ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

MAURY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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MAURY COUNTY, TENNESSEE
TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
INTRODUCTORY SECTION		8
Maury County Officials		9
FINANCIAL SECTION		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget: General Fund	C-5	25-28
Proprietary Funds:		
Statement of Net Position	D-1	29-30
Statement of Revenues, Expenses, and Changes in Net Position	D-2	31
Statement of Cash Flows	D-3	32-33
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	34
Index and Notes to the Financial Statements		35-98
REQUIRED SUPPLEMENTARY INFORMATION:		99
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Maury County School Department	F-1	100
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Maury County School Department	F-2	101
Notes to the Required Supplementary Information		102

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		103
Nonmajor Governmental Funds:		104-105
Combining Balance Sheet	G-1	106-107
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	108-109
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Drug Control Fund	G-3	110
Adequate Facilities/Development Tax Fund	G-4	111
Highway/Public Works Fund	G-5	112
Other Capital Projects Fund	G-6	113-114
Major Governmental Fund:		115
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	116
Fiduciary Funds:		117
Combining Statement of Fiduciary Assets and Liabilities	I-1	118
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	119
Component Unit:		
Discretely Presented Maury County School Department:		120
Statement of Activities	J-1	121
Balance Sheet – Governmental Funds	J-2	122
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	123
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	125
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	127
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	128-129
School Federal Projects Fund	J-9	130
Central Cafeteria Fund	J-10	131

	Exhibit	Page(s)
Miscellaneous Schedules:		132
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds	K-1	133
Schedule of Long-term Debt Requirements by Year	K-2	134-135
Schedule of Investments	K-3	136
Schedule of Transfers – Primary Government and Discretely Presented Maury County School Department	K-4	137
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Maury County School Department	K-5	138
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	139-143
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Maury County School Department	K-7	144-145
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	146-171
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Maury County School Department	K-9	172-185
Schedule of Detailed Revenues and Expenses – Central Maintenance/ Garage Fund (Internal Service Fund)	K-10	186-187
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (Enterprise Fund)	K-11	188-191
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-12	192
SINGLE AUDIT SECTION		193
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		194-196
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		197-199
Schedule of Expenditures of Federal Awards and State Grants		200-201
Schedule of Audit Findings Not Corrected		202
Schedule of Findings and Questioned Costs		203-211
Auditee Reporting Responsibilities		212

Audit Highlights

Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2013.

Results

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

Our audit resulted in 10 findings and recommendations, which we have reviewed with Maury County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- The receipting software used by the Office of Building and Zoning Inspections did not have adequate application controls.

OFFICE OF COUNTY CLERK

- The County Clerk's Office had a cash shortage of at least $10,070.14 at July 18, 2013.
- A deputy clerk forged customers' signatures on title registration forms and submitted the forms to the state Department of Revenue.
- Employees of the County Clerk's Office misrepresented information to auditors regarding cash, and some funds were not deposited within three days of collection.
- The office used generic prenumbered receipts when customers requested a receipt.
- Duties were not segregated adequately.
- Inventory records of vehicle plates and renewals were not accurate.
- A fraud reporting form was not filed in a timely manner.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- A cash shortage of $2,207 existed in the office as of April 5, 2012.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

- Multiple employees operated from the same cash drawer.

BEST PRACTICE

Maury 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 to the citizens of Maury County.

INTRODUCTORY SECTION

Maury County Officials
June 30, 2013

Officials

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

Board of County Commissioners

Tommy Wolaver, Chairman
Gerald Adkison
Talvin Barner
June Beckum
Davis Burkhalter
Scott Cepicky
Jerry Dickey
John Goodloe
Andy Jackson
Dr. Lucy Ledbetter
Don Morrow
Kelly Powell
William Roddy
Sonny Shackelford
Ricky Sims
Mike Singleton
Gary Stovall
Debbie Turner
Judy Vick
Linda Whiteside
Andy Wilhoite
Kim Willis

Board of Education

Jim Morrison, Chairman
Howard Beaver
Lee Clayborne
Tommy Dudley
Loretta Goodloe
Victor Goodman
Ed Grocott
Steve Kindler
Jerry Lassiter
Wayne Lindsey
James Pennings

Budget Committee

John Goodloe, Chairman
Sonny Shackleford
Ricky Sims
Andy Wilhoite
Kim Willis
Tommy Wolaver

Audit Committee (appointed July 15, 2013)

Sonny Shackelford
Dr. Lucy Ledbetter
Mike Singleton
Kelley McCall
Joyce Dove

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
PHONE (615) 401-7841

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maury Regional Hospital (major proprietary fund), which represent 94.1 percent, 97.5 percent, and 99 percent, respectively, of the assets, net position, and revenues of the business-type activities; or the Maury County Board of Public Utilities Water System, which represent 18.8 percent, 18.9 percent, and 3.9 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports

have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital and the Maury County Board of Public Utilities Water System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note I.D.9. in the financial statements, which describes a restatement of the beginning balance of the government-wide financial statements totaling $869,365. This restatement was necessary because prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs.

As described in Note V.B., Maury County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statement No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63,

Reporting Deferred Outflows, Deferred Inflows and Net Position became effective for the year ended June 30, 2013. Maury County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012- an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plan and other postemployment benefits plan on pages 100 - 102 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.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of

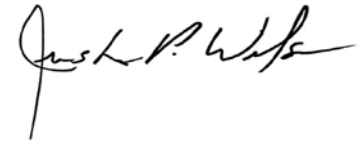
management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2014, on our consideration of Maury County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maury County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

JPW/yu

Basic Financial Statements

Exhibit A

Maury County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System
ASSETS					
Cash	$ 193,039	$ 28,530,991	$ 28,724,030	$ 129,404	$ 2,666,095
Equity in Pooled Cash and Investments	24,726,024	3,382,234	28,108,258	8,070,648	0
Certificates of Deposit	0	317,771	317,771	0	0
Investments	0	756,065	756,065	0	2,981,177
Accounts Receivable	514,858	64,670,823	65,185,681	44,025	252,399
Allowance for Uncollectibles	0	(31,500,000)	(31,500,000)	0	0
Property Taxes Receivable	21,966,121	932,468	22,898,589	20,892,012	0
Allowance for Uncollectible Property Taxes	(968,439)	(41,110)	(1,009,549)	(921,084)	0
Accrued Interest Receivable	0	0	0	0	14,532
Due from Other Governments	878,773	4,913	883,686	2,584,731	0
Due from Component Units	339,634	0	0	0	0
Due from Affiliates	0	610,809	610,809	0	0
Prepaid Items	41,815	2,831,889	2,873,704	0	0
Inventories	0	4,938,545	4,938,545	0	109,739
Cash Shortage	9,072	0	0	0	0
Other	0	3,535,934	3,535,934	0	84,356
Assets Limited as to Use	0	34,067,302	34,067,302	0	0
Interest in Joint Ventures	0	566,463	566,463	0	0
Restricted Assets:					
Customer Deposits	0	0	0	0	37,180
Capital Assets:					
Assets Not Depreciated:					
Land	6,551,804	8,648,730	15,200,534	3,019,939	502,909
Intangibles	1,098,294	0	1,098,294	0	0
Construction in Progress	1,336,111	5,003,263	6,339,374	1,547,609	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	28,499,600	76,697,960	105,197,560	98,198,885	2,018,399
Infrastructure	27,856,311	0	27,856,311	0	0
Other Capital Assets	1,283,987	32,260,857	33,544,844	3,960,223	23,288,215
Total Assets	$ 114,327,004	$ 236,215,907	$ 350,542,911	$ 137,526,392	$ 31,955,001

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refunding	$ 1,320,508	$ 0	$ 1,320,508	$ 0	$ 0
Total Deferred Outflows of Resources	$ 1,320,508	$ 0	$ 1,320,508	$ 0	$ 0
LIABILITIES					
Accounts Payable	$ 48,831	$ 16,637,553	$ 16,686,384	$ 0	$ 30,128
Accrued Payroll	20,552	5,778,878	5,799,430	0	9,077
Payroll Deductions Payable	327,925	13,267	341,192	270,718	0
Retainage Payable	0	0	0	0	81,110
Contracts Payable	0	0	0	0	0
Compensated Absences Payable	0	5,609,094	5,609,094	0	20,588
Accrued Interest Payable	532,973	61,790	594,763	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Customer Deposits Payable	2,800	0	2,800	0	37,180
Due to Primary Government	0	0	0	339,634	0
Due to State of Tennessee	8,194	1,506	9,700	2,396	0
Other Current Liabilities	1,111,709				
Noncurrent Liabilities:					
Due Within One Year	7,091,077	4,815,341	11,906,418	1,374,609	298,527
Due in More Than One Year (net of unamortized premium on debt)	56,653,321	21,535,056	78,188,377	10,438,112	6,874,440
Total Liabilities	$ 65,797,382	$ 54,452,485	$ 120,249,867	$ 12,425,469	$ 7,351,050

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 20,430,125	$ 887,188	$ 21,317,313	$ 19,431,124	$ 0
Total Deferred Inflows of Resources	$ 20,430,125	$ 887,188	$ 21,317,313	$ 19,431,124	$ 0
NET POSITION					
Net Investment in Capital Assets	$ 55,057,520	$ 103,601,482	$ 158,659,002	$ 106,726,656	$ 18,555,446
Restricted for:					
Capital Projects	2,391,149	0	2,391,149	125,190	0
Debt Service	10,773,853	0	10,773,853	0	1,650,000
Highway/Public Works	2,876,987	0	2,876,987	0	0
Central Maintenance Garage	622,348	0	622,348	0	0
Drug Control	238,312	0	238,312	0	0
General Government	150,057	0	150,057	0	0
Finance	24,394	0	24,394	0	0
Administration of Justice	300,825	0	300,825	0	0
Public Safety	28,869	0	28,869	0	0
Public Health and Welfare	2,815	0	2,815	0	0
Central Cafeteria	0	0	0	1,751,289	0
Federal Projects	0	0	0	178,967	0
Other Purposes	0	0	0	80,826	0
Unrestricted	(43,047,124)	77,274,752	34,227,628	(3,193,129)	4,398,505
Total Net Position	$ 29,420,005	$ 180,876,234	$ 210,296,239	$ 105,669,799	$ 24,603,951

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

Exhibit B

Maury County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Maury County School Department	Component Units: Board of Public Utilities Water System
Primary Government:									
Governmental Activities:									
General Government	$ 5,470,454	$ 919,406	$ 24,074	$ 0	$ (4,526,974)	$ 0	$ (4,526,974)	$ 0	$ 0
Finance	2,838,107	2,170,784	58,799	0	(608,524)	0	(608,524)	0	0
Administration of Justice	2,360,334	1,699,564	4,500	0	(656,270)	0	(656,270)	0	0
Public Safety	12,672,514	1,972,575	196,052	75,813	(10,428,074)	0	(10,428,074)	0	0
Public Health and Welfare	1,779,278	85,786	1,172,235	0	(521,257)	0	(521,257)	0	0
Social, Cultural, and Recreational Services	1,412,469	56,794	15,480	0	(1,340,195)	0	(1,340,195)	0	0
Agriculture and Natural Resources	174,079	0	0	0	(174,079)	0	(174,079)	0	0
Highway/Public Works	6,529,776	44,388	2,596,592	720,868	(3,167,928)	0	(3,167,928)	0	0
Education	1,627,583	933,201	354,534	0	(339,848)	0	(339,848)	0	0
Interest on Long-term Debt	2,431,977	0	455,938	0	(1,976,039)	0	(1,976,039)	0	0
Other Debt Service	443,859	0	0	0	(443,859)	0	(443,859)	0	0
Total Governmental Activities	$ 37,740,430	$ 7,882,498	$ 4,878,204	$ 796,681	$ (24,183,047)	$ 0	$ (24,183,047)	$ 0	$ 0
Business-type Activities:									
Maury Regional Hospital	$ 282,422,152	$ 286,930,902	$ 0	$ 0	$ 0	$ 4,508,750	$ 4,508,750	$ 0	$ 0
Solid Waste Disposal	3,269,943	1,784,163	0	0	0	(1,485,780)	(1,485,780)	0	0
Total Business-type Activities	$ 285,692,095	$ 288,715,065	$ 0	$ 0	$ 0	$ 3,022,970	$ 3,022,970	$ 0	$ 0
Total Primary Government	$ 323,432,525	$ 296,597,563	$ 4,878,204	$ 796,681	$ (24,183,047)	$ 3,022,970	$ (21,160,077)	$ 0	$ 0
Component Units:									
Maury County School Department	$ 101,706,016	$ 2,676,410	$ 13,674,305	$ 690,555	$ 0	$ 0	$ 0	$ (84,664,746)	$ 0
Board of Public Utilities Water System	3,352,509	3,777,703	0	0	0	0	0	0	425,194
Total Component Units	$ 105,058,525	$ 6,454,113	$ 13,674,305	$ 690,555	$ 0	$ 0	$ 0	$ (84,664,746)	$ 425,194

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Maury County School Department	Component Units: Board of Public Utilities Water System
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					$ 16,603,432	$ 949,304	$ 17,552,736	$ 21,130,870	$ 0
Property Taxes Levied for Debt Service					5,696,832	0	5,696,832	0	0
Local Option Sales Tax					305,062	0	305,062	11,278,212	0
Hotel/Motel Tax					472,894	0	472,894	0	0
Wheel Tax					1,904,623	0	1,904,623	0	0
Litigation Tax - General					376,045	0	376,045	0	0
Litigation Tax - Jail					370,687	0	370,687	0	0
Business Tax					847,107	0	847,107	0	0
Mineral Severance Tax					112,020	0	112,020	0	0
Adequate Facilities/Development Tax					464,425	0	464,425	0	0
Wholesale Beer Tax					340,042	0	340,042	0	0
Interstate Telecommunications Tax					1,545	0	1,545	7,625	0
Grants and Contributions Not Restricted to Specific Programs					4,189,113	1,153,848	5,342,961	46,674,086	0
Unrestricted Investment Earnings					241,192	285,159	526,351	8,993	39,777
Gain on sale of equipment					0	0	0	0	75,000
Miscellaneous					381,291	3,719	385,010	40,723	0
Total General Revenues					$ 32,306,310	$ 2,392,030	$ 34,698,340	$ 79,140,509	$ 114,777
Change in Net Position					$ 8,123,263	$ 5,415,000	$ 13,538,263	$ (5,524,237)	$ 539,971
Net Position, July 1, 2012					22,166,107	175,461,234	197,627,341	111,194,036	24,063,980
Restatement - See Note I.D.9.					(869,365)	0	(869,365)	0	0
Net Position, June 30, 2013					$ 29,420,005	$ 180,876,234	$ 210,296,239	$ 105,669,799	$ 24,603,951

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

Exhibit C-1

Maury County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 113	$ 0	$ 192,926	$ 193,039
Equity in Pooled Cash and Investments	8,203,930	9,816,186	6,143,930	24,164,046
Accounts Receivable	445,995	25,574	41,450	513,019
Due from Other Governments	419,974	0	458,799	878,773
Property Taxes Receivable	11,965,272	5,594,810	4,406,039	21,966,121
Allowance for Uncollectible Property Taxes	(527,523)	(246,663)	(194,253)	(968,439)
Prepaid Items	0	41,815	0	41,815
Cash Shortage	9,072	0	0	9,072
Total Assets	$ 20,516,833	$ 15,231,722	$ 11,048,891	$ 46,797,446
LIABILITIES				
Accounts Payable	$ 47,007	$ 0	$ 1,813	$ 48,820
Accrued Payroll	20,552	0	0	20,552
Payroll Deductions Payable	280,341	0	40,150	320,491
Due to State of Tennessee	6,911	0	1,266	8,177
Other Current Liabilities	0	0	1,098,050	1,098,050
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	2,800	0	0	2,800
Other Long-term Liabilities	13,659	0	0	13,659
Total Liabilities	$ 371,270	$ 0	$ 1,141,279	$ 1,512,549
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 11,128,592	$ 5,203,589	$ 4,097,944	$ 20,430,125
Deferred Delinquent Property Taxes	255,647	119,538	94,138	469,323
Other Deferred/Unavailable Revenue	9,072	0	239,510	248,582
Total Deferred Inflows of Resources	$ 11,393,311	$ 5,323,127	$ 4,431,592	$ 21,148,030
FUND BALANCES				
Nonspendable:				
Prepaid Items	$ 0	$ 41,815	$ 0	$ 41,815
Restricted:				
Restricted for General Government	150,057	0	1,421,729	1,571,786
Restricted for Finance	24,394	0	0	24,394
Restricted for Administration of Justice	300,825	0	0	300,825
Restricted for Public Safety	28,869	4,771,158	238,312	5,038,339
Restricted for Public Health and Welfare	2,815	0	0	2,815
Restricted for Highways/Public Works	0	67,564	3,114,049	3,181,613
Restricted for Debt Service	0	5,028,058	0	5,028,058
Restricted for Other Purposes	0	0	509,004	509,004
Committed:				
Committed for General Government	90,280	0	0	90,280
Committed for Finance	9,874	0	127,547	137,421
Committed for Administration of Justice	0	0	65,379	65,379
Committed for Public Safety	76,585	0	0	76,585
Committed for Public Health and Welfare	14,254	0	0	14,254
Committed for Other Purposes	400,000	0	0	400,000
Assigned:				
Assigned for General Government	3,700	0	0	3,700
Assigned for Finance	21,119	0	0	21,119
Assigned for Public Safety	87,744	0	0	87,744
Assigned for Public Health and Welfare	500	0	0	500
Assigned for Social, Cultural, and Recreational Services	46,804	0	0	46,804
Assigned for Other Operations	890	0	0	890
Unassigned	$ 7,493,542	$ 0	$ 0	$ 7,493,542
Total Fund Balances	$ 8,752,252	$ 9,908,595	$ 5,476,020	$ 24,136,867
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 20,516,833	$ 15,231,722	$ 11,048,891	$ 46,797,446

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

Exhibit C-2

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2013

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:			
Total fund balances - balance sheet - governmental funds (Exhibit C-1)			$ 24,136,867
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	6,551,804	
Add: intangibles		1,098,294	
Add: construction in progress		1,336,111	
Add: buildings and improvements net of accumulated depreciation		28,499,600	
Add: infrastructure net of accumulated depreciation		27,856,311	
Add: other capital assets net of accumulated depreciation		1,283,987	
Less: capital assets of internal service fund that are also included in item (2) below		(65,993)	66,560,114
(2) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			622,348
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	$	(8,857,916)	
Less: other loans payable		(3,903,738)	
Less: capital leases payable		(261,718)	
Less: bonds payable		(47,375,000)	
Add: deferred amount on refunding		1,320,508	
Add: due from component unit for debt payments		339,634	
Less: compensated absences payable		(1,172,287)	
Less: accrued interest on bonds, notes, and capital leases		(532,973)	
Less: other deferred revenue - premium on debt		(2,173,739)	(62,617,229)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			717,905
Net position of governmental activities (Exhibit A)			$ 29,420,005

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

Exhibit C-3

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 16,891,137	$ 8,546,854	$ 5,060,817	$ 30,498,808
Licenses and Permits	265,937	0	0	265,937
Fines, Forfeitures, and Penalties	292,478	0	120,313	412,791
Charges for Current Services	325,387	0	846,938	1,172,325
Other Local Revenues	402,722	241,192	60,897	704,811
Fees Received from County Officials	3,160,549	0	0	3,160,549
State of Tennessee	2,717,540	1,176,482	3,016,277	6,910,299
Federal Government	659,788	344	311,253	971,385
Other Governments and Citizens Groups	267,988	354,534	0	622,522
Total Revenues	$ 24,983,526	$ 10,319,406	$ 9,416,495	$ 44,719,427
Expenditures				
Current:				
General Government	$ 3,363,842	$ 0	$ 135,818	$ 3,499,660
Finance	2,171,186	0	631,687	2,802,873
Administration of Justice	1,992,640	0	315,663	2,308,303
Public Safety	10,915,900	0	865,626	11,781,526
Public Health and Welfare	1,734,156	0	52,352	1,786,508
Social, Cultural, and Recreational Services	1,276,148	0	64,000	1,340,148
Agriculture and Natural Resources	168,236	0	0	168,236
Other Operations	1,700,580	0	246,693	1,947,273
Highways	0	0	5,924,122	5,924,122
Debt Service:				
Principal on Debt	128,080	7,835,429	0	7,963,509
Interest on Debt	5,763	2,454,149	0	2,459,912
Other Debt Service	0	160,762	0	160,762
Capital Projects	0	0	1,771,503	1,771,503
Capital Projects - Donated	0	0	760,883	760,883
Total Expenditures	$ 23,456,531	$ 10,450,340	$ 10,768,347	$ 44,675,218
Excess (Deficiency) of Revenues Over Expenditures	$ 1,526,995	$ (130,934)	$ (1,351,852)	$ 44,209
Other Financing Sources (Uses)				
Insurance Recovery	$ 58,859	$ 0	$ 3,380	$ 62,239
Transfers In	0	106,853	1,054,717	1,161,570
Transfers Out	(106,853)	(1,054,717)	0	(1,161,570)
Total Other Financing Sources (Uses)	$ (47,994)	$ (947,864)	$ 1,058,097	$ 62,239
Net Change in Fund Balances	$ 1,479,001	$ (1,078,798)	$ (293,755)	$ 106,448
Fund Balance, July 1, 2012	7,273,251	10,987,393	5,769,775	24,030,419
Fund Balance, June 30, 2013	$ 8,752,252	$ 9,908,595	$ 5,476,020	$ 24,136,867

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

Exhibit C-4

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

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)			$ 106,448
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 5,425,948	
	Less: current-year depreciation expense	(5,285,102)	140,846
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
	Less: loss on disposal of capital assets		(13,669)
(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, 2012	$ (741,711)	
	Add: deferred delinquent property taxes and other deferred June 30, 2013	717,905	(23,806)
(4)	The issuance of long-term debt (e.g., bonds, notes, other loans, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
	Add: change in premium on debt issuances	$ 455,938	
	Add: principal payments on bonds	3,605,000	
	Add: principal payments on notes	3,833,726	
	Add: principal payments on other loans	275,052	
	Add: principal payments on capital leases	249,731	
	Less: change in deferred amount on refunding debt	(283,097)	
	Less: contribution for principal for primary government	(325,377)	7,810,973
(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	$ 27,935	
	Change in compensated absences payable	3,790	31,725
(6)	An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		70,746
Change in net position of governmental activities (Exhibit B)			$ 8,123,263

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

Exhibit C-5

Maury County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 16,891,137	$ 0	$ 0	$ 16,891,137	$ 16,543,780	$ 15,605,608	$ 1,285,529
Licenses and Permits	265,937	0	0	265,937	243,500	243,500	22,437
Fines, Forfeitures, and Penalties	292,478	0	0	292,478	416,600	416,600	(124,122)
Charges for Current Services	325,387	0	0	325,387	275,100	275,100	50,287
Other Local Revenues	402,722	0	0	402,722	590,141	394,486	8,236
Fees Received from County Officials	3,160,549	0	0	3,160,549	2,910,000	2,910,000	250,549
State of Tennessee	2,717,540	0	0	2,717,540	2,224,075	2,260,166	457,374
Federal Government	659,788	0	0	659,788	213,023	2,258,268	(1,598,480)
Other Governments and Citizens Groups	267,988	0	0	267,988	42,150	311,360	(43,372)
Total Revenues	$ 24,983,526	$ 0	$ 0	$ 24,983,526	$ 23,458,369	$ 24,675,088	$ 308,438
Expenditures							
General Government							
County Commission	$ 79,351	$ 0	$ 0	$ 79,351	$ 89,325	$ 85,412	$ 6,061
Board of Equalization	1,130	0	0	1,130	1,615	1,615	485
Other Boards and Committees	5,973	(566)	0	5,407	13,100	13,056	7,649
County Mayor/Executive	228,548	0	0	228,548	239,898	239,898	11,350
Personnel Office	221,129	0	0	221,129	222,351	222,608	1,479
County Attorney	88,012	0	0	88,012	88,698	88,698	686
Election Commission	360,189	(13,400)	0	346,789	336,094	347,506	717
Register of Deeds	296,395	0	0	296,395	323,426	323,426	27,031
Development	473,556	(58,427)	0	415,129	446,911	428,434	13,305
County Buildings	762,948	(6,861)	1,000	757,087	757,506	769,655	12,568
Other General Administration	714,868	0	0	714,868	691,861	721,083	6,215
Preservation of Records	131,743	0	5,445	137,188	143,719	147,719	10,531
Finance							
Accounting and Budgeting	367,870	0	3,704	371,574	395,770	380,532	8,958
Purchasing	188,282	0	1,668	189,950	202,095	192,922	2,972
Property Assessor's Office	563,013	(26,150)	9,384	546,247	572,516	580,231	33,984

