
**ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2012



ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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WENDY HEATH, CFE
State Auditors

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

MONTGOMERY COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Montgomery County as of and for the year ended June 30, 2012.

Results

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

Our audit resulted in seven 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

- ◆ A cash shortage of \$2,139 existed in the Animal Control Department as of June 30, 2012.
- ◆ Animal Control Department fuel cards were improperly used, and the theft was not reported timely to the Comptroller of the Treasury.
- ◆ A Juvenile Court Probation Officer diverted funds totaling \$5,613 for personal use.
- ◆ Bid specifications for an equipment purchase applied only to one brand.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Material audit adjustments were required for proper financial statement presentation.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The case management software did not identify the user who processed transactions.

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 Local Government 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, 2012

Officials

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

Board of County Commissioners

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

Highway Commission

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

Board of Education

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

Audit Committee

John Gannon, Sr., Chairman	Mark Banasiak
Martha Brockman	Lettie Kendall
Ronald Sokol	

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

November 30, 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, 2012, which collectively comprise Montgomery County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montgomery County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Industrial Development Board, and 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 Clarksville-Montgomery County Public Library, Bi-County Solid Waste Management System, Clarksville-Montgomery County Industrial Development Board, and 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, 2012, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, 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, 2012, 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 November 30, 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.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 66 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County's 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,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Montgomery County, Tennessee
Statement of Net Assets
June 30, 2012

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Clarksville- Montgomery County School System</u>
<u>ASSETS</u>		
Cash	\$ 66,749	\$ 935,591
Equity in Pooled Cash and Investments	114,569,770	61,247,791
Inventories	65,594	554,461
Accounts Receivable	4,983,066	156,156
Allowance for Uncollectibles	(1,328,857)	0
Due from Other Governments	2,772,516	10,915,922
Due from Primary Government	0	61,968
Due from Component Units	28,955	0
Property Taxes Receivable	79,787,296	32,019,950
Allowance for Uncollectible Property Taxes	(2,069,800)	(908,744)
Prepaid Items	10,868	0
Deferred Charges - Debt Issuance Costs	2,015,820	0
Capital Assets:		
Assets Not Depreciated:		
Land	8,333,750	13,598,186
Construction in Progress	3,846,670	12,358,468
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	81,734,361	247,395,554
Other Capital Assets	3,998,527	16,492,622
Intangibles	1,785,090	0
Infrastructure	29,516,241	0
Total Assets	<u>\$ 330,116,616</u>	<u>\$ 394,827,925</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,002,133	\$ 3,665,498
Accrued Payroll	586,104	12,034,692
Payroll Deductions Payable	215,917	6,895,184
Accrued Interest Payable	2,918,500	0
Contracts Payable	105,858	2,803,770
Retainage Payable	5,571	151,995
Due to State of Tennessee	1,503	0
Due to Primary Government	0	28,955
Due to Component Units	61,968	0
Due to Litigants, Heirs, and Others	10,202	0
Other Current Liabilities	32,620	0
Customer Deposits Payable	1,200	129,618
Deferred Revenue - Current Taxes	75,977,266	30,264,001
Noncurrent Liabilities:		
Due Within One Year	24,208,912	1,551,652
Due in More Than One Year (net of unamortized premiums and deferred amount on refunding)	339,293,642	3,347,982
Total Liabilities	<u>\$ 444,421,396</u>	<u>\$ 60,873,347</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Clarksville- Montgomery County School System</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 45,106,642	\$ 0
Invested in Capital Assets Restricted for:	0	289,844,830
Capital Projects	0	4,926,017
Debt Service	41,576,560	0
Highways	3,199,591	0
Other Purposes	0	187,938
General Government	412,283	0
Finance	548,895	0
Administration of Justice	711,458	0
Public Safety	209,899	0
Public Health and Welfare	85,836	0
Central Cafeteria	0	4,667,215
School Transportation	0	2,311,688
School Federal Projects	0	1,845,509
Unrestricted	<u>(206,155,944)</u>	<u>30,171,381</u>
Total Net Assets (Deficit)	<u>\$ (114,304,780)</u>	<u>\$ 333,954,578</u>

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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						Component Unit Clarksville-Montgomery County School System
	Program Revenues			Primary Government Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	
Primary Government:							
Governmental Activities:							
General Government	\$ 8,854,487	\$ 3,076,017	\$ 117,050	\$ 0	\$ (5,661,420)	\$ 0	0
Finance	4,866,172	4,899,511	0	0	33,339	0	0
Administration of Justice	6,183,358	4,371,892	638,448	0	(1,173,018)	0	0
Public Safety	25,906,457	2,205,939	1,287,869	583,120	(21,829,529)	0	0
Public Health and Welfare	11,907,445	4,860,679	1,874,639	0	(5,172,127)	0	0
Social, Cultural, and Recreational Services	2,681,038	12,791	0	0	(2,668,247)	0	0
Agriculture and Natural Resources	396,097	0	0	0	(396,097)	0	0
Other Operations	5,206,085	0	0	0	(5,206,085)	0	0
Highways/Public Works	2,619,707	83,222	3,172,924	825,817	1,462,256	0	0
Education	52,247,138	34,151,346	0	0	(18,095,792)	0	0
Interest on Long-term Debt	15,610,347	0	0	0	(15,610,347)	0	0
Other Debt Service	1,074,471	0	0	0	(1,074,471)	0	0
Total Primary Government	\$ 137,552,802	\$ 53,661,397	\$ 7,090,930	\$ 1,408,937	\$ (75,391,538)	\$ 0	0
Component Unit:							
Clarksville-Montgomery County School System	\$ 248,342,198	\$ 5,459,063	\$ 28,114,330	\$ 23,359,700	\$ 0	\$ (191,409,105)	0
Total Component Unit	\$ 248,342,198	\$ 5,459,063	\$ 28,114,330	\$ 23,359,700	\$ 0	\$ (191,409,105)	0

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit Clarksville- Montgomery County School System
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
				Total Governmental Activities		
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 34,036,819	\$	\$ 31,253,759
Property Taxes Levied for Debt Service				31,876,801		0
Local Option Sales Tax				3,831,448		41,441,709
Hotel/Motel Tax				1,862,719		0
Wheel Tax				0		3,917,191
Business Tax				1,510,506		731,527
Adequate Facilities/Development Tax				1,307,056		0
Litigation Tax				1,203,923		0
Wholesale Beer Tax				435,476		0
Mineral Severance Tax				338,854		0
Interstate Telecommunications Tax				2,428		10,112
Grants and Contributions Not Restricted to Specific Programs				5,503,441		132,978,820
Interest Income				1,084,771		14,409
Miscellaneous				2,100,625		631,690
Total General Revenues				\$ 85,094,867	\$	\$ 210,979,217
Change in Net Assets				\$ 9,703,329	\$	\$ 19,570,112
Net Assets (Deficit), July 1, 2011				(124,008,109)		314,384,466
Net Assets (Deficit), June 30, 2012				\$ (114,304,780)	\$	\$ 333,954,578

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, 2012

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
	General	Debt Service	Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 15,889	\$ 0	\$ 0	\$ 860	\$ 16,749
Equity in Pooled Cash and Investments	21,497,933	31,255,681	38,499,606	2,874,725	94,127,945
Inventories	65,594	0	0	0	65,594
Accounts Receivable	4,799,572	164,580	4,059	14,613	4,982,824
Allowance for Uncollectibles	(1,328,857)	0	0	0	(1,328,857)
Due from Other Governments	1,477,144	624,917	0	670,455	2,772,516
Due from Other Funds	0	33,647	37,849	0	71,496
Property Taxes Receivable	36,251,532	38,508,628	1,212,332	3,814,804	79,787,296
Allowance for Uncollectible Property Taxes	(963,954)	(954,240)	(39,732)	(111,874)	(2,069,800)
Prepaid Items	10,868	0	0	0	10,868
Total Assets	\$ 61,825,721	\$ 69,633,213	\$ 39,714,114	\$ 7,263,583	\$ 178,436,631
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 633,127	\$ 0	\$ 201,373	\$ 91,658	\$ 926,158
Accrued Payroll	484,019	0	0	101,020	585,039
Payroll Deductions Payable	190,042	0	0	24,343	214,385
Contracts Payable	0	0	105,858	0	105,858
Retainage Payable	0	0	5,571	0	5,571
Due to Other Funds	79,713	0	0	0	79,713
Due to State of Tennessee	1,503	0	0	0	1,503
Due to Litigants, Heirs, and Others	7,039	0	0	3,163	10,202
Other Current Liabilities	32,620	0	0	0	32,620
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	1,200	0	0	0	1,200
Deferred Revenue - Current Property Taxes	34,452,052	36,799,720	1,130,374	3,595,120	75,977,266
Deferred Revenue - Delinquent Property Taxes	723,936	631,560	37,786	93,411	1,486,693
Other Deferred Revenues	1,993,285	306,722	0	396,923	2,696,930
Total Liabilities	\$ 38,598,536	\$ 37,738,002	\$ 1,480,962	\$ 4,305,638	\$ 82,123,138
<u>Fund Balances</u>					
Nonspendable:					
Inventory	\$ 65,594	\$ 0	\$ 0	\$ 0	\$ 65,594
Prepaid Items	10,868	0	0	0	10,868
Restricted:					
Restricted for General Government	412,283	0	0	0	412,283
Restricted for Finance	548,895	0	0	0	548,895
Restricted for Administration of Justice	711,458	0	0	0	711,458
Restricted for Public Safety	139,816	0	0	70,083	209,899
Restricted for Public Health and Welfare	85,836	0	0	0	85,836
Restricted for Highways/Public Works	0	0	0	2,887,862	2,887,862
Restricted for Debt Service	0	31,895,211	0	0	31,895,211
Restricted for Capital Projects	0	0	38,233,152	0	38,233,152
Committed:					
Committed for General Government	1,707,011	0	0	0	1,707,011
Committed for Public Safety	94,695	0	0	0	94,695
Committed for Social, Cultural, and Recreational Services	9,467	0	0	0	9,467
Assigned:					
Assigned for Public Health and Welfare	1,431	0	0	0	1,431
Assigned for Social, Cultural, and Recreational Services	34,230	0	0	0	34,230
Unassigned	19,405,601	0	0	0	19,405,601
Total Fund Balances	\$ 23,227,185	\$ 31,895,211	\$ 38,233,152	\$ 2,957,945	\$ 96,313,493
Total Liabilities and Fund Balances	\$ 61,825,721	\$ 69,633,213	\$ 39,714,114	\$ 7,263,583	\$ 178,436,631

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, 2012

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)		\$	96,313,493
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	8,333,750	
Add: construction in progress		3,846,670	
Add: buildings and improvements net of accumulated depreciation		81,734,361	
Add: other capital assets net of accumulated depreciation		3,998,527	
Add: intangibles net of accumulated depreciation		1,785,090	
Add: infrastructure net of accumulated depreciation		29,516,241	
Less: capital assets of internal service funds, which are included below in item (2)		(19,243)	129,195,396
(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.			17,585,960
(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	\$	(312,620,000)	
Less: notes payable		(105,917)	
Less: other loans payable		(38,461,368)	
Add: deferred amount on refunding		11,661,567	
Add: deferred charges - debt issuance costs		2,015,820	
Less: other deferred revenue - premium on debt		(17,403,947)	
Less: accrued interest on bonds, notes, and other loans		(2,918,500)	
Less: other postemployment benefits liability		(1,448,038)	
Less: compensated absences payable		(2,302,869)	(361,583,252)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			4,183,623
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u>(114,304,780)</u>

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

Exhibit C-3

Montgomery County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 35,084,913	\$ 38,783,006	\$ 1,164,502	\$ 4,233,840	\$ 79,266,261
Licenses and Permits	1,300,513	0	0	0	1,300,513
Fines, Forfeitures, and Penalties	1,057,431	0	0	7,492	1,064,923
Charges for Current Services	4,461,375	0	0	17,411	4,478,786
Other Local Revenues	2,014,931	664,026	51,780	97,751	2,828,488
Fees Received from County Officials	8,576,188	0	0	0	8,576,188
State of Tennessee	6,833,540	0	0	3,806,565	10,640,105
Federal Government	1,323,753	97,016	14,949	96,683	1,532,401
Other Governments and Citizens Groups	376,916	68,161	523,532	23,470	992,079
Total Revenues	\$ 61,029,560	\$ 39,612,209	\$ 1,754,763	\$ 8,283,212	\$ 110,679,744
Expenditures					
Current:					
General Government	\$ 6,623,504	\$ 0	\$ 0	\$ 0	\$ 6,623,504
Finance	5,167,296	0	0	0	5,167,296
Administration of Justice	5,813,589	0	0	17,199	5,830,788
Public Safety	24,714,195	0	0	1,125	24,715,320
Public Health and Welfare	10,484,914	0	0	0	10,484,914
Social, Cultural, and Recreational Services	2,021,824	0	0	0	2,021,824
Agriculture and Natural Resources	366,881	0	0	0	366,881
Other Operations	4,480,549	0	0	0	4,480,549
Highways	124,155	0	0	8,050,100	8,174,255
Debt Service:					
Principal on Debt	0	21,365,970	0	0	21,365,970
Interest on Debt	0	14,473,395	0	0	14,473,395
Other Debt Service	0	1,192,037	0	0	1,192,037
Capital Projects	0	0	31,675,878	0	31,675,878
Total Expenditures	\$ 59,796,907	\$ 37,031,402	\$ 31,675,878	\$ 8,068,424	\$ 136,572,611
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 1,232,653	\$ 2,580,807	\$ (29,921,115)	\$ 214,788	\$ (25,892,867)
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 0	\$ 62,335,000	\$ 0	\$ 62,335,000
Refunding Debt Issued	0	19,465,000	0	0	19,465,000
Premiums on Debt Issued	0	2,167,459	3,467,180	0	5,634,639
Insurance Recovery	32,343	0	145,169	4,211	181,723
Transfers In	18,000	33,647	82,881	0	134,528
Transfers Out	(116,528)	0	0	0	(116,528)
Payments to Refunded Debt Escrow Agent	0	(21,519,127)	0	0	(21,519,127)
Total Other Financing Sources (Uses)	\$ (66,185)	\$ 146,979	\$ 66,030,230	\$ 4,211	\$ 66,115,235
Net Change in Fund Balances	\$ 1,166,468	\$ 2,727,786	\$ 36,109,115	\$ 218,999	\$ 40,222,368
Fund Balance, July 1, 2011	22,060,717	29,167,425	2,124,037	2,738,946	56,091,125
Fund Balance, June 30, 2012	\$ 23,227,185	\$ 31,895,211	\$ 38,233,152	\$ 2,957,945	\$ 96,313,493

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, 2012

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)		\$ 40,222,368
(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	\$ 10,308,492	
Less: current-year depreciation expense	(3,881,871)	
Add: current-year depreciation expense in internal service fund	<u>991</u>	6,427,612
(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		(18,250)
(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, 2011	\$ (4,690,322)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>4,183,623</u>	(506,699)
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: bond proceeds	\$ (62,335,000)	
Less: refunding bond proceeds	(19,465,000)	
Add: principal payments on notes	3,549,923	
Add: principal payments on bonds	15,265,000	
Add: principal payments on other loans	2,551,047	
Add: refunded debt	20,665,000	
Add: debt issuance cost on debt issued during year	117,566	
Less: debt issuance cost amortized during year	(185,524)	
Add: deferred charges on refunding debt issued during the year	614,461	
Less: deferred charges on refunding debt amortized during the year	(868,385)	
Less: premiums on debt issued during the year	(5,283,727)	
Add: amortization of debt issuance premiums	<u>1,371,074</u>	(44,003,565)
(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	\$ (194,289)	
Change in other postemployment benefits liability	(362,723)	
Change in compensated absences payable	<u>(171,965)</u>	(728,977)
(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.		<u>8,310,840</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 9,703,329</u>

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

Exhibit D-1

Montgomery County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2012

Governmental
 Activities -
 Internal
 Service
 Funds

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 20,441,825
Cash with Paying Agents	50,000
Accounts Receivable	242
Due from Other Funds	8,217
Due from Component Units	28,955
Total Current Assets	<u>\$ 20,529,239</u>

Noncurrent Assets:

Capital Assets:	
Buildings and Improvements	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(5,560)
Total Noncurrent Assets	<u>\$ 19,243</u>
Total Assets	<u>\$ 20,548,482</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 75,975
Accrued Payroll	1,065
Payroll Deductions Payable	1,532
Due to Component Units	61,968
Claims and Judgments Payable	1,410,991
Total Current Liabilities	<u>\$ 1,551,531</u>

Noncurrent Liabilities:

Claims and Judgments Payable	\$ 1,410,991
Total Noncurrent Liabilities	<u>\$ 1,410,991</u>

Total Liabilities	<u>\$ 2,962,522</u>
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NET ASSETS

Unrestricted	<u>\$ 17,585,960</u>
Total Net Assets	<u>\$ 17,585,960</u>

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

Exhibit D-2

Montgomery County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Funds
	<u>Funds</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 46,651,680
Other Local Revenues	14,123
Total Operating Revenues	<u>\$ 46,665,803</u>
<u>Operating Expenses</u>	
Other General Administration	\$ 5,642
Risk Management	160,281
Property Assessor's Office	11,658
Probation Services	13,408
Sheriff's Department	9,015
Jail	9,353
Rabies and Animal Control	7,930
Ambulance/Emergency Medical Services	6,776
Other Local Health Services	6,305
Landfill Operation and Maintenance	7,216
Other Charges	973,484
Depreciation	991
Employee Benefits	37,116,727
Other	205,127
Total Operating Expenses	<u>\$ 38,533,913</u>
Operating Income (Loss)	<u>\$ 8,131,890</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 50,824
Miscellaneous Refunds	128,126
Total Nonoperating Revenues (Expenses)	<u>\$ 178,950</u>
Changes in Net Assets	\$ 8,310,840
Net Assets, July 1, 2011	<u>9,275,120</u>
Nets Assets, June 30, 2012	<u><u>\$ 17,585,960</u></u>

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

Exhibit D-3

Montgomery County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	<u>Governmental Activities - Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 46,632,704
Other Self-Insured Claims	(38,775,387)
Other Receipts (Payments)	142,249
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,999,566</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 50,824
Net Cash Provided By (Used In) Investing Activities	<u>\$ 50,824</u>
Net Increase (Decrease) in Cash	\$ 8,050,390
Cash, July 1, 2011	<u>12,441,435</u>
Cash, June 30, 2012	<u>\$ 20,491,825</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 8,131,890
Miscellaneous Refunds	128,126
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	38
(Increase) Decrease in Due from Other Funds	43,454
(Increase) Decrease in Due from Component Units	(18,745)
Increase (Decrease) in Accounts Payable	(27,446)
Increase (Decrease) in Accrued Payroll	(3,044)
Increase (Decrease) in Payroll Deductions Payable	926
Increase (Decrease) in Due to Component Units	19,116
Increase (Decrease) in Claims and Judgments Payable	(275,740)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,999,566</u>

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

Exhibit E

Montgomery County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,678,586
Equity in Pooled Cash and Investments	190,879
Accounts Receivable	18,503
Due from Other Governments	<u>2,364,131</u>
Total Assets	<u>\$ 10,252,099</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 6,858
Accrued Payroll	1,208
Due to Other Taxing Units	2,360,487
Due to Litigants, Heirs, and Others	7,648,802
Due to Joint Ventures	<u>234,744</u>
Total Liabilities	<u>\$ 10,252,099</u>

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

MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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 financial statements of the Bi-County Solid Waste Management System were not available from other auditors in time for inclusion in this report.

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

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

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

Administrative Offices:

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

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

Clarksville-Montgomery County Industrial Development Board
P.O. Box 883
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 \$23,280,000 were contributed by the county to the School System during the year ended June 30, 2012.

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

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

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

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

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

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

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

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

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

Montgomery County reports the following major governmental funds:

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

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

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

Additionally, Montgomery County reports the following fund types:

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

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.

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.

Additionally, the Clarksville-Montgomery County School System reports the following fund types:

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

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.

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 and General Debt Service funds. 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.

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 \$2,821,982 for the primary government and \$663,405 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 of more than 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:

<u>Assets</u>	<u>Years</u>
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 System 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, 2012, Montgomery County had \$236,028,963 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.

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.

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, and shall remain binding unless removed in the same manner.

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 Commission has authorized the county’s Budget Committee to make assignments for the general government. The Board of Education is authorized to make assignments for the School System.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented 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

A. Budgetary Information

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

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

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

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

At June 30, 2012, Montgomery County reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
General Capital Projects	Architect Fees	\$ 150,000
General Capital Projects	Engineering Services	71,278

B. Cash Shortages

The Animal Control Department had a cash shortage of \$2,139 as of June 30, 2012. Montgomery County's insurance deductible is \$2,500; therefore, the county will likely lose the \$2,139 cash shortage.

A Juvenile Court probation officer diverted funds totaling \$5,613 for personal use. The probation officer pled guilty and made restitution payments to the victims.

Details of these cash shortages are discussed in the Schedule of Findings and Questioned Costs section of this report.

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, 2012, 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	Weighted Average Maturity (days)	Cost
State Treasurer's Investment Pool	6 to 164	\$ 46,308

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, 2012, 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, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 7,816,469	\$ 517,281	\$ 0	\$ 8,333,750
Construction in Progress	2,742,869	3,770,179	(2,666,378)	3,846,670
Total Capital Assets Not Depreciated	\$ 10,559,338	\$ 4,287,460	\$ (2,666,378)	\$ 12,180,420
Capital Assets Depreciated:				
Buildings and Improvements	\$ 103,568,148	\$ 2,538,678	\$ 0	\$ 106,106,826
Infrastructure	41,303,509	5,085,723	0	46,389,232
Intangibles	8,797,014	454,488	0	9,251,502
Other Capital Assets	11,266,984	608,521	(76,906)	11,798,599
Total Capital Assets Depreciated	\$ 164,935,655	\$ 8,687,410	\$ (76,906)	\$ 173,546,159
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 21,799,809	\$ 2,572,656	\$ 0	\$ 24,372,465
Infrastructure	16,498,740	374,251	0	16,872,991
Intangibles	7,298,502	167,910	0	7,466,412
Other Capital Assets	7,091,674	767,054	(58,656)	7,800,072
Total Accumulated Depreciation	\$ 52,688,725	\$ 3,881,871	\$ (58,656)	\$ 56,511,940

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Total Capital Assets				
Depreciated, Net	\$ 112,246,930	\$ 4,805,539	\$ (18,250)	\$ 117,034,219
Governmental Activities				
Capital Assets, Net	\$ 122,806,268	\$ 9,092,999	\$ (2,684,628)	\$ 129,214,639

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

Governmental Activities:

General Government	\$ 538,639
Finance	226,505
Administration of Justice	543,725
Public Safety	1,226,428
Public Health and Welfare	336,084
Social, Cultural, and Recreational Services	377,737
Agriculture and Natural Resources	34,982
Highway/Public Works	597,771
Total Depreciation Expense - Governmental Activities	<u>\$ 3,881,871</u>

Discretely Presented Clarksville-Montgomery County School System**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not				
Depreciated:				
Land	\$ 12,666,258	\$ 931,928	\$ 0	\$ 13,598,186
Construction in Progress	16,924,648	16,509,244	(21,075,424)	12,358,468
Total Capital Assets				
Not Depreciated	\$ 29,590,906	\$ 17,441,172	\$ (21,075,424)	\$ 25,956,654
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 310,139,057	\$ 21,618,415	\$ 0	\$ 331,757,472
Other Capital Assets	28,318,665	4,980,951	(1,645,701)	31,653,915
Total Capital Assets				
Depreciated	\$ 338,457,722	\$ 26,599,366	\$ (1,645,701)	\$ 363,411,387

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 77,555,647	\$ 6,806,271	\$ 0	\$ 84,361,918
Other Capital Assets	15,085,424	1,710,372	(1,634,503)	15,161,293
Total Accumulated Depreciation	<u>\$ 92,641,071</u>	<u>\$ 8,516,643</u>	<u>\$ (1,634,503)</u>	<u>\$ 99,523,211</u>
Total Capital Assets Depreciated, Net	<u>\$ 245,816,651</u>	<u>\$ 18,082,723</u>	<u>\$ (11,198)</u>	<u>\$ 263,888,176</u>
Governmental Activities Capital Assets, Net	<u>\$ 275,407,557</u>	<u>\$ 35,523,895</u>	<u>\$ (21,086,622)</u>	<u>\$ 289,844,830</u>

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

Governmental Activities:

Instruction	\$ 38,958
Support Services	8,330,887
Operation of Non-Instructional Services	<u>146,798</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 8,516,643</u>

C. Construction Commitments

At June 30, 2012, the General Capital Projects Fund had uncompleted construction contracts of approximately \$425,948 for various construction projects. Funding for these future expenditures has been received.

