from the same cash drawer in the Juvenile Court. 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 office 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

Each employee in the office should be assigned their own cash drawer.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. This was discussed with the department on December 9, 2011, following a review by the Office of Accounts and Budgets. The Juvenile Department maintains $50 in cash on hand. This will have to be increased to add additional cash drawers. We are currently working out the logistics of securing additional cash drawers and expect this to be resolved in the immediate future.

OFFICE OF SHERIFF

FINDING 11.04 **THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES**
(Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION

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

BEST PRACTICE

MONTGOMERY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Montgomery County does not have a central system of accounting, budgeting, and purchasing for all departments. Montgomery County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway supervisor, 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.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Montgomery County has adopted the Fiscal, Purchasing, and Budgeting Acts of 1957, which are currently active, legal, and legitimate formats for counties to operate. Presently, local governments are experiencing more state mandates with less funding than ever before. A costly time-intensive consolidation will not necessarily result in decentralization and duplication of effort. Montgomery County government and School Department have open lines of communication and work together very well. We understand this is not the reality across the state, but do not agree that a one size fits all solution is the best thing for the citizens of Montgomery County.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

While it is acknowledged that this is a best practice that would be beneficial for many counties in the State of Tennessee, such would not be the case for a county or school system with the size and sophistication of operations of Montgomery County or the Clarksville-Montgomery County School System (CMCSS). That being said, the CMCSS is not a county school system, nor is it a department of Montgomery County. It is a consolidated school system created pursuant to *TCA* 49-2-1201 and operates under a plan approved by the City of Clarksville, County of Montgomery, and the voters in a special referendum. Pursuant to the plan for the consolidation and unification of the public school systems of the City of Clarksville and of Montgomery County, CMCSS has operated its own accounting, budgeting, and purchasing department since the unification plan was approved by the voters in 1963, and does so efficiently and effectively, providing for the needs of the approximately 4,000 employees and over 30,000 students without duplication of effort.

AUDITOR'S COMMENT

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.

MONTGOMERY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011

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