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
Reappraisal Program	$ 151,105	$ 0	$ 0	$ 151,105	$ 192,780	$ 168,317	$ 17,212
County Trustee's Office	307,690	0	0	307,690	312,142	312,142	4,452
County Clerk's Office	178,430	0	0	178,430	185,683	185,682	7,252
Data Processing	414,796	0	6,363	421,159	444,824	444,824	23,665
Administration of Justice							
Circuit Court	892,722	0	0	892,722	940,138	940,138	47,416
General Sessions Court	976,825	(1,131)	0	975,694	988,608	982,138	6,444
Chancery Court	122,043	(4,558)	0	117,485	123,710	148,599	31,114
District Attorney General	1,050	0	0	1,050	75,000	1,050	0
Public Safety							
Sheriff's Department	5,828,002	(2,820)	14,052	5,839,234	5,916,800	5,847,894	8,660
Administration of the Sexual Offender Registry	1,550	(150)	350	1,750	2,000	2,000	250
Jail	4,348,829	(10,729)	73,692	4,411,792	4,333,332	4,471,662	59,870
Juvenile Services	174,321	0	0	174,321	289,205	288,706	114,385
Civil Defense	201,884	0	0	201,884	201,386	201,884	0
Other Emergency Management	320,347	(85)	10,000	330,262	324,005	2,028,830	1,698,568
Public Safety Grant Programs	40,967	0	0	40,967	27,588	69,755	28,788
Public Health and Welfare							
Local Health Center	752,637	(445)	500	752,692	832,558	832,557	79,865
Rabies and Animal Control	559,261	(210)	0	559,051	634,888	648,945	89,894
Appropriation to State	69,900	0	0	69,900	69,900	69,900	0
Other Local Welfare Services	2,851	0	0	2,851	8,000	8,000	5,149
Other Public Health and Welfare	349,507	0	0	349,507	0	349,507	0
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	34,000	0	0	34,000	34,000	34,000	0
Libraries	622,165	0	0	622,165	651,602	658,602	36,437
Parks and Fair Boards	619,983	(1,764)	46,804	665,023	684,217	727,968	62,945

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Agriculture and Natural Resources							
Agriculture Extension Service	$ 118,734	$ 0	$ 0	$ 118,734	$ 130,453	$ 130,453	$ 11,719
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	47,502	0	0	47,502	47,745	47,745	243
Other Operations							
Tourism	362,601	(1,182)	890	362,309	396,239	396,239	33,930
Industrial Development	201,531	0	0	201,531	202,000	602,000	400,469
Other Economic and Community Development	433	0	0	433	3,900	3,900	3,467
Airport	80,000	(40,000)	0	40,000	40,000	40,000	0
Veterans' Services	77,962	0	0	77,962	73,153	78,936	974
Contributions to Other Agencies	109,986	0	0	109,986	109,600	109,986	0
Employee Benefits	28,179	0	0	28,179	17,500	27,843	(336)
Payments to Cities	250,000	0	0	250,000	250,000	250,000	0
Miscellaneous	589,888	0	0	589,888	497,896	582,692	(7,196)
Principal on Debt							
General Government	128,080	0	0	128,080	128,079	128,080	0
Education	0	0	0	0	5,764	0	0
Interest on Debt							
General Government	5,763	0	0	5,763	0	5,763	0
Total Expenditures	$ 23,456,531	$ (168,478)	$ 173,852	$ 23,461,905	$ 23,701,580	$ 26,371,532	$ 2,909,627
Excess (Deficiency) of Revenues Over Expenditures	$ 1,526,995	$ 168,478	$ (173,852)	$ 1,521,621	$ (243,211)	$ (1,696,444)	$ 3,218,065
Other Financing Sources (Uses)							
Insurance Recovery	$ 58,859	$ 0	$ 0	$ 58,859	$ 38,260	$ 64,987	$ (6,128)
Transfers In	0	0	0	0	900,000	225,000	(225,000)
Transfers Out	(106,853)	0	0	(106,853)	(852,300)	(204,382)	97,529
Total Other Financing Sources	$ (47,994)	$ 0	$ 0	$ (47,994)	$ 85,960	$ 85,605	$ (133,599)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 1,479,001	$ 168,478	$ (173,852)	$ 1,473,627	$ (157,251)	$ (1,610,839)	$ 3,084,466
Fund Balance, July 1, 2012	7,273,251	(168,478)	0	7,104,773	6,952,155	6,952,155	152,618
Fund Balance, June 30, 2013	$ 8,752,252	$ 0	$ (173,852)	$ 8,578,400	$ 6,794,904	$ 5,341,316	$ 3,237,084

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

Exhibit D-1

Maury County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance Garage
ASSETS				
Current Assets:				
Cash	$ 28,530,791	$ 200	$ 28,530,991	$ 0
Certificates of Deposit	317,771	0	317,771	0
Equity in Pooled Cash and Investments	0	3,382,234	3,382,234	561,978
Investments	756,065	0	756,065	0
Accounts Receivable	64,329,322	341,501	64,670,823	1,839
Allowance for Uncollectible Accounts	(31,500,000)	0	(31,500,000)	0
Property Taxes Receivable				
(Net of Allowance for Uncollected Property Taxes)	0	891,358	891,358	0
Due from Other Governments	0	4,913	4,913	0
Due from Affiliates	610,809	0	610,809	0
Inventories	4,938,545	0	4,938,545	0
Prepaid Items	2,831,889	0	2,831,889	0
Other	3,535,934	0	3,535,934	0
Total Current Assets	$ 74,351,126	$ 4,620,206	$ 78,971,332	$ 563,817
Noncurrent Assets:				
Assets Limited as to Use	$ 34,067,302	$ 0	$ 34,067,302	$ 0
Interest in Joint Ventures	566,463	0	566,463	0
Capital Assets:				
Assets not Depreciated:				
Land	7,830,363	818,367	8,648,730	25,000
Construction in Progress	5,003,263	0	5,003,263	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	76,471,797	226,163	76,697,960	38,880
Other Capital Assets	31,903,965	356,892	32,260,857	2,113
Total Noncurrent Assets	$ 155,843,153	$ 1,401,422	$ 157,244,575	$ 65,993
Total Assets	$ 230,194,279	$ 6,021,628	$ 236,215,907	$ 629,810
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 16,541,335	$ 96,218	$ 16,637,553	$ 11
Accrued Payroll	5,777,504	1,374	5,778,878	0
Payroll Deductions Payable	0	13,267	13,267	7,434
Due to State of Tennessee	0	1,506	1,506	17
Compensated Absences Payable	5,576,923	32,171	5,609,094	0
Accrued Liability for Landfill Postclosure Care Cost	0	40,894	40,894	0
Accrued Interest Payable	61,790	0	61,790	0
Current Portion of Long-term Debt	4,774,447	0	4,774,447	0
Total Current Liabilities	$ 32,731,999	$ 185,430	$ 32,917,429	$ 7,462
Noncurrent Liabilities:				
Accrued Liability for Landfill Postclosure Care Cost	$ 0	$ 418,106	$ 418,106	$ 0
Compensated Absences Payable	0	17,258	17,258	0
Other Long-term Liabilities	6,756,476	0	6,756,476	0
Bonds and Other Long-term Debt	14,343,216	0	14,343,216	0
Total Noncurrent Liabilities	$ 21,099,692	$ 435,364	$ 21,535,056	$ 0
Total Liabilities	$ 53,831,691	$ 620,794	$ 54,452,485	$ 7,462

(Continued)

Exhibit D-1

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

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance Garage
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 887,188	$ 887,188	$ 0
Total Deferred Inflows of Resources	$ 0	$ 887,188	$ 887,188	$ 0
NET POSITION				
Net Investment in Capital Assets	$ 102,200,060	$ 1,401,422	$ 103,601,482	$ 65,993
Unrestricted	74,162,528	3,112,224	77,274,752	556,355
Total Net Position	$ 176,362,588	$ 4,513,646	$ 180,876,234	$ 622,348

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

Exhibit D-2

Maury County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance Garage
Operating Revenues				
Charges for Current Services	$ 277,946,567	$ 1,533,092	$ 279,479,659	$ 2,336,036
Other Local Revenues	8,984,335	251,071	9,235,406	6,891
Total Operating Revenues	$ 286,930,902	$ 1,784,163	$ 288,715,065	$ 2,342,927
Operating Expenses				
Salaries and Employee Benefits	$ 166,635,962	$ 0	$ 166,635,962	$ 0
Other General Administration	0	0	0	2,264,557
Other Operations	10,670,220	0	10,670,220	0
Fees and Professional Services	26,735,526	0	26,735,526	0
Supplies and Other Expenses	60,781,406	0	60,781,406	0
Waste Pickup	0	67,520	67,520	0
Convenience Centers	0	854,150	854,150	0
Landfill Operation and Maintenance	0	2,083,527	2,083,527	0
Depreciation and Amortization Expense	16,793,916	264,746	17,058,662	7,624
Total Operating Expenses	$ 281,617,030	$ 3,269,943	$ 284,886,973	$ 2,272,181
Operating Income (Loss)	$ 5,313,872	$ (1,485,780)	$ 3,828,092	$ 70,746
Nonoperating Revenues (Expenses)				
Local Taxes	$ 0	$ 949,304	$ 949,304	$ 0
State Grants	0	88,270	88,270	0
Other Local Revenues - Nonrecurring	0	3,719	3,719	0
Contributions	1,065,578	0	1,065,578	0
Interest Income	285,159	0	285,159	0
Interest Expense	(690,225)	0	(690,225)	0
Equity in joint venture losses	(89,230)	0	(89,230)	0
Other	(25,667)	0	(25,667)	0
Total Nonoperating Revenues (Expenses)	$ 545,615	$ 1,041,293	$ 1,586,908	$ 0
Change in Net Position	$ 5,859,487	$ (444,487)	$ 5,415,000	$ 70,746
Net Position, July 1, 2012	170,503,101	4,958,133	175,461,234	551,602
Net Position, June 30, 2013	$ 176,362,588	$ 4,513,646	$ 180,876,234	$ 622,348

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

Exhibit D-3

Maury County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance Garage
Cash Flows from Operating Activities				
Receipts from Customers and Users	$ 277,447,562	$ 1,618,723	$ 279,066,285	$ 2,359,808
Other Cash Receipts (Payments)	9,039,267	284,855	9,324,122	6,891
Payments to Suppliers	(101,926,468)	0	(101,926,468)	0
Payments to Employees	(164,949,309)	0	(164,949,309)	0
Central Maintenance Garage Activity - Uses	0	0	0	(2,266,017)
Waste Collection and Disposal Activity - Uses	0	(2,935,869)	(2,935,869)	0
Net Cash Provided By (Used In) Operating Activities	$ 19,611,052	$ (1,032,291)	$ 18,578,761	$ 100,682
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	$ (12,928,319)	$ 0	$ (12,928,319)	$ 0
Proceeds from Sale of Equipment	216,033	0	216,033	0
Principal Payments on Long-term Debt	(4,865,262)	0	(4,865,262)	0
Interest Paid on Long-term Debt	(809,375)	0	(809,375)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (18,386,923)	$ 0	$ (18,386,923)	$ 0
Cash Flows from Noncapital Financing Activities				
Grants Received	$ 0	$ 88,270	$ 88,270	$ 0
Local Taxes	0	947,992	947,992	0
Contributions and Gifts	1,065,578	3,719	1,069,297	0
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 1,065,578	$ 1,039,981	$ 2,105,559	$ 0
Cash Flows from Investing Activities				
Investment Income	$ 285,159	$ 0	$ 285,159	$ 0
Purchase of Investments	(164,874)	0	(164,874)	0
Proceeds from Maturities of Certificates of Deposit	949,309	0	949,309	0
Purchase of Certificates of Deposit	(635,542)	0	(635,542)	0
Investment in Joint Venture	(976,650)	0	(976,650)	0
Purchase of Surgery Center	(2,321,648)	0	(2,321,648)	0
Net Cash Provided By (Used In) Investing Activities	$ (2,864,246)	$ 0	$ (2,864,246)	$ 0
Net Increase (Decrease) in Cash	$ (574,539)	$ 7,690	$ (566,849)	$ 100,682
Cash, July 1, 2012	29,105,330	3,374,744	32,480,074	461,296
Cash, June 30, 2013	$ 28,530,791	$ 3,382,434	$ 31,913,225	$ 561,978

(Continued)

Exhibit D-3

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

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance Garage
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	$ 5,313,872	$ (1,485,780)	$ 3,828,092	$ 70,746
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation and Amortization Expense	16,793,916	264,746	17,058,662	7,624
Provision for Uncollectible Accounts	34,298,539	0	34,298,539	0
(Increase) Decrease in Accounts Receivable	(34,183,373)	77,913	(34,105,460)	20,029
(Increase) Decrease in Due from Other Governments	0	33,784	33,784	0
(Increase) Decrease in Due from Affiliates	34,383	0	34,383	0
(Increase) Decrease in Inventories	263,300	0	263,300	0
(Increase) Decrease in Prepaid Items	(352,485)	7,718	(344,767)	3,743
(Increase) Decrease in Other Assets	880,554	0	880,554	0
Increase (Decrease) in Accounts Payable	(3,650,131)	95,968	(3,554,163)	11
Increase (Decrease) in Accrued Payroll	0	1,374	1,374	0
Increase (Decrease) in Payroll Deductions Payable	0	(3,067)	(3,067)	(1,476)
Increase (Decrease) in Postclosure Care Costs	0	(21,033)	(21,033)	0
Increase (Decrease) in Due to State of Tennessee	0	(34)	(34)	5
Increase (Decrease) in Other Long-term Liabilities	(975,354)	0	(975,354)	0
Increase (Decrease) in Accrued Leave	573,311	(3,880)	569,431	0
Increase (Decrease) in Accrued Expenses	614,520	0	614,520	0
Net Cash Provided By (Used In) Operating Activities	$ 19,611,052	$ (1,032,291)	$ 18,578,761	$ 100,682
Reconciliation of Cash With the Statement of Net Position				
Cash Per Net Position	$ 28,530,791	$ 200	$ 28,530,991	$ 0
Equity in Pooled Cash and Investments Per Net Position	0	3,382,234	3,382,234	561,978
Cash, June 30, 2013	$ 28,530,791	$ 3,382,434	$ 31,913,225	$ 561,978

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

Exhibit E

Maury County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds
ASSETS	
Cash	$ 2,389,850
Investments	38,612
Accounts Receivable	445
Due from Other Governments	1,831,613
Total Assets	$ 4,260,520
LIABILITIES	
Due to Other Taxing Units	$ 1,831,613
Due to Litigants, Heirs, and Others	2,428,907
Total Liabilities	$ 4,260,520

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

MAURY COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note		Page(s)
I.	**Summary of Significant Accounting Policies**	
	A. Reporting Entity	37
	B. Government-wide and Fund Financial Statements	38
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
	D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
	1. Deposits and Investments	42
	2. Receivables and Payables	43
	3. Prepaid Items	44
	4. Capital Assets	44
	5. Deferred Outflows/Inflows of Resources	45
	6. Compensated Absences	45
	7. Long-term Obligations	46
	8. Net Position and Fund Balance	47
	9. Restatement	48
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 Position	48
	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	49
III.	**Stewardship, Compliance, and Accountability**	
	A. Budgetary Information	49
	B. Cash Shortages	50
	C. Expenditures Exceeded Appropriations	51
IV.	**Detailed Notes on All Funds**	
	A. Deposits and Investments	51
	B. Capital Assets	53
	C. Construction Commitments	56
	D. Interfund Receivables, Payables, and Transfers	56
	E. Capital Lease	58
	F. Long-term Obligations	59
	G. On-Behalf Payments	64
	H. Short-term Debt	64

MAURY COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

Note		Page(s)
V.	**Other Information**	
	A. Risk Management	65
	B. Accounting Changes	66
	C. Subsequent Events	67
	D. Contingent Liabilities	67
	E. Change in Administration	67
	F. Landfill Closure/Postclosure Care Costs	67
	G. Joint Ventures	68
	H. Jointly Governed Organization	69
	I. Retirement Commitments	69
	J. Other Postemployment Benefits (OPEB)	73
	K. Offices of Accounting and Budgeting, and Human Resources	75
	L. Purchasing Laws	75
VI.	**Other Notes - Maury Regional Hospital Fund (Enterprise Fund)**	76
VII.	**Other Notes - Discretely Presented Maury County Board of Public Utilities Water System**	93

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Maury County School Department operates the public school system in the county, and the voters of Maury County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

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

inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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

Administrative Offices:

Maury County Board of Public
Utilities Water System
765 New Lewisburg Highway
Columbia, TN 38401

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the

operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Maury County issues all debt for the discretely presented Maury County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2013.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable

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

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

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

Maury County reports the following major governmental funds:

> **General Fund** – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Constitutional Officers - Agency Fund. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State

statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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 a deferred inflow of resources 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 as a deferred inflow of resources 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. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Maury County for animal control spay/neuter vouchers ($2,800).

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Maury Regional Hospital) as assets with an initial, individual cost of $10,000 (infrastructure and intangible assets $50,000) for the primary government and $5,000 for the School Department or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

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

Discretely Presented Maury County School Department

It is the policy of the discretely presented Maury County School Department to permit employees to accumulate varying amounts of earned but unused vacation leave, which will be paid upon retirement,

resignation, or termination. It is also the policy of the School Department to permit employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, employees will be paid either $50 (professional) or $10 (certain nonprofessional) per day for unused sick leave. This payment will be made after the employee's retirement has been approved by the Tennessee Consolidated Retirement System. During the year, 46 employees retired and received sick leave payments totaling $238,883. All vacation and sick leave is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Maury County had $49,418,737 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net position 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 Department'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 by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement to beginning net position totaling $869,365 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

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 Position

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 Position.

Discretely Presented Maury County School Department

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

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 position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Maury County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

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

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

At June 30, 2013, the Maury County School Department reported the following significant encumbrance:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	Chillers	$ 286,331

B. Cash Shortages

On October 9, 2013, our office issued a special investigative report on the Office of Circuit and General Sessions Courts Clerk for the period September 1, 2009, through April 5, 2012. This report disclosed that an employee of the office voided receipts after collecting the funds, resulting in a cash shortage of $2,207 as of April 5, 2012. On September 27, 2013, the former employee was indicted on one count of theft over $1,000. On February 4, 2014, the former employee pled guilty to the charge and paid full restitution of $2,207 to the Circuit Court Clerk's Office.

The Office of County Clerk had a cash shortage of at least $10,070.14 at July 18, 2013. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

C. Expenditures Exceeded Appropriations

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

Fund/Major Appropriation Category	Amount Overspent
General:	
Employee Benefits	$ 336
Miscellaneous	7,196
General Debt Service:	
Other Debt Service - General Government	4,705

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2013, Maury County (excluding the Maury Regional Hospital) had the following investments carried at amortized cost. All investments are in the Constitutional Officers - Agency Fund and were made on behalf of litigants at the direction of a court order.

Investment	Weighted Average Maturity (days)	Maturities		Cost
Merrill Lynch	N/A	Daily	$	38,612

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

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

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

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government (Excluding Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 6,551,804	$ 0	$ 0	$ 6,551,804
Intangibles	1,098,294	0	0	1,098,294
Construction in Progress	1,781,743	1,371,171	(1,816,803)	1,336,111
Total Capital Assets Not Depreciated	$ 9,431,841	$ 1,371,171	$ (1,816,803)	$ 8,986,209
Capital Assets Depreciated:				
Buildings and Improvements	$ 38,296,075	$ 593,443	$ 0	$ 38,889,518
Infrastructure	56,138,165	4,632,128	0	60,770,293
Other Capital Assets	11,196,988	646,009	(234,983)	11,608,014
Total Capital Assets Depreciated	$ 105,631,228	$ 5,871,580	$ (234,983)	$ 111,267,825
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 9,539,193	$ 850,725	$ 0	$ 10,389,918
Infrastructure	29,132,467	3,781,515	0	32,913,982
Other Capital Assets	9,884,855	660,486	(221,314)	10,324,027
Total Accumulated Depreciation	$ 48,556,515	$ 5,292,726	$ (221,314)	$ 53,627,927

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

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Total Capital Assets Depreciated, Net	$ 57,074,713	$ 578,854	$ (13,669)	$ 57,639,898
Governmental Activities Capital Assets, Net	$ 66,506,554	$ 1,950,025	$ (1,830,472)	$ 66,626,107

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	$ 818,367	$ 0	$ 818,367
Total Capital Assets Not Depreciated	$ 818,367	$ 0	$ 818,367
Capital Assets Depreciated:			
Buildings and Improvements	$ 1,333,952	$ 0	$ 1,333,952
Other Capital Assets	2,643,327	0	2,643,327
Total Capital Assets Depreciated	$ 3,977,279	$ 0	$ 3,977,279
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 1,075,439	$ 32,350	$ 1,107,789
Other Capital Assets	2,054,039	232,396	2,286,435
Total Accumulated Depreciation	$ 3,129,478	$ 264,746	$ 3,394,224
Total Capital Assets Depreciated, Net	$ 847,801	$ (264,746)	$ 583,055
Business-type Activities Capital Assets, Net	$ 1,666,168	$ (264,746)	$ 1,401,422

There were no decreases in capital assets to report during the year ended June 30, 2013. Depreciation expense was charged to functions of the primary government (excluding the Maury Regional Hospital) as follows:

Governmental Activities:

General Government	$	589,417
Finance		44,721
Administration of Justice		41,584
Public Safety		458,540
Public Health and Welfare		13,386
Social, Cultural, and Recreational Services		129,152
Agriculture and Natural Resources		5,860
Other Operations		12,637
Highways		3,997,429
Total Depreciation Expense - Governmental Activities	$	5,292,726

Business-type Activities:

Solid Waste Disposal	$	264,746

Discretely Presented Maury County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 3,019,939	$ 0	$ 0	$ 3,019,939
Construction in Progress	162,567	1,627,538	(242,496)	1,547,609
Total Capital Assets Not Depreciated	$ 3,182,506	$ 1,627,538	$ (242,496)	$ 4,567,548
Capital Assets Depreciated:				
Buildings and Improvements	$ 157,841,421	$ 392,920	$ (64,758)	$ 158,169,583
Other Capital Assets	16,288,933	816,155	(358,862)	16,746,226
Total Capital Assets Depreciated	$ 174,130,354	$ 1,209,075	$ (423,620)	$ 174,915,809
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 56,433,826	$ 3,601,630	$ (64,758)	$ 59,970,698
Other Capital Assets	11,849,696	1,295,169	(358,862)	12,786,003
Total Accumulated Depreciation	$ 68,283,522	$ 4,896,799	$ (423,620)	$ 72,756,701

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Total Capital Assets Depreciated, Net	$ 105,846,832	$ (3,687,724)	$ 0	$ 102,159,108
Governmental Activities Capital Assets, Net	$ 109,029,338	$ (2,060,186)	$ (242,496)	$ 106,726,656

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

Governmental Activities:

Instruction	$ 3,026,107
Support Services	1,692,538
Operation of Non-Instructional Services	178,154
Total Depreciation Expense - Governmental Activities	$ 4,896,799

C. Construction Commitments

At June 30, 2013, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately $68,013 in the Adequate Facilities/Development Tax Fund for the Emergency Management Communications Safe Center, $41,333 in the Highway/Public Works Fund for bridge construction, and $120,000 in the Other Capital Projects Fund for radio tower replacement. Funding has been received for these future expenditures.

At June 30, 2013, the discretely presented Maury County School Department had uncompleted construction contracts of approximately $126,374 in the Education Capital Projects Fund for school building projects. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental fund	$ 83,278

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

Due to/from Primary Government and Component Units:

Receivable	Payable	Amount
Primary Government:	Component Unit:	
Governmental Activities	School Department	$ 339,634

The School Department has agreed to contribute the funds annually to retire a note and capital lease. These long-term obligations are reflected in governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	$ 106,853	$ 0
General Debt Service Fund	0	1,054,717
Total	$ 106,853	$ 1,054,717

Discretely Presented Maury County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 89,753

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

E. Capital Lease

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

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30	Governmental Funds
2014	$ 274,279
Total Minimum Lease Payments	$ 274,279
Less: Amount Representing Interest	(12,561)
Present Value of Minimum Lease Payments	$ 261,718

F. Long-term Obligations

Primary Government (Excluding Maury Regional Hospital)

General Obligation Bonds, Notes, and Other Loans

Maury County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, eight years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Funds.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	3 to 5%	4-1-28	$ 45,000,000	$ 29,280,000
General Obligation Bonds - Refunding	1 to 4	4-1-20	18,320,000	18,095,000
Capital Outlay Notes	3 to 4	4-1-17	22,360,000	8,857,916
Other Loans	0 to 4.85	9-15-27	4,408,000	3,903,738

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

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds Principal	Interest	Total
2014	$ 3,570,000	$ 1,743,300	$ 5,313,300
2015	3,965,000	1,629,800	5,594,800
2016	3,755,000	1,505,850	5,260,850
2017	3,880,000	1,382,200	5,262,200
2018	4,890,000	1,241,800	6,131,800
2019-2023	16,565,000	3,822,050	20,387,050
2024-2028	10,750,000	1,351,812	12,101,812
Total	$ 47,375,000	$ 12,676,812	$ 60,051,812

Year Ending June 30	Notes Principal	Interest	Total
2014	$ 2,182,916	$ 353,537	$ 2,536,453
2015	2,115,000	267,000	2,382,000
2016	2,230,000	182,400	2,412,400
2017	2,330,000	93,200	2,423,200
Total	$ 8,857,916	$ 896,137	$ 9,754,053

Year Ending June 30	Other Loans Principal	Interest	(1) Other Fees	Total
2014	$ 275,052	$ 213,700	$ 3,526	$ 492,278
2015	275,052	213,700	3,526	492,278
2016	275,052	213,700	3,526	492,278
2017	275,052	213,700	3,526	492,278
2018	275,052	213,700	3,526	492,278
2019-2023	1,375,260	1,068,500	17,630	2,461,390
2024-2028	1,153,218	856,417	14,692	2,024,327
Total	$ 3,903,738	$ 2,993,417	$ 49,952	$ 6,947,107

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

There is $9,866,780 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled $746, based on the 2010 federal census.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

Description of Indebtedness		Outstanding 6-30-13
Notes Payable		
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund		
Energy Efficiency Improvements	$	77,916
Capital Leases		
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund		
Lighting Equipment		261,718
Total	$	339,634

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2012	$ 50,980,000	$ 12,538,080	$ 0
Reclassification of School Debt	0	153,562	511,449
Additions	0	0	0
Reductions	(3,605,000)	(3,833,726)	(249,731)
Balance, June 30, 2013	$ 47,375,000	$ 8,857,916	$ 261,718
Balance Due Within One Year	$ 3,570,000	$ 2,182,916	$ 261,718

	Other Loans	Compensated Absences
Balance, July 1, 2012	$ 4,178,790	$ 1,176,077
Additions	0	1,141,067
Reductions	(275,052)	(1,144,857)
Balance, June 30, 2013	$ 3,903,738	$ 1,172,287
Balance Due Within One Year	$ 275,052	$ 801,391

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 61,570,659
Less: Due Within One Year	(7,091,077)
Add: Unamortized Premium on Debt	2,173,739
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 56,653,321

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

Defeasance of Prior Debt

In prior years, Maury County defeased certain outstanding general obligation bonds and a capital outlay note by replacing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds and note. The trustee is empowered and required to pay all principal and interest on the defeased bonds and note as originally scheduled. Accordingly, the trust accounts and the defeased bonds and note are not included in the county's financial statements. At June 30, 2013, the following outstanding bonds are considered defeased:

	Amount
2004 General Obligation Bond	$ 10,820,000
2006 General Obligation Capital Outlay Note	6,900,000

Maury County Solid Waste Disposal Fund (Enterprise Fund)

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2013, was as follows:

Business-type Activities:

	Postclosure Care Costs	Compensated Absences
Balance, July 1, 2012	$ 480,033	$ 0
Additions	0	49,429
Reductions	(21,033)	0
Balance, June 30, 2013	$ 459,000	$ 49,429
Balance Due Within One Year	$ 40,894	$ 32,171

Discretely Presented Maury County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Maury County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Notes	Capital Leases
Balance, July 1, 2012	$ 153,562	$ 511,449
Reclassification of School Debt	(153,562)	(511,449)
Balance, June 30, 2013	$ 0	$ 0
Balance Due Within One Year	$ 0	$ 0

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	$ 3,704,793	$ 6,325,298
Additions	1,106,912	3,409,445
Reductions	(1,334,570)	(1,399,157)
Balance, June 30, 2013	$ 3,477,135	$ 8,335,586
Balance Due Within One Year	$ 1,374,609	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 11,812,721
Less: Due Within One Year	(1,374,609)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 10,438,112

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Maury County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were $365,999 and $98,270, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Maury County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Purpose School Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Tax Anticipation Notes	$ 0	$ 2,000,000	$ (2,000,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

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

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

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

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

The discretely presented Maury County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool

established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements;* Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Maury County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62,* which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting

those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

On July 15, 2013, Maury County established an Audit Committee.