At June 30, 2012, the discretely presented School System's General Purpose School Fund had uncompleted construction contracts of approximately \$203,746 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, 2012, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	\$ 33,647
General Capital Projects	"	37,849
Self-Insurance (Internal Service)	"	2,236
Unemployment Comp (Internal Service)	"	5,981
School System Component Unit:		
General Purpose School	Nonmajor governmental	1,345,040
"	Education Capital Projects	1,578
Education Capital Projects	General Purpose School	3
Nonmajor governmental	"	24,823

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
Primary Government:		
Self-Insurance (Internal Service)	General Purpose School	\$ 14,605
"	Nonmajor governmental	14,350
Component Unit:		
School System:		
General Purpose School	Primary Government:	
	Self-Insurance (Internal Service)	61,968

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Transfer Out	Transfer In		
	General Fund	Debt Service Fund	General Capital Projects
General Fund	\$ 0	\$ 33,647	\$ 82,881
Judicial District Drug - Fiduciary Fund	18,000	0	0

Discretely Presented Clarksville-Montgomery County School System

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 3,714,928	\$ 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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital outlay notes outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	2 to 5.625	4-1-2030	\$ 191,185,000	\$ 112,560,000
General Obligation Bonds - Refunding	2 to 5	6-30-2026	282,445,000	200,060,000
Capital Outlay Notes	4	7-1-2014	250,000	105,917
Other Loans	variable	5-5-2029	46,375,705	38,461,368

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, 2012, the variable interest rate was .49 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, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 18,125,000	\$ 13,789,442	\$ 31,914,442
2014	19,105,000	13,040,356	32,145,356
2015	20,055,000	12,270,880	32,325,880
2016	20,160,000	11,475,581	31,635,581
2017	21,360,000	10,634,431	31,994,431
2018-2022	118,580,000	37,748,774	156,328,774
2023-2027	83,285,000	12,784,425	96,069,425
2028-2030	11,950,000	784,525	12,734,525

Total \$ 312,620,000 \$ 112,528,414 \$ 425,148,414

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 0	\$ 0	\$ 0
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157

Total \$ 105,917 \$ 6,397 \$ 112,314

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 2,370,052	\$ 365,661	\$ 74,378	\$ 2,810,091
2014	2,501,049	387,040	62,561	2,950,650
2015	2,530,049	383,037	60,681	2,973,767
2016	2,560,049	378,891	58,736	2,997,676
2017	2,413,569	374,599	55,874	2,844,042
2018-2022	12,179,231	1,803,193	245,360	14,227,784
2023-2027	11,211,369	1,393,212	163,307	12,767,888
2028-2029	2,696,000	19,928	11,393	2,727,321

Total \$ 38,461,368 \$ 5,105,561 \$ 732,290 \$ 44,299,219

There is \$31,895,211 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,814, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$2,038, based on the 2010 federal census.

Changes in Long-term liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2011	\$ 266,750,000	\$ 3,655,840	\$ 41,012,415
Additions	81,800,000	0	0
Reductions	(35,930,000)	(3,549,923)	(2,551,047)
Balance, June 30, 2012	<u>\$ 312,620,000</u>	<u>\$ 105,917</u>	<u>\$ 38,461,368</u>
Balance Due Within One Year	<u>\$ 18,125,000</u>	<u>\$ 0</u>	<u>\$ 2,370,052</u>

	Compensated Absences	Other Postemployment Benefits	Claims and Judgments
Balance, July 1, 2011	\$ 2,130,904	\$ 1,085,315	\$ 3,097,722
Additions	2,758,046	438,199	32,079,822
Reductions	(2,586,081)	(75,476)	(32,355,562)
Balance, June 30, 2012	<u>\$ 2,302,869</u>	<u>\$ 1,448,038</u>	<u>\$ 2,821,982</u>
Balance Due Within One Year	<u>\$ 2,302,869</u>	<u>\$ 0</u>	<u>\$ 1,410,991</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 357,760,174
Less: Due Within One Year	(24,208,912)
Add: Unamortized Premium on Debt	17,403,947
Less: Deferred Amount on Refunding	<u>(11,661,567)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 339,293,642</u>

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.

Advance Refunding

On April 25, 2012, Montgomery County advance refunded several general obligation bond issues with a separate general obligation bond issue. The county issued \$19,465,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased,

and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 13 years will be reduced by \$2,263,785, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,322,751 was obtained.

Defeasance of Prior Debt

In prior years, Montgomery County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2012, the following outstanding bonds are considered defeased:

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, 2012, was as follows:

	Other		
	Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2011	\$ 2,350,721	\$ 1,075,482	\$ 703,987
Additions	1,336,653	1,251,993	191,805
Reductions	(679,281)	(1,099,339)	(232,387)
Balance, June 30, 2012	\$ 3,008,093	\$ 1,228,136	\$ 663,405
Balance Due Within One Year	\$ 0	\$ 1,191,292	\$ 360,360

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 4,899,634
Less: Due Within One Year	<u>(1,551,652)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,347,982</u>

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, 2012, were \$84,294. The School System has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

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 \$250,000 per specific loss. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability. The reinsurance carrier will pay 85 percent of paid claims exceeding \$250,000 per specific loss to a maximum \$2,000,000 less the county's deductible.

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
2010-11	\$ 3,012,733	\$ 30,957,495	\$ (31,213,229)	\$ 2,756,999
2011-12	2,756,999	31,865,575	(31,927,068)	2,695,506

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
2010-11	\$ 317,000	\$ 0	\$ (57,677)	\$ 259,323
2011-12	259,323	0	(228,517)	30,806

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
2010-11	\$ 81,400	\$ 70,183	\$ (70,183)	\$ 81,400
2011-12	81,400	214,247	(199,977)	95,670

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
2010-11	\$ 683,356	\$ 0	\$ (38,017)	\$ 645,339
2011-12	645,339	0	(39,248)	606,091

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
2010-11	\$ 80,672	\$ 74,846	\$ (96,870)	\$ 58,648
2011-12	58,648	191,805	(193,139)	57,314

B. Subsequent Events

Director of Schools Michael Harris left office on July 31, 2012, and was succeeded by Dr. B. J. Worthington effective August 1, 2012.

On October 11, 2012, Montgomery County issued general obligation public improvement and refunding bonds totaling \$28,040,000 to refund a portion of the \$20,140,987 loan and for various county and school improvements.

Sheriff Norman Lewis died on October 14, 2012. Chief Deputy John Smith was appointed as the interim sheriff.

On November 16, 2012, the General Debt Service Fund issued a tax anticipation note of \$750,000 to the School Federal Projects Fund to provide temporary operating funds.

C. 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.

D. 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.

E. 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 \$200,919 for the operations of the airport and \$882,489 for capital related expenditures during the year ended June 30, 2012.

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 2011-12 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 2011-12 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

Administrative Offices (Cont.):

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

F. 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.

G. 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, 2012, 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, 2012, Montgomery County's annual pension cost of \$9,113,022 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$9,113,022	100%	\$0
6-30-11	8,448,199	100	0
6-30-10	8,861,226	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.27 percent funded. The actuarial accrued liability for benefits was \$160 million, and the actuarial value of assets was \$155.63 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.38 million. The covered payroll (annual payroll of active employees covered by the plan) was \$59.75 million, and the ratio of the UAAL to the covered payroll was 7.32 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.

SCHOOL TEACHERS

Plan Description

The Clarksville-Montgomery County School System contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits, as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of

age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School System is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School System is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$10,000,983, \$9,822,189, and \$6,735,354 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.

H. 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	\$ 438,362	\$ 1,331,723	\$ 1,770,085
Interest on the NPO	34,484	92,621	127,105
Adjustment to the ARC	(34,647)	(87,691)	(122,338)
Annual OPEB cost	\$ 438,199	\$ 1,336,653	\$ 1,774,852
Amount of contribution	(75,476)	(679,281)	(754,757)
Increase/decrease in NPO	\$ 362,723	\$ 657,372	\$ 1,020,095
Net OPEB obligation, 7-1-11	1,085,315	\$ 2,350,721	3,436,036
Net OPEB obligation, 6-30-12	\$ 1,448,038	\$ 3,008,093	\$ 4,456,131

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Primary Government	\$ 410,808	8 %	\$ 687,758
6-30-11	"	442,745	10	1,085,315
6-30-12	"	438,199	17	1,448,038
6-30-10	School System	1,332,892	38	1,624,666
6-30-11	"	1,326,413	45	2,350,721
6-30-12	"	1,336,653	51	3,008,093

Funded Status and Funding Progress

The funded status of the plans are as follows:

	Primary Government	School System
Actuarial valuation date	7-1-2012	7-1-2010
Actuarial accrued liability (AAL)	\$ 4,252,229	\$ 13,235,795
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,252,229	\$ 13,235,795
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 29,181,550	\$ 137,204,785
UAAL as a % of covered payroll	15%	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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. 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 July 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eleven percent initially, reduced by decrements to an ultimate rate of five percent after nine years. 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.

I. 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.

J. 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.

**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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 35,084,913	\$ 0	\$ 0	\$ 35,084,913	\$ 33,333,202	\$ 33,732,202	\$ 1,352,711
Licenses and Permits	1,300,513	0	0	1,300,513	892,640	892,640	407,873
Fines, Forfeitures, and Penalties	1,057,431	0	0	1,057,431	1,329,661	1,329,661	(272,230)
Charges for Current Services	4,461,375	0	0	4,461,375	5,179,335	5,301,274	(839,899)
Other Local Revenues	2,014,931	0	0	2,014,931	3,224,455	3,251,241	(1,236,310)
Fees Received from County Officials	8,576,188	0	0	8,576,188	7,637,655	7,671,302	904,886
State of Tennessee	6,833,540	0	0	6,833,540	5,197,966	5,797,533	1,036,007
Federal Government	1,323,753	0	0	1,323,753	1,386,673	1,591,368	(267,615)
Other Governments and Citizens Groups	376,916	0	0	376,916	259,507	264,507	112,409
Total Revenues	\$ 61,029,560	\$ 0	\$ 0	\$ 61,029,560	\$ 58,441,094	\$ 59,831,728	\$ 1,197,832

Expenditures

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>General Government</u>							
County Commission	\$ 206,900	(170)	\$ 0	\$ 206,730	\$ 220,423	\$ 220,593	\$ 13,863
Board of Equalization	1,314	0	0	1,314	2,688	2,688	1,374
Beer Board	1,073	0	0	1,073	3,076	3,076	2,003
Other Boards and Committees	2,638	0	0	2,638	3,121	3,121	483
County Mayor/Executive	424,795	0	285	425,080	426,953	433,160	8,080
Personnel Office	291,992	0	0	291,992	336,024	336,024	44,032
County Attorney	53,736	0	0	53,736	24,000	59,000	5,264
Election Commission	531,754	0	0	531,754	585,798	585,798	54,044
Register of Deeds	420,820	0	0	420,820	433,448	435,448	14,628
Planning	332,227	0	0	332,227	332,227	332,227	0
Building	158,691	0	0	158,691	242,419	196,766	38,075
Codes Compliance	606,975	0	0	606,975	618,395	629,895	22,920

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>General Government (Cont.)</u>							
Geographical Information Systems	\$ 157,478	\$ 0	\$ 0	\$ 157,478	\$ 185,735	\$ 190,410	\$ 32,932
County Buildings	1,470,901	0	0	1,470,901	1,552,835	1,573,835	102,934
Other Facilities	1,168,787	0	0	1,168,787	1,230,098	1,235,311	66,524
Other General Administration	677,265	0	0	677,265	638,391	686,044	8,779
Preservation of Records	116,158	0	0	116,158	180,425	180,495	64,337
<u>Finance</u>							
Accounting and Budgeting	485,604	0	0	485,604	538,989	528,989	43,385
Purchasing	275,001	0	0	275,001	284,195	284,195	9,194
Property Assessor's Office	978,050	0	0	978,050	1,094,638	1,094,638	116,588
County Trustee's Office	513,846	0	0	513,846	523,089	526,089	12,243
County Clerk's Office	1,684,330	(2,257)	3,050	1,685,123	1,768,289	1,770,546	85,423
Data Processing	1,180,345	0	48,562	1,228,907	1,362,376	1,379,876	150,969
Other Finance	50,120	0	0	50,120	50,550	50,550	430
<u>Administration of Justice</u>							
Circuit Court	1,892,147	0	0	1,892,147	2,007,090	2,007,090	114,943
General Sessions Court	1,807,325	(4,658)	242	1,802,909	1,936,592	1,952,300	149,391
Drug Court	50,000	0	0	50,000	50,000	50,000	0
Chancery Court	477,506	0	0	477,506	490,654	490,654	13,148
District Attorney General	125,361	0	0	125,361	123,874	238,968	113,607
Office of Public Defender	5,071	0	0	5,071	8,588	8,588	3,517
Judicial Commissioners	250,954	0	0	250,954	265,253	265,253	14,299
Other Administration of Justice	506,807	0	0	506,807	96,273	518,355	11,548
Probation Services	698,418	0	0	698,418	862,868	867,868	169,450

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 7,209,827	\$ (7,908)	\$ 7,612	\$ 7,209,531	\$ 7,389,974	\$ 7,533,134	\$ 323,603
Special Patrols	1,553,254	0	0	1,553,254	1,636,491	1,639,491	86,237
Administration of the Sexual Offender Registry	7,524	0	0	7,524	14,000	14,000	6,476
Jail	12,096,929	0	0	12,096,929	11,743,912	12,794,006	697,077
Workhouse	1,602,909	0	0	1,602,909	1,674,784	1,691,061	88,152
Correctional Incentive Program Improvements	447,977	0	0	447,977	468,789	473,680	25,703
Juvenile Services	185,343	0	0	185,343	207,241	207,241	21,898
Fire Prevention and Control	161,970	0	0	161,970	227,377	229,877	67,907
Civil Defense	400,036	0	0	400,036	404,599	404,599	4,563
Other Emergency Management	811,891	0	0	811,891	1,245,731	1,245,731	433,840
County Coroner/Medical Examiner	236,535	0	0	236,535	213,300	248,300	11,765
<u>Public Health and Welfare</u>							
Local Health Center	277,046	0	0	277,046	319,759	319,759	42,713
Rabies and Animal Control	484,263	0	0	484,263	506,000	565,743	81,480
Ambulance/Emergency Medical Services	7,619,421	0	0	7,619,421	8,290,682	8,357,136	737,715
Other Local Health Services	1,874,637	0	0	1,874,637	2,134,300	2,238,600	363,963
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	164,922	0	0	164,922	164,922	164,922	0
Other Local Welfare Services	24,325	0	0	24,325	28,000	28,000	3,675
Other Public Health and Welfare	30,300	0	0	30,300	85,275	85,275	54,975
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,630,891	0	0	1,630,891	1,630,891	1,630,891	0
Parks and Fair Boards	381,335	0	0	381,335	386,642	409,673	28,338
Other Social, Cultural, and Recreational	9,598	0	0	9,598	9,688	14,688	5,090

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 314,030	\$ 0	\$ 0	\$ 314,030	\$ 338,044	\$ 338,044	\$ 24,014
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	50,851	0	0	50,851	70,796	70,796	19,945
<u>Other Operations</u>							
Tourism	1,475,273	0	0	1,475,273	1,198,279	1,515,279	40,006
Industrial Development	624,616	0	0	624,616	624,616	624,616	0
Airport	200,919	0	0	200,919	200,919	200,919	0
Veterans' Services	347,151	0	0	347,151	357,929	359,529	12,378
Other Charges	1,203,834	0	0	1,203,834	1,246,178	1,246,178	42,344
Contributions to Other Agencies	127,362	0	0	127,362	145,000	145,000	17,638
Employee Benefits	436,966	0	0	436,966	385,300	452,300	15,334
ARRA Grant # 3	6,697	0	0	6,697	0	6,713	16
ARRA Grant # 5	40,494	(40,494)	0	0	0	40,494	40,494
Miscellaneous	17,237	0	0	17,237	70,525	20,525	3,288
<u>Highways</u>							
Litter and Trash Collection	124,155	0	0	124,155	130,622	133,122	8,967
Total Expenditures	\$ 59,796,907	\$ (55,487)	\$ 59,751	\$ 59,801,171	\$ 62,041,939	\$ 64,599,172	\$ 4,798,001
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,232,653	\$ 55,487	\$ (59,751)	\$ 1,228,389	\$ (3,600,845)	\$ (4,767,444)	\$ 5,995,833
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 32,343	\$ 0	\$ 0	\$ 32,343	\$ 0	\$ 6,239	\$ 26,104
Transfers In	18,000	0	0	18,000	555,524	586,113	(568,113)

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers Out	\$ (116,528)	0 \$	0 \$	(116,528) \$	0 \$	(116,528) \$	0
Total Other Financing Sources (Uses)	\$ (66,185)	0 \$	0 \$	(66,185) \$	555,524 \$	475,824 \$	(542,009)
Net Change in Fund Balance	\$ 1,166,468	55,487 \$	(59,751) \$	1,162,204 \$	(3,045,321) \$	(4,291,620) \$	5,453,824
Fund Balance, July 1, 2011	22,060,717	(55,487)	0	22,005,230	20,700,266	20,700,266	1,304,964
Fund Balance, June 30, 2012	\$ 23,227,185	0 \$	(59,751) \$	23,167,434 \$	17,654,945 \$	16,408,646 \$	6,758,788

Exhibit F-2

Montgomery County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Clarksville-Montgomery
County School System
June 30, 2012

(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)
7-1-11	\$ 155,626	\$ 160,002	4,375	97.27 %	\$ 56,749	7.32 %
7-1-09	121,574	127,706	6,131	95.20	56,479	10.86
7-1-07	108,665	116,316	7,651	93.42	49,014	15.61

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, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Accrued Liability (AAL) (b)	Liability (AAL) (b)				
Primary Government	7-1-08	\$ 0	\$ 3,753	\$ 3,753	\$ 3,753	0%	\$ 25,359	15%
"	1-1-10	0	3,651	3,651	3,651	0	26,551	14
"	7-1-12	0	4,252	4,252	4,252	0	29,182	15
School System *	7-1-08	0	14,188	14,188	14,188	0	129,482	11
"	7-1-10	0	13,236	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, 2012

A. Budgetary Information

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

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

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

B. Cash Shortages

The Animal Control Department had a cash shortage of \$2,139 as of June 30, 2012. Montgomery County's insurance deductible is \$2,500; therefore, the county will likely lose the \$2,139 cash shortage. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

A Juvenile Court probation officer diverted funds totaling \$5,613 for personal use. The probation officer pled guilty and made restitution payments to the victims. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**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.

Exhibit G-1

Montgomery County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue Funds			Total
	Drug Control	Constitu- tional - Officers - Fees	Highway / Public Works	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 810	\$ 50	\$ 860
Equity in Pooled Cash and Investments	70,027	0	2,804,698	2,874,725
Accounts Receivable	56	2,353	12,204	14,613
Due from Other Governments	0	0	670,455	670,455
Property Taxes Receivable	0	0	3,814,804	3,814,804
Allowance for Uncollectible Property Taxes	0	0	(111,874)	(111,874)
Total Assets	<u>\$ 70,083</u>	<u>\$ 3,163</u>	<u>\$ 7,190,337</u>	<u>\$ 7,263,583</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 0	\$ 91,658	\$ 91,658
Accrued Payroll	0	0	101,020	101,020
Payroll Deductions Payable	0	0	24,343	24,343
Due to Litigants, Heirs, and Others	0	3,163	0	3,163
Deferred Revenue - Current Property Taxes	0	0	3,595,120	3,595,120
Deferred Revenue - Delinquent Property Taxes	0	0	93,411	93,411
Other Deferred Revenues	0	0	396,923	396,923
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,163</u>	<u>\$ 4,302,475</u>	<u>\$ 4,305,638</u>
<u>Fund Balances</u>				
Restricted:				
Restricted for Public Safety	\$ 70,083	\$ 0	\$ 0	\$ 70,083
Restricted for Highways/Public Works	0	0	2,887,862	2,887,862
Total Fund Balances	<u>\$ 70,083</u>	<u>\$ 0</u>	<u>\$ 2,887,862</u>	<u>\$ 2,957,945</u>
Total Liabilities and Fund Balances	<u>\$ 70,083</u>	<u>\$ 3,163</u>	<u>\$ 7,190,337</u>	<u>\$ 7,263,583</u>

Exhibit G-2

Montgomery County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 4,233,840	\$ 4,233,840
Fines, Forfeitures, and Penalties	7,492	0	0	7,492
Charges for Current Services	0	17,199	212	17,411
Other Local Revenues	0	0	97,751	97,751
State of Tennessee	0	0	3,806,565	3,806,565
Federal Government	0	0	96,683	96,683
Other Governments and Citizens Groups	0	0	23,470	23,470
Total Revenues	<u>\$ 7,492</u>	<u>\$ 17,199</u>	<u>\$ 8,258,521</u>	<u>\$ 8,283,212</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 17,199	\$ 0	\$ 17,199
Public Safety	1,125	0	0	1,125
Highways	0	0	8,050,100	8,050,100
Total Expenditures	<u>\$ 1,125</u>	<u>\$ 17,199</u>	<u>\$ 8,050,100</u>	<u>\$ 8,068,424</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,367</u>	<u>\$ 0</u>	<u>\$ 208,421</u>	<u>\$ 214,788</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 4,211	\$ 4,211
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,211</u>	<u>\$ 4,211</u>
Net Change in Fund Balances	\$ 6,367	\$ 0	\$ 212,632	\$ 218,999
Fund Balance, July 1, 2011	63,716	0	2,675,230	2,738,946
Fund Balance, June 30, 2012	<u>\$ 70,083</u>	<u>\$ 0</u>	<u>\$ 2,887,862</u>	<u>\$ 2,957,945</u>

Exhibit G-3

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 7,492	\$ 12,500	\$ 12,500	\$ (5,008)
Total Revenues	\$ 7,492	\$ 12,500	\$ 12,500	\$ (5,008)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 1,125	\$ 37,070	\$ 37,070	\$ 35,945
Total Expenditures	\$ 1,125	\$ 37,070	\$ 37,070	\$ 35,945
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,367	\$ (24,570)	\$ (24,570)	\$ 30,937
Net Change in Fund Balance	\$ 6,367	\$ (24,570)	\$ (24,570)	\$ 30,937
Fund Balance, July 1, 2011	63,716	36,064	36,064	27,652
Fund Balance, June 30, 2012	\$ 70,083	\$ 11,494	\$ 11,494	\$ 58,589

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	Original	Final	
Revenues								
Local Taxes	\$ 4,233,840	\$ 0	\$ 0	\$ 4,233,840	\$ 4,095,304	\$ 4,095,304	\$ 138,536	
Charges for Current Services	212	0	0	212	100	100	112	
Other Local Revenues	97,751	0	0	97,751	80,000	80,000	17,751	
State of Tennessee	3,806,565	0	0	3,806,565	4,037,219	4,037,219	(230,654)	
Federal Government	96,683	0	0	96,683	0	0	96,683	
Other Governments and Citizens Groups	23,470	0	0	23,470	100,000	100,000	(76,530)	
Total Revenues	\$ 8,258,521	\$ 0	\$ 0	\$ 8,258,521	\$ 8,312,623	\$ 8,312,623	\$ (54,102)	
Expenditures								
Highways								
Administration	\$ 395,552	\$ 0	\$ 0	\$ 395,552	\$ 408,936	\$ 404,676	\$ 9,124	
Highway and Bridge Maintenance	4,049,827	0	0	4,049,827	4,619,570	4,626,570	576,743	
Operation and Maintenance of Equipment	1,167,277	0	308	1,167,585	1,095,407	1,292,407	124,822	
Traffic Control	344,102	0	0	344,102	426,419	426,419	82,317	
Other Charges	376,904	0	0	376,904	400,127	400,127	23,223	
Employee Benefits	38,085	0	0	38,085	54,388	54,388	16,303	
Capital Outlay	1,678,353	(372,262)	89,424	1,395,515	1,705,250	2,077,512	681,997	
Interest on Debt	0	0	0	0	7,000	7,000	7,000	
Highways and Streets	\$ 8,050,100	\$ (372,262)	\$ 89,732	\$ 7,767,570	\$ 8,717,097	\$ 9,289,099	\$ 1,521,529	
Total Expenditures								
Excess (Deficiency) of Revenues Over Expenditures	\$ 208,421	\$ 372,262	\$ (89,732)	\$ 490,951	\$ (404,474)	\$ (976,476)	\$ 1,467,427	
Other Financing Sources (Uses)								
Insurance Recovery	\$ 4,211	\$ 0	\$ 0	\$ 4,211	\$ 0	\$ 0	\$ 4,211	
Transfers In	0	0	0	0	542,574	542,574	(542,574)	
Total Other Financing Sources (Uses)	\$ 4,211	\$ 0	\$ 0	\$ 4,211	\$ 542,574	\$ 542,574	\$ (538,363)	
Net Change in Fund Balance	\$ 212,632	\$ 372,262	\$ (89,732)	\$ 495,162	\$ 138,100	\$ (433,902)	\$ 929,064	
Fund Balance, July 1, 2011	2,675,230	(372,262)	0	2,302,968	1,661,368	1,661,368	641,600	
Fund Balance, June 30, 2012	\$ 2,887,862	\$ 0	\$ (89,732)	\$ 2,798,130	\$ 1,799,468	\$ 1,227,466	\$ 1,570,664	