On October 3, 2013, the county's General Debt Service Fund issued a $2,000,000 tax anticipation note to the General Purpose School Fund for temporary operating funds.

On December 31, 2013, Kathy Kelley retired as Circuit and General Sessions Courts Clerk and was succeeded by Sandy McLain effective January 21, 2014.

D. Contingent Liabilities

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

E. Change in Administration

Director of Accounts and Budgets James Bracken left office on August 14, 2012, and was succeeded by interim Director of Accounts and Budgets Buddy Harlan from August 15, 2012, through December 2, 2012. Buddy Harlan was succeeded by Theresa Weber effective December 3, 2012.

F. Landfill Closure/Postclosure Care Costs

Maury County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated

postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Maury County closed its sanitary landfill in 1997. The $459,000 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Maury County Regional Airport Authority is a joint venture in which the county and the cities of Columbia and Mount Pleasant participate. The authority is governed by a three-member board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2013, Maury County contributed $80,000 to the authority.

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

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

Administrative Offices:

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

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

H. Jointly Governed Organization

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence counties. The TSRA's board includes the county mayors and a representative appointed by the respective County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2013.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Maury County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 6.47 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, 2013, Maury County's annual pension cost of $1,575,586 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 postretirement 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, 2011, was one year. 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
6-30-13	$1,575,586	100%	$0
6-30-12	1,847,830	100	0
6-30-11	1,778,240	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.72 percent funded. The actuarial accrued liability for benefits was $44.06 million, and the actuarial value of assets was $43.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.56 million. The covered payroll (annual payroll of active employees covered by the plan) was $23.82 million, and the ratio of the UAAL to the covered payroll was 2.36 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 Maury County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit

provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were $4,024,530, $3,991,322, and $3,985,250, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

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

J. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2013, the discretely presented Maury County School Department made contributions totaling $1,399,157 for postemployment benefits.

	Local Education Group Plan
ARC	$ 3,425,000
Interest on the NOPEBO	253,012
Adjustment to the ARC	(268,567)
Annual OPEB cost	$ 3,409,445
Amount of contribution	(1,399,157)
Increase/decrease in NOPEBO	$ 2,010,288
Net OPEB obligation, 7-1-12	6,325,298
Net OPEB obligation, 6-30-13	$ 8,335,586

Fiscal Year Ended	Plan		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation at Year End
6-30-11	Local Education Group	$	2,208,184	63	% $	4,269,843
6-30-12	"		3,384,500	39		6,325,298
6-30-13	"		3,409,445	41		8,335,586

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	$ 26,079,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 26,079,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 53,884,433
UAAL as a % of covered payroll	48%

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, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial

assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

K. Offices of Accounting and Budgeting, and Human Resources

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

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

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

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

Office of Director of Schools

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

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

A. Organization

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

The hospital's primary mission is to provide healthcare services to the residents of southern and middle Tennessee, including Giles, Hickman, Lawrence, Lewis, Marshall, Perry, Wayne, and Maury counties. The financial statements present the hospital and its component units. The hospital is comprised of the following operating entities:

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

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

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

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

Family Health Group (FHG) is a nonprofit corporation, which acquires, owns, operates, and manages physician practices in the hospital's service area. The hospital is the sole member of FHG and funds its operating losses.

Pulmonary and Critical Care Associates, Inc., (PCCA) was a taxable nonprofit corporation that operated a physician practice in the hospital's service area. During 2012, PCCA was dissolved and became a division of FHG.

Maury Regional Ambulatory Care Center, Inc., (the Ambulatory Care Center) was a nonprofit corporation that provided medical care to

non-emergent patients in the hospital's service area. During 2012, the Ambulatory Care Center was dissolved and became a division of FHG.

Maury Regional Healthcare Foundation is a not-for-profit organization formed to coordinate the fundraising activities of the hospital. The hospital is the sole member of the foundation and appoints all board members. The hospital also funds all operating expenses of the foundation.

Additionally, the discretely presented component units column in the financial statements includes the hospital's other component units that are joint ventures in which the hospital has a majority ownership. The hospital reports its interest in these joint ventures using the equity method. Additionally, they are reported in a separate column to emphasize that they are legally separate from the hospital and include the following entities:

Spring Hill Imaging Center, LLC owns and operates an outpatient center that provides diagnostic and radiology services to patients in the hospital's service area. The imaging center is owned 51 percent by the hospital.

Vanderbilt-Maury Radiation Oncology, LLC (VMRO) owns and will operate an outpatient center that provides radiation oncology treatment services to patients in the hospital's service area. VMRO is owned 60 percent by the hospital. Operations at VMRO will begin in fiscal year 2014.

B. Summary of Significant Accounting Policies

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

Recently Issued or Effective Accounting Pronouncements – In November 2010, the GASB issued statement No. 61, *The Financial Reporting Entity: Omnibus*. The statement is effective for the financial statement periods beginning after June 15, 2012, and amends statement No. 14, *The*

Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement modifies certain requirements for inclusion of components units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary governments in certain circumstances. The hospital adopted the provisions of this statement during fiscal year 2013. The adoption of this statement resulted in the restatement of the fiscal year 2012 financial statement to report the imaging center as a discretely presented component unit. This restatement had no impact on the net position of the hospital.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements of GASB Statement No. 34 and other pronouncements by incorporating deferred outflows and inflows of resources into the definitions of the required components of the residual measure and renaming that measure as net position, rather than net assets. The hospital adopted the provisions of this statement during fiscal year 2013. The adoption did not have a material impact on the combined financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes reporting standards that reclassifies items previously reported as assets or liabilities as deferred inflows or outflows. This statement will be effective for the hospital in 2014, and management is currently evaluating its impact on the combined financial statements.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 provides guidance for improved accounting and financial reporting by state and local government entities related to pensions. It also replaces the requirements of GASB Statement No. 27 and Statement No. 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. This statement is required for fiscal years beginning after June 15, 2014, with early adoption encouraged. This statement will be effective for the hospital in 2015, and management is currently evaluating its impact on the combined financial statements.

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

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

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

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

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

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at the date of gift, if donated. The hospital has established a capitalization threshold of $1,000. Depreciation is calculated by the straight-line method to allocate the cost of the assets (other than land) over their estimated useful lives, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight-line method over the shorter of the estimated useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements. Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets is capitalized as part of the cost of acquiring the asset and is amortized on the same basis as the related capital asset. Costs of maintenance and repairs are charged to expense when incurred. The hospital periodically reviews property, plant, and equipment for indications of potential impairment. Management does not believe any impairment existed as of June 30, 2013.

Intangible Assets – Intangible assets, including goodwill, are amortized over their estimated useful life.

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

Compensated Absences – The hospital's employees earn paid time off at varying rates depending on years of service. An accrual for paid time off is recorded in the period in which the employee earns the right to the compensation. Employees also earn sick leave benefits based on varying rates depending on years of service and may accumulate sick leave up to a specified maximum. Employees are not paid for accumulated sick leave if they leave before retirement. However, employees who retire after the age of 60 may convert accumulated sick leave to termination payments. The estimated amount of sick leave, which will ultimately be payable as termination payments totals $1,950,000 at June 30, 2013, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2014.

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

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

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

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

Contributions and Grants – Revenues from contributions and grants are recognized when all eligibility requirements are met. Contributions and grants may be restricted for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific

operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions, if any, are reported after nonoperating revenue and expenses.

Income Taxes – The hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from federal income taxes.

Subsequent Events – Management did not note any subsequent events that required recognition or disclosure in the combined financial statements at June 30, 2013.

C. Patient Service Revenue and Accounts Receivable

The hospital has agreements with various third-party payors that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payors is recorded as a reduction of gross patient service charges. Revenue for patient service charges has been adjusted to the amounts estimated to be receivable under third-party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments, which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2014. Net patient service revenue for the year ended June 30, 2013, decreased by approximately $1,510,000 due to adjustments of estimates or final settlements of prior periods.

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

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services based on a per diem or on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low income patients. Approximately $12,200,000 of net patient accounts receivable are due from the Medicare program at June 30, 2013.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per-diem amounts. Approximately $2,900,000 of net patient accounts receivable are from payors under the TennCare program at June 30, 2013.

During 2013, the hospital received additional distributions under the TennCare Essential Access, federal matching, and other programs totaling approximately $1,170,000. Future distributions under these programs are not guaranteed.

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

Charity Care – The hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. The estimated direct and indirect costs of providing these services totaled approximately $4,130,000 in 2013. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue is as follows at June 30, 2013:

Patient Service Charges	$ 808,604,515
Less: Estimated Contractual Adjustments	(483,292,686)
Less: Estimated Provision for Bad Debts	(34,298,539)
Less: Charity Care	(13,066,723)
Total	$ 277,946,567

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

The carrying amount of deposits and investments included in the hospital's combined statements of net position is as follows:

Deposits	$ 37,577,938
Investments	26,093,991
Total	$ 63,671,929

These amounts are included in the combined financial statements as follows:

Cash and Cash Equivalents	$ 28,530,791
Certificates of Deposit	317,771
Investments	756,065
Assets Limited As to Use	34,067,302
Total	$ 63,671,929

The hospital holds deposits only in banks participating in the State of Tennessee Collateral Pool and in banks that provide collateral for all deposits, or banks that are members of the Federal Deposit Insurance Corporation (FDIC).

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

At June 30, 2013, the hospital's bank balances for deposits totaled $31,817,368, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Remaining deposits totaling $1,022,723 are collateralized by securities held by the financial institution and pledged as collateral for the hospital's deposits.

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

Investment Type	Maturity	Amount
Mutual Funds - Fixed Income	Less than 1 year	$ 4,455,354
Mutual Funds - Equity	N/A	452,491
Government Agency Bonds	Less than 1 year	1,508,100
Government Agency Bonds	1 to 5 years	8,305,243
Corporate Bonds	Less than 1 year	1,729,705
Corporate Bonds	1 to 5 years	9,643,098
Total		$ 26,093,991

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

Credit Risk – The hospital's investment policy restricts investments in corporate bonds and municipal bonds to those with a credit rating of at least BBB and AA, respectively. Mutual fund's underlying investments must meet the same credit ratings as other investments. At June 30, 2013, all the hospital's investments in corporate bonds were rated at least BBB by Standard and Poor's.

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the hospital will not be able to recover the value of its investment or collateral. All investments are in the hospital's name at a custodial bank.

E. Property, Plant, and Equipment

A summary of changes in property, plant, and equipment and related accumulated depreciation for the year ended June 30, 2013, is as follows:

	Balance 7-1-12	Additions/ Transfers	Retirements	Balance 6-30-13
Capital Assets Depreciated:				
Land Improvements	$ 5,556,184	$ 51,154	$ 0	$ 5,607,338
Buildings	171,240,236	4,688,613	0	175,928,849
Equipment	148,666,648	12,267,224	(1,238,695)	159,695,177
Total Capital Assets Depreciated	$ 325,463,068	$ 17,006,991	$ (1,238,695)	$ 341,231,364
Less Accumulated Depreciation For:				
Land Improvements	$ 3,906,794	$ 177,041	$ 0	$ 4,083,835
Buildings	93,593,430	7,387,125	0	100,980,555
Equipment	119,830,407	8,957,800	(996,995)	127,791,212
Total Accumulated Depreciation	$ 217,330,631	$ 16,521,966	$ (996,995)	$ 232,855,602
Total Capital Assets Depreciated, Net	$ 108,132,437	$ 485,025	$ (241,700)	$ 108,375,762

	Balance 7-1-12	Additions/ Transfers	Retirements	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 7,830,363	$ 0	$ 0	$ 7,830,363
Construction in Progress	5,305,765	(302,502)	0	5,003,263
Total Capital Assets Not Depreciated	$ 13,136,128	$ (302,502)	$ 0	$ 12,833,626
Total Capital Assets, Net	$ 121,268,565	$ 182,523	$ (241,700)	$ 121,209,388

During 2013, the hospital capitalized interest expense on construction projects totaling approximately $94,000. Construction in progress at June 30, 2013, consisted primarily of facility renovations, and the total estimated costs required to complete construction in progress is approximately $2,600,000.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2013:

Bonds Payable	
Series 2012B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 1.5% to 2%, maturing over an 8-year period, with the final payment due April 1, 2020.	$ 3,430,000
Series 2006B, Maury County General Obligation Bonds issued on behalf of the hospital, with an interest rate of 4%, maturing over a 7-year period, with the final payment due June 1, 2014.	1,310,000
Series 2006, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4.125% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021.	11,260,000
Total Bonds Payable	$ 16,000,000
Plus unamortized gain on bond refunding	$ 35,871
Plus premium on bond refunding	237,804
Total Bonds Payable, Net of Unamortized Loss and Premiums	$ 16,273,675
Other Long-term Debt	
Notes payable with interest rates of 6.29%, maturing through January 2014, and secured by equipment with a net book value of $5,833 at June 30, 2013	$ 6,699
Capital lease obligations - see Note H	2,837,289
Total Other Long-term Debt	$ 2,843,988

Total Debt	$ 19,117,663
Less: current portion	4,774,447
Total Long-term Debt	$ 14,343,216

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

In May 2012, Maury County issued the Series 2012B general obligation refunding bonds totaling $4,605,000. The 2012B Bonds were dated May 23, 2012, and were issued to advance refund all of the outstanding series 2004B bonds and the portion of the Series 2005 Bonds maturing June 1, 2014, through June 1, 2020. The 2012B Bonds bear interest at rates ranging from 1.5 percent to two percent and have annual maturities ranging from $315,000 to $1,475,000. Interest on the 2012B Bonds is payable semiannually on April 1 and October 1 of each year. The 2012B Bonds are not subject to redemption prior to maturity. The hospital's advanced refunding resulted in a gain of $107,391 that was deferred and reported as a component of bonds payable. The deferred gain is being recognized into operations using the straight-line method.

The Series 2006 Bonds maturing on or after June 1, 2017, are subject to redemption prior to maturity at the option of the county on June 1, 2016, or thereafter, at a redemption price of par plus accrued interest.

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2013, (including the capital lease obligations and excluding unamortized premiums and gain on refunding) follows:

Year Ending June 30	Principal	Interest
2014	$ 4,774,447	$ 682,235
2015	2,347,428	519,478
2016	2,360,712	429,752
2017	2,381,736	339,710
2018	2,139,665	262,936
2019-2021	4,840,000	379,469
Total	$ 18,843,988	$ 2,613,580

A schedule of changes in long-term debt for the year ended June 30, 2013, follows:

	Balance 7-1-12	Additions/ Amortization	Payments/ Maturities	Balance 6-30-13	Amounts Due Within One Year
Bonds payable	$ 20,135,000	$ 0	$ (4,135,000)	$ 16,000,000	$ 4,205,000
Unamortized gain (loss) on refunding	107,391	0	(71,520)	35,871	0
Unamortized premiums	283,522	0	(45,718)	237,804	0
Other long-term debt	474,250	3,100,000	(730,262)	2,843,988	569,447
Total	$ 21,000,163	$ 3,100,000	$ (4,982,500)	$ 19,117,663	$ 4,774,447

G. Employee Benefit Plans

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

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

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) plan on May 1, 1997. As of May 1, 2013, 108 participants are earning future service accruals. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Defined Benefit Plan Funding Policy – Voluntary contributions may not be made by participants. The hospital's contributions are based on an actuarially determined rate. The hospital's annual pension cost for 2013 was $849,000. The hospital's net pension obligation to the plan for 2013 was zero. The annual required contribution for the current year was determined as part of the May 1, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions used included the following:

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

Three-year Trend Information

Fiscal Year	Annual Required Contribution	Percentage Contributed	Pension Obligation
4-30-11	$ 752,987	100%	$ 0
4-30-12	728,000	100	0
4-30-13	849,000	100	0

A schedule of funding progress for the plan follows:

Actuarial Valuation Date	5-1-11*	5-1-12*	5-1-13*
Actuarial Value of Assets	$ 40,609,452	$ 41,072,361	$ 42,139,707
Actuarial Accrued Liability (AAL)	$ 43,936,214	$ 45,825,802	$ 46,600,942
Unfunded AAL	$ 3,326,762	$ 4,753,441	$ 4,461,235
Funded Ratio	92.4%	89.6%	90.4%
Covered Payroll	$ 5,061,006	$ 5,236,422	$ 5,103,414
UAAL As a % of Covered Payroll	65.7%	90.8%	87.4%

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

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

Defined Contribution Plan – Effective May 1, 1997, the hospital implemented a defined contribution plan, which includes a 403(b) feature and an employer-matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The hospital's contribution consists of a base contribution of three percent of annual covered compensation and a matching contribution equal to 50 percent of the employees' first five percent of annual compensation contributed. The hospital's total contributions for the year ended June 30, 2013, totaled approximately $4,460,000.

H. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 2.4 percent to 15.7 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2013, is as follows:

Equipment Acquired Under Capital Leases	$ 3,100,000
Less: Accumulated Depreciation	(244,117)
Total	$ 2,855,883

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2013:

Year Ending June 30	Amount
2014	$ 627,207
2015	660,716
2016	660,714
2017	660,717
2018	400,798
Total Minimum Lease Payments	$ 3,010,152
Less: Amount Representing Interest	(172,863)
Present Value of Minimum Lease Payments	$ 2,837,289

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately $4,390,000 for the year ended June 30, 2013.

Future minimum lease commitments for all significant non-cancelable operating leases, excluding discretely presented component units, are as follows:

Year Ending June 30	Amount
2014	$ 2,510,361
2015	2,443,233
2016	2,038,716
2017	1,721,360
2018	1,539,391
2019-2023	7,911,474
2024-2028	6,673,951
2029-2033	2,971,497
Total	$ 27,809,983

Leases with Physicians – The hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms. Rental income under these lease agreements totaled approximately

$1,440,000 for the year ended June 30, 2013. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases to physicians are as follows:

Year Ending June 30	Amount
2014	$ 887,676
2015	5,567
2016	2,535
2017	2,535
2018	2,535
Total	$ 900,848

I. Leased Healthcare Facilities

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

J. Commitments and Contingencies

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

Malpractice Liability Claims – The hospital is subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to $300,000 for injury or death per person and $700,000 per occurrence. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of $1,000,000 per occurrence with a retention of $250,000 per claim and a $3,000,000 annual aggregate with a $750,000

annual aggregate retention. The hospital has estimated and recorded a liability for reported claims totaling approximately $1,020,000 at June 30, 2013. In management's opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the hospital's results of operations or financial condition. The hospital has not estimated any liability for incurred but not reported claims.

Workers' Compensation Claims – The hospital is covered for workers' compensation claims through an insurance policy with a deductible of $500,000 per claim. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2013. The hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependents. Stop-loss insurance is purchased for annual claims per individual exceeding $250,000 with a life-time maximum per individual totaling $750,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately $2,010,000 at June 30, 2013. Employees that retire after attaining age 60 and completing 20 years of service will receive continued coverage under the hospital's health benefit program until they attain age 65 or become eligible for Medicare benefits. The estimated amount of retirement health benefits payable totaled approximately $216,500 at June 30, 2013, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management's estimate could change in 2014.

Healthcare Industry – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse and under the provisions of the Health Insurance Portability and Accountability Act of 1996, patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers, such as the Medicare Recovery Audit Contractor Program. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes that any amounts payable related to audits through the Medicare Recovery Audit Contractor program, or similar initiatives, have been estimated and recorded as Other Long-term Liabilities in the combined financial statements and therefore, any additional impact on the combined

financial statements will not be significant. However, due to the uncertainties involved, management's estimate could change in the near future.

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

K. Fair Value of Financial Instruments

Management believes that carrying value approximates fair value for the majority of the hospital's financial assets and liabilities. The estimated fair value of bonds payable, which are general obligations of Maury County, is $16,912,929 at June 30, 2013, based on quoted market prices.

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

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

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

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The hospital's investments are reported at fair value on a recurring basis based on Level 1 inputs at June 30, 2013. The fair value of the hospital's bonds would be classified as Level 2.

L. Component Unit Information

FHG leases physician office space in various medical office buildings from MRMC. Rental expense related to these leases totaled approximately $1,165,000 for the year ended June 30, 2013. Additionally, FHG paid MRMC

a management fee of approximately $365,000 for the year ended June 30, 2013.

MRMC made a capital contribution to the VMRO totaling $976,650 for the year ended June 30, 2013.

M. Surgery Center Acquisition

During May, 2013, the hospital acquired all of the outstanding units of membership of the Surgery Center of Columbia. The purchase price of $2,321,648 included capital assets with a fair value of $676,170 and a leasehold interest in the building and net working capital of $243,928. No other assets were acquired or liabilities were assumed.

As a result of this transaction, the hospital recorded goodwill totaling $592,950 and other intangible assets related to the Certificate of Need and trademark totaling $808,600. The goodwill and other intangible assets are being amortized for a period of 19 years.

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

A. Summary of Significant Accounting Policies

1. General

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

2. Basis of Accounting

The system's financial statements have been presented using the economic resources approach and the accrual basis of accounting, except that revenue from water sales is recognized when billed.

3. Organization

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

4. Utility Plant and Equipment

The utility plant and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to

expense as incurred; major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation expense for the year ended June 30, 2013, was $683,257.

5. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2013. Restricted assets are not treated as part of the system's cash and cash equivalents.

6. Classification of Revenue

The system has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues generally result from providing water for use or providing related support services to an individual or entity separate from the system.

Nonoperating revenues – Nonoperating revenues are those revenues that do not meet the definition of operating revenues. Nonoperating revenues include gifts, investment income, and insurance reimbursements.

7. Use of Estimates

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

8. Inventory

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

B. Accounts Receivable

Customer receivables are composed of the following aged categories:

	Amount
Current Billings	$ 255,971
30 Days Past Due	(1,664)
60 Days Past Due	(5,382)
90 Days Past Due	3,474
Total	$ 252,399

Bad debts are determined and written-off only by direct action of the system's board. The amount of $5,150 was written-off for 2013.

C. Deposits and Investments

Deposits

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

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2013, all deposits were insured or collateralized.

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

D. Restricted Assets

The restricted assets represent investment of construction reserves and customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2013, included $37,180 for meter deposits of current customers.

E. Utility Plant, Property, and Equipment

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

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

F. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Additions	Retirements	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 502,909	$ 0	$ 0	$ 502,909
Construction in Progress	464,436	1,439,006	(1,903,442)	0
Total Capital Assets Not Depreciated	$ 967,345	$ 1,439,006	$ (1,903,442)	$ 502,909
Capital Assets Depreciated:				
Building	$ 233,477	$ 1,903,442	$ 0	$ 2,136,919
Water Grid and Improvements	29,439,967	151,445	(104,185)	29,487,227
Equipment and Fixtures	778,237	214,373	0	992,610
Total Capital Assets Depreciated	$ 30,451,681	$ 2,269,260	$ (104,185)	$ 32,616,756
Less Accumulated Depreciation For:				
Building	$ 87,470	$ 31,050	$ 0	$ 118,520
Water Grid and Improvements	5,925,159	585,474	0	6,510,633
Equipment and Fixtures	614,256	66,733	0	680,989
Total Accumulated Depreciation	$ 6,626,885	$ 683,257	$ 0	$ 7,310,142
Total Capital Assets Depreciated, Net	$ 23,824,796	$ 1,586,003	$ (104,185)	$ 25,306,614
Business-type Activities Capital Assets, Net	$ 24,792,141	$ 3,025,009	$ (2,007,627)	$ 25,809,523

G. Accrued Leave

Accumulated annual leave at June 30, 2013, totaled $20,588. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks annual leave for personnel with one to five years continuous service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

H. Risk Management

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

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

I. Long-term Debt

The system's bonds payable are liabilities derived from various system water line upgrades, extensions, and improvements.

Bonds payable consist of the following at June 30, 2013:

Bonds Payable	
Series 2006, State Revolving Loan Fund: DWSRF 2005-065: The principal will be amortized over 20 years with monthly payments of $21,623 and an interest rate of 2.42%.	$ 3,124,647
Series 2008, State Revolving Loan Fund: DWSRF 2007-072: The principal will be amortized over 20 years with monthly payments of $8,679 and an interest rate of 2.42%.	1,321,080
Series 2006, USDA Rural Development Loan: The principal will be amortized over 38 years with monthly payments of $12,615 and an interest rate of 4.125%.	2,727,240
Total Bonds Payable	$ 7,172,967
Less current portion	$ (298,527)
Total Long-term Bonds Payable	$ 6,874,440

Business-type Activities - Bonds Payable

Balance 7-1-12	Reductions	Balance 6-30-13	Due Within One Year
$ 7,463,892	$ (290,925)	$ 7,172,967	$ 298,527

The principal and interest requirements for outstanding bonds as of June 30, 2013, are as follows:

Year Ending June 30	Principal	Interest	Total
2014	$ 298,527	$ 216,477	$ 515,004
2015	306,551	208,453	515,004
2016	314,767	200,237	515,004
2017	323,237	191,767	515,004
2018	331,938	183,066	515,004
2019-2023	1,798,963	776,057	2,575,020
2024-2028	1,860,358	520,021	2,380,379
2029-2033	417,209	357,043	774,252
2034-2038	491,258	265,642	756,900
2039-2043	603,551	153,349	756,900
2044-2048	426,608	27,637	454,245
Total	$ 7,172,967	$ 3,099,749	$ 10,272,716

J. Subsequent Events

The system considers events and transactions that occur after the statement of net position, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Maury County School Department
June 30, 2013

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
County Employees and School Department	7-1-11	$ 43,500	$ 44,062	$ 562	98.72 %	$ 23,818	2.36 %
"	7-1-09	32,270	33,230	50	99.84	24,334	.21
"	7-1-07	26,608	26,664	56	99.79	21,348	.26

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Accrued Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Hospital Employees	5-1-11	40,609	43,936	3,327	92.4	5,061	65.7
"	5-1-12	41,072	45,826	4,753	89.6	5,236	90.8
"	5-1-13	42,140	46,601	4,461	90.4	5,103	87.4

Exhibit F-2

Maury County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Maury County School Department
June 30, 2013

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-09	$ 0	$ 18,714	$ 18,714	0 %	$ 54,658	34 %
"	7-1-10	0	18,870	18,870	0	54,670	35
"	7-1-11	0	26,079	26,079	0	53,884	48

MAURY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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.

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

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

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

Capital Projects Funds

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

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

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

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

Exhibit G-1

Maury County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds				
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total
ASSETS					
Cash	$ 0	$ 0	$ 192,926	$ 0	$ 192,926
Equity in Pooled Cash and Investments	1,336,362	1,254,306	0	2,467,183	5,057,851
Accounts Receivable	0	0	0	34,771	34,771
Due from Other Governments	0	0	0	458,799	458,799
Property Taxes Receivable	0	0	0	2,643,961	2,643,961
Allowance for Uncollectible Property Taxes	0	0	0	(116,567)	(116,567)
Total Assets	$ 1,336,362	$ 1,254,306	$ 192,926	$ 5,488,147	$ 8,271,741
LIABILITIES					
Accounts Payable	$ 0	$ 0	$ 0	$ 370	$ 370
Payroll Deductions Payable	0	0	0	40,150	40,150
Due to State of Tennessee	0	0	0	1,266	1,266
Other Current Liabilities	1,098,050	0	0	0	1,098,050
Total Liabilities	$ 1,098,050	$ 0	$ 0	$ 41,786	$ 1,139,836
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 2,459,080	$ 2,459,080
Deferred Delinquent Property Taxes	0	0	0	56,490	56,490
Other Deferred/Unavailable Revenue	0	0	0	239,510	239,510
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 2,755,080	$ 2,755,080
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 0	$ 1,254,306	$ 0	$ 0	$ 1,254,306
Restricted for Public Safety	238,312	0	0	0	238,312
Restricted for Highways/Public Works	0	0	0	2,691,281	2,691,281
Restricted for Other Purposes	0	0	0	0	0
Committed:					
Committed for Finance	0	0	127,547	0	127,547
Committed for Administration of Justice	0	0	65,379	0	65,379
Total Fund Balances	$ 238,312	$ 1,254,306	$ 192,926	$ 2,691,281	$ 4,376,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,336,362	$ 1,254,306	$ 192,926	$ 5,488,147	$ 8,271,741

(Continued)

Exhibit G-1

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 192,926
Equity in Pooled Cash and Investments	167,423	422,768	495,888	1,086,079	6,143,930
Accounts Receivable	0	0	6,679	6,679	41,450
Due from Other Governments	0	0	0	0	458,799
Property Taxes Receivable	0	0	1,762,078	1,762,078	4,406,039
Allowance for Uncollectible Property Taxes	0	0	(77,686)	(77,686)	(194,253)
Total Assets	$ 167,423	$ 422,768	$ 2,186,959	$ 2,777,150	$ 11,048,891
LIABILITIES					
Accounts Payable	$ 0	$ 0	$ 1,443	$ 1,443	$ 1,813
Payroll Deductions Payable	0	0	0	0	40,150
Due to State of Tennessee	0	0	0	0	1,266
Other Current Liabilities	0	0	0	0	1,098,050
Total Liabilities	$ 0	$ 0	$ 1,443	$ 1,443	$ 1,141,279
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 0	$ 1,638,864	$ 1,638,864	$ 4,097,944
Deferred Delinquent Property Taxes	0	0	37,648	37,648	94,138
Other Deferred/Unavailable Revenue	0	0	0	0	239,510
Total Deferred Inflows of Resources	$ 0	$ 0	$ 1,676,512	$ 1,676,512	$ 4,431,592
FUND BALANCES					
Restricted:					
Restricted for General Government	$ 167,423	$ 0	$ 0	$ 167,423	$ 1,421,729
Restricted for Public Safety	0	0	0	0	238,312
Restricted for Highways/Public Works	0	422,768	0	422,768	3,114,049
Restricted for Other Purposes	0	0	509,004	509,004	509,004
Committed:					
Committed for Finance	0	0	0	0	127,547
Committed for Administration of Justice	0	0	0	0	65,379
Total Fund Balances	$ 167,423	$ 422,768	$ 509,004	$ 1,099,195	$ 5,476,020
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 167,423	$ 422,768	$ 2,186,959	$ 2,777,150	$ 11,048,891

Exhibit G-2

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds				
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total
Revenues					
Local Taxes	$ 0	$ 464,425	$ 0	$ 2,803,078	$ 3,267,503
Fines, Forfeitures, and Penalties	120,313	0	0	0	120,313
Charges for Current Services	0	0	846,938	0	846,938
Other Local Revenues	0	0	0	54,094	54,094
State of Tennessee	0	0	0	3,016,277	3,016,277
Federal Government	9,713	0	0	301,540	311,253
Total Revenues	$ 130,026	$ 464,425	$ 846,938	$ 6,174,989	$ 7,616,378
Expenditures					
Current:					
General Government	$ 0	$ 0	$ 0	$ 0	$ 0
Finance	0	0	512,776	0	512,776
Administration of Justice	0	0	315,663	0	315,663
Public Safety	134,483	0	206	0	134,689
Public Health and Welfare	0	0	0	0	0
Social, Cultural, and Recreational Services	0	0	0	0	0
Other Operations	0	110,887	0	0	110,887
Highways	0	0	0	5,694,122	5,694,122
Capital Projects	0	707,857	0	69,203	777,060
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	$ 134,483	$ 818,744	$ 828,645	$ 5,763,325	$ 7,545,197
Excess (Deficiency) of Revenues Over Expenditures	$ (4,457)	$ (354,319)	$ 18,293	$ 411,664	$ 71,181
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 0	$ 0	$ 3,380	$ 3,380
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 3,380	$ 3,380
Net Change in Fund Balances	$ (4,457)	$ (354,319)	$ 18,293	$ 415,044	$ 74,561
Fund Balance, July 1, 2012	242,769	1,608,625	174,633	2,276,237	4,302,264
Fund Balance, June 30, 2013	$ 238,312	$ 1,254,306	$ 192,926	$ 2,691,281	$ 4,376,825

(Continued)

Exhibit G-2

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

	Capital Projects Funds				Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 1,793,314	$ 1,793,314	$ 5,060,817
Fines, Forfeitures, and Penalties	0	0	0	0	120,313
Charges for Current Services	0	0	0	0	846,938
Other Local Revenues	0	0	6,803	6,803	60,897
State of Tennessee	0	0	0	0	3,016,277
Federal Government	0	0	0	0	311,253
Total Revenues	$ 0	$ 0	$ 1,800,117	$ 1,800,117	$ 9,416,495
Expenditures					
Current:					
General Government	$ 0	$ 0	$ 135,818	$ 135,818	$ 135,818
Finance	0	0	118,911	118,911	631,687
Administration of Justice	0	0	0	0	315,663
Public Safety	0	0	730,937	730,937	865,626
Public Health and Welfare	0	0	52,352	52,352	52,352
Social, Cultural, and Recreational Services	0	0	64,000	64,000	64,000
Other Operations	0	0	135,806	135,806	246,693
Highways	0	0	230,000	230,000	5,924,122
Capital Projects	81,980	912,463	0	994,443	1,771,503
Capital Projects - Donated	0	0	760,883	760,883	760,883
Total Expenditures	$ 81,980	$ 912,463	$ 2,228,707	$ 3,223,150	$ 10,768,347
Excess (Deficiency) of Revenues Over Expenditures	$ (81,980)	$ (912,463)	$ (428,590)	$ (1,423,033)	$ (1,351,852)
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 3,380
Transfers In	0	1,054,717	0	1,054,717	1,054,717
Total Other Financing Sources (Uses)	$ 0	$ 1,054,717	$ 0	$ 1,054,717	$ 1,058,097
Net Change in Fund Balances	$ (81,980)	$ 142,254	$ (428,590)	$ (368,316)	$ (293,755)
Fund Balance, July 1, 2012	249,403	280,514	937,594	1,467,511	5,769,775
Fund Balance, June 30, 2013	$ 167,423	$ 422,768	$ 509,004	$ 1,099,195	$ 5,476,020

Exhibit G-3

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 120,313	$ 0	$ 120,313	$ 83,000	$ 83,000	$ 37,313
Federal Government	9,713	0	9,713	2,000	2,000	7,713
Total Revenues	$ 130,026	$ 0	$ 130,026	$ 85,000	$ 85,000	$ 45,026
Expenditures						
Public Safety						
Drug Enforcement	$ 134,483	$ (1,041)	$ 133,442	$ 137,212	$ 137,212	$ 3,770
Total Expenditures	$ 134,483	$ (1,041)	$ 133,442	$ 137,212	$ 137,212	$ 3,770
Excess (Deficiency) of Revenues Over Expenditures	$ (4,457)	$ 1,041	$ (3,416)	$ (52,212)	$ (52,212)	$ 48,796
Net Change in Fund Balance	$ (4,457)	$ 1,041	$ (3,416)	$ (52,212)	$ (52,212)	$ 48,796
Fund Balance, July 1, 2012	242,769	(1,041)	241,728	241,728	241,728	0
Fund Balance, June 30, 2013	$ 238,312	$ 0	$ 238,312	$ 189,516	$ 189,516	$ 48,796

Exhibit G-4

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Adequate Facilities/Development Tax Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 464,425	$ 0	$ 0	$ 464,425	$ 360,000	$ 360,000	$ 104,425
Total Revenues	$ 464,425	$ 0	$ 0	$ 464,425	$ 360,000	$ 360,000	$ 104,425
Expenditures							
Other Operations							
Airport	$ 110,887	$ 0	$ 0	$ 110,887	$ 0	$ 110,887	$ 0
Capital Projects							
General Administration Projects	296	0	0	296	0	296	0
Public Safety Projects	707,561	(569,934)	68,093	205,720	300,000	299,704	93,984
Total Expenditures	$ 818,744	$ (569,934)	$ 68,093	$ 316,903	$ 300,000	$ 410,887	$ 93,984
Excess (Deficiency) of Revenues Over Expenditures	$ (354,319)	$ 569,934	$ (68,093)	$ 147,522	$ 60,000	$ (50,887)	$ 198,409
Net Change in Fund Balance	$ (354,319)	$ 569,934	$ (68,093)	$ 147,522	$ 60,000	$ (50,887)	$ 198,409
Fund Balance, July 1, 2012	1,608,625	(569,934)	0	1,038,691	1,059,676	1,059,676	(20,985)
Fund Balance, June 30, 2013	$ 1,254,306	$ 0	$ (68,093)	$ 1,186,213	$ 1,119,676	$ 1,008,789	$ 177,424

Exhibit G-5

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 2,803,078	$ 0	$ 0	$ 2,803,078	$ 2,651,044	$ 2,651,044	$ 152,034
Other Local Revenues	54,094	0	0	54,094	0	48,401	5,693
State of Tennessee	3,016,277	0	0	3,016,277	3,210,834	3,210,834	(194,557)
Federal Government	301,540	0	0	301,540	0	0	301,540
Total Revenues	$ 6,174,989	$ 0	$ 0	$ 6,174,989	$ 5,861,878	$ 5,910,279	$ 264,710
Expenditures							
Highways							
Administration	$ 225,320	$ 0	$ 450	$ 225,770	$ 221,435	$ 226,576	$ 806
Highway and Bridge Maintenance	3,145,996	(27,839)	4,811	3,122,968	3,355,771	3,374,948	251,980
Operation and Maintenance of Equipment	968,796	(8,782)	10,073	970,087	1,031,500	1,061,986	91,899
Other Charges	381,141	0	0	381,141	402,138	402,138	20,997
Employee Benefits	0	0	0	0	3,000	3,000	3,000
Capital Outlay	972,869	(309,961)	41,461	704,369	1,195,281	1,195,281	490,912
Capital Projects							
Highway and Street Capital Projects	69,203	(8,050)	0	61,153	75,000	75,000	13,847
Total Expenditures	$ 5,763,325	$ (354,632)	$ 56,795	$ 5,465,488	$ 6,284,125	$ 6,338,929	$ 873,441
Excess (Deficiency) of Revenues Over Expenditures	$ 411,664	$ 354,632	$ (56,795)	$ 709,501	$ (422,247)	$ (428,650)	$ 1,138,151
Other Financing Sources (Uses)							
Insurance Recovery	$ 3,380	$ 0	$ 0	$ 3,380	$ 0	$ 6,402	$ (3,022)
Total Other Financing Sources	$ 3,380	$ 0	$ 0	$ 3,380	$ 0	$ 6,402	$ (3,022)
Net Change in Fund Balance	$ 415,044	$ 354,632	$ (56,795)	$ 712,881	$ (422,247)	$ (422,248)	$ 1,135,129
Fund Balance, July 1, 2012	2,276,237	(354,632)	0	1,921,605	2,121,941	2,121,941	(200,336)
Fund Balance, June 30, 2013	$ 2,691,281	$ 0	$ (56,795)	$ 2,634,486	$ 1,699,694	$ 1,699,693	$ 934,793

Exhibit G-6

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,793,314	$ 0	$ 0	$ 1,793,314	$ 1,692,608	$ 1,692,608	$ 100,706
Other Local Revenues	6,803	0	0	6,803	0	2,187	4,616
Total Revenues	$ 1,800,117	$ 0	$ 0	$ 1,800,117	$ 1,692,608	$ 1,694,795	$ 105,322
Expenditures							
General Government							
Development	$ 24,889	$ 0	$ 0	$ 24,889	$ 25,000	$ 25,000	$ 111
County Buildings	103,879	(77,300)	23,787	50,366	30,000	124,765	74,399
Other General Administration	7,050	0	0	7,050	10,000	7,050	0
Finance							
Data Processing	118,911	(18,945)	0	99,966	100,000	100,000	34
Public Safety							
Sheriff's Department	339,106	(200,281)	179,836	318,661	308,000	325,546	6,885
Jail	1,192	0	0	1,192	0	1,278	86
Civil Defense	319,319	0	26,781	346,100	172,500	346,100	0
Other Emergency Management	71,320	0	120,000	191,320	0	192,500	1,180
Public Health and Welfare							
Rabies and Animal Control	22,616	0	0	22,616	25,000	25,000	2,384
Landfill Operation and Maintenance	29,736	0	0	29,736	30,000	30,000	264
Social, Cultural, and Recreational Services							
Libraries	60,000	0	0	60,000	60,000	60,000	0
Parks and Fair Boards	4,000	0	0	4,000	20,000	18,432	14,432
Other Operations							
Industrial Development	100,000	0	0	100,000	100,000	100,000	0
Other Charges	578	0	0	578	1,000	1,000	422
Miscellaneous	35,228	0	0	35,228	35,000	35,228	0
Highways							
Capital Outlay	230,000	0	0	230,000	230,000	230,000	0

(Continued)

Exhibit G-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services							
Board of Education	$ 0	$ 0	$ 0	$ 0	$ 605,611	$ 0	$ 0
Capital Projects - Donated							
Capital Projects Donated to School Department	760,883	(153,942)	0	606,941	0	606,951	10
Total Expenditures	$ 2,228,707	$ (450,468)	$ 350,404	$ 2,128,643	$ 1,752,111	$ 2,228,850	$ 100,207
Excess (Deficiency) of Revenues Over Expenditures	$ (428,590)	$ 450,468	$ (350,404)	$ (328,526)	$ (59,503)	$ (534,055)	$ 205,529
Other Financing Sources (Uses)							
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 0	$ 95,573	$ (95,573)
Total Other Financing Sources	$ 0	$ 0	$ 0	$ 0	$ 0	$ 95,573	$ (95,573)
Net Change in Fund Balance	$ (428,590)	$ 450,468	$ (350,404)	$ (328,526)	$ (59,503)	$ (438,482)	$ 109,956
Fund Balance, July 1, 2012	937,594	(450,468)	0	487,126	514,020	514,020	(26,894)
Fund Balance, June 30, 2013	$ 509,004	$ 0	$ (350,404)	$ 158,600	$ 454,517	$ 75,538	$ 83,062

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 8,546,854	$ 8,222,091	$ 8,222,091	$ 324,763
Other Local Revenues	241,192	192,000	192,000	49,192
State of Tennessee	1,176,482	800,000	800,000	376,482
Federal Government	344	0	0	344
Other Governments and Citizens Groups	354,534	0	354,534	0
Total Revenues	$ 10,319,406	$ 9,214,091	$ 9,568,625	$ 750,781
Expenditures				
Principal on Debt				
General Government	$ 1,581,406	$ 1,581,406	$ 1,581,406	$ 0
Highways and Streets	1,600,000	1,600,000	1,600,000	0
Education	4,654,023	4,328,646	4,676,944	22,921
Interest on Debt				
General Government	619,046	456,346	619,046	0
Highways and Streets	13,427	45,600	13,427	0
Education	1,821,676	1,958,745	1,841,103	19,427
Other Debt Service				
General Government	157,236	163,000	152,531	(4,705)
Education	3,526	0	3,820	294
Total Expenditures	$ 10,450,340	$ 10,133,743	$ 10,488,277	$ 37,937
Excess (Deficiency) of Revenues Over Expenditures	$ (130,934)	$ (919,652)	$ (919,652)	$ 788,718
Other Financing Sources (Uses)				
Transfers In	$ 106,853	$ 213,700	$ 213,700	$ (106,847)
Transfers Out	(1,054,717)	(900,000)	(1,069,970)	15,253
Total Other Financing Sources	$ (947,864)	$ (686,300)	$ (856,270)	$ (91,594)
Net Change in Fund Balance	$ (1,078,798)	$ (1,605,952)	$ (1,775,922)	$ 697,124
Fund Balance, July 1, 2012	10,987,393	10,987,349	10,987,349	44
Fund Balance, June 30, 2013	$ 9,908,595	$ 9,381,397	$ 9,211,427	$ 697,168

Fiduciary Funds

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

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

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

Exhibit I-1

Maury County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 2,389,850	$ 2,389,850
Investments	0	38,612	38,612
Accounts Receivable	0	445	445
Due from Other Governments	1,831,613	0	1,831,613
Total Assets	$ 1,831,613	$ 2,428,907	$ 4,260,520
LIABILITIES			
Due to Other Taxing Units	$ 1,831,613	$ 0	$ 1,831,613
Due to Litigants, Heirs, and Others	0	2,428,907	2,428,907
Total Liabilities	$ 1,831,613	$ 2,428,907	$ 4,260,520

Exhibit I-2

Maury County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 10,235,785	$ 10,235,785	$ 0
Due from Other Governments	1,701,709	1,831,613	1,701,709	1,831,613
Total Assets	$ 1,701,709	$ 12,067,398	$ 11,937,494	$ 1,831,613
Liabilities				
Due to Other Taxing Units	$ 1,701,709	$ 12,067,398	$ 11,937,494	$ 1,831,613
Total Liabilities	$ 1,701,709	$ 12,067,398	$ 11,937,494	$ 1,831,613
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 2,253,093	$ 17,263,706	$ 17,126,949	$ 2,389,850
Accounts Receivable	672	445	672	445
Investments	39,685	38,612	39,685	38,612
Total Assets	$ 2,293,450	$ 17,302,763	$ 17,167,306	$ 2,428,907
Liabilities				
Due to Litigants, Heirs, and Others	$ 2,293,450	$ 17,302,763	$ 17,167,306	$ 2,428,907
Total Liabilities	$ 2,293,450	$ 17,302,763	$ 17,167,306	$ 2,428,907
Totals - All Agency Funds				
Assets				
Cash	$ 2,253,093	$ 17,263,706	$ 17,126,949	$ 2,389,850
Equity in Pooled Cash and Investments	0	10,235,785	10,235,785	0
Due from Other Governments	1,701,709	1,831,613	1,701,709	1,831,613
Accounts Receivable	672	445	672	445
Investments	39,685	38,612	39,685	38,612
Total Assets	$ 3,995,159	$ 29,370,161	$ 29,104,800	$ 4,260,520
Liabilities				
Due to Other Taxing Units	$ 1,701,709	$ 12,067,398	$ 11,937,494	$ 1,831,613
Due to Litigants, Heirs, and Others	2,293,450	17,302,763	17,167,306	2,428,907
Total Liabilities	$ 3,995,159	$ 29,370,161	$ 29,104,800	$ 4,260,520

Maury County School Department

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

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

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

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

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

Exhibit J-1

Maury County, Tennessee
Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 59,748,473	$ 395,486	$ 8,921,107	$ 84,954	$ (50,346,926)
Support Services	34,551,370	268,558	534,119	605,601	(33,143,092)
Operation of Non-Instructional Services	7,395,302	2,012,366	4,219,079	0	(1,163,857)
Other Debt Service	10,871	0	0	0	(10,871)
Total Governmental Activities	$ 101,706,016	$ 2,676,410	$ 13,674,305	$ 690,555	$ (84,664,746)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 21,130,870
Local Option Sales Tax					11,278,212
Interstate Telecommunications Tax					7,625
Grants and Contributions Not Restricted to Specific Programs					46,674,086
Unrestricted Investment Earnings					8,993
Miscellaneous					40,723
Total General Revenues					$ 79,140,509
Change in Net Position					$ (5,524,237)
Net Position, July 1, 2012					111,194,036
Net Position, June 30, 2013					$ 105,669,799

Exhibit J-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2013

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 129,404	$ 129,404
Equity in Pooled Cash and Investments	6,172,942	1,897,706	8,070,648
Accounts Receivable	44,025	0	44,025
Due from Other Governments	2,418,009	166,722	2,584,731
Due from Other Funds	83,278	0	83,278
Property Taxes Receivable	20,892,012	0	20,892,012
Allowance for Uncollectible Property Taxes	(921,084)	0	(921,084)
Total Assets	$ 28,689,182	$ 2,193,832	$ 30,883,014
LIABILITIES			
Payroll Deductions Payable	$ 248,446	$ 22,272	$ 270,718
Due to Other Funds	0	83,278	83,278
Due to State of Tennessee	0	2,396	2,396
Total Liabilities	$ 248,446	$ 107,946	$ 356,392
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 19,431,124	$ 0	$ 19,431,124
Deferred Delinquent Property Taxes	446,374	0	446,374
Other Deferred/Unavailable Revenue	1,015,049	0	1,015,049
Total Deferred Inflows of Resources	$ 20,892,547	$ 0	$ 20,892,547
FUND BALANCES			
Restricted:			
Restricted for Education	$ 80,826	$ 2,085,886	$ 2,166,712
Assigned:			
Assigned for Education	1,192,425	0	1,192,425
Unassigned	6,274,938	0	6,274,938
Total Fund Balances	$ 7,548,189	$ 2,085,886	$ 9,634,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 28,689,182	$ 2,193,832	$ 30,883,014