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 38,783,006	\$ 35,324,600	\$ 36,110,314	\$ 2,672,692
Other Local Revenues	664,026	885,000	163,888	500,138
Federal Government	97,016	97,015	97,015	1
Other Governments and Citizens Groups	68,161	0	68,161	0
Total Revenues	<u>\$ 39,612,209</u>	<u>\$ 36,306,615</u>	<u>\$ 36,439,378</u>	<u>\$ 3,172,831</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 8,316,163	\$ 8,564,243	\$ 8,419,549	\$ 103,386
Education	13,049,807	12,887,143	13,050,655	848
<u>Interest on Debt</u>				
General Government	4,623,712	4,395,962	4,631,482	7,770
Education	9,849,683	8,952,675	10,365,656	515,973
<u>Other Debt Service</u>				
General Government	406,200	178,500	433,463	27,263
Education	785,837	464,500	862,601	76,764
Total Expenditures	<u>\$ 37,031,402</u>	<u>\$ 35,443,023</u>	<u>\$ 37,763,406</u>	<u>\$ 732,004</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,580,807</u>	<u>\$ 863,592</u>	<u>\$ (1,324,028)</u>	<u>\$ 3,904,835</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 19,465,000	\$ 0	\$ 19,465,000	\$ 0
Premiums on Debt Issued	2,167,459	0	2,167,460	(1)
Transfers In	33,647	0	33,647	0
Payments to Refunded Debt Escrow Agent	(21,519,127)	0	(21,519,127)	0
Total Other Financing Sources (Uses)	<u>\$ 146,979</u>	<u>\$ 0</u>	<u>\$ 146,980</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 2,727,786	\$ 863,592	\$ (1,177,048)	\$ 3,904,834
Fund Balance, July 1, 2011	<u>29,167,425</u>	<u>27,010,863</u>	<u>27,010,863</u>	<u>2,156,562</u>
Fund Balance, June 30, 2012	<u>\$ 31,895,211</u>	<u>\$ 27,874,455</u>	<u>\$ 25,833,815</u>	<u>\$ 6,061,396</u>

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, 2012

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>ASSETS</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 18,835,193	\$ 1,568,909	\$ 37,723	\$ 20,441,825
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	0	168	74	242
Due from Other Funds	2,236	0	5,981	8,217
Due from Component Units	28,955	0	0	28,955
Total Current Assets	\$ 18,866,384	\$ 1,619,077	\$ 43,778	\$ 20,529,239
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	\$ 24,803	\$ 0	\$ 0	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(5,560)	0	0	(5,560)
Total Noncurrent Assets	\$ 19,243	\$ 0	\$ 0	\$ 19,243
Total Assets	\$ 18,885,627	\$ 1,619,077	\$ 43,778	\$ 20,548,482
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 62,601	\$ 2,367	\$ 11,007	\$ 75,975
Accrued Payroll	0	1,065	0	1,065
Payroll Deductions Payable	0	1,532	0	1,532
Due to Component Units	61,968	0	0	61,968
Claims and Judgments Payable	1,347,753	63,238	0	1,410,991
Total Current Liabilities	\$ 1,472,322	\$ 68,202	\$ 11,007	\$ 1,551,531
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 1,347,753	\$ 63,238	\$ 0	\$ 1,410,991
Total Noncurrent Liabilities	\$ 1,347,753	\$ 63,238	\$ 0	\$ 1,410,991
Total Liabilities	\$ 2,820,075	\$ 131,440	\$ 11,007	\$ 2,962,522
<u>NET ASSETS</u>				
Unrestricted	\$ 16,065,552	\$ 1,487,637	\$ 32,771	\$ 17,585,960
Total Net Assets	\$ 16,065,552	\$ 1,487,637	\$ 32,771	\$ 17,585,960

Exhibit I-2

Montgomery County, Tennessee
 Combining Statement of Revenues, Expenses, and
 Changes in Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2012

	Internal Service Funds			Total
	Self- Insurance	Workers' Compensation	Unemployment Compensation	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 46,464,367	\$ 0	\$ 187,313	\$ 46,651,680
Other Local Revenues	0	0	14,123	14,123
Total Operating Revenues	<u>\$ 46,464,367</u>	<u>\$ 0</u>	<u>\$ 201,436</u>	<u>\$ 46,665,803</u>
<u>Operating Expenses</u>				
Other General Administration	\$ 0	\$ 0	\$ 5,642	\$ 5,642
Risk Management	0	160,281	0	160,281
Property Assessor's Office	0	0	11,658	11,658
Probation Services	0	0	13,408	13,408
Sheriff's Department	0	0	9,015	9,015
Jail	0	0	9,353	9,353
Rabies and Animal Control	0	0	7,930	7,930
Ambulance/Emergency Medical Services	0	0	6,776	6,776
Other Local Health Services	0	0	6,305	6,305
Landfill	0	0	7,216	7,216
Depreciation	991	0	0	991
Other Charges	973,484	0	0	973,484
Employee Benefits	37,116,727	0	0	37,116,727
Other	0	0	205,127	205,127
Total Operating Expenses	<u>\$ 38,091,202</u>	<u>\$ 160,281</u>	<u>\$ 282,430</u>	<u>\$ 38,533,913</u>
Operating Income (Loss)	<u>\$ 8,373,165</u>	<u>\$ (160,281)</u>	<u>\$ (80,994)</u>	<u>\$ 8,131,890</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 48,438	\$ 2,097	\$ 289	\$ 50,824
Miscellaneous Refunds	128,126	0	0	128,126
Total Nonoperating Revenues (Expenses)	<u>\$ 176,564</u>	<u>\$ 2,097</u>	<u>\$ 289</u>	<u>\$ 178,950</u>
Changes in Net Assets	\$ 8,549,729	\$ (158,184)	\$ (80,705)	\$ 8,310,840
Nets Assets, July 1, 2011	<u>7,515,823</u>	<u>\$ 1,645,821</u>	<u>\$ 113,476</u>	<u>9,275,120</u>
Nets Assets, June 30, 2012	<u>\$ 16,065,552</u>	<u>\$ 1,487,637</u>	<u>\$ 32,771</u>	<u>\$ 17,585,960</u>

Exhibit I-3

Montgomery County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
\$ 46,445,358 \$ 33 \$ 187,313 \$ 46,632,704				
(38,102,815) (422,303) (250,269) (38,775,387)				
128,126 0 14,123 142,249				
<u>\$ 8,470,669 \$ (422,270) \$ (48,833) \$ 7,999,566</u>				
<u>\$ 48,438 \$ 2,097 \$ 289 \$ 50,824</u>				
<u>\$ 48,438 \$ 2,097 \$ 289 \$ 50,824</u>				
\$ 8,519,107 \$ (420,173) \$ (48,544) \$ 8,050,390				
10,316,086 \$ 2,039,082 \$ 86,267 12,441,435				
<u>\$ 18,835,193 \$ 1,618,909 \$ 37,723 \$ 20,491,825</u>				

Cash Flows from Operating Activities
 Receipts from Interfund Services Provided
 Other Self-Insured Claims
 Other Receipts (Payments)
 Net Cash Provided By (Used In) Operating Activities

Cash Flows from Investing Activities
 Investment Income
 Net Cash Provided By (Used In) Investing Activities

Net Increase (Decrease) in Cash
 Cash, July 1, 2011

Cash, June 30, 2012

(Continued)

Exhibit I-3

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

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
\$ 8,373,165 \$	(160,281) \$	(80,994) \$	8,131,890	
128,126	0	0	128,126	
991	0	0	991	
0	33	5	38	
(264)	0	43,718	43,454	
(18,745)	0	0	(18,745)	
29,773	(45,657)	(11,562)	(27,446)	
0	(3,044)	0	(3,044)	
0	926	0	926	
19,116	0	0	19,116	
(61,493)	(214,247)	0	(275,740)	
\$ 8,470,669 \$	(422,270) \$	(48,833) \$	7,999,566	

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities

Operating Income (Loss) 8,131,890

Miscellaneous Refunds 128,126

Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:

Depreciation Expense 991

(Increase) Decrease in Accounts Receivable 0

(Increase) Decrease in Due from Other Funds (264)

(Increase) Decrease in Due from Component Units (18,745)

Increase (Decrease) in Accounts Payable 29,773

Increase (Decrease) in Accrued Payroll 0

Increase (Decrease) in Payroll Deductions Payable 0

Increase (Decrease) in Due to Component Units 19,116

Increase (Decrease) in Claims and Judgments Payable (61,493)

Net Cash Provided By (Used In) Operating Activities 7,999,566

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, 2012

	<u>Agency Funds</u>			
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 7,647,321	\$ 31,265	\$ 7,678,586
Equity in Pooled Cash and Investments	0	0	190,879	190,879
Accounts Receivable	0	1,481	17,022	18,503
Due from Other Governments	2,360,487	0	3,644	2,364,131
Total Assets	<u>\$ 2,360,487</u>	<u>\$ 7,648,802</u>	<u>\$ 242,810</u>	<u>\$ 10,252,099</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 6,858	\$ 6,858
Accrued Payroll	0	0	1,208	1,208
Due to Other Taxing Units	2,360,487	0	0	2,360,487
Due to Litigants, Heirs, and Others	0	7,648,802	0	7,648,802
Due to Joint Ventures	0	0	234,744	234,744
Total Liabilities	<u>\$ 2,360,487</u>	<u>\$ 7,648,802</u>	<u>\$ 242,810</u>	<u>\$ 10,252,099</u>

Exhibit J-2

Montgomery County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 14,489,406	\$ 14,489,406	\$ 0
Due from Other Governments	2,131,940	2,360,487	2,131,940	2,360,487
Total Assets	\$ 2,131,940	\$ 16,849,893	\$ 16,621,346	\$ 2,360,487
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,131,940	\$ 16,849,893	\$ 16,621,346	\$ 2,360,487
Total Liabilities	\$ 2,131,940	\$ 16,849,893	\$ 16,621,346	\$ 2,360,487
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,815,243	\$ 35,404,333	\$ 35,572,255	\$ 7,647,321
Accounts Receivable	2,829	1,481	2,829	1,481
Total Assets	\$ 7,818,072	\$ 35,405,814	\$ 35,575,084	\$ 7,648,802
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,818,072	\$ 35,405,814	\$ 35,575,084	\$ 7,648,802
Total Liabilities	\$ 7,818,072	\$ 35,405,814	\$ 35,575,084	\$ 7,648,802
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 17,942	\$ 31,265	\$ 17,942	\$ 31,265
Equity in Pooled Cash and Investments	156,081	370,297	335,499	190,879
Accounts Receivable	183	17,022	183	17,022
Due from Other Governments	10,949	3,644	10,949	3,644
Total Assets	\$ 185,155	\$ 422,228	\$ 364,573	\$ 242,810
<u>Liabilities</u>				
Accounts Payable	\$ 6,014	\$ 6,858	\$ 6,014	\$ 6,858
Accrued Payroll	7,210	1,208	7,210	1,208
Due to Other Funds	1,314	0	1,314	0
Due to Joint Ventures	170,617	414,162	350,035	234,744
Total Liabilities	\$ 185,155	\$ 422,228	\$ 364,573	\$ 242,810

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,833,185	\$ 35,435,598	\$ 35,590,197	\$ 7,678,586
Equity in Pooled Cash and Investments	156,081	14,859,703	14,824,905	190,879
Accounts Receivable	3,012	18,503	3,012	18,503
Due from Other Governments	2,142,889	2,364,131	2,142,889	2,364,131
Total Assets	<u>\$ 10,135,167</u>	<u>\$ 52,677,935</u>	<u>\$ 52,561,003</u>	<u>\$ 10,252,099</u>
<u>Liabilities</u>				
Accounts Payable	\$ 6,014	\$ 6,858	\$ 6,014	\$ 6,858
Accrued Payroll	7,210	1,208	7,210	1,208
Due to Other Funds	1,314	0	1,314	0
Due to Other Taxing Units	2,131,940	16,849,893	16,621,346	2,360,487
Due to Litigants, Heirs, and Others	7,818,072	35,405,814	35,575,084	7,648,802
Due to Joint Ventures	170,617	414,162	350,035	234,744
Total Liabilities	<u>\$ 10,135,167</u>	<u>\$ 52,677,935</u>	<u>\$ 52,561,003</u>	<u>\$ 10,252,099</u>

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, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental	Activities
Governmental Activities:							
Instruction	\$ 137,004,213	\$ 188,244	\$ 17,219,395	\$ 0	\$ (119,596,574)		
Support Services	97,319,620	178,824	1,141,316	23,359,700	(72,639,780)		
Operation of Non-Instructional Services	14,018,365	5,091,995	9,753,619	0	827,249		
Total Governmental Activities	\$ 248,342,198	\$ 5,459,063	\$ 28,114,330	\$ 23,359,700	\$ (191,409,105)		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 31,253,759		
Local Option Sales Tax					41,441,709		
Wheel Tax					3,917,191		
Business Tax					731,527		
Interstate Telecommunications Tax					10,112		
Grants and Contributions Not Restricted to Specific Programs					132,978,820		
Unrestricted Investment Earnings					14,409		
Miscellaneous					631,690		
Total General Revenues					\$ 210,979,217		
Change in Net Assets					\$ 19,570,112		
Net Assets, July 1, 2011					314,384,466		
Net Assets, June 30, 2012					\$ 333,954,578		

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>	
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 5,702	\$ 0	\$ 929,889	\$ 935,591
Equity in Pooled Cash and Investments	43,099,110	10,077,633	8,071,048	61,247,791
Inventories	261,752	0	292,709	554,461
Accounts Receivable	73,600	0	82,556	156,156
Due from Other Governments	7,763,634	21,764	3,130,524	10,915,922
Due from Other Funds	1,346,618	3	24,823	1,371,444
Due from Primary Government	61,968	0	0	61,968
Property Taxes Receivable	30,173,732	0	1,846,218	32,019,950
Allowance for Uncollectible Property Taxes	(854,165)	0	(54,579)	(908,744)
Total Assets	<u>\$ 81,931,951</u>	<u>\$ 10,099,400</u>	<u>\$ 14,323,188</u>	<u>\$ 106,354,539</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 832,084	\$ 2,216,040	\$ 617,374	\$ 3,665,498
Accrued Payroll	11,373,891	0	660,801	12,034,692
Payroll Deductions Payable	6,494,415	0	400,769	6,895,184
Contracts Payable	0	2,803,770	0	2,803,770
Retainage Payable	0	151,995	0	151,995
Due to Other Funds	24,826	1,578	1,345,040	1,371,444
Due to Primary Government	14,605	0	14,350	28,955
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	129,618	129,618
Deferred Revenue - Current Property Taxes	28,525,368	0	1,738,633	30,264,001
Deferred Revenue - Delinquent Property Taxes	678,050	0	45,927	723,977
Other Deferred Revenues	3,687,391	0	254,578	3,941,969
Total Liabilities	<u>\$ 51,630,630</u>	<u>\$ 5,173,383</u>	<u>\$ 5,207,090</u>	<u>\$ 62,011,103</u>
<u>Fund Balances</u>				
Nonspendable:				
Inventory	\$ 261,752	\$ 0	\$ 292,709	\$ 554,461
Restricted:				
Restricted for Education	187,938	0	8,763,042	8,950,980
Restricted for Capital Projects	0	4,926,017	0	4,926,017
Committed:				
Committed for Education	2,850,218	0	60,347	2,910,565
Assigned:				
Assigned for Education	528,029	0	0	528,029
Unassigned	26,473,384	0	0	26,473,384
Total Fund Balances	<u>\$ 30,301,321</u>	<u>\$ 4,926,017</u>	<u>\$ 9,116,098</u>	<u>\$ 44,343,436</u>
Total Liabilities and Fund Balances	<u>\$ 81,931,951</u>	<u>\$ 10,099,400</u>	<u>\$ 14,323,188</u>	<u>\$ 106,354,539</u>

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, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	44,343,436
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	13,598,186	
Add: construction in progress		12,358,468	
Add: buildings and improvements net of accumulated depreciation		247,395,554	
Add: other capital assets net of accumulated depreciation		<u>16,492,622</u>	289,844,830
(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	\$	(663,405)	
Less: other postemployment benefits liability		(3,008,093)	
Less: compensated absences payable		<u>(1,228,136)</u>	(4,899,634)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>4,665,946</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>333,954,578</u></u>

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, 2012

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Funds	
			Other Governmental Funds	
Revenues				
Local Taxes	\$ 76,040,534	\$ 0	\$ 1,857,022	\$ 77,897,556
Charges for Current Services	67,210	0	5,018,215	5,085,425
Other Local Revenues	870,380	3,007	232,526	1,105,913
State of Tennessee	117,308,174	208,507	9,719,755	127,236,436
Federal Government	4,892,109	0	28,683,647	33,575,756
Other Governments and Citizens Groups	106,182	23,280,000	0	23,386,182
Total Revenues	\$ 199,284,589	\$ 23,491,514	\$ 45,511,165	\$ 268,287,268
Expenditures				
Current:				
Instruction	\$ 124,694,747	\$ 0	\$ 11,577,517	\$ 136,272,264
Support Services	69,021,736	0	15,794,839	84,816,575
Operation of Non-Instructional Services	1,980,230	0	12,745,668	14,725,898
Capital Projects	0	26,196,796	0	26,196,796
Total Expenditures	\$ 195,696,713	\$ 26,196,796	\$ 40,118,024	\$ 262,011,533
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,587,876	\$ (2,705,282)	\$ 5,393,141	\$ 6,275,735
Other Financing Sources (Uses)				
Insurance Recovery	\$ 17,641	\$ 0	\$ 0	\$ 17,641
Transfers In	3,714,928	0	1,297,915	5,012,843
Transfers Out	0	0	(5,012,843)	(5,012,843)
Total Other Financing Sources (Uses)	\$ 3,732,569	\$ 0	\$ (3,714,928)	\$ 17,641
Net Change in Fund Balances	\$ 7,320,445	\$ (2,705,282)	\$ 1,678,213	\$ 6,293,376
Fund Balance, July 1, 2011	22,980,876	7,631,299	7,437,885	38,050,060
Fund Balance, June 30, 2012	\$ 30,301,321	\$ 4,926,017	\$ 9,116,098	\$ 44,343,436

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, 2012

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)		\$ 6,293,376
(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	\$ 22,965,114	
Less: current-year depreciation expense	<u>(8,516,643)</u>	14,448,471
(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	\$ (66,023)	
Add: gain on disposal of capital assets	<u>54,825</u>	(11,198)
(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, 2011	\$ (5,057,039)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>4,665,946</u>	(391,093)
(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	\$ 40,582	
Change in other postemployment benefits liability	(657,372)	
Change in compensated absences payable	<u>(152,654)</u>	<u>(769,444)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 19,570,112</u>

Exhibit K-6

Montgomery County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Clarksville-Montgomery County School System
 June 30, 2012

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>ASSETS</u>					
Cash	\$ 0	\$ 929,889	\$ 0	\$ 0	\$ 929,889
Equity in Pooled Cash and Investments	2,184,145	3,430,508	2,366,719	89,676	8,071,048
Inventories	0	292,709	0	0	292,709
Accounts Receivable	70	38,045	44,441	0	82,556
Due from Other Governments	2,509,217	621,307	0	0	3,130,524
Due from Other Funds	15,686	6,728	2,409	0	24,823
Property Taxes Receivable	0	0	1,846,218	0	1,846,218
Allowance for Uncollectible Property Taxes	0	0	(54,579)	0	(54,579)
Total Assets	\$ 4,709,118	\$ 5,319,186	\$ 4,205,208	\$ 89,676	\$ 14,323,188
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 429,580	\$ 156,100	\$ 28,544	\$ 3,150	\$ 617,374
Accrued Payroll	646,020	0	0	14,781	660,801
Payroll Deductions Payable	389,573	0	2	11,194	400,769
Due to Other Funds	1,344,517	165	154	204	1,345,040
Due to Primary Government	0	0	14,350	0	14,350
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	129,618	0	0	129,618
Deferred Revenue - Current Property Taxes	0	0	1,738,633	0	1,738,633
Deferred Revenue - Delinquent Property Taxes	0	0	45,927	0	45,927
Other Deferred Revenues	254,578	0	0	0	254,578
Total Liabilities	\$ 3,064,268	\$ 285,883	\$ 1,827,610	\$ 29,329	\$ 5,207,090
<u>Fund Balances</u>					
Nonspendable:					
Inventory	\$ 0	\$ 292,709	\$ 0	\$ 0	\$ 292,709
Restricted:					
Restricted for Education	1,644,850	4,740,594	2,377,598	0	8,763,042
Committed:					
Committed for Education	0	0	0	60,347	60,347
Total Fund Balances	\$ 1,644,850	\$ 5,033,303	\$ 2,377,598	\$ 60,347	\$ 9,116,098
Total Liabilities and Fund Balances	\$ 4,709,118	\$ 5,319,186	\$ 4,205,208	\$ 89,676	\$ 14,323,188

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, 2012

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 1,857,022	\$ 0	\$ 1,857,022
Charges for Current Services	0	4,863,580	0	154,635	5,018,215
Other Local Revenues	1,771	142,267	88,488	0	232,526
State of Tennessee	654,885	124,720	8,940,150	0	9,719,755
Federal Government	20,902,034	7,781,613	0	0	28,683,647
Total Revenues	<u>\$ 21,558,690</u>	<u>\$ 12,912,180</u>	<u>\$ 10,885,660</u>	<u>\$ 154,635</u>	<u>\$ 45,511,165</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 11,447,854	\$ 0	\$ 0	\$ 129,663	\$ 11,577,517
Support Services	4,670,773	0	11,089,724	34,342	15,794,839
Operation of Non-Instructional Services	0	12,745,668	0	0	12,745,668
Total Expenditures	<u>\$ 16,118,627</u>	<u>\$ 12,745,668</u>	<u>\$ 11,089,724</u>	<u>\$ 164,005</u>	<u>\$ 40,118,024</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,440,063</u>	<u>\$ 166,512</u>	<u>\$ (204,064)</u>	<u>\$ (9,370)</u>	<u>\$ 5,393,141</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 1,297,915	\$ 0	\$ 1,297,915
Transfers Out	(5,012,843)	0	0	0	(5,012,843)
Total Other Financing Sources (Uses)	<u>\$ (5,012,843)</u>	<u>\$ 0</u>	<u>\$ 1,297,915</u>	<u>\$ 0</u>	<u>\$ (3,714,928)</u>
Net Change in Fund Balances	\$ 427,220	\$ 166,512	\$ 1,093,851	\$ (9,370)	\$ 1,678,213
Fund Balance, July 1, 2011	1,217,630	4,866,791	1,283,747	69,717	7,437,885
Fund Balance, June 30, 2012	<u>\$ 1,644,850</u>	<u>\$ 5,033,303</u>	<u>\$ 2,377,598</u>	<u>\$ 60,347</u>	<u>\$ 9,116,098</u>