Exhibit J-3

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Maury County School Department
June 30, 2013

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:			
Total fund balances - balance sheet - governmental funds (Exhibit J-2)			$ 9,634,075
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 3,019,939	
	Add: construction in progress	1,547,609	
	Add: building and improvements net of accumulated depreciation	98,198,885	
	Add: other capital assets net of accumulated depreciation	3,960,223	106,726,656
(2)	Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: contributions due on notes payable on primary government debt	$ (77,916)	
	Less: contributions due on capital leases payable on primary government debt	(261,718)	
	Less: other postemployment benefits liability	(8,335,586)	
	Less: compensated absences payable	(3,477,135)	(12,152,355)
(3)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,461,423
Net position of governmental activities (Exhibit A)			$ 105,669,799

Exhibit J-4

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 32,421,874	$ 0	$ 32,421,874
Licenses and Permits	5,434	0	5,434
Charges for Current Services	427,998	2,080,383	2,508,381
Other Local Revenues	128,779	27,598	156,377
State of Tennessee	48,941,830	57,034	48,998,864
Federal Government	676,056	10,758,993	11,435,049
Total Revenues	$ 82,601,971	$ 12,924,008	$ 95,525,979
Expenditures			
Current:			
Instruction	$ 51,330,055	$ 3,625,062	$ 54,955,117
Support Services	29,375,889	3,482,926	32,858,815
Operation of Non-Instructional Services	1,067,441	6,357,982	7,425,423
Capital Outlay	432,238	0	432,238
Debt Service:			
Other Debt Service	354,534	0	354,534
Capital Projects	0	1,287,713	1,287,713
Total Expenditures	$ 82,560,157	$ 14,753,683	$ 97,313,840
Excess (Deficiency) of Revenues Over Expenditures	$ 41,814	$ (1,829,675)	$ (1,787,861)
Other Financing Sources (Uses)			
Insurance Recovery	$ 10,440	$ 0	$ 10,440
Transfers In	89,753	0	89,753
Transfers Out	0	(89,753)	(89,753)
Total Other Financing Sources (Uses)	$ 100,193	$ (89,753)	$ 10,440
Net Change in Fund Balances	$ 142,007	$ (1,919,428)	$ (1,777,421)
Fund Balance, July 1, 2012	7,406,182	4,005,314	11,411,496
Fund Balance, June 30, 2013	$ 7,548,189	$ 2,085,886	$ 9,634,075

Exhibit J-5

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:			
Net change in fund balances - total governmental funds (Exhibit J-4)			$ (1,777,421)
(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	$ 1,903,562	
	Less: current-year depreciation expense	(4,896,799)	(2,993,237)
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
	Add: assets donated and capitalized		690,555
(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, 2012	$ (1,466,590)	
	Add: deferred delinquent property taxes and other deferred June 30, 2013	1,461,423	(5,167)
(4)	The issuance of long-term debt (e.g., notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
	Add: contribution payments on debt for primary government		325,377
(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	$ 18,286	
	Change in compensated absences payable	227,658	
	Change in other postemployment benefits liability	(2,010,288)	(1,764,344)
Change in net position of governmental activities (Exhibit B)			$ (5,524,237)

Exhibit J-6

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2013

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 4,214	$ 4,214	$ 125,190	$ 129,404
Equity in Pooled Cash and Investments	143,977	1,753,729	1,897,706	0	1,897,706
Due from Other Governments	133,683	33,039	166,722	0	166,722
Total Assets	$ 277,660	$ 1,790,982	$ 2,068,642	$ 125,190	$ 2,193,832
LIABILITIES					
Payroll Deductions Payable	$ 15,162	$ 7,110	$ 22,272	$ 0	$ 22,272
Due to Other Funds	83,278	0	83,278	0	83,278
Due to State of Tennessee	253	2,143	2,396	0	2,396
Total Liabilities	$ 98,693	$ 9,253	$ 107,946	$ 0	$ 107,946
FUND BALANCES					
Restricted:					
Restricted for Education	$ 178,967	$ 1,781,729	$ 1,960,696	$ 125,190	$ 2,085,886
Total Fund Balances	$ 178,967	$ 1,781,729	$ 1,960,696	$ 125,190	$ 2,085,886
Total Liabilities and Fund Balances	$ 277,660	$ 1,790,982	$ 2,068,642	$ 125,190	$ 2,193,832

Exhibit J-7

Maury County, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
Revenues					
Charges for Current Services	$ 0	$ 2,080,383	$ 2,080,383	$ 0	$ 2,080,383
Other Local Revenues	0	26,144	26,144	1,454	27,598
State of Tennessee	0	57,034	57,034	0	57,034
Federal Government	6,698,191	4,060,802	10,758,993	0	10,758,993
Total Revenues	$ 6,698,191	$ 6,224,363	$ 12,922,554	$ 1,454	$ 12,924,008
Expenditures					
Current:					
Instruction	$ 3,625,062	$ 0	$ 3,625,062	$ 0	$ 3,625,062
Support Services	3,414,321	68,605	3,482,926	0	3,482,926
Operation of Non-Instructional Services	0	6,357,982	6,357,982	0	6,357,982
Capital Projects	0	0	0	1,287,713	1,287,713
Total Expenditures	$ 7,039,383	$ 6,426,587	$ 13,465,970	$ 1,287,713	$ 14,753,683
Excess (Deficiency) of Revenues Over Expenditures	$ (341,192)	$ (202,224)	$ (543,416)	$ (1,286,259)	$ (1,829,675)
Other Financing Sources (Uses)					
Transfers Out	$ (89,753)	$ 0	$ (89,753)	$ 0	$ (89,753)
Total Other Financing Sources (Uses)	$ (89,753)	$ 0	$ (89,753)	$ 0	$ (89,753)
Net Change in Fund Balances	$ (430,945)	$ (202,224)	$ (633,169)	$ (1,286,259)	$ (1,919,428)
Fund Balance, July 1, 2012	609,912	1,983,953	2,593,865	1,411,449	4,005,314
Fund Balance, June 30, 2013	$ 178,967	$ 1,781,729	$ 1,960,696	$ 125,190	$ 2,085,886

Exhibit J-8

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 32,421,874	$ 0	$ 0	$ 32,421,874	$ 31,747,911	$ 31,747,911	$ 673,963
Licenses and Permits	5,434	0	0	5,434	5,400	5,400	34
Charges for Current Services	427,998	0	0	427,998	245,000	435,926	(7,928)
Other Local Revenues	128,779	0	0	128,779	6,000	40,532	88,247
State of Tennessee	48,941,830	0	0	48,941,830	47,098,730	48,904,406	37,424
Federal Government	676,056	0	0	676,056	120,000	915,924	(239,868)
Total Revenues	$ 82,601,971	$ 0	$ 0	$ 82,601,971	$ 79,223,041	$ 82,050,099	$ 551,872
Expenditures							
Instruction							
Regular Instruction Program	$ 40,343,967	$ (567,601)	$ 2,700	$ 39,779,066	$ 39,311,404	$ 40,241,470	$ 462,404
Alternative Instruction Program	547,074	0	0	547,074	564,372	558,580	11,506
Special Education Program	7,596,832	(4,231)	31,032	7,623,633	7,803,408	7,833,494	209,861
Vocational Education Program	2,842,182	(9,680)	45,957	2,878,459	2,928,165	2,953,187	74,728
Support Services							
Attendance	574,192	(11,173)	14,778	577,797	585,499	586,574	8,777
Health Services	494,288	(150)	10,711	504,849	423,454	539,159	34,310
Other Student Support	1,915,705	0	195	1,915,900	2,015,229	1,946,371	30,471
Regular Instruction Program	2,594,255	(15,702)	53,140	2,631,693	2,511,376	2,753,642	121,949
Alternative Instruction Program	156,677	0	1,510	158,187	160,617	160,617	2,430
Special Education Program	1,034,972	0	7,323	1,042,295	973,522	1,060,435	18,140
Vocational Education Program	166,551	0	273	166,824	155,879	175,879	9,055
Other Programs	464,269	0	0	464,269	0	464,269	0
Board of Education	2,321,681	0	501	2,322,182	2,182,156	2,433,025	110,843
Director of Schools	284,212	0	462	284,674	295,516	297,116	12,442
Office of the Principal	6,181,447	(140)	11,400	6,192,707	6,264,789	6,256,977	64,270
Fiscal Services	576,618	(1,340)	6,988	582,266	594,440	594,440	12,174
Human Services/Personnel	263,568	(385)	390	263,573	274,991	276,191	12,618

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Operation of Plant	$ 5,880,777	$ (2,691)	$ 4,736	$ 5,882,822	$ 6,160,084	$ 5,996,385	$ 113,563
Maintenance of Plant	1,420,481	(56,589)	48,878	1,412,770	1,335,451	1,460,451	47,681
Transportation	4,153,910	(52,695)	50,243	4,151,458	4,117,583	4,277,852	126,394
Central and Other	892,286	(59,447)	61,681	894,520	841,212	912,444	17,924
Operation of Non-Instructional Services							
Early Childhood Education	1,067,441	(5,877)	19,472	1,081,036	0	1,095,427	14,391
Capital Outlay							
Regular Capital Outlay	432,238	0	526,147	958,385	0	1,113,131	154,746
Principal on Debt							
Education	0	0	0	0	325,378	0	0
Interest on Debt							
Education	0	0	0	0	29,157	0	0
Other Debt Service							
Education	354,534	0	0	354,534	0	354,535	1
Total Expenditures	$ 82,560,157	$ (787,701)	$ 898,517	$ 82,670,973	$ 79,853,682	$ 84,341,651	$ 1,670,678
Excess (Deficiency) of Revenues Over Expenditures	$ 41,814	$ 787,701	$ (898,517)	$ (69,002)	$ (630,641)	$ (2,291,552)	$ 2,222,550
Other Financing Sources (Uses)							
Insurance Recovery	$ 10,440	$ 0	$ 0	$ 10,440	$ 0	$ 10,441	$ (1)
Transfers In	89,753	0	0	89,753	150,000	150,000	(60,247)
Transfers Out	0	0	0	0	(4,000)	0	0
Total Other Financing Sources	$ 100,193	$ 0	$ 0	$ 100,193	$ 146,000	$ 160,441	$ (60,248)
Net Change in Fund Balance	$ 142,007	$ 787,701	$ (898,517)	$ 31,191	$ (484,641)	$ (2,131,111)	$ 2,162,302
Fund Balance, July 1, 2012	7,406,182	(787,701)	0	6,618,481	5,709,214	5,709,214	909,267
Fund Balance, June 30, 2013	$ 7,548,189	$ 0	$ (898,517)	$ 6,649,672	$ 5,224,573	$ 3,578,103	$ 3,071,569

Exhibit J-9

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 6,698,191	$ 4,815,735	$ 9,068,477	$ (2,370,286)
Total Revenues	$ 6,698,191	$ 4,815,735	$ 9,068,477	$ (2,370,286)
Expenditures				
Instruction				
Regular Instruction Program	$ 2,094,033	$ 2,302,650	$ 2,505,656	$ 411,623
Special Education Program	1,408,059	25,500	2,065,483	657,424
Vocational Education Program	122,970	128,000	122,970	0
Support Services				
Health Services	151,194	0	197,082	45,888
Other Student Support	96,407	393,835	371,348	274,941
Regular Instruction Program	2,211,831	2,002,473	3,061,909	850,078
Special Education Program	420,841	9,500	590,886	170,045
Vocational Education Program	3,382	3,966	3,382	0
Office of the Principal	33,738	32,351	33,738	0
Operation of Plant	5,534	19,198	19,765	14,231
Transportation	491,394	0	594,111	102,717
Total Expenditures	$ 7,039,383	$ 4,917,473	$ 9,566,330	$ 2,526,947
Excess (Deficiency) of Revenues Over Expenditures	$ (341,192)	$ (101,738)	$ (497,853)	$ 156,661
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 400,850	$ 0	$ 0
Transfers Out	(89,753)	(461,559)	(118,803)	29,050
Total Other Financing Sources	$ (89,753)	$ (60,709)	$ (118,803)	$ 29,050
Net Change in Fund Balance	$ (430,945)	$ (162,447)	$ (616,656)	$ 185,711
Fund Balance, July 1, 2012	609,912	162,447	619,781	(9,869)
Fund Balance, June 30, 2013	$ 178,967	$ 0	$ 3,125	$ 175,842

Exhibit J-10

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Maury County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 2,080,383	$ 0	$ 2,080,383	$ 2,338,861	$ 2,338,861	$ (258,478)
Other Local Revenues	26,144	0	26,144	21,750	21,750	4,394
State of Tennessee	57,034	0	57,034	55,795	55,795	1,239
Federal Government	4,060,802	0	4,060,802	3,977,018	3,977,018	83,784
Total Revenues	$ 6,224,363	$ 0	$ 6,224,363	$ 6,393,424	$ 6,393,424	$ (169,061)
Expenditures						
Support Services						
Board of Education	$ 68,605	$ 0	$ 68,605	$ 62,752	$ 69,678	$ 1,073
Operation of Non-Instructional Services						
Food Service	6,357,982	(114,838)	6,243,144	6,749,733	6,773,732	530,588
Total Expenditures	$ 6,426,587	$ (114,838)	$ 6,311,749	$ 6,812,485	$ 6,843,410	$ 531,661
Excess (Deficiency) of Revenues Over Expenditures	$ (202,224)	$ 114,838	$ (87,386)	$ (419,061)	$ (449,986)	$ 362,600
Net Change in Fund Balance	$ (202,224)	$ 114,838	$ (87,386)	$ (419,061)	$ (449,986)	$ 362,600
Fund Balance, July 1, 2012	1,983,953	(114,838)	1,869,115	1,918,784	1,949,709	(80,594)
Fund Balance, June 30, 2013	$ 1,781,729	$ 0	$ 1,781,729	$ 1,499,723	$ 1,499,723	$ 282,006

MISCELLANEOUS SCHEDULES

Exhibit K-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
NOTES PAYABLE								
Payable through General Fund								
Animal Shelter	$ 640,396	4.5 %	11-30-08	10-18-12	$ 128,080	$ 128,080	$ 0	$ 0
Payable through General Debt Service Fund								
School Buildings, School Buses, and Refunding	15,185,000	3.64	12-19-06	4-1-14	4,135,000	2,030,000	0	2,105,000
Highway	2,400,000	1.9	11-29-11	9-5-12	1,600,000	1,600,000	0	0
General Obligation Refunding	6,675,000	4	5-23-12	4-1-17	6,675,000	0	0	6,675,000
Total Payable through General Debt Service Fund					$ 12,410,000	$ 3,630,000	$ 0	$ 8,780,000
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund								
Energy Efficiency Improvements	500,000	3	2-12-07	2-1-14	$ 153,562	$ 75,646	$ 0	$ 77,916
Total Notes Payable					$ 12,691,642	$ 3,833,726	$ 0	$ 8,857,916
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Qualified School Construction Bond (QSCB)	4,408,000	(1)	10-1-10	9-15-27	$ 4,178,790	$ 275,052	$ 0	$ 3,903,738
Total Other Loans Payable					$ 4,178,790	$ 275,052	$ 0	$ 3,903,738
CAPITAL LEASES PAYABLE								
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund								
Lighting Equipment	1,598,657	4.8	11-1-06	11-1-13	$ 511,449	$ 249,731	$ 0	$ 261,718
Total Capital Leases Payable					$ 511,449	$ 249,731	$ 0	$ 261,718
BONDS PAYABLE								
Payable through General Debt Service Fund								
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-14	$ 3,105,000	$ 1,525,000	$ 0	$ 1,580,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	3-26-13	1,255,000	1,255,000	0	0
Criminal Justice Center and School Construction	29,000,000	3.5 to 5	6-12-08	4-1-28	28,300,000	600,000	0	27,700,000
General Obligation Refunding	18,320,000	1 to 4	5-23-12	4-1-20	18,320,000	225,000	0	18,095,000
Total Bonds Payable					$ 50,980,000	$ 3,605,000	$ 0	$ 47,375,000

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

Note: this schedule for the primary government excludes Maury Regional Hospital.

Exhibit K-2

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

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2014	$ 2,182,916	$ 353,537	$ 2,536,453
2015	2,115,000	267,000	2,382,000
2016	2,230,000	182,400	2,412,400
2017	2,330,000	93,200	2,423,200
Total	$ 8,857,916	$ 896,137	$ 9,754,053

Year Ending June 30	Other Loans Principal	Other Loans Interest (1)	Other Loans Other Fees	Other Loans Total
2014	$ 275,052	$ 213,700	$ 3,526	$ 492,278
2015	275,052	213,700	3,526	492,278
2016	275,052	213,700	3,526	492,278
2017	275,052	213,700	3,526	492,278
2018	275,052	213,700	3,526	492,278
2019	275,052	213,700	3,526	492,278
2020	275,052	213,700	3,526	492,278
2021	275,052	213,700	3,526	492,278
2022	275,052	213,700	3,526	492,278
2023	275,052	213,700	3,526	492,278
2024	275,052	213,700	3,526	492,278
2025	275,052	213,700	3,526	492,278
2026	275,052	213,700	3,526	492,278
2027	302,128	213,700	3,526	519,354
2028	25,934	1,617	588	28,139
Total	$ 3,903,738	$ 2,993,417	$ 49,952	$ 6,947,107

(Continued)

Exhibit K-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2014	$ 261,718	$ 12,561	$ 274,279
Total	$ 261,718	$ 12,561	$ 274,279

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 3,570,000	$ 1,743,300	$ 5,313,300
2015	3,965,000	1,629,800	5,594,800
2016	3,755,000	1,505,850	5,260,850
2017	3,880,000	1,382,200	5,262,200
2018	4,890,000	1,241,800	6,131,800
2019	5,000,000	1,056,950	6,056,950
2020	5,065,000	908,725	5,973,725
2021	2,200,000	706,125	2,906,125
2022	2,150,000	618,125	2,768,125
2023	2,150,000	532,125	2,682,125
2024	2,150,000	446,125	2,596,125
2025	2,150,000	360,125	2,510,125
2026	2,150,000	271,437	2,421,437
2027	2,150,000	182,750	2,332,750
2028	2,150,000	91,375	2,241,375
Total	$ 47,375,000	$ 12,676,812	$ 60,051,812

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

Note: this schedule for the primary government excludes Maury Regional Hospital.

Exhibit K-3

Maury County, Tennessee
Schedule of Investments
June 30, 2013

Fund and Type	Date of Purchase	Date of Maturity	Interest Rates	Amount
Constitutional Officers - Agency Fund				
Clerk and Master				
Merrill Lynch - NOW Account	Various	None	Varies	$ 38,612

Exhibit K-4

Maury County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Tax Rebate for QSCB	$ 106,853
General Debt Service	Highway Capital Projects	Wheel Tax Reallocation	1,054,717
Total Transfers Primary Government			$ 1,161,570
DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect Costs	$ 89,753
Total Transfers Discretely Presented Maury County School Department			$ 89,753

Exhibit K-5

Maury County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 87,978		$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, *TCA*	80,712		100,000	RLI Insurance Company
Director of Schools	State Board of Education and Local Board of Education	125,658	(1)	(6)	
Trustee	Section 8-24-102, *TCA*	73,374		2,965,300	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	73,374	(2)	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, *TCA*	73,374		50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	73,374		50,000	"
Clerk and Master	Section 8-24-102, *TCA* , and Chancery Court Judge	73,374	(3)	50,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	73,374		25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, *TCA* , and County Commission	84,336	(4)	25,000	"
Director of Accounts and Budgets:					
James Bracken (7-1-12 through 8-14-12)	Chapter 233, Private Acts of 1963, as amended	12,481		25,000	RLI Insurance Company
Buddy Harlan (8-15-12 through 12-2-12)	Chapter 233, Private Acts of 1963, as amended	19,792		25,000	"
Theresa Weber (12-3-12 through 6-30-13)	Chapter 233, Private Acts of 1963, as amended	39,487		25,000	"
Director of Human Resources	Chapter 91, Private Acts of 2004	65,856		(7)	
Purchasing Agent	County Commission	40,092	(5)	25,000	"
Other Bonds					
Public Employee Dishonesty				150,000	Local Government Insurance Pool
School Employee Blanket Bond				1,000,000	Netherlands Insurance Company

(1) Includes $1,000 for a chief executive officer training supplement.
Does not include $442 for a vehicle allowance.
(2) Does not include $750 for a state board of equalization salary supplement.
(3) Does not include $30,476 in special commissioner fees.
(4) Includes $3,024 for serving as workhouse superintendent and $600 for a law enforcement training supplement.
(5) Includes $1,000 longevity pay.
(6) Covered under the school's blanket bond.
(7) Covered under the county's blanket bond.

Exhibit K-6

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2013

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects	Total
Local Taxes								
County Property Taxes								
Current Property Tax	$ 11,276,142	$ 0	$ 0	$ 0	$ 2,492,347	$ 5,277,087	$ 1,661,067	$ 20,706,643
Trustee's Collections - Prior Year	434,863	0	0	0	94,056	189,851	62,639	781,409
Trustee's Collections - Bankruptcy	7,284	0	0	0	1,508	2,762	915	12,469
Circuit/Clerk & Master Collections - Prior Years	372,006	0	0	0	82,202	173,945	54,784	682,937
Interest and Penalty	72,457	0	0	0	15,830	32,690	10,500	131,477
Pick-up Taxes	23,190	0	0	0	5,115	10,785	3,409	42,499
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	12,119	0	12,119
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	421,949	0	421,949
Payments in-Lieu-of Taxes - Other	2,362,500	0	0	0	0	132,504	0	2,495,004
County Local Option Taxes								
Local Option Sales Tax	305,062	0	0	0	0	0	0	305,062
Hotel/Motel Tax	472,894	0	0	0	0	0	0	472,894
Wheel Tax	0	0	0	0	0	1,904,623	0	1,904,623
Litigation Tax - General	376,045	0	0	0	0	0	0	376,045
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	370,687	0	370,687
Business Tax	847,107	0	0	0	0	0	0	847,107
Mineral Severance Tax	0	0	0	0	112,020	0	0	112,020
Adequate Facilities/Development Tax	0	0	464,425	0	0	0	0	464,425
Statutory Local Taxes								
Bank Excise Tax	0	0	0	0	0	17,852	0	17,852
Wholesale Beer Tax	340,042	0	0	0	0	0	0	340,042
Interstate Telecommunications Tax	1,545	0	0	0	0	0	0	1,545
Total Local Taxes	$ 16,891,137	$ 0	$ 464,425	$ 0	$ 2,803,078	$ 8,546,854	$ 1,793,314	$ 30,498,808
Licenses and Permits								
Licenses								
Cable TV Franchise	$ 150,777	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 150,777
Permits								
Beer Permits	1,360	0	0	0	0	0	0	1,360
Building Permits	103,206	0	0	0	0	0	0	103,206
Other Permits	10,594	0	0	0	0	0	0	10,594
Total Licenses and Permits	$ 265,937	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 265,937
Fines, Forfeitures, and Penalties								
Circuit Court								
Fines	$ 14,015	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 14,015

(Continued)

Exhibit K-6

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)								
Circuit Court (Cont.)								
Officers Costs	$ 12,904	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 12,904
Game and Fish Fines	90	0	0	0	0	0	0	90
Drug Control Fines	0	25,409	0	0	0	0	0	25,409
Drug Court Fees	3,472	0	0	0	0	0	0	3,472
Jail Fees	8,379	0	0	0	0	0	0	8,379
DUI Treatment Fines	5,666	0	0	0	0	0	0	5,666
Data Entry Fee - Circuit Court	2,819	0	0	0	0	0	0	2,819
Courtroom Security Fee	214	0	0	0	0	0	0	214
Victims Assistance Assessments	22,053	0	0	0	0	0	0	22,053
Criminal Court								
DUI Treatment Fines	808	0	0	0	0	0	0	808
Victims Assistance Assessments	11,026	0	0	0	0	0	0	11,026
General Sessions Court								
Fines	34,452	0	0	0	0	0	0	34,452
Officers Costs	47,161	0	0	0	0	0	0	47,161
Game and Fish Fines	1,601	0	0	0	0	0	0	1,601
Drug Control Fines	0	7,644	0	0	0	0	0	7,644
Drug Court Fees	12,344	0	0	0	0	0	0	12,344
Jail Fees	31,721	0	0	0	0	0	0	31,721
DUI Treatment Fines	15,802	0	0	0	0	0	0	15,802
Data Entry Fee - General Sessions Court	29,486	0	0	0	0	0	0	29,486
Courtroom Security Fee	100	0	0	0	0	0	0	100
Victims Assistance Assessments	11,026	0	0	0	0	0	0	11,026
Juvenile Court								
Data Entry Fee - Juvenile Court	3,158	0	0	0	0	0	0	3,158
Chancery Court								
Officers Costs	4,683	0	0	0	0	0	0	4,683
Data Entry Fee - Chancery Court	9,238	0	0	0	0	0	0	9,238
Other Fines, Forfeitures, and Penalties								
Proceeds from Confiscated Property	0	87,260	0	0	0	0	0	87,260
Other Fines, Forfeitures, and Penalties	10,260	0	0	0	0	0	0	10,260
Total Fines, Forfeitures, and Penalties	$ 292,478	$ 120,313	$ 0	$ 0	$ 0	$ 0	$ 0	$ 412,791
Charges for Current Services								
General Service Charges								
Work Release Charges for Board	$ 25,275	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 25,275

(Continued)

Exhibit K-6

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects	Total
Charges for Current Services (Cont.)								
Fees								
Subdivision Lot Fees	$ 8,840	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,840
Recreation Fees	41,379	0	0	0	0	0	0	41,379
Copy Fees	2,623	0	0	0	0	0	0	2,623
Library Fees	15,165	0	0	0	0	0	0	15,165
Greenbelt Late Application Fee	250	0	0	0	0	0	0	250
Telephone Commissions	149,982	0	0	0	0	0	0	149,982
Vending Machine Collections	194	0	0	0	0	0	0	194
Tourism Fees	33,060	0	0	0	0	0	0	33,060
Constitutional Officers' Fees and Commissions	0	0	0	846,938	0	0	0	846,938
Data Processing Fee - Register	31,468	0	0	0	0	0	0	31,468
Data Processing Fee - Sheriff	5,725	0	0	0	0	0	0	5,725
Sexual Offender Registration Fees - Sheriff	4,200	0	0	0	0	0	0	4,200
Data Processing Fee - County Clerk	7,226	0	0	0	0	0	0	7,226
Total Charges for Current Services	$ 325,387	$ 0	$ 0	$ 846,938	$ 0	$ 0	$ 0	$ 1,172,325
Other Local Revenues								
Recurring Items								
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 241,192	$ 0	$ 241,192
Lease/Rentals	101,352	0	0	0	0	0	0	101,352
Sale of Materials and Supplies	604	0	0	0	44,388	0	0	44,992
Sale of Animals/Livestock	85,786	0	0	0	0	0	0	85,786
Miscellaneous Refunds	20,625	0	0	0	0	0	86	20,711
Nonrecurring Items								
Sale of Equipment	0	0	0	0	9,255	0	6,717	15,972
Damages Recovered from Individuals	0	0	0	0	351	0	0	351
Contributions and Gifts	40,901	0	0	0	0	0	0	40,901
Other Local Revenues								
Other Local Revenues	153,454	0	0	0	100	0	0	153,554
Total Other Local Revenues	$ 402,722	$ 0	$ 0	$ 0	$ 54,094	$ 241,192	$ 6,803	$ 704,811
Fees Received from County Officials								
Excess Fees								
County Clerk	$ 286,853	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 286,853
Clerk and Master	121,104	0	0	0	0	0	0	121,104
Fees in-Lieu-of Salary								
Circuit Court Clerk	228,222	0	0	0	0	0	0	228,222

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service	Capital Projects Fund: Other Capital Projects	Total
Fees Received from County Officials (Cont.)								
Fees in-Lieu-of Salary (Cont.)								
General Sessions Court Clerk	$ 581,808	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 581,808
Juvenile Court Clerk	103,128	0	0	0	0	0	0	103,128
Register	426,870	0	0	0	0	0	0	426,870
Sheriff	53,928	0	0	0	0	0	0	53,928
Trustee	1,358,636	0	0	0	0	0	0	1,358,636
Total Fees Received from County Officials	$ 3,160,549	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,160,549
State of Tennessee								
General Government Grants								
Juvenile Services Program	$ 4,500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,500
State Reappraisal Grant	1,750	0	0	0	0	0	0	1,750
Public Safety Grants								
Law Enforcement Training Programs	48,600	0	0	0	0	0	0	48,600
Health and Welfare Grants								
Other Health and Welfare Grants	635,970	0	0	0	0	0	0	635,970
Public Works Grants								
Bridge Program	0	0	0	0	358,074	0	0	358,074
State Aid Program	0	0	0	0	362,794	0	0	362,794
Other State Revenues								
Income Tax	215,098	0	0	0	0	0	0	215,098
Beer Tax	18,586	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	116,155	0	0	0	0	0	0	116,155
State Revenue Sharing - T.V.A.	0	0	0	0	0	1,164,363	0	1,164,363
Board of Jurors	333	0	0	0	0	0	0	333
Contracted Prisoner Boarding	1,651,384	0	0	0	0	0	0	1,651,384
Gasoline and Motor Fuel Tax	0	0	0	0	2,233,950	0	0	2,233,950
Petroleum Special Tax	0	0	0	0	58,413	0	0	58,413
Registrar's Salary Supplement	11,373	0	0	0	0	0	0	11,373
Other State Grants	13,791	0	0	0	3,046	0	0	16,837
Other State Revenues	0	0	0	0	0	12,119	0	12,119
Total State of Tennessee	$ 2,717,540	$ 0	$ 0	$ 0	$ 3,016,277	$ 1,176,482	$ 0	$ 6,910,299
Federal Government								
Federal Through State								
Disaster Relief	$ 0	$ 0	$ 0	$ 0	$ 301,540	$ 0	$ 0	$ 301,540
Law Enforcement Grants	32,517	0	0	0	0	0	0	32,517
Other Federal through State	492,613	0	0	0	0	0	0	492,613

(Continued)

Exhibit K-6

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

		Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	General	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects	Total
Federal Government (Cont.)								
Direct Federal Revenue								
Asset Forfeiture Funds	$ 0	$ 9,713	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,713
Tax Credit Bond Rebate	106,853	0	0	0	0	0	0	106,853
Other Direct Federal Revenue	27,805	0	0	0	0	344	0	28,149
Total Federal Government	$ 659,788	$ 9,713	$ 0	$ 0	$ 301,540	$ 344	$ 0	$ 971,385
Other Governments and Citizens Groups								
Other Governments								
Contributions	$ 186,758	$ 0	$ 0	$ 0	$ 0	$ 354,534	$ 0	$ 541,292
Citizens Groups								
Donations	24,181	0	0	0	0	0	0	24,181
Other								
Other	57,049	0	0	0	0	0	0	57,049
Total Other Governments and Citizens Groups	$ 267,988	$ 0	$ 0	$ 0	$ 0	$ 354,534	$ 0	$ 622,522
Total	$ 24,983,526	$ 130,026	$ 464,425	$ 846,938	$ 6,174,989	$ 10,319,406	$ 1,800,117	$ 44,719,427

Exhibit K-7

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 19,757,800	$ 0	$ 0	$ 0	$ 19,757,800
Trustee's Collections - Prior Year	679,601	0	0	0	679,601
Trustee's Collections - Bankruptcy	11,956	0	0	0	11,956
Circuit/Clerk & Master Collections - Prior Years	570,354	0	0	0	570,354
Interest and Penalty	125,109	0	0	0	125,109
Pick-up Taxes	40,421	0	0	0	40,421
County Local Option Taxes					
Local Option Sales Tax	11,229,008	0	0	0	11,229,008
Statutory Local Taxes					
Interstate Telecommunications Tax	7,625	0	0	0	7,625
Total Local Taxes	$ 32,421,874	$ 0	$ 0	$ 0	$ 32,421,874
Licenses and Permits					
Licenses					
Marriage Licenses	$ 5,434	$ 0	$ 0	$ 0	$ 5,434
Total Licenses and Permits	$ 5,434	$ 0	$ 0	$ 0	$ 5,434
Charges for Current Services					
Fees					
Vending Machine Collections	$ 305	$ 0	$ 0	$ 0	$ 305
Education Charges					
Tuition - Regular Day Students	19,605	0	0	0	19,605
Lunch Payments - Children	0	0	977,217	0	977,217
Lunch Payments - Adults	0	0	155,064	0	155,064
Income from Breakfast	0	0	116,208	0	116,208
A la carte Sales	0	0	763,572	0	763,572
Receipts from Individual Schools	224,260	0	0	0	224,260
Other Charges for Services					
Other Charges for Services	183,828	0	68,322	0	252,150
Total Charges for Current Services	$ 427,998	$ 0	$ 2,080,383	$ 0	$ 2,508,381
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 7,539	$ 1,454	$ 8,993
Lease/Rentals	2,001	0	0	0	2,001
Sale of Materials and Supplies	16,151	0	0	0	16,151
Refund of Telecommunication & Internet Fees (E-Rate)	26,146	0	0	0	26,146
Miscellaneous Refunds	18,074	0	18,605	0	36,679
Nonrecurring Items					
Sale of Equipment	52,051	0	0	0	52,051
Damages Recovered from Individuals	5,766	0	0	0	5,766
Contributions and Gifts	8,404	0	0	0	8,404
Other Local Revenues					
Other Local Revenues	186	0	0	0	186
Total Other Local Revenues	$ 128,779	$ 0	$ 26,144	$ 1,454	$ 156,377
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 464,269	$ 0	$ 0	$ 0	$ 464,269
State Education Funds					
Basic Education Program	46,558,946	0	0	0	46,558,946
Early Childhood Education	973,385	0	0	0	973,385
School Food Service	0	0	57,034	0	57,034
Other State Education Funds	315,842	0	0	0	315,842
Career Ladder Program	410,089	0	0	0	410,089
Career Ladder - Extended Contract	93,700	0	0	0	93,700

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
State of Tennessee (Cont.)					
Other State Revenues					
Mixed Drink Tax	$ 95,536	$ 0	$ 0	$ 0	$ 95,536
Other State Grants	30,063	0	0	0	30,063
Total State of Tennessee	$ 48,941,830	$ 0	$ 57,034	$ 0	$ 48,998,864
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 2,771,649	$ 0	$ 2,771,649
USDA - Commodities	0	0	317,797	0	317,797
Breakfast	0	0	936,555	0	936,555
USDA - Other	0	0	34,801	0	34,801
Vocational Education - Basic Grants to States	0	171,808	0	0	171,808
Title I Grants to Local Education Agencies	0	3,243,496	0	0	3,243,496
Special Education - Grants to States	132,579	2,024,747	0	0	2,157,326
Special Education Preschool Grants	0	34,200	0	0	34,200
English Language Acquisition Grants	0	60,800	0	0	60,800
Safe and Drug-free Schools - State Grants	82,638	0	0	0	82,638
Eisenhower Professional Development State Grants	0	481,000	0	0	481,000
Race-to-the-Top - ARRA	0	605,797	0	0	605,797
Other Federal through State	0	76,343	0	0	76,343
Direct Federal Revenue					
ROTC Reimbursement	123,731	0	0	0	123,731
Other Direct Federal Revenue	337,108	0	0	0	337,108
Total Federal Government	$ 676,056	$ 6,698,191	$ 4,060,802	$ 0	$ 11,435,049
Total	$ 82,601,971	$ 6,698,191	$ 6,224,363	$ 1,454	$ 95,525,979

Exhibit K-8

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	72,080		
Social Security		4,558		
Employer Medicare		1,066		
Legal Notices, Recording, and Court Costs		1,308		
Office Supplies		339		
Total County Commission			$	79,351
Board of Equalization				
Board and Committee Members Fees	$	890		
Social Security		110		
Employer Medicare		26		
Legal Notices, Recording, and Court Costs		104		
Total Board of Equalization				1,130
Other Boards and Committees				
Legal Services	$	300		
Legal Notices, Recording, and Court Costs		390		
Postal Charges		397		
Printing, Stationery, and Forms		87		
Office Supplies		545		
Other Supplies and Materials		3,355		
Office Equipment		899		
Total Other Boards and Committees				5,973
County Mayor/Executive				
County Official/Administrative Officer	$	87,978		
Assistant(s)		35,399		
Clerical Personnel		33,670		
Longevity Pay		1,150		
Other Salaries and Wages		15,429		
Social Security		10,847		
State Retirement		10,235		
Life Insurance		160		
Medical Insurance		19,471		
Dental Insurance		668		
Disability Insurance		571		
Unemployment Compensation		391		
Employer Medicare		2,537		
Dues and Memberships		2,100		
Legal Notices, Recording, and Court Costs		141		
Maintenance Agreements		402		
Printing, Stationery, and Forms		459		
Travel		1,049		
Office Supplies		621		
Periodicals		40		
Office Equipment		5,230		
Total County Mayor/Executive				228,548
Personnel Office				
County Official/Administrative Officer	$	65,856		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
General Government (Cont.)				
Personnel Office (Cont.)				
Clerical Personnel	$	94,522		
Longevity Pay		1,750		
Social Security		9,832		
State Retirement		10,490		
Life Insurance		222		
Medical Insurance		25,962		
Dental Insurance		858		
Disability Insurance		589		
Unemployment Compensation		432		
Employer Medicare		2,299		
Dues and Memberships		320		
Legal Notices, Recording, and Court Costs		1,048		
Maintenance Agreements		3,437		
Postal Charges		347		
Printing, Stationery, and Forms		118		
Travel		1,440		
Other Contracted Services		276		
Office Supplies		1,074		
Periodicals		97		
Furniture and Fixtures		160		
Total Personnel Office			$	221,129
County Attorney				
County Official/Administrative Officer	$	63,246		
Longevity Pay		200		
Social Security		3,155		
State Retirement		4,105		
Life Insurance		55		
Medical Insurance		6,490		
Dental Insurance		223		
Disability Insurance		231		
Unemployment Compensation		108		
Employer Medicare		738		
Dues and Memberships		250		
Postal Charges		92		
Electricity		750		
Office Supplies		3,000		
Other Supplies and Materials		1,250		
Indirect Cost		4,119		
Total County Attorney				88,012
Election Commission				
County Official/Administrative Officer	$	66,036		
Clerical Personnel		55,510		
Part-time Personnel		15,314		
Longevity Pay		1,700		
Overtime Pay		2,427		
Other Salaries and Wages		1,459		
Election Commission		5,160		
Election Workers		91,007		

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
General Government (Cont.)			
Election Commission (Cont.)			
Social Security	$ 11,824		
State Retirement	8,189		
Life Insurance	166		
Medical Insurance	19,471		
Dental Insurance	668		
Disability Insurance	442		
Unemployment Compensation	863		
Employer Medicare	2,765		
Communication	421		
Contracts with Public Carriers	4,000		
Data Processing Services	3,600		
Dues and Memberships	250		
Legal Notices, Recording, and Court Costs	5,022		
Maintenance Agreements	11,739		
Maintenance and Repair Services - Buildings	158		
Maintenance and Repair Services - Equipment	20,502		
Pest Control	230		
Postal Charges	5,961		
Printing, Stationery, and Forms	10,080		
Rentals	2,010		
Travel	2,030		
Data Processing Supplies	1,957		
Electricity	5,517		
Natural Gas	2,215		
Office Supplies	1,496		
Total Election Commission		$	360,189
Register of Deeds			
County Official/Administrative Officer	$ 73,374		
Clerical Personnel	124,403		
Longevity Pay	2,650		
Overtime Pay	447		
Social Security	12,408		
State Retirement	12,996		
Life Insurance	248		
Medical Insurance	31,966		
Dental Insurance	1,096		
Disability Insurance	718		
Unemployment Compensation	474		
Employer Medicare	2,902		
Data Processing Services	16,247		
Dues and Memberships	681		
Maintenance Agreements	4,741		
Postal Charges	724		
Data Processing Supplies	1,158		
Office Supplies	4,571		
Data Processing Equipment	31		
Furniture and Fixtures	4,560		
Total Register of Deeds			296,395

(Continued)

Exhibit K-8

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

General Fund (Cont.)
General Government (Cont.)
Development

County Official/Administrative Officer	$ 59,760	
Assistant(s)	42,453	
Secretary(ies)	38,480	
Clerical Personnel	31,720	
Longevity Pay	4,000	
Other Salaries and Wages	77,251	
Social Security	15,598	
State Retirement	16,410	
Life Insurance	313	
Medical Insurance	36,434	
Dental Insurance	1,113	
Disability Insurance	880	
Unemployment Compensation	756	
Employer Medicare	3,648	
Consultants	53,750	
Data Processing Services	6,900	
Dues and Memberships	555	
Legal Notices, Recording, and Court Costs	1,986	
Maintenance Agreements	3,213	
Maintenance and Repair Services - Vehicles	1,835	
Postal Charges	1,261	
Printing, Stationery, and Forms	226	
Travel	3,182	
Gasoline	4,666	
Office Supplies	943	
Periodicals	6,719	
Furniture and Fixtures	280	
Other Equipment	121	
Other Construction	59,103	
Total Development		$ 473,556

County Buildings

Supervisor/Director	$ 46,824	
Custodial Personnel	76,058	
Longevity Pay	5,950	
Overtime Pay	4,031	
Other Salaries and Wages	149,996	
Social Security	17,369	
State Retirement	17,277	
Life Insurance	416	
Medical Insurance	48,937	
Dental Insurance	1,456	
Disability Insurance	929	
Unemployment Compensation	1,033	
Employer Medicare	4,062	
Communication	7,794	
Laundry Service	748	
Licenses	715	
Maintenance Agreements	18,667	
Maintenance and Repair Services - Buildings	65,304	

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
General Government (Cont.)				
County Buildings (Cont.)				
Maintenance and Repair Services - Equipment	$	290		
Maintenance and Repair Services - Vehicles		3,310		
Pest Control		2,193		
Disposal Fees		6,752		
Other Contracted Services		21,394		
Custodial Supplies		10,762		
Electricity		145,682		
Gasoline		11,537		
Natural Gas		19,950		
Office Supplies		260		
Small Tools		138		
Other Supplies and Materials		501		
Boiler Insurance		3,062		
Building and Contents Insurance		59,111		
Other Charges		441		
Other Capital Outlay		9,999		
Total County Buildings			$	762,948
Other General Administration				
Audit Services	$	26,819		
Consultants		1,100		
Data Processing Services		20,007		
Dues and Memberships		12,170		
Maintenance and Repair Services - Vehicles		3,602		
Other Contracted Services		329		
Gasoline		1,971		
Indirect Cost		5,000		
Judgments		48,193		
Liability Insurance		156,752		
Premiums on Corporate Surety Bonds		365		
Vehicle and Equipment Insurance		68,733		
Workers' Compensation Insurance		369,767		
Other Charges		60		
Total Other General Administration				714,868
Preservation of Records				
County Official/Administrative Officer	$	51,588		
Assistant(s)		31,720		
Part-time Personnel		6,575		
Longevity Pay		850		
Social Security		5,536		
State Retirement		5,445		
Life Insurance		111		
Medical Insurance		12,981		
Dental Insurance		445		
Disability Insurance		305		
Unemployment Compensation		295		
Employer Medicare		1,295		
Communication		421		
Janitorial Services		1,475		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
General Government (Cont.)				
Preservation of Records (Cont.)				
Maintenance Agreements	$	2,598		
Postal Charges		175		
Custodial Supplies		237		
Library Books/Media		1,985		
Office Supplies		3,466		
Periodicals		117		
Furniture and Fixtures		1,378		
Other Capital Outlay		2,745		
Total Preservation of Records			$	131,743
Finance				
Accounting and Budgeting				
County Official/Administrative Officer	$	71,760		
Assistant(s)		52,297		
Accountants/Bookkeepers		74,793		
Clerical Personnel		78,499		
Longevity Pay		2,300		
Social Security		16,934		
State Retirement		17,796		
Life Insurance		262		
Medical Insurance		31,206		
Dental Insurance		1,135		
Disability Insurance		753		
Unemployment Compensation		817		
Employer Medicare		3,960		
Communication		1,155		
Dues and Memberships		400		
Maintenance Agreements		953		
Postal Charges		2,877		
Printing, Stationery, and Forms		24		
Travel		1,797		
Office Supplies		4,100		
Other Charges		275		
Furniture and Fixtures		180		
Office Equipment		3,597		
Total Accounting and Budgeting				367,870
Purchasing				
County Official/Administrative Officer	$	39,092		
Accountants/Bookkeepers		98,218		
Longevity Pay		2,600		
Social Security		8,566		
State Retirement		9,052		
Life Insurance		142		
Medical Insurance		17,715		
Dental Insurance		608		
Disability Insurance		530		
Unemployment Compensation		324		
Employer Medicare		2,003		
Communication		427		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Finance (Cont.)				
Purchasing (Cont.)				
Data Processing Services	$	3,243		
Dues and Memberships		390		
Postal Charges		483		
Travel		241		
Office Supplies		643		
Furniture and Fixtures		408		
Office Equipment		3,597		
Total Purchasing			$	188,282
Property Assessor's Office				
County Official/Administrative Officer	$	73,374		
Clerical Personnel		125,495		
Longevity Pay		4,050		
Overtime Pay		1,716		
Other Salaries and Wages		163,816		
In-Service Training		1,750		
Social Security		22,302		
State Retirement		15,784		
Life Insurance		486		
Medical Insurance		62,647		
Dental Insurance		2,140		
Disability Insurance		1,225		
Unemployment Compensation		1,174		
Employer Medicare		5,216		
Audit Services		10,616		
Communication		158		
Data Processing Services		21,024		
Dues and Memberships		2,610		
Maintenance Agreements		1,176		
Maintenance and Repair Services - Vehicles		1,700		
Postal Charges		3,776		
Printing, Stationery, and Forms		299		
Travel		2,035		
Other Contracted Services		21,620		
Data Processing Supplies		4,149		
Gasoline		2,744		
Office Supplies		3,022		
Other Charges		80		
Data Processing Equipment		6,829		
Total Property Assessor's Office				563,013
Reappraisal Program				
Clerical Personnel	$	29,120		
Temporary Personnel		6,128		
Longevity Pay		1,850		
Overtime Pay		540		
Other Salaries and Wages		66,044		
Social Security		6,416		
State Retirement		6,104		
Life Insurance		148		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Finance (Cont.)				
Reappraisal Program (Cont.)				
Medical Insurance	$	17,480		
Dental Insurance		600		
Disability Insurance		312		
Unemployment Compensation		452		
Employer Medicare		1,501		
Communication		2		
Data Processing Services		10,136		
Maintenance Agreements		529		
Maintenance and Repair Services - Vehicles		280		
Postal Charges		1,625		
Printing, Stationery, and Forms		158		
Travel		30		
Data Processing Supplies		293		
Gasoline		1,357		
Total Reappraisal Program			$	151,105
County Trustee's Office				
County Official/Administrative Officer	$	73,374		
Clerical Personnel		130,544		
Temporary Personnel		13,398		
Longevity Pay		3,200		
Social Security		13,604		
State Retirement		13,232		
Life Insurance		259		
Medical Insurance		30,461		
Dental Insurance		1,045		
Disability Insurance		722		
Unemployment Compensation		619		
Employer Medicare		3,182		
Data Processing Services		4,014		
Dues and Memberships		696		
Legal Notices, Recording, and Court Costs		46		
Maintenance Agreements		529		
Postal Charges		1,345		
Travel		1,023		
Other Contracted Services		14,960		
Office Supplies		1,437		
Total County Trustee's Office				307,690
County Clerk's Office				
State Retirement	$	30,544		
Life Insurance		748		
Medical Insurance		90,866		
Dental Insurance		3,117		
Disability Insurance		1,712		
Unemployment Compensation		1,404		
Data Processing Services		14,789		
Dues and Memberships		746		
Maintenance Agreements		1,891		
Postal Charges		17,865		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Printing, Stationery, and Forms	$	5,955		
Travel		57		
Data Processing Supplies		410		
Office Supplies		6,388		
Periodicals		220		
Data Processing Equipment		1,422		
Furniture and Fixtures		296		
Total County Clerk's Office			$	178,430
Data Processing				
County Official/Administrative Officer	$	76,278		
Data Processing Personnel		111,060		
Longevity Pay		1,850		
Social Security		11,631		
State Retirement		12,240		
Life Insurance		166		
Medical Insurance		19,471		
Dental Insurance		668		
Disability Insurance		685		
Unemployment Compensation		324		
Employer Medicare		2,720		
Communication		69,529		
Data Processing Services		18,706		
Maintenance Agreements		18,935		
Travel		389		
Data Processing Supplies		8,552		
Data Processing Equipment		61,592		
Total Data Processing				414,796
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	73,374		
Clerical Personnel		501,481		
Part-time Personnel		31,861		
Longevity Pay		7,750		
Jury and Witness Expense		34,862		
Other Per Diem and Fees		11,300		
Social Security		38,304		
State Retirement		33,026		
Life Insurance		919		
Medical Insurance		106,825		
Dental Insurance		3,524		
Disability Insurance		2,064		
Unemployment Compensation		2,313		
Employer Medicare		8,958		
Dues and Memberships		666		
Legal Notices, Recording, and Court Costs		383		
Postal Charges		10,143		
Printing, Stationery, and Forms		13,888		
Office Supplies		6,959		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court (Cont.)				
Periodicals	$	466		
Other Charges		3,091		
Furniture and Fixtures		173		
Office Equipment		392		
Total Circuit Court			$	892,722
General Sessions Court				
Judge(s)	$	459,720		
Clerical Personnel		123,365		
Temporary Personnel		57,860		
Part-time Personnel		16,887		
Longevity Pay		1,950		
Overtime Pay		572		
Other Salaries and Wages		101,659		
Social Security		39,757		
State Retirement		43,651		
Life Insurance		453		
Medical Insurance		49,917		
Dental Insurance		1,558		
Disability Insurance		1,989		
Unemployment Compensation		1,282		
Employer Medicare		10,905		
Communication		4,627		
Data Processing Services		36,492		
Dues and Memberships		475		
Licenses		1,638		
Maintenance Agreements		1,740		
Pest Control		391		
Printing, Stationery, and Forms		778		
Travel		4,353		
Electricity		8,761		
Office Supplies		1,550		
Periodicals		1,129		
Other Charges		1,710		
Furniture and Fixtures		1,656		
Total General Sessions Court				976,825
Chancery Court				
State Retirement	$	17,061		
Life Insurance		388		
Medical Insurance		45,413		
Dental Insurance		1,591		
Disability Insurance		951		
Unemployment Compensation		756		
Data Processing Services		29,622		
Dues and Memberships		1,066		
Maintenance Agreements		1,708		
Postal Charges		15,989		
Printing, Stationery, and Forms		2,740		
Travel		585		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Chancery Court (Cont.)				
Office Supplies	$	2,713		
Periodicals		666		
Other Charges		25		
Furniture and Fixtures		769		
Total Chancery Court			$	122,043
District Attorney General				
Travel	$	1,050		
Total District Attorney General				1,050
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	80,712		
Deputy(ies)		2,016,260		
Investigator(s)		578,669		
Captain(s)		138,882		
Lieutenant(s)		221,409		
Sergeant(s)		346,173		
Dispatchers/Radio Operators		185,296		
Clerical Personnel		170,395		
Part-time Personnel		8,276		
Longevity Pay		43,200		
Overtime Pay		164,384		
In-Service Training		46,200		
Social Security		244,145		
State Retirement		247,713		
Life Insurance		4,858		
Medical Insurance		564,176		
Dental Insurance		19,147		
Disability Insurance		13,515		
Unemployment Compensation		10,076		
Employer Medicare		57,098		
Communication		19,740		
Data Processing Services		47,617		
Dues and Memberships		3,843		
Legal Notices, Recording, and Court Costs		200		
Maintenance Agreements		15,662		
Maintenance and Repair Services - Equipment		2,641		
Maintenance and Repair Services - Vehicles		40,548		
Postal Charges		2,217		
Printing, Stationery, and Forms		1,063		
Travel		24,680		
Veterinary Services		1,185		
Other Contracted Services		820		
Animal Food and Supplies		586		
Data Processing Supplies		5,485		
Gasoline		263,612		
Law Enforcement Supplies		10,972		
Lubricants		6,638		
Office Supplies		7,447		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
Sheriff's Department (Cont.)				
Periodicals	$	2,734		
Tires and Tubes		17,643		
Uniforms		26,014		
Vehicle Parts		64,409		
Workers' Compensation Insurance		8,850		
Other Charges		1,444		
Communication Equipment		3,990		
Data Processing Equipment		20,090		
Furniture and Fixtures		76		
Law Enforcement Equipment		43,392		
Motor Vehicles		23,511		
Office Equipment		275		
Other Equipment		34		
Total Sheriff's Department			$	5,828,002
Administration of the Sexual Offender Registry				
Contracts with Government Agencies	$	1,550		
Total Administration of the Sexual Offender Registry				1,550
Jail				
County Official/Administrative Officer	$	3,024		
Sergeant(s)		199,687		
Maintenance Personnel		40,456		
Longevity Pay		16,450		
Overtime Pay		179,104		
Other Salaries and Wages		1,640,903		
In-Service Training		2,400		
Social Security		127,219		
State Retirement		127,617		
Life Insurance		2,950		
Medical Insurance		346,819		
Dental Insurance		11,845		
Disability Insurance		6,475		
Unemployment Compensation		7,087		
Employer Medicare		29,753		
Communication		2,098		
Contracts with Government Agencies		178,537		
Maintenance Agreements		14,106		
Maintenance and Repair Services - Buildings		82,490		
Maintenance and Repair Services - Equipment		861		
Maintenance and Repair Services - Vehicles		3,346		
Medical and Dental Services		307,981		
Pest Control		2,397		
Postal Charges		2,030		
Printing, Stationery, and Forms		6,643		
Travel		3,589		
Disposal Fees		5,182		
Other Contracted Services		1,749		
Custodial Supplies		39,228		
Diesel Fuel		723		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
Jail (Cont.)				
Drugs and Medical Supplies	$	241,758		
Electricity		229,809		
Food Supplies		337,797		
Gasoline		37,218		
Law Enforcement Supplies		1,406		
Lubricants		881		
Natural Gas		51,800		
Periodicals		664		
Prisoners Clothing		17,595		
Tires and Tubes		473		
Uniforms		7,934		
Vehicle Parts		4,004		
Other Supplies and Materials		352		
Other Charges		3,310		
Communication Equipment		2,031		
Data Processing Equipment		927		
Food Service Equipment		12,217		
Law Enforcement Equipment		1,797		
Other Equipment		4,107		
Total Jail			$	4,348,829
Juvenile Services				
Assistant(s)	$	27,755		
Probation Officer(s)		31,013		
Youth Service Officer(s)		42,595		
Longevity Pay		800		
Overtime Pay		1,044		
Social Security		6,344		
State Retirement		6,667		
Life Insurance		140		
Medical Insurance		19,471		
Dental Insurance		668		
Disability Insurance		370		
Unemployment Compensation		326		
Employer Medicare		1,484		
Communication		798		
Dues and Memberships		210		
Postal Charges		68		
Travel		5,220		
Other Contracted Services		28,421		
Drugs and Medical Supplies		100		
Office Supplies		251		
Furniture and Fixtures		315		
Office Equipment		261		
Total Juvenile Services				174,321
Civil Defense				
Contributions	$	175,823		
Vehicle and Equipment Insurance		26,061		
Total Civil Defense				201,884