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 76,040,534	\$ 0	\$ 0	\$ 76,040,534	\$ 69,704,253	\$ 73,569,817	\$ 2,470,717
Charges for Current Services	67,210	0	0	67,210	43,300	58,300	8,910
Other Local Revenues	870,380	0	0	870,380	405,710	749,298	121,082
State of Tennessee	117,308,174	0	0	117,308,174	117,179,467	116,359,574	948,600
Federal Government	4,892,109	0	0	4,892,109	7,840,308	4,860,000	32,109
Other Governments and Citizens Groups	106,182	0	0	106,182	25,000	25,000	81,182
Total Revenues	\$ 199,284,589	\$ 0	\$ 0	\$ 199,284,589	\$ 195,198,038	\$ 195,621,989	\$ 3,662,600
Expenditures							
Instruction							
Regular Instruction Program	\$ 99,661,677	\$ 0	\$ 32,517	\$ 99,694,194	\$ 103,346,352	\$ 101,997,198	\$ 2,303,004
Alternative Instruction Program	947,057	0	0	947,057	888,029	976,734	29,677
Special Education Program	19,435,384	(4,213)	93,672	19,524,843	20,372,179	20,501,048	976,205
Vocational Education Program	4,650,629	(2,412)	3,386	4,651,603	5,103,721	5,154,892	503,289
Support Services							
Attendance	778,318	0	0	778,318	809,831	816,030	37,712
Health Services	1,131,463	(2,101)	0	1,129,362	1,212,584	1,237,178	107,816
Other Student Support	6,953,247	(2,000)	0	6,951,247	7,395,476	7,433,064	481,817
Regular Instruction Program	7,917,933	(1,197)	1,190	7,917,926	8,088,194	8,203,220	285,294
Alternative Instruction Program	37,430	0	0	37,430	37,848	37,848	418
Special Education Program	1,841,911	0	0	1,841,911	1,982,105	1,986,963	145,052
Vocational Education Program	103,429	0	0	103,429	108,248	108,248	4,819
Adult Programs	125,107	0	0	125,107	78,721	136,545	11,438
Other Programs	84,294	0	0	84,294	0	84,294	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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 235,632	\$ 0	\$ 0	\$ 235,632	\$ 220,767	\$ 235,768	\$ 136
Director of Schools	905,329	(18,489)	15,263	902,103	1,025,817	975,127	73,024
Office of the Principal	14,215,740	0	12,154	14,227,894	14,989,029	14,991,573	763,679
Fiscal Services	3,590,597	0	0	3,590,597	3,465,419	3,597,609	7,012
Human Services/Personnel	2,653,641	(10,301)	6,372	2,649,712	2,974,602	3,021,542	371,830
Operation of Plant	14,392,903	(89,990)	130,066	14,432,979	16,290,490	15,684,665	1,251,686
Maintenance of Plant	4,856,481	(116,682)	99,661	4,839,460	5,038,698	5,168,640	329,180
Central and Other	9,198,281	(91,136)	133,748	9,240,893	9,595,605	9,631,606	390,713
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,980,230	0	0	1,980,230	1,990,772	2,029,870	49,640
Interest on Debt	0	0	0	0	35,000	21,000	21,000
Total Expenditures	\$ 195,696,713	\$ (338,521)	\$ 528,029	\$ 195,886,221	\$ 205,049,487	\$ 204,030,662	\$ 8,144,441
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,587,876	\$ 338,521	\$ (528,029)	\$ 3,398,368	\$ (9,851,449)	\$ (8,408,673)	\$ 11,807,041
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 17,641	\$ 0	\$ 0	\$ 17,641	\$ 25,000	\$ 25,000	\$ (7,359)
Transfers In	3,714,928	0	0	3,714,928	446,642	3,673,564	41,364
Total Other Financing Sources (Uses)	\$ 3,732,569	\$ 0	\$ 0	\$ 3,732,569	\$ 471,642	\$ 3,698,564	\$ 34,005
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 7,320,445	\$ 338,521	\$ (528,029)	\$ 7,130,937	\$ (9,379,807)	\$ (4,710,109)	\$ 11,841,046
Fund Balance, June 30, 2012	22,980,876	(338,521)	0	22,642,355	15,542,777	19,816,589	2,825,766
	\$ 30,301,321	\$ 0	\$ (528,029)	\$ 29,773,292	\$ 6,162,970	\$ 15,106,480	\$ 14,666,812

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 1,771	\$ 0	\$ 0	\$ 1,771	\$ 0	\$ 0	\$ 1,771
State of Tennessee	654,885	0	0	654,885	309,809	588,561	66,324
Federal Government	20,902,034	0	0	20,902,034	18,978,740	23,500,645	(2,598,611)
Total Revenues	\$ 21,558,690	\$ 0	\$ 0	\$ 21,558,690	\$ 19,288,549	\$ 24,089,206	\$ (2,530,516)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,935,639	\$ 0	\$ 0	\$ 6,935,639	\$ 8,889,586	\$ 9,490,528	\$ 2,554,889
Alternative Instruction Program	0	0	0	0	29,578	0	0
Special Education Program	4,120,794	(8,048)	0	4,112,746	3,223,093	4,554,100	441,354
Vocational Education Program	298,573	(867)	136	297,842	430,268	298,713	871
Adult Education Program	92,848	0	781	93,629	96,983	170,783	77,154
<u>Support Services</u>							
Attendance	0	0	0	0	23,283	0	0
Other Student Support	395,291	0	24	395,315	590,302	486,761	91,446
Regular Instruction Program	2,619,667	(1,590)	417	2,618,494	2,275,507	4,039,106	1,420,612
Special Education Program	1,113,375	(11,483)	0	1,101,892	1,178,662	1,176,728	74,836
Vocational Education Program	3,526	0	0	3,526	7,000	4,000	474
Adult Programs	137,278	0	0	137,278	139,054	149,316	12,038
Director of Schools	0	0	0	0	13,784	0	0
Office of the Principal	48,968	0	0	48,968	162,528	65,950	16,982
Human Services/Personnel	0	0	0	0	9,384	0	0
Operation of Plant	85,050	0	0	85,050	145,800	151,161	66,111
Transportation	267,618	0	0	267,618	1,426,939	442,279	174,661

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
<u>Central and Other</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,010	\$ 0	\$ 0
<u>Operation of Non-Instructional Services</u>							
<u>Early Childhood Education</u>	0	0	0	0	38,584	0	0
Total Expenditures	\$ 16,118,627	\$ (21,988)	\$ 1,358	\$ 16,097,997	\$ 18,834,345	\$ 21,029,425	\$ 4,931,428
<u>Excess (Deficiency) of Revenues</u>							
<u>Over Expenditures</u>	\$ 5,440,063	\$ 21,988	\$ (1,358)	\$ 5,460,693	\$ 454,204	\$ 3,059,781	\$ 2,400,912
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,250,000	\$ 1,362,336	\$ (1,362,336)
Transfers Out	(5,012,843)	0	0	(5,012,843)	(1,704,204)	(6,537,537)	1,524,694
Total Other Financing Sources (Uses)	\$ (5,012,843)	\$ 0	\$ 0	\$ (5,012,843)	\$ (454,204)	\$ (5,175,201)	\$ 162,358
<u>Net Change in Fund Balance</u>	\$ 427,220	\$ 21,988	\$ (1,358)	\$ 447,850	\$ 0	\$ (2,115,420)	\$ 2,563,270
<u>Fund Balance, July 1, 2011</u>	1,217,630	(21,988)	0	1,195,642	113,550	2,116,048	(920,406)
<u>Fund Balance, June 30, 2012</u>	\$ 1,644,850	\$ 0	\$ (1,358)	\$ 1,643,492	\$ 113,550	\$ 628	\$ 1,642,864

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,863,580	\$ 0	\$ 0	\$ 4,863,580	\$ 5,033,823	\$ 5,033,823	\$ (170,243)
Other Local Revenues	142,267	0	0	142,267	179,439	179,439	(37,172)
State of Tennessee	124,720	0	0	124,720	125,378	125,378	(658)
Federal Government	7,781,613	0	0	7,781,613	5,958,649	6,506,649	1,274,964
Total Revenues	\$ 12,912,180	\$ 0	\$ 0	\$ 12,912,180	\$ 11,297,289	\$ 11,845,289	\$ 1,066,891
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 12,745,668	(41,951)	\$ 129,643	\$ 12,833,360	\$ 11,565,888	\$ 12,936,604	\$ 103,244
Total Expenditures	\$ 12,745,668	(41,951)	\$ 129,643	\$ 12,833,360	\$ 11,565,888	\$ 12,936,604	\$ 103,244
Excess (Deficiency) of Revenues Over Expenditures	\$ 166,512	\$ 41,951	(129,643)	\$ 78,820	(268,599)	(1,091,315)	\$ 1,170,135
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 166,512	\$ 41,951	(129,643)	\$ 78,820	(268,599)	(1,091,315)	\$ 1,170,135
	4,866,791	(41,951)	0	4,824,840	3,883,672	4,824,839	1
Fund Balance, June 30, 2012	\$ 5,033,303	\$ 0	(129,643)	\$ 4,903,660	\$ 3,615,073	\$ 3,733,524	\$ 1,170,136

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,857,022	\$ 0	\$ 0	\$ 1,857,022	\$ 1,789,441	\$ 1,789,441	\$ 67,581
Other Local Revenues	88,488	0	0	88,488	55,700	55,700	32,788
State of Tennessee	8,940,150	0	0	8,940,150	8,940,150	8,940,150	0
Federal Government	0	0	0	0	1,297,915	0	0
Total Revenues	\$ 10,885,660	\$ 0	\$ 0	\$ 10,885,660	\$ 12,083,206	\$ 10,785,291	\$ 100,369
<u>Expenditures</u>							
Support Services							
Fiscal Services	\$ 37,854	\$ 0	\$ 0	\$ 37,854	\$ 40,000	\$ 40,000	\$ 2,146
Transportation	11,051,870	(25,181)	11,181	11,037,870	12,111,001	12,160,151	1,122,281
Total Expenditures	\$ 11,089,724	\$ (25,181)	\$ 11,181	\$ 11,075,724	\$ 12,151,001	\$ 12,200,151	\$ 1,124,427
Excess (Deficiency) of Revenues Over Expenditures	\$ (204,064)	\$ 25,181	\$ (11,181)	\$ (190,064)	\$ (67,795)	\$ (1,414,860)	\$ 1,224,796
<u>Other Financing Sources (Uses)</u>							
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	\$ 1,093,851	\$ 25,181	\$ (11,181)	\$ 1,107,851	\$ (67,795)	\$ (116,945)	\$ 1,224,796
Fund Balance, July 1, 2011	1,283,747	(25,181)	0	1,258,566	546,713	1,250,820	7,746
Fund Balance, June 30, 2012	\$ 2,377,598	\$ 0	\$ (11,181)	\$ 2,366,417	\$ 478,918	\$ 1,133,875	\$ 1,232,542

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 154,635	\$ 165,000	\$ 165,000	\$ (10,365)
Total Revenues	\$ 154,635	\$ 165,000	\$ 165,000	\$ (10,365)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 129,663	\$ 154,930	\$ 154,930	\$ 25,267
<u>Support Services</u>				
Office of the Principal	26,053	28,008	28,008	1,955
Fiscal Services	619	1,000	1,000	381
Operation of Plant	7,670	9,783	9,783	2,113
Total Expenditures	\$ 164,005	\$ 193,721	\$ 193,721	\$ 29,716
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,370)	\$ (28,721)	\$ (28,721)	\$ 19,351
Net Change in Fund Balance	\$ (9,370)	\$ (28,721)	\$ (28,721)	\$ 19,351
Fund Balance, July 1, 2011	69,717	36,089	36,089	33,628
Fund Balance, June 30, 2012	\$ 60,347	\$ 7,368	\$ 7,368	\$ 52,979

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, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Various Capital Projects	\$ 4,500,000	2.65 %	3-6-09	4-1-12	\$ 3,500,000	0 \$	3,500,000	0 \$	0
Promissory Note - Land for Park	250,000	4	3-31-10	7-1-14	155,840	0	49,923	0	105,917
Total Notes Payable					\$ 3,655,840	0 \$	3,549,923	0 \$	105,917
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	\$ 882,402	0 \$	176,481	0 \$	705,921
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	2,465,987	0	259,600	0	2,206,387
School Projects	20,140,987	variable	6-6-08	5-5-29	18,704,000	0	763,000	0	17,941,000
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	18,960,026	0	1,351,966	0	17,608,060
Total Other Loans Payable					\$ 41,012,415	0 \$	2,551,047	0 \$	38,461,368
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation Public Improvement and General Obligation Refunding	68,725,000	5.12095	12-1-01	5-1-12	\$ 7,265,000	0 \$	3,300,000	3,965,000	0
Various County Capital Projects	25,000,000	2 to 5	6-17-03	5-1-13	16,000,000	0	1,000,000	14,000,000	1,000,000
General Obligation Refunding	81,640,000	3 to 4.75	6-17-03	5-1-13	15,400,000	0	7,500,000	0	7,900,000
General Obligation Refunding	43,240,000	2 to 5	3-15-04	3-15-20	42,650,000	0	100,000	0	42,550,000
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-15	3,100,000	0	100,000	2,700,000	300,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-26	11,500,000	0	250,000	0	11,250,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	57,820,000	0	1,700,000	0	56,120,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	16,125,000	0	675,000	0	15,450,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	17,400,000	0	575,000	0	16,825,000
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	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	74,090,000	0	65,000	0	74,025,000
General Obligation School and Public Improvement	62,335,000	2 to 5	7-28-11	4-1-29	0	62,335,000	0	0	62,335,000
General Obligation Refunding	19,465,000	2 to 5	4-25-12	4-1-25	0	19,465,000	0	0	19,465,000
Total Bonds Payable					\$ 266,750,000	\$ 81,800,000	\$ 15,265,000	\$ 20,665,000	\$ 312,620,000

(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		Total
	Principal	Interest	
2013	\$ 0	\$ 0	\$ 0
2014	51,920	4,237	56,157
2015	53,997	2,160	56,157
Total	\$ 105,917	\$ 6,397	\$ 112,314

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 2,370,052	\$ 365,661	\$ 74,378	\$ 2,810,091
2014	2,501,049	387,040	62,561	2,950,650
2015	2,530,049	383,037	60,681	2,973,767
2016	2,560,049	378,891	58,736	2,997,676
2017	2,413,569	374,599	55,874	2,844,042
2018	2,445,569	370,159	53,790	2,869,518
2019	2,478,569	365,563	51,632	2,895,764
2020	2,512,569	360,805	49,400	2,922,774
2021	2,417,555	355,881	47,088	2,820,524
2022	2,324,969	350,785	43,450	2,719,204
2023	2,362,969	345,508	40,973	2,749,450
2024	2,401,969	340,044	38,408	2,780,421
2025	2,441,969	334,389	35,753	2,812,111
2026	2,606,816	328,539	33,008	2,968,363
2027	1,397,646	44,732	15,165	1,457,543
2028	1,325,000	13,210	7,220	1,345,430
2029	1,371,000	6,718	4,173	1,381,891
Total	\$ 38,461,368	\$ 5,105,561	\$ 732,290	\$ 44,299,219

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 18,125,000	\$ 13,789,442	\$ 31,914,442
2014	19,105,000	13,040,356	32,145,356
2015	20,055,000	12,270,880	32,325,880
2016	20,160,000	11,475,581	31,635,581
2017	21,360,000	10,634,431	31,994,431
2018	22,725,000	9,683,819	32,408,819
2019	23,850,000	8,692,067	32,542,067
2020	24,980,000	7,644,231	32,624,231
2021	25,780,000	6,486,119	32,266,119
2022	21,245,000	5,242,538	26,487,538
2023	20,720,000	4,336,275	25,056,275
2024	20,600,000	3,374,775	23,974,775
2025	17,860,000	2,472,675	20,332,675
2026	16,080,000	1,629,250	17,709,250
2027	8,025,000	971,450	8,996,450
2028	8,050,000	572,450	8,622,450
2029	3,175,000	171,475	3,346,475
2030	725,000	40,600	765,600
Total	\$ 312,620,000	\$ 112,528,414	\$ 425,148,414

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, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Purchase iris scanner	\$ 3,937
"	"	Purchase fencing	5,595
"	"	Purchase lawn mower	500
"	"	Purchase HVAC unit	35,000
"	"	Purchase audio equipment	37,849
"	General Debt Service	Commission on sales tax	33,647
Judicial District Drug	General	Special prosecutor salary	18,000
Total Transfers Primary Government			<u>\$ 134,528</u>
<u>DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY</u> <u>COUNTY SCHOOL SYSTEM</u>			
School Federal Projects	General Purpose School	Salaries	\$ 3,246,752
"	"	Indirect costs	468,176
"	School Transportation	Equipment and maintenance	15,000
	"	Salaries	1,282,915
Total Transfers Discretely Presented Clarksville-Montgomery County School System			<u>\$ 5,012,843</u>

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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 133,651	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, TCA	95,335	100,000	Auto-Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	167,739 (1)		
Trustee	Section 8-24-102, TCA	86,668	7,383,400	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, TCA	86,668	10,000	RLI Insurance Company
Director of Accounts and Budgets	Section 8-24-102, TCA	86,614	50,000	"
Purchasing Agent	County Commission	67,335	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, TCA	86,668	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	86,668	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	86,668 (2)	50,000	Auto-Owners Mutual Insurance Company
Register	Section 8-24-102, TCA	86,668	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	111,340 (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 \$5,949 payment for unused vacation days.
- (2) Does not include special commissioner fees totaling \$17,199.
- (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, 2012

	Special Revenue Funds					Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 27,856,256	\$ 0	\$ 0	\$ 3,594,356	\$ 30,731,740	\$ 63,290,612
Trustee's Collections - Prior Year	1,059,918	0	0	136,763	968,743	2,207,592
Interest and Penalty	287,321	0	0	37,074	271,304	607,130
Payments in-Lieu-of Taxes - T.V.A.	763	0	0	0	0	763
Payments in-Lieu-of Taxes - Local Utilities	927,246	0	0	0	0	927,246
Payments in-Lieu-of Taxes - Other	822,694	0	0	0	785,714	1,608,408
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	3,805,449	3,805,449
Hotel/Motel Tax	1,862,719	0	0	0	0	1,862,719
Litigation Tax - General	401,621	0	0	0	348,182	749,803
Litigation Tax - Special Purpose	73,663	0	0	0	0	73,663
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	380,457	380,457
Business Tax	1,288,372	0	0	111,067	111,067	1,510,506
Mineral Severance Tax	0	0	0	346,008	0	346,008
Adequate Facilities/Development Tax	0	0	0	0	1,307,056	1,307,056
Statutory Local Taxes						
Bank Excise Tax	66,436	0	0	8,572	75,294	150,945
Wholesale Beer Tax	435,476	0	0	0	0	435,476
Interstate Telecommunications Tax	2,428	0	0	0	0	2,428
Total Local Taxes	\$ 35,084,913	\$ 0	\$ 0	\$ 4,233,840	\$ 38,783,006	\$ 1,164,502
						\$ 79,266,261
Licenses and Permits						
Licenses						
Animal Registration	33,523	0	0	0	0	33,523
Animal Vaccination	4,807	0	0	0	0	4,807
Cable TV Franchise	222,417	0	0	0	0	222,417
Permits						
Building Permits	890,228	0	0	0	0	890,228
Plumbing Permits	6,720	0	0	0	0	6,720
Other Permits	142,818	0	0	0	0	142,818
Total Licenses and Permits	\$ 1,300,513	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,300,513

(Continued)

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

	Special Revenue Funds						Total
	Constitutional			Highway / Public Works		Capital Projects	
	General	Drug Control	Officers Fees	General Debt Service	General Capital Projects		
\$							
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	3,269	0	0	0	0	0	3,269
Officers Costs	34,914	0	0	0	0	0	34,914
Drug Court Fees	3,630	0	0	0	0	0	3,630
Jail Fees	24,379	0	0	0	0	0	24,379
Data Entry Fee - Circuit Court	6,240	0	0	0	0	0	6,240
Courtroom Security Fee	8,200	0	0	0	0	0	8,200
Victims Assistance Assessments	5,870	0	0	0	0	0	5,870
<u>General Sessions Court</u>							
Fines	215,648	0	0	0	0	0	215,648
Fines for Littering	760	0	0	0	0	0	760
Officers Costs	188,211	0	0	0	0	0	188,211
Game and Fish Fines	523	0	0	0	0	0	523
Drug Court Fees	17,107	0	0	0	0	0	17,107
Jail Fees	261,937	0	0	0	0	0	261,937
DUI Treatment Fines	32,872	0	0	0	0	0	32,872
Data Entry Fee - General Sessions Court	25,336	0	0	0	0	0	25,336
Victims Assistance Assessments	70,226	0	0	0	0	0	70,226
<u>Juvenile Court</u>							
Fines	2,732	0	0	0	0	0	2,732
Jail Fees	56,677	0	0	0	0	0	56,677
Data Entry Fee - Juvenile Court	4,243	0	0	0	0	0	4,243
<u>Chancery Court</u>							
Officers Costs	33,069	0	0	0	0	0	33,069
Data Entry Fee - Chancery Court	2,460	0	0	0	0	0	2,460
<u>Other Courts - In-county</u>							
Fines	2,046	0	0	0	0	0	2,046
Drug Control Fines	0	7,492	0	0	0	0	7,492
Drug Court Fees	23,994	0	0	0	0	0	23,994
District Attorney General Fees	19,316	0	0	0	0	0	19,316

(Continued)

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

	Special Revenue Funds					Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	\$ 13,772	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,772
Total Fines, Forfeitures, and Penalties	\$ 1,057,431	\$ 7,492	\$ 0	\$ 0	\$ 0	\$ 1,064,923
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 3,911,926	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,911,926
Zoning Studies	5,150	0	0	0	0	5,150
Other General Service Charges	50,398	0	0	0	0	50,398
<u>Fees</u>						
Recreation Fees	12,791	0	0	0	0	12,791
Copy Fees	8,772	0	0	0	0	8,772
Archives and Records Management Fee - County Clerk	135,565	0	0	0	0	135,565
Greenbelt Late Application Fee	100	0	0	0	0	100
Telephone Commissions	131,254	0	0	0	0	131,254
Vending Machine Collections	58,764	0	0	212	0	58,976
Special Commissioner Fees/Special Master Fees	0	0	17,199	0	0	17,199
Data Processing Fee - Register	77,620	0	0	0	0	77,620
Probation Fees	13,130	0	0	0	0	13,130
Data Processing Fee - Sheriff	32,671	0	0	0	0	32,671
Sexual Offender Registration Fees - Sheriff	10,100	0	0	0	0	10,100
Data Processing Fee - County Clerk	12,894	0	0	0	0	12,894
<u>Other Charges for Services</u>						
Other Charges for Services	240	0	0	0	0	240
Total Charges for Current Services	\$ 4,461,375	\$ 0	\$ 17,199	\$ 212	\$ 0	\$ 4,478,786
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 534,482	\$ 0	\$ 0	\$ 0	\$ 488,526	\$ 1,033,947
Lease/Rentals	585,677	0	0	0	0	585,677
Sale of Gasoline	0	0	0	73,367	0	73,367

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works			
Other Local Revenues (Cont.)							
<u>Recurring Items (Cont.)</u>							
Sale of Maps	\$ 967	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	967
Sale of Recycled Materials	890	0	0	0	0	0	890
Miscellaneous Refunds	173,138	0	0	24,384	0	0	197,522
<u>Nonrecurring Items</u>							
Sale of Equipment	7,860	0	0	0	0	40,841	48,701
Sale of Property	0	0	0	0	175,500	0	175,500
Contributions and Gifts	11,500	0	0	0	0	0	11,500
<u>Other Local Revenues</u>							
Other Local Revenues	700,417	0	0	0	0	0	700,417
Total Other Local Revenues	\$ 2,014,931	\$ 0	\$ 0	\$ 97,751	\$ 664,026	\$ 51,780	\$ 2,828,488
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 1,581,593	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,581,593
Circuit Court Clerk	976,018	0	0	0	0	0	976,018
General Sessions Court Clerk	1,286,415	0	0	0	0	0	1,286,415
Clerk and Master	377,999	0	0	0	0	0	377,999
Register	1,152,859	0	0	0	0	0	1,152,859
Sheriff	32,812	0	0	0	0	0	32,812
Trustee	3,168,492	0	0	0	0	0	3,168,492
Total Fees Received from County Officials	\$ 8,576,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,576,188
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 569,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	569,302
Public Safety Grants	46,800	0	0	0	0	0	46,800
Law Enforcement Training Programs	0	0	0	232,015	0	0	232,015
Public Works Grants	0	0	0	593,802	0	0	593,802
Bridge Program							
State Aid Program							