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Other Emergency Management		
Clerical Personnel	$ 34,116	
Longevity Pay	200	
Social Security	2,084	
State Retirement	2,220	
Life Insurance	55	
Medical Insurance	6,490	
Dental Insurance	223	
Disability Insurance	125	
Unemployment Compensation	108	
Employer Medicare	487	
Communication	7,294	
Consultants	350	
Dues and Memberships	250	
Maintenance Agreements	1,354	
Maintenance and Repair Services - Equipment	1,100	
Maintenance and Repair Services - Vehicles	4,399	
Postal Charges	34	
Printing, Stationery, and Forms	150	
Travel	1,929	
Other Contracted Services	1,563	
Electricity	2,762	
Gasoline	5,517	
Natural Gas	683	
Office Supplies	1,526	
Small Tools	1,608	
Tires and Tubes	177	
Uniforms	1,734	
Vehicle Parts	364	
Other Supplies and Materials	4,526	
Vehicle and Equipment Insurance	9,742	
Other Charges	80,455	
Other Equipment	146,722	
Total Other Emergency Management		$ 320,347
Public Safety Grant Programs		
Uniforms	$ 2,100	
Law Enforcement Equipment	38,867	
Total Public Safety Grant Programs		40,967
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 310,989	
Clerical Personnel	115,436	
Part-time Personnel	32,524	
Longevity Pay	3,150	
Social Security	28,025	
State Retirement	26,433	
Life Insurance	795	
Medical Insurance	87,370	
Dental Insurance	3,052	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Disability Insurance	$ 1,367	
Unemployment Compensation	2,331	
Employer Medicare	6,554	
Communication	10,855	
Dues and Memberships	200	
Janitorial Services	29,229	
Licenses	168	
Maintenance Agreements	7,877	
Maintenance and Repair Services - Buildings	10,622	
Maintenance and Repair Services - Equipment	1,992	
Pest Control	561	
Travel	13,152	
Electricity	42,874	
Natural Gas	11,165	
Office Supplies	1,987	
Other Supplies and Materials	625	
Liability Insurance	196	
Workers' Compensation Insurance	3,108	
Total Local Health Center		$ 752,637
Rabies and Animal Control		
County Official/Administrative Officer	$ 34,237	
Part-time Personnel	55,026	
Longevity Pay	1,850	
Overtime Pay	10	
Other Salaries and Wages	211,233	
Social Security	18,304	
State Retirement	13,198	
Life Insurance	472	
Medical Insurance	55,658	
Dental Insurance	1,909	
Disability Insurance	875	
Unemployment Compensation	1,469	
Employer Medicare	4,281	
Advertising	385	
Communication	1	
Licenses	440	
Maintenance Agreements	3,000	
Maintenance and Repair Services - Buildings	3,200	
Maintenance and Repair Services - Equipment	35	
Maintenance and Repair Services - Vehicles	2,064	
Medical and Dental Services	455	
Postal Charges	246	
Printing, Stationery, and Forms	352	
Travel	870	
Veterinary Services	22,763	
Disposal Fees	3,386	
Custodial Supplies	3,866	
Drugs and Medical Supplies	28,296	
Electricity	28,911	

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Rabies and Animal Control (Cont.)				
Gasoline	$	8,691		
Natural Gas		13,288		
Office Supplies		2,215		
Other Supplies and Materials		35,768		
Building and Contents Insurance		327		
Refunds		1,825		
Other Equipment		355		
Total Rabies and Animal Control			$	559,261
Appropriation to State				
Contracts with Government Agencies	$	69,900		
Total Appropriation to State				69,900
Other Local Welfare Services				
Other Contracted Services	$	2,851		
Total Other Local Welfare Services				2,851
Other Public Health and Welfare				
Other Contracted Services	$	349,507		
Total Other Public Health and Welfare				349,507
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Contributions	$	34,000		
Total Senior Citizens Assistance				34,000
Libraries				
County Official/Administrative Officer	$	47,394		
Librarians		246,438		
Part-time Personnel		52,444		
Longevity Pay		5,850		
Overtime Pay		8		
Social Security		21,294		
State Retirement		19,379		
Life Insurance		554		
Medical Insurance		64,904		
Dental Insurance		2,226		
Disability Insurance		1,075		
Unemployment Compensation		1,596		
Employer Medicare		4,980		
Communication		1,563		
Dues and Memberships		250		
Janitorial Services		6,000		
Licenses		305		
Maintenance Agreements		12,083		
Maintenance and Repair Services - Buildings		1,230		
Pest Control		646		
Postal Charges		1,050		
Other Contracted Services		6,534		
Custodial Supplies		1,472		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Libraries (Cont.)				
Electricity	$	25,613		
Library Books/Media		55,010		
Natural Gas		4,657		
Office Supplies		8,105		
Periodicals		4,677		
Other Capital Outlay		24,828		
Total Libraries			$	622,165
Parks and Fair Boards				
County Official/Administrative Officer	$	64,818		
Assistant(s)		77,736		
Laborers		152,010		
Clerical Personnel		23,206		
Temporary Personnel		20,779		
Longevity Pay		4,150		
Overtime Pay		3,154		
Social Security		21,301		
State Retirement		20,305		
Life Insurance		487		
Medical Insurance		56,909		
Dental Insurance		1,797		
Disability Insurance		1,108		
Unemployment Compensation		1,241		
Employer Medicare		4,982		
Communication		1,203		
Laundry Service		4,798		
Maintenance Agreements		576		
Maintenance and Repair Services - Buildings		6,217		
Maintenance and Repair Services - Equipment		3,321		
Maintenance and Repair Services - Vehicles		6,711		
Pest Control		646		
Postal Charges		219		
Printing, Stationery, and Forms		119		
Rentals		300		
Travel		1,044		
Other Contracted Services		2,905		
Custodial Supplies		6,731		
Electricity		60,263		
Equipment Parts - Light		1,045		
Fertilizer, Lime, and Seed		8,236		
Gasoline		19,814		
Lubricants		787		
Natural Gas		6,007		
Office Supplies		1,278		
Uniforms		463		
Other Supplies and Materials		23,705		
Other Charges		1,850		
Building Improvements		892		
Furniture and Fixtures		368		
Other Capital Outlay		6,502		
Total Parks and Fair Boards				619,983

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Agriculture and Natural Resources				
Agriculture Extension Service				
Board and Committee Members Fees	$	250		
Social Security		16		
Employer Medicare		4		
Contracts with Government Agencies		116,506		
Dues and Memberships		320		
Maintenance Agreements		1,458		
Postal Charges		180		
Total Agriculture Extension Service			$	118,734
Forest Service				
Contributions	$	2,000		
Total Forest Service				2,000
Soil Conservation				
Longevity Pay	$	1,000		
Other Salaries and Wages		34,944		
Social Security		2,223		
State Retirement		2,326		
Life Insurance		50		
Medical Insurance		5,997		
Dental Insurance		206		
Disability Insurance		128		
Unemployment Compensation		108		
Employer Medicare		520		
Total Soil Conservation				47,502
Other Operations				
Tourism				
County Official/Administrative Officer	$	56,892		
Part-time Personnel		17,598		
Longevity Pay		500		
Overtime Pay		137		
Other Salaries and Wages		61,057		
Social Security		8,413		
State Retirement		7,608		
Life Insurance		143		
Medical Insurance		7,996		
Dental Insurance		394		
Disability Insurance		390		
Unemployment Compensation		659		
Employer Medicare		1,968		
Advertising		94,740		
Dues and Memberships		3,130		
Maintenance Agreements		513		
Maintenance and Repair Services - Vehicles		821		
Postal Charges		2,363		
Printing, Stationery, and Forms		10,189		
Rentals		2,778		
Travel		9,940		
Other Contracted Services		50,593		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Other Operations (Cont.)				
Tourism (Cont.)				
Electricity	$	1,763		
Gasoline		551		
Office Supplies		2,425		
Other Supplies and Materials		11,728		
Other Charges		5,074		
Furniture and Fixtures		2,238		
Total Tourism			$	362,601
Industrial Development				
Contributions	$	200,000		
Electricity		1,531		
Total Industrial Development				201,531
Other Economic and Community Development				
Other Contracted Services	$	350		
Other Charges		83		
Total Other Economic and Community Development				433
Airport				
Contributions	$	80,000		
Total Airport				80,000
Veterans' Services				
Clerical Personnel	$	30,863		
Part-time Personnel		29,452		
Longevity Pay		1,000		
Social Security		3,796		
State Retirement		2,062		
Life Insurance		36		
Medical Insurance		6,490		
Dental Insurance		223		
Disability Insurance		115		
Unemployment Compensation		216		
Employer Medicare		888		
Dues and Memberships		25		
Maintenance Agreements		764		
Postal Charges		677		
Printing, Stationery, and Forms		35		
Travel		647		
Office Supplies		274		
Periodicals		399		
Total Veterans' Services				77,962
Contributions to Other Agencies				
Contributions	$	109,986		
Total Contributions to Other Agencies				109,986
Employee Benefits				
Medical and Dental Services	$	20,505		
Other Supplies and Materials		7,674		
Total Employee Benefits				28,179

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Payments to Cities			
Contracts with Government Agencies	$ 250,000		
Total Payments to Cities		$ 250,000	
Miscellaneous			
Medical and Dental Services	$ 80,940		
Other Contracted Services	47,895		
Trustee's Commission	304,077		
Tax Relief Program	156,976		
Total Miscellaneous		589,888	
Principal on Debt			
General Government			
Principal on Other Loans	$ 128,080		
Total General Government		128,080	
Interest on Debt			
General Government			
Interest on Other Loans	$ 5,763		
Total General Government		5,763	
Total General Fund			$ 23,456,531
Drug Control Fund			
Public Safety			
Drug Enforcement			
Social Security	$ 85		
Employer Medicare	20		
Communication	8,067		
Contributions	12,424		
Data Processing Services	650		
Confidential Drug Enforcement Payments	10,000		
Maintenance Agreements	915		
Maintenance and Repair Services - Buildings	197		
Maintenance and Repair Services - Vehicles	1,226		
Printing, Stationery, and Forms	135		
Rentals	7,000		
Travel	5,511		
Other Contracted Services	125		
Data Processing Supplies	50		
Electricity	6,281		
Gasoline	17,066		
Instructional Supplies and Materials	6,810		
Law Enforcement Supplies	1,265		
Lubricants	320		
Office Supplies	191		
Tires and Tubes	993		
Uniforms	1,375		
Vehicle Parts	2,076		
Trustee's Commission	1,204		
Other Charges	12,033		

(Continued)

Exhibit K-8

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
Communication Equipment	$ 42		
Law Enforcement Equipment	13,143		
Motor Vehicles	25,279		
Total Drug Enforcement		$ 134,483	
Total Drug Control Fund			$ 134,483
Adequate Facilities/Development Tax Fund			
Other Operations			
Airport			
Contributions	$ 110,887		
Total Airport		$ 110,887	
Capital Projects			
General Administration Projects			
Refunds	$ 296		
Total General Administration Projects		296	
Public Safety Projects			
Architects	$ 1,284		
Building Construction	706,277		
Total Public Safety Projects		707,561	
Total Adequate Facilities/Development Tax Fund			818,744
Constitutional Officers - Fees Fund			
Finance			
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 512,776		
Total County Clerk's Office		$ 512,776	
Administration of Justice			
Circuit Court			
Constitutional Officers' Operating Expenses	$ 1,832		
Total Circuit Court		1,832	
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 30,476		
Constitutional Officers' Operating Expenses	283,355		
Total Chancery Court		313,831	
Public Safety			
Sheriff's Department			
Constitutional Officers' Operating Expenses	$ 206		
Total Sheriff's Department		206	
Total Constitutional Officers - Fees Fund			828,645

(Continued)

Exhibit K-8

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

Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	$	80,712		
Purchasing Personnel		34,944		
Longevity Pay		1,300		
Overtime Pay		13		
Other Salaries and Wages		50,565		
Social Security		10,387		
State Retirement		10,840		
Life Insurance		166		
Medical Insurance		19,471		
Dental Insurance		668		
Disability Insurance		605		
Unemployment Compensation		216		
Employer Medicare		2,429		
Dues and Memberships		3,888		
Maintenance Agreements		782		
Maintenance and Repair Services - Office Equipment		455		
Postal Charges		367		
Printing, Stationery, and Forms		242		
Travel		410		
Other Contracted Services		3,640		
Office Supplies		2,245		
Premiums on Corporate Surety Bonds		736		
Other Charges		239		
Total Administration			$	225,320
Highway and Bridge Maintenance				
Foremen	$	65,856		
Mechanic(s)		247,855		
Equipment Operators - Heavy		340,284		
Equipment Operators - Light		317,773		
Truck Drivers		315,442		
Laborers		62,322		
Guards		56,733		
Longevity Pay		24,900		
Overtime Pay		16,788		
Other Salaries and Wages		123,862		
Social Security		95,714		
State Retirement		98,429		
Life Insurance		2,250		
Medical Insurance		280,156		
Dental Insurance		9,372		
Disability Insurance		5,362		
Unemployment Compensation		5,415		
Employer Medicare		22,385		
Matching Share		427		
Rentals		373		
Other Contracted Services		69		
Asphalt		653,082		
Concrete		26,734		
Crushed Stone		281,686		

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Highway and Bridge Maintenance (Cont.)				
Fertilizer, Lime, and Seed	$	965		
Other Road Supplies		16,058		
Pipe		44,621		
Road Signs		29,190		
Wood Products		1,893		
Total Highway and Bridge Maintenance			$	3,145,996
Operation and Maintenance of Equipment				
Communication	$	3,084		
Maintenance Agreements		540		
Maintenance and Repair Services - Buildings		7,320		
Maintenance and Repair Services - Equipment		17,239		
Maintenance and Repair Services - Vehicles		18,192		
Other Contracted Services		1,784		
Crushed Stone		1,783		
Custodial Supplies		2,091		
Diesel Fuel		426,412		
Drugs and Medical Supplies		1,868		
Equipment and Machinery Parts		126,810		
Garage Supplies		9,543		
Gasoline		50,496		
Lubricants		34,876		
Small Tools		24,812		
Tires and Tubes		88,139		
Vehicle Parts		113,679		
Other Supplies and Materials		30,026		
Right-of-Way		10,102		
Total Operation and Maintenance of Equipment				968,796
Other Charges				
Laundry Service	$	11,060		
Pest Control		459		
Electricity		13,664		
Natural Gas		2,150		
Uniforms		587		
Building and Contents Insurance		1,959		
Liability Insurance		46,644		
Trustee's Commission		77,015		
Vehicle and Equipment Insurance		29,225		
Workers' Compensation Insurance		193,249		
Other Charges		5,129		
Total Other Charges				381,141
Capital Outlay				
Bridge Construction	$	411,097		
Highway Construction		423,926		
Highway Equipment		137,846		
Total Capital Outlay				972,869

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Capital Projects			
Highway and Street Capital Projects			
Other Capital Outlay	$ 69,203		
Total Highway and Street Capital Projects		$ 69,203	
Total Highway/Public Works Fund			$ 5,763,325
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 350,550		
Principal on Notes	1,230,856		
Total General Government		$ 1,581,406	
Highways and Streets			
Principal on Notes	$ 1,600,000		
Total Highways and Streets		1,600,000	
Education			
Principal on Bonds	$ 3,254,450		
Principal on Notes	874,790		
Principal on Capital Leases	249,731		
Principal on Other Loans	275,052		
Total Education		4,654,023	
Interest on Debt			
General Government			
Interest on Bonds	$ 389,166		
Interest on Notes	229,880		
Total General Government		619,046	
Highways and Streets			
Interest on Notes	$ 13,427		
Total Highways and Streets		13,427	
Education			
Interest on Bonds	$ 1,414,866		
Interest on Notes	168,560		
Interest on Capital Leases	24,550		
Interest on Other Loans	213,700		
Total Education		1,821,676	
Other Debt Service			
General Government			
Bank Charges	$ 3,350		
Trustee's Commission	153,886		
Total General Government		157,236	
Education			
Other Debt Service	$ 3,526		
Total Education		3,526	
Total General Debt Service Fund			10,450,340

(Continued)

Exhibit K-8

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

General Capital Projects Fund			
Capital Projects			
Administration of Justice Projects			
Architects	$ 81,980		
Total Administration of Justice Projects		$ 81,980	
Total General Capital Projects Fund			$ 81,980
Highway Capital Projects Fund			
Capital Projects			
Highway and Street Capital Projects			
Asphalt	$ 500,807		
Crushed Stone	406,418		
Other Road Supplies	1,088		
Pipe	4,150		
Total Highway and Street Capital Projects		$ 912,463	
Total Highway Capital Projects Fund			912,463
Other Capital Projects Fund			
General Government			
Development			
Motor Vehicles	$ 24,889		
Total Development		$ 24,889	
County Buildings			
Building Improvements	$ 88,570		
Furniture and Fixtures	15,309		
Total County Buildings		103,879	
Other General Administration			
Other Capital Outlay	$ 7,050		
Total Other General Administration		7,050	
Finance			
Data Processing			
Other Capital Outlay	$ 118,911		
Total Data Processing		118,911	
Public Safety			
Sheriff's Department			
Communication Equipment	$ 201,744		
Heating and Air Conditioning Equipment	16,495		
Motor Vehicles	98,563		
Other Equipment	11,377		
Other Construction	10,927		
Total Sheriff's Department		339,106	
Jail			
Food Service Equipment	$ 1,192		
Total Jail		1,192	

(Continued)

Exhibit K-8

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

Other Capital Projects Fund (Cont.)			
Public Safety (Cont.)			
Civil Defense			
Motor Vehicles	$ 319,319		
Total Civil Defense		$ 319,319	
Other Emergency Management			
Motor Vehicles	$ 35,018		
Other Equipment	36,302		
Total Other Emergency Management		71,320	
Public Health and Welfare			
Rabies and Animal Control			
Motor Vehicles	$ 22,616		
Total Rabies and Animal Control		22,616	
Landfill Operation and Maintenance			
Other Capital Outlay	$ 29,736		
Total Landfill Operation and Maintenance		29,736	
Social, Cultural, and Recreational Services			
Libraries			
Other Capital Outlay	$ 60,000		
Total Libraries		60,000	
Parks and Fair Boards			
Other Capital Outlay	$ 4,000		
Total Parks and Fair Boards		4,000	
Other Operations			
Industrial Development			
Site Development	$ 100,000		
Total Industrial Development		100,000	
Other Charges			
Other Charges	$ 578		
Total Other Charges		578	
Miscellaneous			
Trustee's Commission	$ 35,228		
Total Miscellaneous		35,228	
Highways			
Capital Outlay			
Highway Equipment	$ 230,000		
Total Capital Outlay		230,000	
Capital Projects - Donated			
Capital Projects Donated to School Department			
Heating and Air Conditioning Equipment	$ 155,282		
Motor Vehicles	605,601		
Total Capital Projects Donated to School Department		760,883	
Total Other Capital Projects Fund			$ 2,228,707
Total Governmental Funds - Primary Government			$ 44,675,218