(Continued)

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

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service			
<u>State of Tennessee (Cont.)</u>								
<u>Public Works Grants (Cont.)</u>								
Litter Program	\$ 77,793	0	0	0	0	0	0	77,793
<u>Other State Revenues</u>								
Flood Control	656	0	0	0	0	0	0	656
Beer Tax	18,421	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	199,858	0	0	0	0	0	0	199,858
State Revenue Sharing - T.V.A.	1,660,987	0	0	0	0	0	0	1,660,987
Board of Jurors	133	0	0	0	0	0	0	133
Prisoner Transportation	32,763	0	0	0	0	0	0	32,763
Contracted Prisoner Boarding	1,807,085	0	0	0	0	0	0	1,807,085
Gasoline and Motor Fuel Tax	0	0	0	2,819,929	0	0	0	2,819,929
Petroleum Special Tax	15,164	0	0	124,345	0	0	0	124,345
Registrar's Salary Supplement	0	0	0	0	0	0	0	0
Other State Grants	2,373,727	0	0	36,474	0	0	0	2,410,201
Other State Revenues	30,851	0	0	0	0	0	0	30,851
Total State of Tennessee	\$ 6,833,540	0	0	\$ 3,806,565	0	0	0	\$ 10,640,105
<u>Federal Government</u>								
<u>Federal Through State</u>								
Disaster Relief	0	0	0	95,642	0	0	0	95,642
Homeland Security Grants	908,413	0	0	0	0	0	0	908,413
ARRA Grant # 3	6,697	0	0	0	0	0	0	6,697
ARRA Grant # 5	86,696	0	0	0	0	0	0	86,696
Other Federal through State	218,455	0	0	1,041	0	0	14,949	234,445
<u>Direct Federal Revenue</u>								
Tax Credit Bond Rebate	0	0	0	0	97,016	0	0	97,016
Other Direct Federal Revenue	103,492	0	0	0	0	0	0	103,492
Total Federal Government	\$ 1,323,753	0	0	\$ 96,683	\$ 97,016	0	\$ 14,949	\$ 1,532,401

(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	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works			
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 43,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,296
Paving and Maintenance	0	0	0	23,470	0	0	23,470
Contributions	293,729	0	0	0	68,161	523,182	885,072
<u>Citizens Groups</u>							
Donations	39,891	0	0	0	0	350	40,241
Total Other Governments and Citizens Groups	\$ 376,916	\$ 0	\$ 0	\$ 23,470	\$ 68,161	\$ 523,532	\$ 992,079
Total	\$ 61,029,560	\$ 7,492	\$ 17,199	\$ 8,258,521	\$ 39,612,209	\$ 1,754,763	\$ 110,679,744

Montgomery County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Clarksville-Montgomery County School System
 For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 28,254,008	\$ 0	\$ 0	\$ 1,722,093	\$ 0	\$ 0	\$ 29,976,101
Trustee's Collections - Prior Year	1,007,492	0	0	67,242	0	0	1,074,734
Interest and Penalty	277,714	0	0	18,341	0	0	296,055
Payments in-Lieu-of Taxes - Local Utilities	740,460	0	0	45,131	0	0	785,591
<u>County Local Option Taxes</u>							
Local Option Sales Tax	41,032,880	0	0	0	0	0	41,032,880
Wheel Tax	3,917,191	0	0	0	0	0	3,917,191
Business Tax	731,527	0	0	0	0	0	731,527
<u>Statutory Local Taxes</u>							
Bank Excise Tax	69,150	0	0	4,215	0	0	73,365
Interstate Telecommunications Tax	10,112	0	0	0	0	0	10,112
<u>Total Local Taxes</u>	<u>\$ 76,040,534</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,857,022</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 77,897,556</u>
<u>Charges for Current Services</u>							
<u>Fees</u>							
Archives and Records Management Fee - County Clerk	\$ 7,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,829
<u>Education Charges</u>							
Tuition - Regular Day Students	30,229	0	0	0	0	0	30,229
Tuition - Summer School	0	0	0	0	154,635	0	154,635
Tuition - Out-of-State Systems	3,380	0	0	0	0	0	3,380
Lunch Payments - Children	0	0	2,821,244	0	0	0	2,821,244
Lunch Payments - Adults	0	0	186,770	0	0	0	186,770
Income from Breakfast	0	0	271,479	0	0	0	271,479
A la carte Sales	0	0	1,566,071	0	0	0	1,566,071
TBI Criminal Background Fees	25,772	0	0	0	0	0	25,772
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	18,016	0	0	0	18,016
<u>Total Charges for Current Services</u>	<u>\$ 67,210</u>	<u>\$ 0</u>	<u>\$ 4,863,580</u>	<u>\$ 0</u>	<u>\$ 154,635</u>	<u>\$ 0</u>	<u>\$ 5,085,425</u>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	11,402	0	0	3,007	14,409
Lease/Rentals	169,933	0	0	0	0	0	169,933

(Continued)

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 Transportation	Extended School Program	Education Capital Projects	Total
Other Local Revenues (Cont.)							
<u>Recurring Items (Cont.)</u>							
Sale of Materials and Supplies	\$ 53	\$ 0	\$ 76,498	\$ 2,807	\$ 0	\$ 0	\$ 79,358
Sale of Recycled Materials	6,066	0	0	5,622	0	0	11,688
Refund of Telecommunication & Internet Fees (E-Rate)	112,022	0	0	0	0	0	112,022
Miscellaneous Refunds	129,589	1,771	53,961	12,340	0	0	197,661
<u>Nonrecurring Items</u>							
Sale of Equipment	337,250	0	406	66,784	0	0	404,440
Sale of Property	500	0	0	0	0	0	500
Damages Recovered from Individuals	4,190	0	0	935	0	0	5,125
Contributions and Gifts	110,777	0	0	0	0	0	110,777
Total Other Local Revenues	\$ 870,380	\$ 1,771	\$ 142,267	\$ 88,488	\$ 0	\$ 3,007	\$ 1,105,913
<u>State of Tennessee</u>							
General Government Grants							
On-Behalf Contributions for OPEB	\$ 84,294	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,294
Health and Welfare Grants							
Other Health and Welfare Grants	85,437	0	0	0	0	0	85,437
<u>State Education Funds</u>							
Basic Education Program	113,529,846	0	0	8,940,150	0	0	122,469,996
Early Childhood Education	1,829,270	0	0	0	0	0	1,829,270
School Food Service	0	0	124,720	0	0	0	124,720
Energy Efficient School Initiative	0	0	0	0	0	208,507	208,507
Other State Education Funds	146,427	642,019	0	0	0	0	788,446
Career Ladder Program	733,799	0	0	0	0	0	733,799
Career Ladder - Extended Contract	224,400	0	0	0	0	0	224,400
Career Ladder - Extended Contract - ARRA	228,018	0	0	0	0	0	228,018
<u>Other State Revenues</u>							
Income Tax	104,674	0	0	0	0	0	104,674
Mixed Drink Tax	318,759	0	0	0	0	0	318,759
Safe Schools - ARRA	0	12,866	0	0	0	0	12,866
Other State Revenues	23,250	0	0	0	0	0	23,250
Total State of Tennessee	\$ 117,308,174	\$ 654,885	\$ 124,720	\$ 8,940,150	\$ 0	\$ 208,507	\$ 127,236,436

(Continued)

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 Transportation	Extended School Program	Education Capital Projects	Total
Federal Government							
<u>Federal Through State</u>							
USDA School Lunch Program	0	0	5,541,796	0	0	0	5,541,796
USDA - Commodities	0	0	548,000	0	0	0	548,000
Breakfast	0	0	1,691,817	0	0	0	1,691,817
Adult Education State Grant Program	0	160,072	0	0	0	0	160,072
Vocational Education - Basic Grants to States	0	320,836	0	0	0	0	320,836
Other Vocational	0	84,873	0	0	0	0	84,873
Title I Grants to Local Education Agencies	0	4,575,275	0	0	0	0	4,575,275
Special Education - Grants to States	0	6,589,809	0	0	0	0	6,589,809
Special Education Preschool Grants	0	278,033	0	0	0	0	278,033
English Language Acquisition Grants	0	74,515	0	0	0	0	74,515
Safe and Drug-free Schools - State Grants	0	727,500	0	0	0	0	727,500
Eisenhower Professional Development State Grants	0	833,772	0	0	0	0	833,772
Race-to-the-Top - ARRA	0	1,197,299	0	0	0	0	1,197,299
Other Federal through State	0	3,045,759	0	0	0	0	3,045,759
<u>Direct Federal Revenue</u>							
Public Law 874 - Maintenance and Operation	4,395,953	0	0	0	0	0	4,395,953
ROTC Reimbursement	496,156	0	0	0	0	0	496,156
Other Direct Federal Revenue	0	3,014,291	0	0	0	0	3,014,291
Total Federal Government	\$ 4,892,109	\$ 20,902,034	\$ 7,781,613	\$ 0	\$ 0	\$ 0	\$ 33,575,756
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	79,700	0	0	0	0	23,280,000	23,359,700
Contracted Services	26,482	0	0	0	0	0	26,482
Total Other Governments and Citizens Groups	\$ 106,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,280,000	\$ 23,386,182
Total	\$ 199,284,589	\$ 21,558,690	\$ 12,912,180	\$ 10,885,660	\$ 154,635	\$ 23,491,514	\$ 268,287,268

Exhibit L-7

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Secretary(ies)	\$	33,465	
Board and Committee Members Fees		77,200	
Social Security		6,594	
State Retirement		4,895	
Life Insurance		38	
Medical Insurance		13,535	
Employer Medicare		1,542	
Audit Services		51,699	
Legal Notices, Recording, and Court Costs		3,127	
Postal Charges		258	
Travel		5,186	
Tuition		2,325	
Other Contracted Services		6,105	
Food Supplies		354	
Office Supplies		80	
Other Supplies and Materials		497	
Total County Commission			\$ 206,900

Board of Equalization

Board and Committee Members Fees	\$	1,220	
Social Security		76	
Employer Medicare		18	
Total Board of Equalization			1,314

Beer Board

Board and Committee Members Fees	\$	1,000	
Social Security		59	
Employer Medicare		14	
Total Beer Board			1,073

Other Boards and Committees

Board and Committee Members Fees	\$	2,450	
Social Security		152	
Employer Medicare		36	
Total Other Boards and Committees			2,638

County Mayor/Executive

County Official/Administrative Officer	\$	133,651	
Supervisor/Director		85,075	
Secretary(ies)		49,605	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Clerical Personnel	\$	23,557	
Overtime Pay		11	
Social Security		16,426	
State Retirement		42,747	
Life Insurance		149	
Medical Insurance		33,415	
Employer Medicare		4,131	
Communication		3,669	
Data Processing Services		8	
Dues and Memberships		590	
Licenses		40	
Maintenance and Repair Services - Vehicles		2,251	
Postal Charges		793	
Printing, Stationery, and Forms		22	
Rentals		2,496	
Travel		5,667	
Tuition		1,640	
Other Contracted Services		8,977	
Custodial Supplies		139	
Food Supplies		1,002	
Gasoline		3,432	
Library Books/Media		171	
Office Supplies		2,949	
Periodicals		247	
Other Supplies and Materials		1,000	
Premiums on Corporate Surety Bonds		98	
Communication Equipment		837	
Total County Mayor/Executive			\$ 424,795

Personnel Office

Supervisor/Director	\$	82,904
Accountants/Bookkeepers		42,138
Clerical Personnel		59,736
Overtime Pay		757
Social Security		10,694
State Retirement		23,787
Life Insurance		133
Medical Insurance		25,658
Employer Medicare		2,501
Communication		1,144

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Dues and Memberships	\$	573	
Evaluation and Testing		17,789	
Legal Services		52	
Postal Charges		981	
Printing, Stationery, and Forms		165	
Rentals		2,796	
Travel		930	
Tuition		2,062	
Other Contracted Services		13,355	
Data Processing Supplies		910	
Duplicating Supplies		188	
Office Supplies		2,332	
Periodicals		113	
Furniture and Fixtures		294	
Total Personnel Office			\$ 291,992

County Attorney

Legal Services	\$	53,736	
Total County Attorney			53,736

Election Commission

Supervisor/Director	\$	77,149	
Clerical Personnel		110,706	
Temporary Personnel		13,901	
Overtime Pay		3,714	
Election Commission		6,744	
Election Workers		57,190	
Social Security		12,506	
State Retirement		27,974	
Life Insurance		192	
Medical Insurance		45,182	
Employer Medicare		2,925	
Communication		2,129	
Legal Notices, Recording, and Court Costs		10,245	
Maintenance and Repair Services - Office Equipment		14,203	
Postal Charges		47,503	
Printing, Stationery, and Forms		10,001	
Rentals		65,373	
Travel		3,993	
Tuition		1,984	

(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.)

Other Contracted Services	\$	9,500	
Equipment and Machinery Parts		347	
Office Supplies		4,838	
Other Supplies and Materials		3,455	
Total Election Commission			\$ 531,754

Register of Deeds

County Official/Administrative Officer	\$	86,668	
Deputy(ies)		163,902	
Social Security		14,789	
State Retirement		36,514	
Life Insurance		230	
Medical Insurance		56,801	
Employer Medicare		3,459	
Communication		1,435	
Data Processing Services		44,644	
Maintenance and Repair Services - Office Equipment		660	
Postal Charges		439	
Rentals		2,276	
Other Contracted Services		6,025	
Data Processing Supplies		1,519	
Duplicating Supplies		909	
Other Supplies and Materials		452	
Premiums on Corporate Surety Bonds		98	
Total Register of Deeds			420,820

Planning

Contributions	\$	332,227	
Total Planning			332,227

Building

Supervisor/Director	\$	123,836	
Social Security		7,651	
State Retirement		18,107	
Life Insurance		58	
Employer Medicare		1,802	
Communication		1,760	
Data Processing Services		4	
Dues and Memberships		425	
Licenses		483	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Maintenance and Repair Services - Vehicles	\$	66	
Postal Charges		191	
Printing, Stationery, and Forms		100	
Travel		1,007	
Tuition		800	
Other Contracted Services		419	
Gasoline		1,205	
Office Supplies		390	
Uniforms		239	
Other Supplies and Materials		148	
Total Building			\$ 158,691

Codes Compliance

Assistant(s)	\$	233,409
Supervisor/Director		67,323
Clerical Personnel		74,382
Social Security		21,286
State Retirement		52,198
Life Insurance		368
Medical Insurance		90,144
Employer Medicare		4,979
Communication		7,640
Contracts with Private Agencies		11,406
Dues and Memberships		1,260
Legal Services		2,209
Legal Notices, Recording, and Court Costs		2,408
Licenses		18
Maintenance and Repair Services - Office Equipment		1,172
Maintenance and Repair Services - Vehicles		3,279
Postal Charges		998
Rentals		6,804
Tuition		2,135
Permits		3,460
Other Contracted Services		833
Data Processing Supplies		137
Gasoline		13,733
Library Books/Media		115
Office Supplies		539
Uniforms		998
Other Supplies and Materials		557

(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.)

Data Processing Equipment	\$	2,750	
Furniture and Fixtures		435	
Total Codes Compliance			\$ 606,975

Geographical Information Systems

Contracts with Government Agencies	\$	56,640	
Data Processing Equipment		100,838	
Total Geographical Information Systems			157,478

County Buildings

Supervisor/Director	\$	94,051	
Secretary(ies)		35,649	
Custodial Personnel		93,401	
Maintenance Personnel		338,698	
Part-time Personnel		15,541	
Overtime Pay		7,324	
Social Security		33,712	
State Retirement		81,319	
Life Insurance		698	
Medical Insurance		170,250	
Employer Medicare		7,884	
Communication		21,914	
Dues and Memberships		100	
Licenses		350	
Maintenance and Repair Services - Buildings		10,227	
Maintenance and Repair Services - Equipment		62,612	
Maintenance and Repair Services - Vehicles		7,973	
Pest Control		2,735	
Printing, Stationery, and Forms		989	
Rentals		2,400	
Disposal Fees		4,320	
Other Contracted Services		23,851	
Custodial Supplies		23,681	
Data Processing Supplies		72	
Drugs and Medical Supplies		22	
Duplicating Supplies		27	
Electricity		263,913	
Equipment Parts - Light		221	
Gasoline		22,307	
General Construction Materials		509	

(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.)

Library Books/Media	\$	253	
Natural Gas		38,692	
Office Supplies		673	
Small Tools		6,708	
Uniforms		3,469	
Water and Sewer		11,998	
Other Supplies and Materials		48,623	
Boiler Insurance		1,096	
Building Improvements		1,442	
Furniture and Fixtures		4,892	
Maintenance Equipment		3,235	
Other Equipment		6,871	
Other Capital Outlay		16,199	
Total County Buildings			\$ 1,470,901

Other Facilities

Supervisor/Director	\$	20,475
Secretary(ies)		35,662
Custodial Personnel		127,958
Maintenance Personnel		144,341
Overtime Pay		4,039
Social Security		18,545
State Retirement		44,420
Life Insurance		397
Medical Insurance		120,557
Unemployment Compensation		5,642
Employer Medicare		4,337
Communication		7,483
Licenses		740
Maintenance and Repair Services - Buildings		7,266
Maintenance and Repair Services - Equipment		110,083
Pest Control		1,390
Rentals		2,220
Disposal Fees		1,710
Other Contracted Services		14,514
Custodial Supplies		15,315
Electricity		296,716
Food Supplies		612
Natural Gas		48,500
Uniforms		1,626

(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.)

Water and Sewer	\$	43,485	
Other Supplies and Materials		30,893	
Building and Contents Insurance		2,685	
Liability Claims		992	
Communication Equipment		28,940	
Furniture and Fixtures		730	
Heating and Air Conditioning Equipment		6,143	
Other Equipment		20,371	
Total Other Facilities			\$ 1,168,787

Other General Administration

Supervisor/Director	\$	51,747	
Computer Programmer(s)		54,352	
Other Salaries and Wages		25,690	
Social Security		7,841	
State Retirement		19,281	
Life Insurance		94	
Medical Insurance		21,594	
Employer Medicare		1,829	
Communication		1,720	
Contracts with Other Public Agencies		484,919	
Travel		344	
Other Contracted Services		5,492	
Other Supplies and Materials		2,362	
Total Other General Administration			677,265

Preservation of Records

Supervisor/Director	\$	40,641	
Clerical Personnel		22,108	
Part-time Personnel		10,838	
Board and Committee Members Fees		400	
Social Security		4,420	
State Retirement		9,178	
Life Insurance		96	
Medical Insurance		5,901	
Employer Medicare		1,034	
Communication		1,259	
Data Processing Services		8,220	
Dues and Memberships		105	
Maintenance and Repair Services - Office Equipment		1,900	

(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.)

Rentals	\$	3,462	
Travel		1,190	
Other Contracted Services		198	
Duplicating Supplies		54	
Library Books/Media		825	
Office Supplies		2,828	
Other Supplies and Materials		373	
Data Processing Equipment		168	
Furniture and Fixtures		960	
Total Preservation of Records			\$ 116,158

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	86,614	
Accountants/Bookkeepers		191,573	
Clerical Personnel		30,470	
Temporary Personnel		2,281	
Overtime Pay		1,112	
Social Security		19,174	
State Retirement		40,562	
Life Insurance		254	
Medical Insurance		48,816	
Employer Medicare		4,484	
Communication		2,877	
Data Processing Services		10,031	
Dues and Memberships		1,364	
Postal Charges		4,446	
Printing, Stationery, and Forms		86	
Travel		4,617	
Tuition		4,160	
Other Contracted Services		18,994	
Data Processing Supplies		4,071	
Duplicating Supplies		965	
Food Supplies		205	
Library Books/Media		1,203	
Office Supplies		2,845	
Other Supplies and Materials		2,341	
Premiums on Corporate Surety Bonds		634	
Data Processing Equipment		1,425	
Total Accounting and Budgeting			485,604

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

County Official/Administrative Officer	\$	67,335	
Purchasing Personnel		37,417	
Clerical Personnel		34,214	
Other Salaries and Wages		27,974	
Social Security		9,694	
State Retirement		24,417	
Life Insurance		154	
Medical Insurance		40,614	
Employer Medicare		2,267	
Advertising		532	
Communication		3,090	
Dues and Memberships		420	
Maintenance and Repair Services - Equipment		9,900	
Maintenance and Repair Services - Vehicles		267	
Postal Charges		1,401	
Rentals		6,494	
Travel		506	
Other Contracted Services		69	
Custodial Supplies		262	
Duplicating Supplies		2,410	
Food Supplies		70	
Gasoline		2,334	
Office Supplies		272	
Periodicals		115	
Other Supplies and Materials		2,604	
Premiums on Corporate Surety Bonds		169	
Total Purchasing			\$ 275,001

Property Assessor's Office

County Official/Administrative Officer	\$	86,668
Deputy(ies)		473,532
Educational Incentive - Official/Admin Officer		1,000
Overtime Pay		24
Social Security		32,540
State Retirement		76,920
Life Insurance		490
Medical Insurance		130,979
Unemployment Compensation		11,658
Employer Medicare		7,610
Audit Services		40,725

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Communication	\$	6,213	
Data Processing Services		65,738	
Dues and Memberships		3,345	
Legal Notices, Recording, and Court Costs		291	
Licenses		18	
Maintenance and Repair Services - Vehicles		1,859	
Postal Charges		5,953	
Printing, Stationery, and Forms		49	
Rentals		6,024	
Travel		3,991	
Tuition		2,259	
Other Contracted Services		3,906	
Data Processing Supplies		1,914	
Duplicating Supplies		452	
Food Supplies		330	
Gasoline		9,003	
Library Books/Media		308	
Office Supplies		1,232	
Other Supplies and Materials		2,200	
Premiums on Corporate Surety Bonds		19	
Communication Equipment		800	
Total Property Assessor's Office			\$ 978,050

County Trustee's Office

County Official/Administrative Officer	\$	86,668
Supervisor/Director		41,681
Deputy(ies)		103,411
Accountants/Bookkeepers		43,462
Part-time Personnel		20,595
Overtime Pay		1,749
Board and Committee Members Fees		150
Social Security		17,240
State Retirement		43,120
Life Insurance		288
Medical Insurance		74,457
Employer Medicare		4,032
Bank Charges		364
Communication		4,610
Data Processing Services		21,312
Dues and Memberships		915

(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.)

Legal Notices, Recording, and Court Costs	\$	1,832	
Postal Charges		27,820	
Printing, Stationery, and Forms		3,194	
Rentals		3,038	
Travel		2,012	
Tuition		225	
Other Contracted Services		216	
Food Supplies		92	
Office Supplies		3,757	
Periodicals		1,108	
Premiums on Corporate Surety Bonds		5,584	
Other Capital Outlay		914	
Total County Trustee's Office			\$ 513,846

County Clerk's Office

County Official/Administrative Officer	\$	86,668	
Supervisor/Director		47,650	
Deputy(ies)		842,405	
Part-time Personnel		37,868	
Overtime Pay		4,008	
Social Security		57,329	
State Retirement		135,623	
Life Insurance		1,229	
Medical Insurance		345,618	
Employer Medicare		13,407	
Communication		6,538	
Legal Services		192	
Maintenance and Repair Services - Equipment		18,997	
Postal Charges		45,555	
Printing, Stationery, and Forms		6,110	
Rentals		20,108	
Travel		1,316	
Other Contracted Services		2,970	
Data Processing Supplies		200	
Duplicating Supplies		1,937	
Food Supplies		374	
Office Supplies		5,309	
Other Supplies and Materials		2,771	
Premiums on Corporate Surety Bonds		148	
Total County Clerk's Office			1,684,330

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

Supervisor/Director	\$	85,075	
Computer Programmer(s)		247,208	
Data Processing Personnel		199,412	
Secretary(ies)		34,214	
Temporary Personnel		3,516	
Social Security		33,972	
State Retirement		75,331	
Life Insurance		383	
Medical Insurance		84,365	
Employer Medicare		7,945	
Communication		40,333	
Data Processing Services		329,572	
Dues and Memberships		195	
Freight Expenses		233	
Licenses		22,370	
Maintenance and Repair Services - Vehicles		511	
Rentals		1,505	
Travel		2,609	
Tuition		820	
Other Contracted Services		120	
Custodial Supplies		59	
Data Processing Supplies		6,140	
Food Supplies		165	
Gasoline		1,272	
Office Supplies		334	
Uniforms		90	
Other Supplies and Materials		109	
Communication Equipment		1,487	
Data Processing Equipment		1,000	
Total Data Processing			\$ 1,180,345

Other Finance

Legal Notices, Recording, and Court Costs	\$	37,584	
Postal Charges		12,536	
Total Other Finance			50,120

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	86,668	
Assistant(s)		76,691	

(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.)

Supervisor/Director	\$	138,413	
Deputy(ies)		711,302	
Accountants/Bookkeepers		78,951	
Part-time Personnel		80,170	
Overtime Pay		4,517	
Jury and Witness Expense		53,554	
Social Security		67,498	
State Retirement		165,242	
Life Insurance		1,458	
Medical Insurance		304,513	
Employer Medicare		15,786	
Communication		7,474	
Data Processing Services		8,813	
Dues and Memberships		756	
Legal Services		21,615	
Legal Notices, Recording, and Court Costs		2,262	
Maintenance and Repair Services - Office Equipment		179	
Postal Charges		12,918	
Printing, Stationery, and Forms		4,366	
Rentals		9,110	
Travel		1,823	
Other Contracted Services		455	
Custodial Supplies		92	
Data Processing Supplies		2,706	
Duplicating Supplies		5,992	
Food Supplies		1,071	
Library Books/Media		1,302	
Office Supplies		3,369	
Other Supplies and Materials		475	
Premiums on Corporate Surety Bonds		230	
Communication Equipment		4,485	
Data Processing Equipment		8,362	
Furniture and Fixtures		5,906	
Office Equipment		3,623	
Total Circuit Court			\$ 1,892,147

General Sessions Court

Judge(s)	\$	453,424
Supervisor/Director		71,107
Probation Officer(s)		45,375

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Youth Service Officer(s)	\$	205,399	
Secretary(ies)		32,527	
Clerical Personnel		160,282	
Temporary Personnel		8,045	
Part-time Personnel		23,088	
Overtime Pay		12,013	
Social Security		54,266	
State Retirement		145,813	
Life Insurance		714	
Medical Insurance		164,078	
Employer Medicare		14,292	
Communication		7,344	
Operating Lease Payments		2,340	
Legal Services		35	
Postal Charges		1,844	
Travel		18,941	
Other Contracted Services		365,709	
Library Books/Media		3,494	
Office Supplies		12,765	
Furniture and Fixtures		4,430	
Total General Sessions Court			\$ 1,807,325

Drug Court

Probation Officer(s)	\$	37,170	
Social Security		2,241	
State Retirement		3,126	
Life Insurance		38	
Employer Medicare		524	
Travel		591	
Other Contracted Services		5,810	
Other Supplies and Materials		500	
Total Drug Court			50,000

Chancery Court

County Official/Administrative Officer	\$	86,668	
Deputy(ies)		238,942	
Social Security		18,804	
State Retirement		47,490	
Life Insurance		346	
Medical Insurance		67,222	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Employer Medicare	\$	4,398	
Communication		397	
Dues and Memberships		580	
Legal Notices, Recording, and Court Costs		877	
Postal Charges		2,554	
Printing, Stationery, and Forms		343	
Rentals		5,974	
Tuition		504	
Library Books/Media		757	
Office Supplies		1,013	
Premiums on Corporate Surety Bonds		637	
Total Chancery Court			\$ 477,506

District Attorney General

Assistant(s)	\$	19,768	
Other Salaries and Wages		40,607	
Social Security		3,743	
State Retirement		2,084	
Medical Insurance		1,094	
Employer Medicare		875	
Communication		2,152	
Dues and Memberships		645	
Janitorial Services		3,000	
Legal Notices, Recording, and Court Costs		68	
Travel		29,872	
Tuition		8,815	
Other Contracted Services		1,517	
Custodial Supplies		863	
Duplicating Supplies		678	
Food Supplies		1,164	
Library Books/Media		2,900	
Office Supplies		1,169	
Other Supplies and Materials		437	
Data Processing Equipment		970	
Furniture and Fixtures		2,940	
Total District Attorney General			125,361

Office of Public Defender

Contributions	\$	926	
Travel		4,145	
Total Office of Public Defender			5,071

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Part-time Personnel	\$	56,043	
Other Salaries and Wages		107,609	
Social Security		8,908	
State Retirement		16,948	
Life Insurance		184	
Medical Insurance		49,667	
Employer Medicare		2,083	
Communication		3,042	
Rentals		2,100	
Travel		2,461	
Tuition		360	
Other Contracted Services		1,213	
Office Supplies		336	
Total Judicial Commissioners			\$ 250,954

Other Administration of Justice

Supervisor/Director	\$	60,961	
Social Security		3,697	
State Retirement		8,916	
Life Insurance		38	
Medical Insurance		5,901	
Employer Medicare		864	
Communication		1,233	
Contracts with Private Agencies		422,082	
Dues and Memberships		545	
Postal Charges		278	
Printing, Stationery, and Forms		302	
Duplicating Supplies		20	
Instructional Supplies and Materials		1,885	
Office Supplies		85	
Total Other Administration of Justice			506,807

Probation Services

Assistant(s)	\$	27,122	
Supervisor/Director		67,095	
Probation Officer(s)		170,186	
Clerical Personnel		20,193	
Overtime Pay		175	
Other Salaries and Wages		142,961	
Social Security		25,003	

(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.)

State Retirement	\$	53,196	
Life Insurance		435	
Medical Insurance		85,206	
Unemployment Compensation		13,408	
Employer Medicare		5,848	
Communication		1,798	
Dues and Memberships		610	
Evaluation and Testing		53,969	
Legal Notices, Recording, and Court Costs		884	
Licenses		810	
Postal Charges		433	
Rentals		1,752	
Travel		2,011	
Tuition		120	
Other Contracted Services		20,805	
Duplicating Supplies		858	
Office Supplies		2,788	
Other Supplies and Materials		752	
Total Probation Services			\$ 698,418

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,240
Assistant(s)		82,883
Deputy(ies)		2,228,656
Investigator(s)		475,336
Captain(s)		194,675
Lieutenant(s)		257,296
Sergeant(s)		462,896
Secretary(ies)		34,049
Clerical Personnel		291,003
Part-time Personnel		59,905
Overtime Pay		309,248
In-Service Training		46,800
Social Security		266,765
State Retirement		643,647
Life Insurance		3,833
Medical Insurance		937,961
Unemployment Compensation		9,015
Employer Medicare		62,389

(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.)

Communication	\$	57,589	
Contracts with Government Agencies		120	
Evaluation and Testing		1,467	
Legal Services		16,410	
Licenses		182	
Maintenance and Repair Services - Equipment		13,157	
Maintenance and Repair Services - Vehicles		57,095	
Pest Control		96	
Postal Charges		5,919	
Printing, Stationery, and Forms		4,847	
Rentals		14,473	
Transportation - Other than Students		33,743	
Travel		10,485	
Tuition		4,575	
Veterinary Services		1,174	
Other Contracted Services		69,693	
Animal Food and Supplies		1,055	
Custodial Supplies		458	
Data Processing Supplies		3,918	
Drugs and Medical Supplies		579	
Duplicating Supplies		1,381	
Electricity		4,032	
Food Supplies		225	
Gasoline		285,509	
Law Enforcement Supplies		59,592	
Library Books/Media		165	
Natural Gas		808	
Office Supplies		1,999	
Periodicals		357	
Tires and Tubes		17,929	
Uniforms		16,058	
Vehicle Parts		1,310	
Water and Sewer		221	
Other Supplies and Materials		5,399	
Liability Insurance		9,818	
Premiums on Corporate Surety Bonds		3,467	
Communication Equipment		736	
Data Processing Equipment		75	
Law Enforcement Equipment		28,782	
Other Capital Outlay		5,332	
Total Sheriff's Department			\$ 7,209,827

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols

Supervisor/Director	\$	103,791	
Deputy(ies)		688,066	
Investigator(s)		168,842	
Sergeant(s)		46,348	
Clerical Personnel		33,694	
Overtime Pay		14,773	
Social Security		62,298	
State Retirement		154,385	
Life Insurance		945	
Medical Insurance		185,301	
Employer Medicare		14,570	
Communication		10,480	
Maintenance and Repair Services - Equipment		1,101	
Maintenance and Repair Services - Vehicles		5,106	
Printing, Stationery, and Forms		45	
Rentals		512	
Travel		5,202	
Tuition		3,008	
Other Contracted Services		100	
Gasoline		38,832	
Law Enforcement Supplies		7,409	
Tires and Tubes		2,440	
Uniforms		5,567	
Vehicle Parts		388	
Other Supplies and Materials		51	
Total Special Patrols			\$ 1,553,254

Administration of the Sexual Offender Registry

Overtime Pay	\$	5,390	
Communication		1,119	
Other Contracted Services		55	
Data Processing Supplies		60	
Law Enforcement Supplies		383	
Other Supplies and Materials		517	
Total Administration of the Sexual Offender Registry			7,524

Jail

Supervisor/Director	\$	125,659
Deputy(ies)		3,964,385
Lieutenant(s)		64,997

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Sergeant(s)	\$	457,593
Clerical Personnel		576,132
Maintenance Personnel		166,078
Overtime Pay		153,760
Board and Committee Members Fees		1,450
Social Security		322,102
State Retirement		734,210
Life Insurance		5,845
Medical Insurance		1,206,636
Unemployment Compensation		9,353
Employer Medicare		75,329
Communication		9,455
Evaluation and Testing		7,193
Laundry Service		4,138
Operating Lease Payments		600
Legal Services		9,412
Licenses		1,508
Maintenance and Repair Services - Buildings		7,970
Maintenance and Repair Services - Equipment		108,599
Maintenance and Repair Services - Vehicles		1,503
Medical and Dental Services		2,357,316
Pest Control		4,440
Postal Charges		448
Printing, Stationery, and Forms		3,303
Rentals		10,703
Travel		1,111
Tuition		300
Disposal Fees		26,994
Other Contracted Services		599,942
Custodial Supplies		34,396
Data Processing Supplies		5,781
Duplicating Supplies		3,287
Electricity		370,414
Equipment and Machinery Parts		3,288
Food Preparation Supplies		73
Gasoline		12,531
Law Enforcement Supplies		24,477
Library Books/Media		450
Natural Gas		55,535
Office Supplies		1,026

(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	\$	4,171	
Tires and Tubes		478	
Uniforms		33,269	
Water and Sewer		123,412	
Other Supplies and Materials		59,616	
Boiler Insurance		731	
Building and Contents Insurance		149,375	
Indirect Cost		50	
Liability Insurance		143,824	
Communication Equipment		4,055	
Data Processing Equipment		1,879	
Food Service Equipment		1,276	
Maintenance Equipment		2,179	
Other Equipment		42,892	
Total Jail			\$ 12,096,929

Workhouse

County Official/Administrative Officer	\$	7,500
Deputy(ies)		619,080
Lieutenant(s)		63,767
Sergeant(s)		46,031
Overtime Pay		17,043
Social Security		43,884
State Retirement		103,855
Life Insurance		728
Medical Insurance		119,197
Employer Medicare		10,264
Communication		3,270
Laundry Service		1,984
Maintenance and Repair Services - Equipment		3,506
Maintenance and Repair Services - Vehicles		1,638
Medical and Dental Services		348,000
Pest Control		360
Rentals		1,424
Disposal Fees		1,292
Other Contracted Services		87,991
Custodial Supplies		11,316
Diesel Fuel		5,746
Electricity		27,474
Equipment and Machinery Parts		480

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Gasoline	\$	5,039	
Law Enforcement Supplies		2,157	
Natural Gas		5,748	
Prisoners Clothing		230	
Tires and Tubes		1,180	
Uniforms		1,565	
Water and Sewer		19,251	
Other Supplies and Materials		6,755	
Building and Contents Insurance		14,364	
Liability Insurance		10,896	
Other Equipment		9,894	
Total Workhouse			\$ 1,602,909

Correctional Incentive Program Improvements

Supervisor/Director	\$	56,041
Probation Officer(s)		200,629
Secretary(ies)		18,668
Social Security		16,314
State Retirement		36,552
Life Insurance		320
Medical Insurance		32,747
Employer Medicare		3,816
Accounting Services		10,000
Communication		6,235
Maintenance and Repair Services - Office Equipment		2,191
Maintenance and Repair Services - Vehicles		54
Postal Charges		119
Printing, Stationery, and Forms		206
Rentals		32,520
Travel		4,341
Tuition		1,297
Other Contracted Services		11,145
Custodial Supplies		406
Duplicating Supplies		295
Electricity		1,483
Food Supplies		204
Gasoline		3,173
Natural Gas		5
Office Supplies		1,011
Periodicals		134

(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.)

Other Supplies and Materials	\$	2,748	
Building and Contents Insurance		395	
Liability Insurance		1,289	
Vehicle and Equipment Insurance		1,611	
Data Processing Equipment		2,028	
Total Correctional Incentive Program Improvements			\$ 447,977

Juvenile Services

Supervisor/Director	\$	44,176	
Probation Officer(s)		24,000	
Medical Personnel		37,479	
Clerical Personnel		22,782	
Social Security		6,042	
State Retirement		13,352	
Life Insurance		108	
Medical Insurance		25,426	
Employer Medicare		1,413	
Communication		2,493	
Dues and Memberships		820	
Operating Lease Payments		2,256	
Travel		2,085	
Other Contracted Services		2,000	
Food Supplies		22	
Office Supplies		51	
Other Supplies and Materials		588	
Liability Insurance		250	
Total Juvenile Services			185,343

Fire Prevention and Control

Board and Committee Members Fees	\$	2,450	
Social Security		152	
Employer Medicare		36	
Communication		2,137	
Licenses		35	
Maintenance and Repair Services - Buildings		178	
Maintenance and Repair Services - Equipment		7,187	
Maintenance and Repair Services - Vehicles		30,782	
Postal Charges		68	
Travel		5,364	
Other Contracted Services		5,287	

(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.)

Diesel Fuel	\$	21,395	
Equipment and Machinery Parts		384	
Food Preparation Supplies		35	
Food Supplies		76	
Gasoline		10,075	
Instructional Supplies and Materials		462	
Uniforms		7,036	
Utilities		20,390	
Chemicals		4,814	
Other Supplies and Materials		13,851	
Liability Insurance		6,998	
Workers' Compensation Insurance		13,801	
Communication Equipment		555	
Other Equipment		8,422	
Total Fire Prevention and Control			\$ 161,970

Civil Defense

Assistant(s)	\$	46,083	
Supervisor/Director		79,845	
Secretary(ies)		39,268	
Other Salaries and Wages		34,235	
Social Security		11,915	
State Retirement		29,171	
Life Insurance		134	
Medical Insurance		23,374	
Employer Medicare		2,787	
Communication		5,825	
Contracts with Private Agencies		960	
Maintenance and Repair Services - Vehicles		842	
Rentals		80,329	
Other Contracted Services		1,850	
Gasoline		1,126	
Utilities		40,429	
Other Supplies and Materials		1,863	
Total Civil Defense			400,036

Other Emergency Management

Overtime Pay	\$	1,872
Tuition		97,759
Other Contracted Services		210,906

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Supplies and Materials	\$	4,930	
Communication Equipment		271,104	
Other Equipment		225,320	
Total Other Emergency Management			\$ 811,891

County Coroner/Medical Examiner

Medical and Dental Services	\$	225,670	
Other Contracted Services		10,490	
Liability Insurance		375	
Total County Coroner/Medical Examiner			236,535

Public Health and Welfare

Local Health Center

Medical Personnel	\$	45,237	
Custodial Personnel		48,938	
Social Security		5,549	
State Retirement		10,840	
Life Insurance		109	
Medical Insurance		28,823	
Employer Medicare		1,298	
Communication		28,834	
Dues and Memberships		200	
Laundry Service		344	
Licenses		69	
Maintenance Agreements		3,585	
Maintenance and Repair Services - Buildings		1,756	
Maintenance and Repair Services - Equipment		2,615	
Pest Control		225	
Rentals		1,355	
Travel		390	
Disposal Fees		2,670	
Other Contracted Services		1,417	
Custodial Supplies		3,121	
Drugs and Medical Supplies		1,583	
Duplicating Supplies		54	
Electricity		67,109	
Instructional Supplies and Materials		16	
Natural Gas		14,159	
Office Supplies		351	
Periodicals		115	

(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.)

Water and Sewer	\$	3,475	
Other Supplies and Materials		1,121	
Boiler Insurance		242	
Liability Insurance		98	
Premiums on Corporate Surety Bonds		50	
Heating and Air Conditioning Equipment		1,298	
Total Local Health Center			\$ 277,046

Rabies and Animal Control

Supervisor/Director	\$	51,203
Clerical Personnel		26,549
Temporary Personnel		5,412
Overtime Pay		23,991
Other Salaries and Wages		147,920
Board and Committee Members Fees		750
Social Security		14,922
State Retirement		29,264
Life Insurance		253
Medical Insurance		68,117
Unemployment Compensation		7,930
Employer Medicare		3,490
Communication		6,218
Legal Services		140
Maintenance and Repair Services - Vehicles		3,310
Printing, Stationery, and Forms		1,625
Rentals		1,122
Veterinary Services		6,323
Other Contracted Services		10,436
Animal Food and Supplies		5,118
Custodial Supplies		2,837
Drugs and Medical Supplies		10,712
Electricity		19,567
Gasoline		16,311
Natural Gas		3,272
Office Supplies		784
Tires and Tubes		532
Uniforms		1,183
Water and Sewer		3,031
Other Supplies and Materials		4,193
Liability Claims		616

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Equipment	\$ 7,132	
Total Rabies and Animal Control		\$ 484,263

Ambulance/Emergency Medical Services

Assistant(s)	\$ 28,552
Supervisor/Director	85,067
Captain(s)	287,651
Lieutenant(s)	374,536
Accountants/Bookkeepers	181,206
Medical Personnel	3,135,635
Part-time Personnel	316,143
Overtime Pay	91,912
Board and Committee Members Fees	2,700
Social Security	265,263
State Retirement	587,491
Life Insurance	3,839
Medical Insurance	929,757
Unemployment Compensation	6,642
Employer Medicare	62,037
Communication	40,640
Data Processing Services	9,122
Debt Collection Services	24,023
Dues and Memberships	540
Janitorial Services	8,635
Laundry Service	9,129
Legal Services	52
Licenses	7,040
Maintenance and Repair Services - Buildings	8,073
Maintenance and Repair Services - Equipment	61,327
Maintenance and Repair Services - Vehicles	162,298
Medical and Dental Services	1,123
Pest Control	2,912
Postal Charges	11,035
Printing, Stationery, and Forms	999
Rentals	2,460
Travel	3,518
Tuition	22,926
Disposal Fees	4,916
Other Contracted Services	7,346
Custodial Supplies	7,186

(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.)

Data Processing Supplies	\$	534	
Diesel Fuel		241,899	
Drugs and Medical Supplies		258,165	
Duplicating Supplies		1,068	
Electricity		47,822	
Food Supplies		1,322	
Gasoline		27,400	
Instructional Supplies and Materials		6,407	
Natural Gas		7,891	
Office Supplies		3,741	
Propane Gas		6,051	
Tires and Tubes		24,776	
Uniforms		25,247	
Water and Sewer		6,776	
Other Supplies and Materials		7,654	
Indirect Cost		13,780	
Premiums on Corporate Surety Bonds		140	
Data Processing Equipment		176,230	
Furniture and Fixtures		3,105	
Heating and Air Conditioning Equipment		5,682	
Total Ambulance/Emergency Medical Services			\$ 7,619,421

Other Local Health Services

Social Workers	\$	204,074	
Medical Personnel		619,040	
Clerical Personnel		405,948	
Educational Assistants		24,140	
Part-time Personnel		36,024	
Social Security		75,184	
State Retirement		170,324	
Life Insurance		1,338	
Medical Insurance		269,917	
Unemployment Compensation		6,304	
Employer Medicare		17,725	
Licenses		800	
Pest Control		150	
Rentals		2,624	
Travel		8,742	
Disposal Fees		21	
Liability Insurance		32,282	
Total Other Local Health Services			1,874,637

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

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

Appropriation to State

Contributions	\$ 164,922	
Total Appropriation to State		164,922

Other Local Welfare Services

Contributions	\$ 10,000	
Maintenance and Repair Services - Buildings	925	
Pauper Burials	13,300	
Other Contracted Services	100	
Total Other Local Welfare Services		24,325

Other Public Health and Welfare

Contributions	\$ 30,000	
Medical and Dental Services	300	
Total Other Public Health and Welfare		30,300

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 1,630,891	
Total Libraries		1,630,891

Parks and Fair Boards

Assistant(s)	\$ 35,670
Supervisor/Director	62,375
Maintenance Personnel	65,253
Temporary Personnel	32,607
Board and Committee Members Fees	800
Social Security	11,789
State Retirement	20,861
Life Insurance	138
Medical Insurance	25,438
Employer Medicare	2,757
Communication	6,970
Dues and Memberships	630
Legal Services	140
Postal Charges	59
Rentals	240

(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.)

Travel	\$	3,157	
Tuition		2,544	
Disposal Fees		1,747	
Other Contracted Services		17,602	
Custodial Supplies		2,662	
Electricity		30,086	
Gasoline		17,106	
Office Supplies		743	
Water and Sewer		16,878	
Other Supplies and Materials		22,058	
Data Processing Equipment		717	
Maintenance Equipment		308	
Total Parks and Fair Boards			\$ 381,335

Other Social, Cultural, and Recreational

Postal Charges	\$	39	
Gasoline		7,834	
Office Supplies		97	
Vehicle and Equipment Insurance		1,628	
Total Other Social, Cultural, and Recreational			9,598

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	58,992	
Salary Supplements		159,823	
Board and Committee Members Fees		600	
Social Security		6,915	
State Retirement		23,802	
Life Insurance		77	
Medical Insurance		34,727	
Employer Medicare		2,870	
Communication		4,136	
Rentals		3,083	
Other Contracted Services		18,000	
Office Supplies		951	
Workers' Compensation Insurance		54	
Total Agriculture Extension Service			314,030

Forest Service

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

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	25,582	
Temporary Personnel		17,245	
Social Security		2,652	
State Retirement		2,496	
Life Insurance		35	
Medical Insurance		474	
Employer Medicare		620	
Other Contracted Services		865	
Other Supplies and Materials		882	
Total Soil Conservation			\$ 50,851

Other Operations

Tourism

Contracts with Government Agencies	\$	368,818	
Contracts with Other Public Agencies		1,106,455	
Total Tourism			1,475,273

Industrial Development

Contributions	\$	624,616	
Total Industrial Development			624,616

Airport

Contributions	\$	200,919	
Total Airport			200,919

Veterans' Services

Assistant(s)	\$	117,825	
Supervisor/Director		58,839	
Secretary(ies)		49,896	
Board and Committee Members Fees		1,000	
Social Security		13,432	
State Retirement		33,138	
Life Insurance		269	
Medical Insurance		48,234	
Employer Medicare		3,141	
Communication		2,938	
Postal Charges		2,895	
Printing, Stationery, and Forms		269	
Rentals		2,840	
Travel		4,225	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Other Contracted Services	\$	1,955	
Custodial Supplies		12	
Electricity		1,209	
Food Supplies		384	
Water and Sewer		268	
Other Supplies and Materials		4,382	
Total Veterans' Services			\$ 347,151

Other Charges

Legal Services	\$	35,894	
Boiler Insurance		10,854	
Building and Contents Insurance		335,164	
Liability Insurance		2,125	
Trustee's Commission		809,797	
Liability Claims		10,000	
Total Other Charges			1,203,834

Contributions to Other Agencies

Contributions	\$	103,665	
Dues and Memberships		23,697	
Total Contributions to Other Agencies			127,362

Employee Benefits

Handling Charges and Administrative Costs	\$	41,433	
Medical Insurance		166,757	
Disability Insurance		206,455	
Other Fringe Benefits		22,321	
Total Employee Benefits			436,966

ARRA Grant # 3

Data Processing Equipment	\$	6,697	
Total ARRA Grant # 3			6,697

ARRA Grant # 5

Heating and Air Conditioning Equipment	\$	40,494	
Total ARRA Grant # 5			40,494

Miscellaneous

Advertising	\$	1,691	
Travel		8,650	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Contracted Services	\$	5,008	
Office Supplies		61	
Other Supplies and Materials		962	
Furniture and Fixtures		865	
Total Miscellaneous			\$ 17,237

Highways

Litter and Trash Collection

Deputy(ies)	\$	83,667	
Social Security		5,152	
State Retirement		12,238	
Life Insurance		73	
Medical Insurance		2,350	
Unemployment Compensation		70	
Employer Medicare		1,205	
Printing, Stationery, and Forms		6,250	
Other Contracted Services		9,000	
Other Supplies and Materials		4,150	
Total Litter and Trash Collection			\$ 124,155

Total General Fund \$ 59,796,907

Drug Control Fund

Public Safety

Sheriff's Department

Veterinary Services	\$	309	
Animal Food and Supplies		762	
Trustee's Commission		54	
Total Sheriff's Department			\$ 1,125

Total Drug Control Fund 1,125

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	17,199	
Total Chancery Court			\$ 17,199

Total Constitutional Officers - Fees Fund 17,199

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	95,335	
Assistant(s)		58,506	
Accountants/Bookkeepers		38,290	
Secretary(ies)		32,591	
Clerical Personnel		32,591	
Overtime Pay		740	
Board and Committee Members Fees		3,600	
Social Security		15,262	
State Retirement		37,584	
Life Insurance		192	
Medical Insurance		54,469	
Employer Medicare		3,569	
Dues and Memberships		4,114	
Rentals		3,093	
Travel		481	
Other Contracted Services		8,863	
Drugs and Medical Supplies		3,050	
Office Supplies		1,471	
Other Supplies and Materials		1,751	
Total Administration			\$ 395,552

Highway and Bridge Maintenance

Foremen	\$	382,329
Mechanic(s)		114,080
Equipment Operators - Heavy		477,253
Equipment Operators - Light		175,789
Truck Drivers		494,752
Laborers		81,386
Temporary Personnel		14,592
Overtime Pay		28,375
Social Security		102,102
State Retirement		247,447
Life Insurance		1,917
Medical Insurance		482,326
Employer Medicare		23,878
Rentals		558
Other Contracted Services		2,522
Asphalt - Hot Mix		1,197,700
Asphalt - Liquid		59,301
Concrete		796

(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.)

Crushed Stone	\$	80,405	
Fertilizer, Lime, and Seed		925	
Pipe - Metal		23,621	
Salt		54,127	
Other Supplies and Materials		3,646	
Total Highway and Bridge Maintenance			\$ 4,049,827

Operation and Maintenance of Equipment

Foremen	\$	47,462	
Mechanic(s)		190,137	
Truck Drivers		28,951	
Clerical Personnel		35,034	
Overtime Pay		1,479	
Social Security		17,815	
State Retirement		42,668	
Life Insurance		288	
Medical Insurance		62,654	
Employer Medicare		4,166	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		11,935	
Maintenance and Repair Services - Vehicles		21,991	
Other Contracted Services		1,602	
Diesel Fuel		210,686	
Equipment and Machinery Parts		149,589	
Garage Supplies		890	
Gasoline		166,792	
Lubricants		24,559	
Small Tools		5,072	
Tires and Tubes		57,338	
Vehicle Parts		56,601	
Other Supplies and Materials		28,688	
Total Operation and Maintenance of Equipment			1,167,277

Traffic Control

Foremen	\$	47,413	
Equipment Operators - Heavy		66,839	
Laborers		39,977	
Overtime Pay		2,313	
Social Security		9,518	
State Retirement		21,370	

(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.)

Life Insurance	\$	142	
Medical Insurance		16,815	
Employer Medicare		2,226	
Operating Lease Payments		395	
Other Contracted Services		4,652	
Electricity		2,802	
Road Signs		67,602	
Small Tools		168	
Uniforms		950	
Other Supplies and Materials		60,920	
Total Traffic Control			\$ 344,102

Other Charges

Communication	\$	7,444	
Licenses		1,753	
Other Contracted Services		109	
Electricity		24,268	
Natural Gas		1,977	
Water and Sewer		2,662	
Building and Contents Insurance		216,608	
Indirect Cost		12,550	
Premiums on Corporate Surety Bonds		100	
Trustee's Commission		109,433	
Total Other Charges			376,904

Employee Benefits

Medical Insurance	\$	38,085	
Total Employee Benefits			38,085

Capital Outlay

Engineering Services	\$	25,666	
Bridge Construction		696,447	
Communication Equipment		195	
Data Processing Equipment		395	
Heating and Air Conditioning Equipment		1,078	
Highway Equipment		101,312	
Motor Vehicles		119,706	
State Aid Projects		717,323	
Other Equipment		16,231	
Total Capital Outlay			1,678,353

Total Highway/Public Works Fund \$ 8,050,100

(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	\$ 4,766,240	
Principal on Notes	3,549,923	
Total General Government		\$ 8,316,163

Education

Principal on Bonds	\$ 10,498,760	
Principal on Other Loans	2,551,047	
Total Education		13,049,807

Interest on Debt

General Government

Interest on Bonds	\$ 4,524,728	
Interest on Notes	98,984	
Total General Government		4,623,712

Education

Interest on Bonds	\$ 9,455,986	
Interest on Other Loans	393,697	
Total Education		9,849,683

Other Debt Service

General Government

Trustee's Commission	\$ 188,542	
Underwriter's Discount	111,924	
Other Debt Issuance Charges	56,583	
Other Debt Service	49,151	
Total General Government		406,200

Education

Trustee's Commission	\$ 509,762	
Other Debt Issuance Charges	44,361	
Other Debt Service	231,714	
Total Education		785,837

Total General Debt Service Fund \$ 37,031,402

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Contracted Services	\$ 67	
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(Continued)

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

General Administration Projects (Cont.)

Trustee's Commission	\$	23,618	
Building Construction		9,442	
Building Improvements		730,392	
Data Processing Equipment		339,124	
Heating and Air Conditioning Equipment		71,224	
Highway Construction		120,168	
Motor Vehicles		190,192	
Other Equipment		109,313	
Other Construction		82,733	
Other Capital Outlay		8,581	
Total General Administration Projects			\$ 1,684,854

Public Safety Projects

Building Improvements	\$	7,178	
Heating and Air Conditioning Equipment		47,232	
Motor Vehicles		261,879	
Other Equipment		139,096	
Other Construction		15,000	
Other Capital Outlay		86,043	
Total Public Safety Projects			556,428

Public Health and Welfare Projects

Architects	\$	18,456	
Building Construction		2,341,573	
Building Improvements		7,620	
Communication Equipment		13,748	
Data Processing Equipment		129,645	
Furniture and Fixtures		93,962	
Motor Vehicles		324,882	
Health Equipment		102,543	
Other Equipment		14,000	
Other Capital Outlay		533,230	
Total Public Health and Welfare Projects			3,579,659

Social, Cultural, and Recreation Projects

Architects	\$	268,742	
Engineering Services		11,769	
Building Construction		63,210	
Furniture and Fixtures		2,810	
Maintenance Equipment		21,704	

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects (Cont.)

Other Equipment	\$	5,414	
Other Capital Outlay		<u>99,614</u>	
Total Social, Cultural, and Recreation Projects	\$		473,263

Other General Government Projects

Building Improvements	\$	24,943	
Data Processing Equipment		180,500	
Other Capital Outlay		<u>1,011,347</u>	
Total Other General Government Projects			1,216,790

Education Capital Projects

Contributions	\$	23,359,700	
Underwriter's Discount		663,748	
Other Debt Issuance Charges		<u>141,436</u>	
Total Education Capital Projects			<u>24,164,884</u>

Total General Capital Projects Fund \$ 31,675,878

Total Governmental Funds - Primary Government \$ 136,572,611

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 68,147,149	
Career Ladder Program	397,332	
Career Ladder Extended Contracts	124,678	
Homebound Teachers	143,456	
Educational Assistants	1,097,678	
Overtime Pay	19	
Social Security	4,136,986	
State Retirement	6,360,754	
Life Insurance	94,760	
Medical Insurance	12,725,399	
Employer Medicare	968,523	
Maintenance and Repair Services - Equipment	12,600	
Transportation - Other than Students	1,070	
Travel	23,582	
Tuition	197,758	
Contracts for Substitute Teachers - Certified	1,171,291	
Contracts for Substitute Teachers - Non-certified	724,353	
Other Contracted Services	60,905	
Basic Skills Materials	34,883	
Instructional Supplies and Materials	777,368	
Textbooks	2,054,891	
Other Supplies and Materials	300	
Fee Waivers	375,325	
Regular Instruction Equipment	30,617	
Total Regular Instruction Program		\$ 99,661,677

Alternative Instruction Program

Teachers	\$ 706,226	
Career Ladder Program	3,917	
Educational Assistants	13,883	
Social Security	43,563	
State Retirement	65,011	
Life Insurance	873	
Medical Insurance	88,541	
Employer Medicare	10,188	
Rentals	811	
Contracts for Substitute Teachers - Certified	4,026	
Contracts for Substitute Teachers - Non-certified	7,031	
Instructional Supplies and Materials	2,987	
Total Alternative Instruction Program		947,057

(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	\$ 10,312,719	
Career Ladder Program	67,886	
Career Ladder Extended Contracts	645	
Homebound Teachers	57,606	
Educational Assistants	1,891,435	
Speech Pathologist	1,056,752	
Overtime Pay	95	
Social Security	789,914	
State Retirement	1,297,268	
Life Insurance	19,576	
Medical Insurance	2,495,034	
Employer Medicare	184,604	
Contracts with Private Agencies	804,368	
Travel	2,699	
Contracts for Substitute Teachers - Certified	154,089	
Contracts for Substitute Teachers - Non-certified	193,731	
Other Contracted Services	20,199	
Instructional Supplies and Materials	76,793	
Special Education Equipment	9,971	
Total Special Education Program		\$ 19,435,384

Vocational Education Program

Teachers	\$ 3,124,770	
Career Ladder Program	12,912	
Salary Supplements	36,091	
Social Security	188,386	
State Retirement	286,510	
Life Insurance	4,235	
Medical Insurance	569,742	
Employer Medicare	44,058	
Maintenance and Repair Services - Equipment	713	
Travel	257	
Contracts for Substitute Teachers - Certified	38,787	
Contracts for Substitute Teachers - Non-certified	36,188	
Instructional Supplies and Materials	148,042	
T&I Construction Materials	128,000	
Vocational Instruction Equipment	31,938	
Total Vocational Education Program		4,650,629

(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	\$	122,410	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		600	
Pupil Personnel		386,060	
Secretary(ies)		61,152	
Social Security		34,119	
State Retirement		55,478	
Life Insurance		598	
Medical Insurance		89,209	
Employer Medicare		7,979	
Dues and Memberships		85	
Travel		5,238	
Office Supplies		3,966	
In Service/Staff Development		5,424	
Total Attendance			\$ 778,318

Health Services

Medical Personnel	\$	775,097	
Temporary Personnel		29,933	
Overtime Pay		61	
Social Security		46,930	
State Retirement		104,182	
Life Insurance		1,361	
Medical Insurance		130,761	
Employer Medicare		10,975	
Other Contracted Services		450	
Office Supplies		127	
Other Supplies and Materials		18,594	
Health Equipment		12,992	
Total Health Services			1,131,463

Other Student Support

Career Ladder Program	\$	28,000	
Guidance Personnel		3,346,357	
Career Ladder Extended Contracts		4,462	
Social Workers		138,254	
Salary Supplements		1,219,668	
Clerical Personnel		271,574	
Educational Assistants		130,933	

(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.)

Overtime Pay	\$	101	
Other Salaries and Wages		27,352	
Social Security		306,921	
State Retirement		470,462	
Life Insurance		5,193	
Medical Insurance		770,604	
Employer Medicare		71,808	
Evaluation and Testing		145,775	
Other Contracted Services		15,783	
Total Other Student Support			\$ 6,953,247

Regular Instruction Program

Supervisor/Director	\$	1,109,672	
Career Ladder Program		58,122	
Career Ladder Extended Contracts		3,000	
Librarians		2,167,162	
Salary Supplements		149,418	
Secretary(ies)		66,318	
Clerical Personnel		30,534	
Educational Assistants		643,590	
Other Salaries and Wages		1,051,176	
In-Service Training		8,715	
Social Security		312,130	
State Retirement		520,123	
Life Insurance		5,924	
Medical Insurance		866,554	
Employer Medicare		73,596	
Dues and Memberships		27,981	
Travel		13,760	
Other Contracted Services		30,389	
Gasoline		1,994	
Library Books/Media		158,330	
Office Supplies		9,830	
Periodicals		36,350	
Other Supplies and Materials		411,880	
In Service/Staff Development		141,093	
Other Charges		20,292	
Total Regular Instruction Program			7,917,933

(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	\$	19,447	
Social Security		973	
State Retirement		2,845	
Life Insurance		38	
Medical Insurance		13,899	
Employer Medicare		228	
Total Alternative Instruction Program			\$ 37,430

Special Education Program

Supervisor/Director	\$	92,412	
Career Ladder Program		9,700	
Psychological Personnel		603,118	
Secretary(ies)		48,932	
Other Salaries and Wages		573,726	
Social Security		79,305	
State Retirement		126,511	
Life Insurance		1,280	
Medical Insurance		193,778	
Employer Medicare		18,548	
Dues and Memberships		1,521	
Travel		20,387	
Office Supplies		6,366	
Other Supplies and Materials		52,564	
In Service/Staff Development		13,763	
Total Special Education Program			1,841,911

Vocational Education Program

Supervisor/Director	\$	62,840	
Secretary(ies)		14,946	
Social Security		4,650	
State Retirement		7,697	
Life Insurance		82	
Medical Insurance		11,608	
Employer Medicare		1,087	
Office Supplies		519	
Total Vocational Education Program			103,429

Adult Programs

Supervisor/Director	\$	35,425	
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(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		24,600	
Other Salaries and Wages		46,205	
Social Security		6,603	
State Retirement		7,463	
Life Insurance		195	
Medical Insurance		2,072	
Employer Medicare		1,544	
Total Adult Programs			\$ 125,107

Other Programs

On-Behalf Payments to OPEB	\$	84,294	
Total Other Programs			84,294

Board of Education

Secretary to Board	\$	25,567	
Board and Committee Members Fees		30,000	
Social Security		3,359	
State Retirement		3,741	
Life Insurance		31	
Medical Insurance		5,804	
Employer Medicare		786	
Dues and Memberships		32,189	
Legal Services		119,653	
In Service/Staff Development		11,403	
Other Charges		3,099	
Total Board of Education			235,632

Director of Schools

County Official/Administrative Officer	\$	167,739	
Education Media Personnel		76,307	
Secretary(ies)		25,567	
Clerical Personnel		123,833	
Temporary Personnel		6,198	
Overtime Pay		123	
Other Salaries and Wages		142,782	
Social Security		28,628	
State Retirement		73,417	
Life Insurance		448	

(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.)

Medical Insurance	\$	77,321	
Employer Medicare		7,517	
Advertising		500	
Dues and Memberships		2,534	
Postal Charges		50,456	
Travel		1,509	
Other Contracted Services		40,108	
Duplicating Supplies		37,519	
Food Supplies		2,059	
Office Supplies		8,606	
Periodicals		379	
Other Supplies and Materials		4,901	
In Service/Staff Development		20,698	
Other Equipment		6,180	
Total Director of Schools			\$ 905,329

Office of the Principal

Principals	\$	3,014,926	
Career Ladder Program		50,082	
Accountants/Bookkeepers		1,291,856	
Career Ladder Extended Contracts		37,670	
Assistant Principals		3,975,856	
Clerical Personnel		1,935,970	
Temporary Personnel		4,907	
Overtime Pay		794	
Social Security		610,644	
State Retirement		1,097,942	
Life Insurance		11,043	
Medical Insurance		1,950,395	
Employer Medicare		142,829	
Dues and Memberships		7,875	
Other Contracted Services		6,484	
In Service/Staff Development		35,000	
Administration Equipment		41,467	
Total Office of the Principal			14,215,740

Fiscal Services

Supervisor/Director	\$	415,198
Accountants/Bookkeepers		494,027

(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.)

Temporary Personnel	\$	10,591	
Overtime Pay		412	
Other Salaries and Wages		326,395	
Social Security		72,619	
State Retirement		180,542	
Life Insurance		1,154	
Medical Insurance		217,535	
Employer Medicare		17,067	
Advertising		155	
Audit Services		60,750	
Bank Charges		7,985	
Dues and Memberships		1,288	
Laundry Service		3,054	
Maintenance and Repair Services - Equipment		650	
Travel		524	
Other Contracted Services		79,299	
Gasoline		13,190	
Office Supplies		16,189	
Other Supplies and Materials		866	
Premiums on Corporate Surety Bonds		1,493	
Trustee's Commission		1,264,591	
Liability Claims		184,714	
Other Self-Insured Claims		160,475	
In Service/Staff Development		14,203	
Other Charges		45,631	
Total Fiscal Services			\$ 3,590,597

Human Services/Personnel

Supervisor/Director	\$	453,703
Secretary(ies)		426,580
Temporary Personnel		5,573
Overtime Pay		2,373
Other Salaries and Wages		44,366
Other Per Diem and Fees		6,000
Social Security		55,504
State Retirement		128,274
Life Insurance		776
Medical Insurance		120,632
Disability Insurance		416,635

(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.)

Unemployment Compensation	\$	109,925	
Employer Medicare		13,033	
Other Fringe Benefits		458,159	
Advertising		2,295	
Dues and Memberships		2,275	
Travel		6,050	
Other Contracted Services		53,214	
Office Supplies		13,783	
Other Supplies and Materials		20,344	
Workers' Compensation Insurance		235,065	
In Service/Staff Development		35,791	
Criminal Investigation of Applicants - TBI		42,678	
Administration Equipment		613	
Total Human Services/Personnel			\$ 2,653,641

Operation of Plant

Supervisor/Director	\$	199,975
Salary Supplements		30,000
Foremen		34,428
Secretary(ies)		30,009
Custodial Personnel		3,976,354
Overtime Pay		10,128
Social Security		248,439
State Retirement		591,745
Life Insurance		6,527
Medical Insurance		1,334,675
Employer Medicare		58,106
Evaluation and Testing		7,400
Laundry Service		65,021
Licenses		12,586
Travel		607
Other Contracted Services		287,252
Custodial Supplies		332,610
Electricity		5,265,859
Fertilizer, Lime, and Seed		35,000
Fuel Oil		15,109
Natural Gas		355,607
Office Supplies		4,198
Water and Sewer		687,738

(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.)

Gravel and Chert	\$	11,292	
Other Supplies and Materials		26,084	
Building and Contents Insurance		697,684	
In Service/Staff Development		670	
Furniture and Fixtures		29,937	
Plant Operation Equipment		37,863	
Total Operation of Plant			\$ 14,392,903

Maintenance of Plant

Supervisor/Director	\$	73,314	
Foremen		53,976	
Secretary(ies)		55,255	
Maintenance Personnel		1,961,777	
Overtime Pay		2,998	
Social Security		126,323	
State Retirement		299,483	
Life Insurance		2,299	
Medical Insurance		511,342	
Employer Medicare		29,543	
Dues and Memberships		100	
Laundry Service		10,250	
Maintenance and Repair Services - Equipment		328,154	
Maintenance and Repair Services - Vehicles		589	
Rentals		1,540	
Other Contracted Services		159,323	
Gasoline		224,307	
Lubricants		3,247	
Office Supplies		1,084	
Tires and Tubes		12,851	
Vehicle Parts		37,314	
Chemicals		41,451	
Other Supplies and Materials		838,423	
Vehicle and Equipment Insurance		19,354	
In Service/Staff Development		4,728	
Maintenance Equipment		57,456	
Total Maintenance of Plant			4,856,481

Central and Other

Supervisor/Director	\$	220,694	
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(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.)

Computer Programmer(s)	\$	282,563	
Instructional Computer Personnel		947,210	
Salary Supplements		24,685	
Secretary(ies)		28,293	
Other Salaries and Wages		569,484	
Social Security		123,244	
State Retirement		271,223	
Life Insurance		1,861	
Medical Insurance		318,032	
Employer Medicare		28,841	
Communication		943,764	
Dues and Memberships		1,099	
Travel		32,482	
Other Contracted Services		1,443,113	
Data Processing Supplies		770,821	
Office Supplies		1,002	
Other Supplies and Materials		72,610	
In Service/Staff Development		13,794	
Data Processing Equipment		241,374	
Other Equipment		2,862,092	
Total Central and Other			\$ 9,198,281

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	962,702	
Educational Assistants		321,031	
Overtime Pay		84	
Other Salaries and Wages		86,622	
Social Security		80,213	
State Retirement		139,382	
Life Insurance		2,135	
Medical Insurance		302,272	
Employer Medicare		18,759	
Travel		654	
Contracts for Substitute Teachers - Certified		18,978	
Contracts for Substitute Teachers - Non-certified		27,454	
Instructional Supplies and Materials		9,885	
Other Equipment		10,059	
Total Early Childhood Education			<u>1,980,230</u>

Total General Purpose School Fund \$ 195,696,713

(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	\$	2,425,901	
Salary Supplements		1,626,647	
Educational Assistants		291,231	
Other Salaries and Wages		30	
Social Security		259,650	
State Retirement		411,293	
Life Insurance		3,736	
Medical Insurance		492,151	
Employer Medicare		60,724	
Contracts for Substitute Teachers - Certified		69,076	
Contracts for Substitute Teachers - Non-certified		53,892	
Other Contracted Services		192,590	
Instructional Supplies and Materials		765,128	
Textbooks		97,318	
Other Supplies and Materials		8,805	
Regular Instruction Equipment		177,467	
Total Regular Instruction Program			\$ 6,935,639

Special Education Program

Teachers	\$	235,675	
Educational Assistants		1,799,842	
Speech Pathologist		37,937	
Overtime Pay		82	
Social Security		118,597	
State Retirement		262,701	
Life Insurance		4,541	
Medical Insurance		442,421	
Employer Medicare		27,737	
Contracts for Substitute Teachers - Certified		10,646	
Contracts for Substitute Teachers - Non-certified		13,270	
Other Contracted Services		75,887	
Instructional Supplies and Materials		781,717	
Textbooks		2,043	
Other Supplies and Materials		188,967	
Other Charges		41,600	
Special Education Equipment		77,131	
Total Special Education Program			4,120,794

(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	\$	36,536	
Social Security		2,172	
State Retirement		3,296	
Life Insurance		62	
Medical Insurance		5,921	
Employer Medicare		508	
Instructional Supplies and Materials		19,438	
Other Supplies and Materials		17,898	
Other Charges		4,494	
Vocational Instruction Equipment		208,248	
Total Vocational Education Program			\$ 298,573

Adult Education Program

Teachers	\$	59,880	
Social Security		2,808	
State Retirement		809	
Employer Medicare		865	
Other Contracted Services		898	
Instructional Supplies and Materials		27,588	
Total Adult Education Program			92,848

Support Services

Other Student Support

Guidance Personnel	\$	42,960	
Other Salaries and Wages		129,905	
Social Security		6,450	
State Retirement		10,854	
Life Insurance		243	
Medical Insurance		29,137	
Employer Medicare		2,358	
Travel		50,638	
Other Contracted Services		9,076	
Other Supplies and Materials		35,310	
In Service/Staff Development		50,934	
Other Charges		27,426	
Total Other Student Support			395,291

Regular Instruction Program

Supervisor/Director	\$	122,109	
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(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 (Cont.)

Secretary(ies)	\$	14,946	
Clerical Personnel		20,307	
Other Salaries and Wages		1,485,548	
Social Security		99,829	
State Retirement		155,935	
Life Insurance		1,196	
Medical Insurance		195,427	
Employer Medicare		23,378	
Communication		720	
Consultants		1,500	
Dues and Memberships		1,613	
Travel		9,165	
Other Contracted Services		234,741	
Library Books/Media		3,972	
Other Supplies and Materials		10,597	
In Service/Staff Development		203,927	
Other Charges		25,077	
Other Equipment		9,680	
Total Regular Instruction Program			\$ 2,619,667

Special Education Program

Psychological Personnel	\$	159,071	
Secretary(ies)		34,382	
Clerical Personnel		64,265	
Other Salaries and Wages		445,525	
Social Security		41,239	
State Retirement		69,112	
Life Insurance		776	
Medical Insurance		137,667	
Employer Medicare		9,644	
Travel		913	
Other Contracted Services		2,740	
Other Supplies and Materials		66,069	
In Service/Staff Development		81,972	
Total Special Education Program			1,113,375

Vocational Education Program

Other Supplies and Materials	\$	667	
In Service/Staff Development		2,859	
Total Vocational Education Program			3,526

(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.)

Adult Programs

Supervisor/Director	\$	35,425	
Clerical Personnel		27,144	
Other Salaries and Wages		31,179	
Social Security		5,462	
State Retirement		11,739	
Medical Insurance		19,601	
Employer Medicare		1,278	
Office Supplies		1,760	
In Service/Staff Development		3,690	
Total Adult Programs			\$ 137,278

Office of the Principal

Assistant Principals	\$	36,117	
Social Security		2,108	
State Retirement		3,269	
Life Insurance		31	
Medical Insurance		6,950	
Employer Medicare		493	
Total Office of the Principal			48,968

Operation of Plant

Communication	\$	14,000	
Other Contracted Services		2,400	
Other Equipment		68,650	
Total Operation of Plant			85,050

Transportation

Bus Drivers	\$	81,368	
Social Security		4,872	
State Retirement		10,049	
Life Insurance		59	
Medical Insurance		2,319	
Employer Medicare		1,139	
Contracts with Parents		245	
Other Contracted Services		15,436	
Gasoline		33,381	
Lubricants		950	
Vehicle Parts		2,800	
Transportation Equipment		115,000	
Total Transportation			267,618

Total School Federal Projects Fund \$ 16,118,627

(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

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	166,059	
Salary Supplements		14,580	
Truck Drivers		73,907	
Secretary(ies)		102,922	
Cafeteria Personnel		2,892,058	
Custodial Personnel		189,759	
Overtime Pay		89,142	
Other Salaries and Wages		254,845	
Social Security		218,665	
State Retirement		524,709	
Life Insurance		7,392	
Medical Insurance		1,052,717	
Employer Medicare		51,140	
Bank Charges		1,407	
Dues and Memberships		7,635	
Laundry Service		71,628	
Licenses		2,560	
Printing, Stationery, and Forms		2,837	
Travel		7,997	
Other Contracted Services		463,946	
Equipment and Machinery Parts		65,015	
Food Supplies		4,623,985	
Gasoline		16,422	
Lubricants		285	
Office Supplies		37,382	
Uniforms		3,718	
Utilities		244,500	
Vehicle Parts		1,512	
USDA - Commodities		548,000	
Other Supplies and Materials		479,222	
Workers' Compensation Insurance		1,965	
In Service/Staff Development		28,305	
Food Service Equipment		499,452	
Total Food Service			\$ 12,745,668

Total Central Cafeteria Fund

\$ 12,745,668

(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

Support Services

Fiscal Services

Trustee's Commission	\$ 37,854	
Total Fiscal Services		\$ 37,854

Transportation

Supervisor/Director	\$ 192,297	
Salary Supplements	12,375	
Mechanic(s)	541,353	
Bus Drivers	3,922,315	
Dispatchers/Radio Operators	167,040	
Secretary(ies)	119,596	
Temporary Personnel	183,944	
Overtime Pay	4,548	
Other Salaries and Wages	877,521	
Social Security	353,176	
State Retirement	824,443	
Life Insurance	13,344	
Medical Insurance	1,588,111	
Employer Medicare	82,787	
Dues and Memberships	250	
Laundry Service	6,508	
Licenses	4,584	
Maintenance and Repair Services - Equipment	11,809	
Maintenance and Repair Services - Vehicles	10,361	
Medical and Dental Services	45,599	
Transportation - Other than Students	149,700	
Other Contracted Services	36,475	
Garage Supplies	7,037	
Gasoline	1,222,102	
Lubricants	26,403	
Office Supplies	12,696	
Tires and Tubes	114,479	
Vehicle Parts	283,041	
Other Supplies and Materials	8,535	
Vehicle and Equipment Insurance	53,428	
In Service/Staff Development	22,002	
Communication Equipment	65,039	
Transportation Equipment	88,972	
Total Transportation	<u>11,051,870</u>	<u>11,051,870</u>

Total School Transportation Fund		\$ 11,089,724
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(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

Instruction

Regular Instruction Program

Teachers	\$	98,355	
Educational Assistants		8,333	
Social Security		6,615	
State Retirement		10,099	
Employer Medicare		1,547	
Other Contracted Services		4,422	
Instructional Supplies and Materials		292	
Total Regular Instruction Program			\$ 129,663

Support Services

Office of the Principal

Assistant Principals	\$	22,325	
Social Security		1,384	
State Retirement		2,020	
Employer Medicare		324	
Total Office of the Principal			26,053

Fiscal Services

Trustee's Commission	\$	619	
Total Fiscal Services			619

Operation of Plant

Custodial Personnel	\$	6,276	
Social Security		389	
State Retirement		914	
Employer Medicare		91	
Total Operation of Plant			7,670

Total Extended School Program Fund \$ 164,005

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	1,220,683	
Contributions		68,161	
Engineering Services		34,485	
Building Construction		17,636,205	
Building Improvements		2,116,293	
Data Processing Equipment		644,573	

(Continued)

Exhibit L-8

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects (Cont.)</u>		
Land	\$	77,962
Plant Operation Equipment		259,602
Regular Instruction Equipment		4,030
Site Development		568,647
Transportation Equipment		3,566,155
Total Education Capital Projects		<u>\$ 26,196,796</u>
Total Education Capital Projects Fund		<u>\$ 26,196,796</u>
Total Governmental Funds - Clarksville-Montgomery County School System		<u><u>\$ 262,011,533</u></u>

Exhibit L-9

Montgomery County, Tennessee
 Schedule of Detailed Revenues and Expenses
 All Proprietary Funds
 For the Year Ended June 30, 2012

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Revenues</u>				
<u>Operating Revenues</u>				
<u>Charges for Current Services</u>				
Self-Insurance Premiums/Contributions	\$ 41,513,544	\$ 0	\$ 187,313	\$ 41,700,857
Other Employee Benefit Charges	3,209,010	0	0	3,209,010
Other Charges for Services	60,925	0	0	60,925
Retirees' Insurance Payments	1,680,888	0	0	1,680,888
Total Operating Revenues	\$ 46,464,367	\$ 0	\$ 187,313	\$ 46,651,680
<u>Nonoperating Revenues</u>				
Investment Income	\$ 48,438	\$ 2,097	\$ 289	\$ 50,824
Miscellaneous Refunds	128,126	0	0	128,126
Other State Revenues	0	0	14,123	14,123
Total Nonoperating Revenues	\$ 176,564	\$ 2,097	\$ 14,412	\$ 193,073
Total Revenues	\$ 46,640,931	\$ 2,097	\$ 201,725	\$ 46,844,753
<u>Expenses</u>				
<u>Operating Expenses</u>				
<u>Other Facilities</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 5,642	\$ 5,642
Total Other Facilities	\$ 0	\$ 0	\$ 5,642	\$ 5,642
<u>Risk Management</u>				
Supervisor/Director	\$ 0	\$ 43,368	\$ 0	\$ 43,368
Clerical Personnel	0	32,675	0	32,675
Social Security	0	4,362	0	4,362
State Retirement	0	9,155	0	9,155
Life Insurance	0	70	0	70
Medical Insurance	0	13,855	0	13,855
Employer Medicare	0	1,020	0	1,020
Communication	0	755	0	755
Consultants	0	8,400	0	8,400
Contracts with Private Agencies	0	24,943	0	24,943
Dues and Memberships	0	120	0	120
Legal Services	0	10,275	0	10,275
Printing, Stationery, and Forms	0	55	0	55
Travel	0	1,804	0	1,804
Tuition	0	1,338	0	1,338
Drug and Medical Supplies	0	7,692	0	7,692
Instructional Supplies and Materials	0	80	0	80
Other Supplies and Materials	0	314	0	314
Total Risk Management	\$ 0	\$ 160,281	\$ 0	\$ 160,281

(Continued)

Exhibit L-9

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

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Expenses (Cont.)</u>				
<u>Property Assessor's Office</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 11,658	\$ 11,658
Total Property Assessor's Office	\$ 0	\$ 0	\$ 11,658	\$ 11,658
<u>Probation Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 13,408	\$ 13,408
Total Probation Services	\$ 0	\$ 0	\$ 13,408	\$ 13,408
<u>Sheriffs Department</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 9,015	\$ 9,015
Total Sheriffs Department	\$ 0	\$ 0	\$ 9,015	\$ 9,015
<u>Jail</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 9,353	\$ 9,353
Total Jail	\$ 0	\$ 0	\$ 9,353	\$ 9,353
<u>Rabies and Animal Control</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 7,930	\$ 7,930
Total Rabies and Animal Control	\$ 0	\$ 0	\$ 7,930	\$ 7,930
<u>Ambulance/Emergency Medical Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 6,776	\$ 6,776
Total Ambulance/Emergency Medical Services	\$ 0	\$ 0	\$ 6,776	\$ 6,776
<u>Other Local Health Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 6,305	\$ 6,305
Total Other Local Health Services	\$ 0	\$ 0	\$ 6,305	\$ 6,305
<u>Landfill Operation and Maintenance</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 7,216	\$ 7,216
Total Landfill Operation and Maintenance	\$ 0	\$ 0	\$ 7,216	\$ 7,216
<u>Other Charges</u>				
Other Contracted Services	\$ 871,144	\$ 0	\$ 0	\$ 871,144
Other Supplies and Materials	56,459	0	0	56,459
Depreciation	991	0	0	991
Other Charges	45,881	0	0	45,881
Total Other Charges	\$ 974,475	\$ 0	\$ 0	\$ 974,475

(Continued)

Exhibit L-9

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

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	
<u>Expenses (Cont.)</u>				
<u>Employee Benefits</u>				
Life Insurance	\$ 253,495	\$ 0	\$ 0	\$ 253,495
Medical and Dental Services	1,484,090	0	0	1,484,090
Excess Risk Insurance	722,859	0	0	722,859
Medical Claims	30,616,635	0	0	30,616,635
Legal Services	23,570	0	0	23,570
Contracts with Private Agencies	1,863,768	0	0	1,863,768
Other Contracted Services	511,489	0	0	511,489
Other Supplies and Materials	31,376	0	0	31,376
Other Charges	360,505	0	0	360,505
Other Self-Insured Claims	1,248,940	0	0	1,248,940
Total Employee Benefits	<u>\$ 37,116,727</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,116,727</u>
<u>Other</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 205,127	\$ 205,127
Total Other	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 205,127</u>	<u>\$ 205,127</u>
Total Expenses	<u>\$ 38,091,202</u>	<u>\$ 160,281</u>	<u>\$ 282,430</u>	<u>\$ 38,533,913</u>

Exhibit L-10

Montgomery County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 14,489,406
Total Cash Receipts	<u>\$ 14,489,406</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 14,344,512
Trustee's Commission	144,894
Total Cash Disbursements	<u>\$ 14,489,406</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

November 30, 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, 2012, which collectively comprise Montgomery County's basic financial statements and have issued our report thereon dated November 30, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Clarksville-Montgomery County Public Library, Bi-County Solid Waste Management System, Clarksville-Montgomery County Industrial Development Board, and Montgomery County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Montgomery County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Montgomery County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.05.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: items 12.01(A,B,E) and 12.06.

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 12.01(C,D,F,G,H), 12.02, 12.03, 12.04, and 12.07.

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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

Independent Auditor's Report

November 30, 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 Montgomery County's compliance 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, 2012. 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, 2012.

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 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, 2012, and have issued our report thereon dated November 30, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Clarksville-Montgomery County Public Library, Bi-County Solid Waste Management System, Clarksville-Montgomery County Industrial Development Board, and 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, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 548,000 (3)
Cooperative Forestry Assistance	10.664	(2)	10,961
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	1,691,817
National School Lunch Program	10.555	(2)	5,541,796 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	1,950,476
Total U.S. Department of Agriculture			<u>\$ 9,743,050</u>
U.S. Department of Defense:			
Direct Program:			
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	\$ 888,869
Passed through WBKearney & Associates, Inc.:			
Army Youth Programs in Your Neighborhood	12.XXX	(2)	1,021,156
Total U.S. Department of Defense			<u>\$ 1,910,025</u>
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 55,381
Bulletproof Vest Partnership Program	16.607	N/A	9,148
Passed-through State Office of Criminal Justice Programs:			
Project Safe Neighborhoods	16.609	(2)	44,544
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Block Grants	16.523	(2)	8,145
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	11,000
Passed-through the City of Clarksville:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	32,075
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	16.804	(2)	6,697
Total U.S. Department of Justice			<u>\$ 166,990</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 5,029
State and Community Highway Safety	20.600	(2)	22,361
Alcohol Open Container Requirements	20.607	(2)	40,256
Total U.S. Department of Transportation			<u>\$ 67,646</u>
U.S. Department of Energy:			
Passed-through Tennessee Housing Development Agency:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	(2)	\$ 208,507
Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act	81.128	(2)	40,494
Total U.S. Department of Energy			<u>\$ 249,001</u>
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 4,395,953
Passed-through State Department of Education:			
Adult Education - Basic Grants to States	84.002	(2)	160,072
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	4,920,872
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	16,936

(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	\$ 5,755,213
Special Education - Preschool Grants	84.173	N/A	277,897
Special Education - Grants to States, Recovery Act	84.391	N/A	805,626
Special Education - Preschool Grants, Recovery Act	84.392	N/A	3,365
Career and Technical Education - Basic Grants to States	84.048	N/A	411,910
Twenty-first Century Community Learning Centers	84.287	(2)	727,500
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	24,705
Education Technology State Grants, Recovery Act	84.386	N/A	9,997
English Language Acquisition Grants	84.365	N/A	90,553
Improving Teacher Quality State Grants	84.367	N/A	934,917
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	449,605
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Grants, Recovery Act	84.395	(2)	1,153,753
Education Jobs Fund	84.410	(2)	3,419,745
Total U.S. Department of Education			<u>\$ 23,558,619</u>
U.S. Election Assistance Commission			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 60,073
Total U.S. Election Assistance Commission			<u>\$ 60,073</u>
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	\$ 8,680
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	132,116
Emergency Management Performance Grant	97.042	(2)	68,000
Homeland Security Grant Program	97.067	(2)	840,414
Total U.S. Department of Homeland Security			<u>\$ 1,049,210</u>
Total Federal Awards			<u>\$ 36,804,614</u>
<u>Contract</u>			
<u>Number</u>			
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 1,829,271
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)	72,184
Adult Education - State Department of Education	N/A	(2)	70,835
Child Advocacy Center - State Department of Children's Services	N/A	(2)	95,000
Juvenile Court Prevention - State Department of Children's Services	N/A	(2)	52,220
Litter Program - State Department of Transportation	N/A	(2)	77,793
Rural Local Health Services - State Department of Health	N/A	(2)	1,874,639
Community Correction Grant - State Department of Correction	N/A	(2)	434,893
School to Work Transition Grant - State Department of Human Services	N/A	(2)	85,437
Adult Drug Court - State Office of Criminal Justice Program	N/A	(2)	50,000
Disaster Grant - State Department of Military	N/A	(2)	2,788
Volunteer Fire Assistance Grant Program - State Department of Agriculture	N/A	(2)	2,407
Teen Learning Center - State Department of Children's Services	N/A	(2)	422,082
Total State Grants			<u>\$ 5,326,049</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$6,089,796.

Montgomery County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011, which has not been corrected.

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.04	228	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, 2012

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. One 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); Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA No. 10.557); Impact Aid (CFDA No. 84.041); 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 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); State Fiscal Stabilization Fund – Race-to-the-Top Grants, Recovery Act (CFDA No. 84.395); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$1,104,138 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, director of schools, and the interim sheriff 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 12.01 **A CASH SHORTAGE OF \$2,139 EXISTED IN THE ANIMAL CONTROL DEPARTMENT AS OF JUNE 30, 2012**

(A., B., and E. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C., D., F., G., and H. – Noncompliance Under *Government Auditing Standards*)

The Montgomery County Animal Control Department charges fees for adoptions, impound, spay, neuter, etc., and accepts donations. These collections are transported by courier to the Montgomery County Office of Accounts and Budgets for deposit with the county trustee. Auditors examined receipts, deposits, and cash disbursements of the Animal Control Department from July 1, 2011, through June 30, 2012. This examination concluded that receipts totaling \$2,139 were not deposited with the county trustee or otherwise accounted for resulting in a cash shortage of \$2,139 at June 30, 2012.

Accounting standards provide that internal controls be designed to safeguard assets. Our audit of the Animal Control Department noted the following deficiencies that are the result of a lack of management oversight, which increases the risks of theft:

- A. Duties were not segregated adequately. Employees who were responsible for maintaining accounting records were also involved in receipting and depositing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations.
- B. Multiple employees operated from the same cash bags and cash envelopes maintained at the Animal Control Department. Also, funds were not adequately safeguarded because collections maintained in these bags and envelopes were accessible to all employees. Sound 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 each 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, management would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer.

- C. The Animal Control Department did not issue official receipts for some donations as required by Section 9-2-104, *Tennessee Code Annotated (TCA)*. Department personnel advised that receipts were not issued for donations unless requested. Also, in some instances, the office used generic receipts that did not display the official name of the office. The failure to issue receipts for all collections and the use of generic receipts exposes the office to risks that collections may not be accounted for properly.
- D. Official prenumbered receipts were issued for collections other than some donations as described above; however, we noted some instances where the duplicate copy of the receipt was missing. Section 9-2-103, *TCA*, requires official prenumbered receipts to be issued when collections are received and duplicate receipts to be maintained by the office. Without access to duplicate receipts, we were unable to determine if all funds had been accounted for properly.
- E. Receipts marked as “void” did not always have the original copy attached to the duplicate copy.
- F. Several duplicate receipts were manually altered with ink and/or correction fluid to change the original information. We were unable to determine the validity of these alterations. Section 39-16-504, *TCA*, states that it is unlawful to “knowingly make a false entry in, or false alteration of, a governmental record.”
- G. Collections for the Animal Control Department were not always deposited within three days of collection. Section 5-8-207, *TCA*, requires county officials to deposit public funds within three days of collection.
- H. Auditors were advised by department personnel that some refunds to customers were made from available cash on hand. Section 5-8-207, *TCA*, requires disbursements to be made by official prenumbered checks. In addition, the Montgomery County Commission did not appropriate these cash disbursements. Section 5-9-401, *TCA*, provides that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

On July 16, 2012, management terminated the employment of the director of the Animal Control Department for failure to perform the essential functions of the position of a department head. Due to a lack of internal controls, we were unable to determine who may have taken the funds. Montgomery County’s insurance deductible is \$2,500; therefore, the county will likely lose the \$2,139 cash shortage.

RECOMMENDATION

Management should segregate duties to the extent possible using available resources and assign each employee their own cash drawer. Official receipts should be issued for all collections, duplicate receipts should be maintained, and all collections should be deposited within three days as required by state statutes. Duplicate receipts should not be altered. Voided receipts should be properly documented. Disbursements should be made by checks issued by the Accounts and Budget's Office from funds appropriated by the County Commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. As stated in the finding, the former director was terminated due to failure to perform the essential functions of the position. Under the current department head, duties have been segregated, and the positions created to provide internal controls are now functioning as designed. Receipts and disbursement transactions at Animal Control are now being managed appropriately.

FINDING 12.02 **ANIMAL CONTROL DEPARTMENT FUEL CARDS WERE IMPROPERLY USED AND THE THEFT WAS NOT REPORTED TIMELY TO THE COMPTROLLER OF THE TREASURY** (Noncompliance Under *Government Auditing Standards*)

The Animal Control Department maintained a separate fuel card within each of its four trucks. Eight department employees had access to these four trucks; however, each employee had their own personal pin number for use with the fuel cards. As the result of a citizen complaint, the county mayor and the Sheriff's Department conducted an internal investigation and discovered one employee used a county fuel card to purchase an undetermined amount of gasoline for his personal vehicle. The employee admitted to Sheriff's Department investigators that he had used the fuel card for personal use, and his employment was terminated on February 24, 2012. The investigation also revealed that several employees used other employees' pin numbers when purchasing fuel. Since employees used other employees' pin numbers, we could not determine the amount of fuel that was taken for personal use. The Comptroller's Office was not notified of this theft until May 14, 2012. Section 8-4-503, *Tennessee Code Annotated (TCA)*, requires that "a public official with knowledge based upon available information, which reasonably causes him/her to believe that a theft, forgery, credit card fraud, or any other act of the unlawful taking of public money, property, or services has occurred shall report such information in a reasonable amount of time to the Office of the Comptroller of the Treasury." Section 8-4-502, *TCA*, defines a reasonable amount of time to make this report as not exceeding five days. The county mayor submitted a fraud reporting form to our office on June 12, 2012.

RECOMMENDATION

Management should perform an internal risk assessment to determine ways to strengthen internal controls over the use of the department's fuel cards. Employees should not use

other employees' pin numbers. The Office of the Comptroller of the Treasury should be notified of all suspected unlawful taking of public money, property, or services within five days of becoming aware of the situation.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. Fuel cards and an Animal Control Department officer are now assigned to a specific vehicle. If for any reason it becomes necessary to use a vehicle not assigned to an officer, the officer will sign off on any fuel receipts. All fuel receipts are turned in to the office coordinator and reconciled monthly.

FINDING 12.03 **A JUVENILE COURT PROBATION OFFICER DIVERTED FUNDS TOTALING \$5,613 FOR PERSONAL USE**
(Noncompliance Under *Government Auditing Standards*)

In the spring of 2012, the Comptroller of the Treasury's Office was notified of an ongoing investigation regarding embezzlement of restitution payments collected by a Montgomery County Juvenile Court Probation Officer. The allegation was investigated by the Tennessee Bureau of Investigation and resulted in probation officer Derrel Denton resigning his employment with Montgomery County on July 29, 2011. During the course of the investigation and before charges were initiated, Mr. Denton made restitution payments to the victims totaling \$5,613. Mr. Denton was indicted by the Montgomery County Grand Jury on May 8, 2012, on charges of official misconduct and theft over \$5,000. On June 27, 2012, Mr. Denton pled guilty to official misconduct and agreed to pre-trial diversion. He received a suspended sentence of three years along with three years of supervised probation.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Juvenile Court operations now fall under the elected circuit court clerk. We do not expect these issues to recur under her management.

FINDING 12.04 **BID SPECIFICATIONS FOR AN EQUIPMENT PURCHASE APPLIED ONLY TO ONE BRAND**
(Noncompliance Under *Government Auditing Standards*)

The office solicited and received two bids for the purchase of a mid-size sports utility vehicle. However, the bid specifications listed a particular brand and/or make/model. Using bid specifications that apply only to a particular brand violates the intent of the county's purchasing law, Section 5-14-101 *Tennessee Code Annotated (TCA)*, which requires competitive bidding. This deficiency occurred because management felt only one brand met their expectations for vehicle size, space, and seating.

RECOMMENDATION

The office should develop bid specifications that are not brand specific. Bids should be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. It was not our intent to circumvent *TCA 5-14-101*. However, based on prior experience with the make/model in our current fleet, the quality and durability of the chosen vehicle is a conservative purchase proven to have a long estimated useful life.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.05 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, certain general ledger account balances in the School Capital Projects Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the Clarksville-Montgomery County School System to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The Clarksville-Montgomery County School System should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. At year end, it was determined that a request for capital drawdown funds from the county was needed. This amount was set up as a receivable, but the request was not sent to the county. We will review and establish new procedures regarding requesting funds and setting up receivables and will incorporate a process to review these items at year end.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 12.06 **THE CASE MANAGEMENT SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office case management software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified with the individual creating the transaction. In April 2012, the vendor implemented controls to identify the user that processed each transaction.

OFFICE OF SHERIFF

FINDING 12.07 **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.

MANAGEMENT'S RESPONSE – INTERIM SHERIFF

The Montgomery County Sheriff's Office concurs. This office has consulted with agents of the University of Tennessee's County Technical Assistance Service and the State of Tennessee Comptroller of the Treasury in regard to the Letter of Agreement prior to this finding. This office has and will continue to conduct hiring of personnel in juxtaposition with the County Commission appropriations and Office of Mayor. This office will draft and implement a Letter of Agreement for acceptance by the county mayor prior to the next fiscal year budget to formally correct this finding.

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 SCHOOLS

The Clarksville-Montgomery County School System (CMCSS) is not a county school system, nor is it a department of Montgomery County. It is a consolidated school system created pursuant to *Tennessee Code Annotated* 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

The Clarksville-Montgomery County School System is a component unit of Montgomery County. The Comptroller's Office has consistently recommended a central system of accounting, budgeting, and purchasing for all counties in the State of Tennessee to improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system results in decentralization and some duplication of effort.

**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, 2012

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