Exhibit K-9

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2013

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 26,938,418	
Career Ladder Program	220,219	
Career Ladder Extended Contracts	80,275	
Homebound Teachers	64,893	
Educational Assistants	661,285	
Other Salaries and Wages	559,821	
Certified Substitute Teachers	50,844	
Non-certified Substitute Teachers	465,910	
Social Security	1,730,111	
State Retirement	2,497,938	
Life Insurance	45,090	
Medical Insurance	4,623,612	
Dental Insurance	157,695	
Employer Medicare	404,860	
Other Contracted Services	273,598	
Instructional Supplies and Materials	221,815	
Textbooks	915,810	
Other Supplies and Materials	98,796	
Fee Waivers	48,246	
Regular Instruction Equipment	284,731	
Total Regular Instruction Program		$ 40,343,967
Alternative Instruction Program		
Teachers	$ 315,877	
Career Ladder Program	1,000	
Educational Assistants	73,562	
Certified Substitute Teachers	160	
Non-certified Substitute Teachers	9,088	
Social Security	24,408	
State Retirement	32,744	
Life Insurance	695	
Medical Insurance	74,364	
Dental Insurance	2,781	
Employer Medicare	5,708	
Other Contracted Services	4,777	
Instructional Supplies and Materials	1,910	
Total Alternative Instruction Program		547,074
Special Education Program		
Teachers	$ 3,966,456	
Career Ladder Program	35,977	
Homebound Teachers	37,460	
Educational Assistants	666,632	
Speech Pathologist	638,228	
Other Salaries and Wages	87,179	
Certified Substitute Teachers	1,284	
Non-certified Substitute Teachers	12,212	
Social Security	322,926	
State Retirement	451,042	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Life Insurance	$	10,463		
Medical Insurance		1,032,765		
Dental Insurance		36,222		
Employer Medicare		75,529		
Contracts with Private Agencies		69,965		
Maintenance and Repair Services - Equipment		2,288		
Other Contracted Services		90,153		
Instructional Supplies and Materials		37,907		
Other Supplies and Materials		13,827		
Special Education Equipment		8,317		
Total Special Education Program			$	7,596,832
Vocational Education Program				
Teachers	$	2,070,863		
Career Ladder Program		11,999		
Certified Substitute Teachers		1,056		
Non-certified Substitute Teachers		9,728		
Social Security		124,619		
State Retirement		184,958		
Life Insurance		2,981		
Medical Insurance		303,943		
Dental Insurance		10,140		
Employer Medicare		29,147		
Maintenance and Repair Services - Equipment		2,195		
Other Contracted Services		6,974		
Instructional Supplies and Materials		44,889		
T&I Construction Materials		12,172		
Textbooks		6,623		
Other Supplies and Materials		2,497		
Vocational Instruction Equipment		17,398		
Total Vocational Education Program				2,842,182
Support Services				
Attendance				
Supervisor/Director	$	78,731		
Career Ladder Program		1,000		
Social Workers		30,844		
Clerical Personnel		108,543		
Other Salaries and Wages		186,103		
Social Security		24,618		
State Retirement		28,855		
Life Insurance		820		
Medical Insurance		72,632		
Dental Insurance		2,923		
Employer Medicare		5,757		
Communication		2,048		
Postal Charges		3,099		
Travel		3,858		
Other Contracted Services		1,602		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Attendance (Cont.)				
Other Supplies and Materials	$	19,620		
In Service/Staff Development		1,472		
Other Charges		706		
Attendance Equipment		961		
Total Attendance			$	574,192
Health Services				
Medical Personnel	$	272,310		
Secretary(ies)		26,739		
Other Salaries and Wages		51,997		
Certified Substitute Teachers		616		
Social Security		21,239		
State Retirement		23,964		
Life Insurance		666		
Medical Insurance		58,836		
Dental Insurance		2,340		
Employer Medicare		4,968		
Communication		3,148		
Maintenance and Repair Services - Equipment		200		
Travel		11,732		
Other Supplies and Materials		10,299		
In Service/Staff Development		3,372		
Other Charges		1,522		
Health Equipment		340		
Total Health Services				494,288
Other Student Support				
Career Ladder Program	$	9,600		
Guidance Personnel		1,426,715		
Social Security		86,664		
State Retirement		125,347		
Life Insurance		1,821		
Medical Insurance		193,869		
Dental Insurance		6,714		
Employer Medicare		20,268		
Evaluation and Testing		39,007		
Other Supplies and Materials		5,700		
Total Other Student Support				1,915,705
Regular Instruction Program				
Supervisor/Director	$	351,894		
Career Ladder Program		25,362		
Career Ladder Extended Contracts		3,200		
Librarians		1,062,002		
Secretary(ies)		31,534		
Clerical Personnel		42,683		
Other Salaries and Wages		146,270		
Certified Substitute Teachers		13,628		
Social Security		100,963		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
State Retirement	$	137,616		
Life Insurance		1,962		
Medical Insurance		197,847		
Dental Insurance		6,833		
Employer Medicare		23,623		
Communication		15,593		
Operating Lease Payments		31,224		
Postal Charges		516		
Travel		82,466		
Other Contracted Services		160,450		
Library Books/Media		40,818		
Periodicals		52,237		
Other Supplies and Materials		10,915		
In Service/Staff Development		39,455		
Other Charges		13,753		
Other Equipment		1,411		
Total Regular Instruction Program			$	2,594,255
Alternative Instruction Program				
Supervisor/Director	$	61,149		
Guidance Personnel		28,690		
Clerical Personnel		19,882		
Social Security		6,380		
State Retirement		8,573		
Life Insurance		216		
Medical Insurance		22,951		
Dental Insurance		726		
Employer Medicare		1,492		
Communication		2,276		
Travel		904		
Other Contracted Services		1,470		
Other Supplies and Materials		1,338		
In Service/Staff Development		500		
Other Equipment		130		
Total Alternative Instruction Program				156,677
Special Education Program				
Supervisor/Director	$	71,999		
Career Ladder Program		9,772		
Psychological Personnel		340,475		
Assessment Personnel		174,554		
Secretary(ies)		31,684		
Clerical Personnel		16,700		
Other Salaries and Wages		66,447		
In-Service Training		1,020		
Social Security		42,325		
State Retirement		61,846		
Life Insurance		918		
Medical Insurance		98,123		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Special Education Program (Cont.)				
Dental Insurance	$	3,145		
Employer Medicare		9,899		
Communication		4,775		
Maintenance and Repair Services - Equipment		674		
Postal Charges		334		
Travel		37,733		
Other Contracted Services		41,016		
Other Supplies and Materials		12,100		
In Service/Staff Development		5,083		
Other Charges		1,753		
Other Equipment		2,597		
Total Special Education Program			$	1,034,972
Vocational Education Program				
Supervisor/Director	$	73,170		
Career Ladder Program		3,000		
Career Ladder Extended Contracts		1,000		
Clerical Personnel		26,355		
Social Security		6,157		
State Retirement		8,558		
Life Insurance		144		
Medical Insurance		12,011		
Dental Insurance		484		
Employer Medicare		1,440		
Communication		598		
Postal Charges		149		
Travel		28,274		
Other Supplies and Materials		2,260		
In Service/Staff Development		2,251		
Other Charges		500		
Other Equipment		200		
Total Vocational Education Program				166,551
Other Programs				
On-Behalf Payments to OPEB	$	464,269		
Total Other Programs				464,269
Board of Education				
Secretary to Board	$	3,469		
Other Salaries and Wages		168		
Board and Committee Members Fees		11,550		
Social Security		19,158		
State Retirement		235		
Unemployment Compensation		165,862		
Employer Medicare		4,607		
Other Fringe Benefits		920,682		
Audit Services		20,000		
Dues and Memberships		12,904		
Legal Services		34,468		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Postal Charges	$	29		
Travel		2,433		
Judgments		15,000		
Liability Insurance		17,994		
Trustee's Commission		655,440		
Workers' Compensation Insurance		427,398		
In Service/Staff Development		6,582		
Other Charges		3,702		
Total Board of Education			$	2,321,681
Director of Schools				
County Official/Administrative Officer	$	125,658		
Secretary(ies)		31,220		
Other Salaries and Wages		50,139		
Social Security		11,931		
State Retirement		17,429		
Life Insurance		216		
Medical Insurance		23,758		
Dental Insurance		941		
Employer Medicare		2,970		
Communication		2,388		
Dues and Memberships		4,762		
Postal Charges		1,126		
Travel		4,254		
Other Contracted Services		2,625		
Office Supplies		620		
Other Supplies and Materials		299		
In Service/Staff Development		2,064		
Other Charges		1,812		
Total Director of Schools				284,212
Office of the Principal				
Principals	$	1,615,122		
Career Ladder Program		25,500		
Career Ladder Extended Contracts		2,200		
Assistant Principals		1,631,391		
Secretary(ies)		592,378		
Clerical Personnel		680,161		
Social Security		273,196		
State Retirement		369,582		
Life Insurance		6,874		
Medical Insurance		665,635		
Dental Insurance		23,929		
Employer Medicare		63,892		
Communication		92,190		
Other Contracted Services		114,614		
Office Supplies		20,180		
Other Charges		4,603		
Total Office of the Principal				6,181,447

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Fiscal Services				
Supervisor/Director	$	77,024		
Accountants/Bookkeepers		249,732		
Purchasing Personnel		34,334		
Clerical Personnel		32,414		
Social Security		24,201		
State Retirement		25,460		
Life Insurance		730		
Medical Insurance		66,432		
Dental Insurance		2,661		
Employer Medicare		5,660		
Maintenance and Repair Services - Equipment		1,593		
Postal Charges		6,831		
Travel		2,311		
Other Contracted Services		11,844		
Office Supplies		15,827		
In Service/Staff Development		1,794		
Other Charges		5,384		
Administration Equipment		12,386		
Total Fiscal Services			$	576,618
Human Services/Personnel				
Supervisor/Director	$	85,344		
Clerical Personnel		90,500		
Social Security		10,747		
State Retirement		13,118		
Life Insurance		288		
Medical Insurance		24,413		
Dental Insurance		968		
Employer Medicare		2,513		
Advertising		206		
Communication		1,209		
Operating Lease Payments		3,029		
Postal Charges		841		
Travel		1,593		
Other Contracted Services		18,421		
Office Supplies		2,309		
In Service/Staff Development		1,090		
Other Charges		6,086		
Administration Equipment		893		
Total Human Services/Personnel				263,568
Operation of Plant				
Supervisor/Director	$	58,092		
Custodial Personnel		250,625		
Social Security		18,963		
State Retirement		19,974		
Life Insurance		816		
Medical Insurance		66,424		
Dental Insurance		2,863		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Operation of Plant (Cont.)				
Employer Medicare	$	4,435		
Communication		598		
Janitorial Services		1,819,527		
Disposal Fees		56,852		
Other Contracted Services		156,967		
Electricity		2,311,070		
Natural Gas		457,286		
Water and Sewer		331,773		
Other Supplies and Materials		2,520		
Building and Contents Insurance		321,672		
In Service/Staff Development		285		
Other Charges		35		
Total Operation of Plant			$	5,880,777
Maintenance of Plant				
Secretary(ies)	$	31,034		
Maintenance Personnel		590,391		
Social Security		38,167		
State Retirement		40,207		
Life Insurance		1,414		
Medical Insurance		126,178		
Dental Insurance		5,040		
Employer Medicare		8,926		
Communication		6,508		
Laundry Service		10,571		
Maintenance and Repair Services - Buildings		45,982		
Maintenance and Repair Services - Equipment		79,978		
Maintenance and Repair Services - Vehicles		12,665		
Other Contracted Services		22,944		
Other Supplies and Materials		334,510		
Other Charges		7,707		
Maintenance Equipment		58,259		
Total Maintenance of Plant				1,420,481
Transportation				
Supervisor/Director	$	83,031		
Bus Drivers		1,535,697		
Clerical Personnel		55,181		
Social Security		101,516		
State Retirement		96,666		
Life Insurance		7,892		
Medical Insurance		729,532		
Dental Insurance		29,387		
Employer Medicare		23,744		
Communication		2,807		
Operating Lease Payments		1,489		
Maintenance and Repair Services - Vehicles		12,388		
Postal Charges		18		
Travel		353		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Transportation (Cont.)				
Other Contracted Services	$	256,858		
Diesel Fuel		701,438		
Tires and Tubes		123,358		
Vehicle Parts		155,993		
Other Supplies and Materials		1,845		
Vehicle and Equipment Insurance		156,239		
In Service/Staff Development		2,026		
Other Charges		26,291		
Transportation Equipment		50,161		
Total Transportation			$	4,153,910
Central and Other				
Supervisor/Director	$	69,080		
Other Salaries and Wages		369,455		
Social Security		26,363		
State Retirement		28,373		
Life Insurance		624		
Medical Insurance		53,238		
Dental Insurance		2,203		
Employer Medicare		6,166		
Communication		7,502		
Maintenance and Repair Services - Equipment		3,145		
Postal Charges		5		
Travel		4,848		
Other Contracted Services		49,971		
Other Supplies and Materials		94,890		
In Service/Staff Development		2,045		
Administration Equipment		788		
Data Processing Equipment		173,590		
Total Central and Other				892,286
Operation of Non-Instructional Services				
Early Childhood Education				
Teachers	$	504,973		
Educational Assistants		220,572		
Certified Substitute Teachers		7,256		
Social Security		43,930		
State Retirement		59,108		
Life Insurance		1,931		
Medical Insurance		169,675		
Dental Insurance		6,553		
Employer Medicare		10,275		
Travel		2,903		
Other Contracted Services		1,236		
Instructional Supplies and Materials		12,264		
Other Supplies and Materials		1,536		
In Service/Staff Development		7,533		
Other Equipment		17,696		
Total Early Childhood Education				1,067,441

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)			
Capital Outlay			
Regular Capital Outlay			
Architects	$ 137,944		
Building Improvements	294,294		
Total Regular Capital Outlay		$ 432,238	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 354,534		
Total Education		354,534	
Total General Purpose School Fund			$ 82,560,157
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 790,822		
Educational Assistants	235,355		
Other Salaries and Wages	275,553		
Certified Substitute Teachers	608		
Social Security	78,942		
State Retirement	93,158		
Life Insurance	1,267		
Medical Insurance	117,784		
Dental Insurance	4,046		
Unemployment Compensation	7,390		
Employer Medicare	18,462		
Other Contracted Services	5,450		
Instructional Supplies and Materials	263,527		
Other Supplies and Materials	13,109		
Other Charges	110		
Regular Instruction Equipment	188,450		
Total Regular Instruction Program		$ 2,094,033	
Special Education Program			
Teachers	$ 201,620		
Educational Assistants	635,583		
Social Security	50,441		
State Retirement	57,814		
Life Insurance	3,471		
Medical Insurance	290,460		
Dental Insurance	12,143		
Unemployment Compensation	6,693		
Employer Medicare	11,797		
Maintenance and Repair Services - Equipment	104		
Other Contracted Services	66,374		
Instructional Supplies and Materials	46,160		
Other Supplies and Materials	11,407		
Special Education Equipment	13,992		
Total Special Education Program		1,408,059	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program				
Instructional Supplies and Materials	$	44,251		
Vocational Instruction Equipment		78,719		
Total Vocational Education Program			$	122,970
Support Services				
Health Services				
Medical Personnel	$	35,294		
Other Salaries and Wages		80,417		
Social Security		7,152		
State Retirement		7,487		
Life Insurance		198		
Medical Insurance		17,836		
Dental Insurance		725		
Unemployment Compensation		412		
Employer Medicare		1,673		
Total Health Services				151,194
Other Student Support				
Guidance Personnel	$	10,636		
Other Salaries and Wages		14,446		
Social Security		1,534		
State Retirement		2,171		
Life Insurance		36		
Medical Insurance		3,000		
Dental Insurance		120		
Unemployment Compensation		196		
Employer Medicare		359		
Travel		22,965		
Other Contracted Services		8,887		
Other Supplies and Materials		25,059		
Other Charges		6,998		
Total Other Student Support				96,407
Regular Instruction Program				
Supervisor/Director	$	84,345		
Librarians		5,543		
Secretary(ies)		28,127		
Other Salaries and Wages		902,620		
Certified Substitute Teachers		97,851		
In-Service Training		77,660		
Social Security		71,245		
State Retirement		93,771		
Life Insurance		1,290		
Medical Insurance		137,499		
Dental Insurance		4,098		
Unemployment Compensation		4,478		
Employer Medicare		16,683		
Consultants		151,510		
Operating Lease Payments		3,824		

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Travel	$	164,058		
Other Contracted Services		54,775		
Library Books/Media		4,651		
Other Supplies and Materials		34,164		
In Service/Staff Development		268,204		
Other Charges		2,695		
Other Equipment		2,740		
Total Regular Instruction Program			$	2,211,831
Special Education Program				
Psychological Personnel	$	112,884		
Assessment Personnel		100,789		
Clerical Personnel		31,684		
Other Salaries and Wages		66,447		
Social Security		18,974		
State Retirement		26,924		
Life Insurance		368		
Medical Insurance		33,771		
Dental Insurance		1,253		
Unemployment Compensation		756		
Employer Medicare		4,438		
Operating Lease Payments		1,238		
Travel		6,311		
Other Contracted Services		6,545		
Other Supplies and Materials		2,000		
In Service/Staff Development		6,140		
Other Equipment		319		
Total Special Education Program				420,841
Vocational Education Program				
Clerical Personnel	$	2,087		
Social Security		130		
State Retirement		135		
Employer Medicare		30		
Travel		1,000		
Total Vocational Education Program				3,382
Office of the Principal				
Principals	$	14,722		
Assistant Principals		5,526		
Secretary(ies)		4,792		
Social Security		1,506		
State Retirement		2,108		
Life Insurance		42		
Medical Insurance		4,531		
Dental Insurance		159		
Employer Medicare		352		
Total Office of the Principal				33,738

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Operation of Plant			
Custodial Personnel	$ 3,905		
Social Security	242		
State Retirement	253		
Life Insurance	12		
Medical Insurance	958		
Dental Insurance	40		
Employer Medicare	56		
Maintenance and Repair Services - Equipment	68		
Total Operation of Plant		$ 5,534	
Transportation			
Other Salaries and Wages	$ 302,252		
Social Security	18,430		
State Retirement	18,800		
Life Insurance	1,411		
Medical Insurance	134,068		
Dental Insurance	5,363		
Unemployment Compensation	2,677		
Employer Medicare	4,311		
Other Contracted Services	4,082		
Total Transportation		491,394	
Total School Federal Projects Fund			$ 7,039,383
Central Cafeteria Fund			
Support Services			
Board of Education			
Workers' Compensation Insurance	$ 68,605		
Total Board of Education		$ 68,605	
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 63,800		
Accountants/Bookkeepers	94,711		
Clerical Personnel	23,093		
Cafeteria Personnel	971,065		
Temporary Personnel	26,321		
Longevity Pay	40,250		
Other Salaries and Wages	746,094		
Social Security	119,687		
State Retirement	106,606		
Life Insurance	7,250		
Medical Insurance	606,281		
Dental Insurance	24,465		
Unemployment Compensation	15,503		
Employer Medicare	27,859		
Other Fringe Benefits	773		
Maintenance and Repair Services - Equipment	40,216		
Postal Charges	2,772		

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Travel	$ 3,491		
Other Contracted Services	68,449		
Food Preparation Supplies	267,468		
Food Supplies	2,569,767		
Office Supplies	13,407		
USDA - Commodities	317,797		
In Service/Staff Development	6,000		
Food Service Equipment	194,857		
Total Food Service		$ 6,357,982	
Total Central Cafeteria Fund			$ 6,426,587
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Other Equipment	$ 112,229		
Other Construction	1,175,484		
Total Education Capital Projects		$ 1,287,713	
Total Education Capital Projects Fund			1,287,713
Total Governmental Funds - Maury County School Department			$ 97,313,840

Exhibit K-10

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2013

	Governmental Activities - Internal Service Fund Central Maintenance Garage Fund
Revenues	
Charges for Current Services	
General Service Charges	
Other General Service Charges	$ 2,336,036
Total Charges for Current Services	$ 2,336,036
Other Local Revenues	
Recurring Items	
Sale of Materials and Supplies	$ 6,891
Total Other Local Revenues	$ 6,891
Total Revenues	$ 2,342,927
Expenses	
General Government	
Other General Administration	
County Official/Administrative Office	$ 65,856
Mechanic(s)	193,294
Clerical Personnel	40,456
Longevity Pay	5,900
Overtime Pay	1,830
Social Security	18,197
State Retirement	19,884
Life Insurance	388
Medical Insurance	45,433
Dental Insurance	1,558
Disability Insurance	1,092
Unemployment Compensation	756
Employer Medicare	4,256
Communication	86
Laundry Service	3,297
Maintenance Agreements	4,286
Maintenance and Repair Services - Building	820
Maintenance and Repair Services - Equipment	884

(Continued)

Exhibit K-10

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

	Governmental Activities - Internal Service Fund
	Central Maintenance Garage Fund
Expenses (Cont.)	
General Government (Cont.)	
Other General Administration (Cont.)	
Maintenance and Repair Services - Office Equipment	$ 247
Postal Charges	190
Travel	2,051
Disposal Fees	402
Other Contracted Services	90,070
Custodial Supplies	59
Diesel Fuel	955,666
Electricity	28,407
Equipment and Machinery Parts	184,537
Garage Supplies	1,236
Gasoline	473,340
Lubricants	16,821
Natural Gas	7,317
Office Supplies	485
Small Tools	166
Tires and Tubes	95,290
Depreciation	7,624
Total Expenses	$ 2,272,181

Exhibit K-11

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Revenues	
Operating Revenues	
Charges for Current Services	
General Service Charges	
Residential Waste Collection Charge	$ 1,283
Transfer Waste Stations Collection Charge	4,627
Tipping Fees	1,125,766
Other General Service Charges	389,729
Service Charges	11,687
Total Charges for Current Services	$ 1,533,092
Other Local Revenues	
Recurring Items	
Sale of Recycled Materials	$ 249,699
Miscellaneous Refunds	22
Other Local Revenues	1,350
Total Other Local Revenues	$ 251,071
Total Operating Revenues	$ 1,784,163
Nonoperating Revenues	
Local Taxes	
County Property Taxes	
Current Property Tax	$ 878,999
Trustee's Collections - Prior Year	33,227
Trustee's Collections - Bankruptcy	643
Circuit/Clerk and Master Collections - Prior Years	28,991
Interest and Penalty	5,640
Pick-up Taxes	1,804
Nonrecurring Items	
Insurance Recovery	3,719
State of Tennessee	
General Government Grants	
Solid Waste Grants	24,313
Public Works Grants	
Litter Program	63,957
Total Nonoperating Revenues	$ 1,041,293
Total Revenues	$ 2,825,456

(Continued)

Exhibit K-11

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

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
Expenses	
Operating Expenses	
Waste Pickup	
Foremen	$ 23,296
Overtime Pay	118
Social Security	1,422
State Retirement	1,515
Life Insurance	33
Dental Insurance	223
Disability Insurance	85
Unemployment Compensation	108
Employer Medicare	333
Contributions	6,000
Travel	685
Other Supplies and Materials	33,702
Total Waste Pickup	$ 67,520
Convenience Centers	
Equipment Operators	$ 176,587
Laborers	347,733
Longevity Pay	4,200
Overtime Pay	928
Social Security	32,603
State Retirement	12,579
Life Insurance	293
Medical Insurance	34,977
Dental Insurance	1,062
Disability Insurance	769
Unemployment Compensation	3,873
Employer Medicare	7,625
Communication	3,885
Maintenance and Repair Services - Equipment	37,925
Maintenance and Repair Services - Vehicles	4,106
Pest Control	1,377
Postal Charges	364
Rentals	3,111
Other Contracted Services	800
Diesel Fuel	72,656
Electricity	13,957

(Continued)

Exhibit K-11

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

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Expenses (Cont.)	
Operating Expenses (Cont.)	
Convenience Centers (Cont.)	
Equipment and Machinery Parts	$ 11,238
Gasoline	13,343
Lubricants	1,385
Tires and Tubes	29,782
Vehicle Parts	1,669
Other Supplies and Materials	35,323
Depreciation	6,799
Total Convenience Centers	$ 860,949
Landfill Operation and Maintenance	
County Official/Administrative Officer	$ 62,712
Equipment Operators	126,552
Laborers	92,148
Clerical Personnel	59,046
Longevity Pay	5,700
Overtime Pay	1,691
Social Security	21,485
State Retirement	20,600
Life Insurance	468
Medical Insurance	54,400
Dental Insurance	1,856
Disability Insurance	1,025
Unemployment Compensation	1,415
Employer Medicare	5,025
Communication	6,039
Dues and Memberships	509
Laundry Service	4,919
Licenses	72
Maintenance Agreements	767
Maintenance and Repair Services - Buildings	1,195
Maintenance and Repair Services - Equipment	10,255
Maintenance and Repair Services - Vehicles	78
Matching Share	2,700
Pest Control	255
Postal Charges	836
Printing, Stationery, and Forms	228
Travel	421

(Continued)

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

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
Expenses (Cont.)	
Operating Expenses (Cont.)	
Landfill Operation and Maintenance (Cont.)	
Disposal Fees	$ 1,226,907
Permits	13,575
Other Contracted Services	17,933
Crushed Stone	4,909
Data Processing Supplies	821
Diesel Fuel	54,775
Electricity	22,819
Equipment and Machinery Parts	26,766
Gasoline	2,915
Lubricants	5,903
Natural Gas	8,541
Office Supplies	1,254
Tires and Tubes	17,609
Vehicle Parts	1,906
Other Supplies and Materials	17,710
Building and Contents Insurance	3,266
Liability Insurance	12,394
Refunds	12,674
Trustee's Commission	28,065
Vehicle and Equipment Insurance	11,906
Workers' Compensation Insurance	106,083
Depreciation	257,947
Other Charges	2,399
Total Landfill Operation and Maintenance	$ 2,341,474
Total Operating Expenses	$ 3,269,943
Total Expenses	$ 3,269,943

Exhibit K-12

Maury County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 10,235,785
Total Cash Receipts	$ 10,235,785
Cash Disbursements	
Remittance of Revenues Collected	$ 10,133,427
Trustee's Commission	102,358
Total Cash Disbursements	$ 10,235,785
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2012	0
Cash Balance, June 30, 2013	$ 0

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*

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements, and have issued our report thereon dated March 5, 2014. Our report includes a reference to other auditors who audited the financial statements of Maury Regional Hospital (major proprietary fund) and the discretely presented Maury County Board of Public Utilities Water System, as described in our report on Maury County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Maury County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on

the effectiveness of Maury County's internal control. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-001, 2013-006, 2013-007, and 2013-010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maury County's financial statements are free from 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: 2013-002, 2013-003, 2013-004, 2013-005, 2013-008, and 2013-009.

Maury County's Responses to Findings

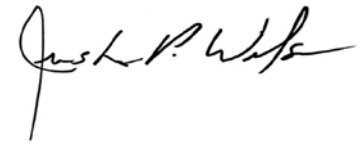
Maury County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Maury County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering

Maury County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

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 for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Maury County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Maury County's major federal programs for the year ended
June 30, 2013. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Maury County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Maury County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Maury County's compliance.

Opinion on Each Major Federal Program

In our opinion, Maury County complied, in all material respects, with the types of compliance 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, 2013.

Report on Internal Control Over Compliance

Management of Maury County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Maury County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control over compliance.

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

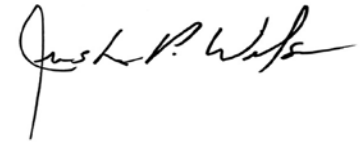
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements. We issued our report thereon dated March 5, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

JPW/yu

Maury County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

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)	$ 317,797 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	936,555
National School Lunch Program	10.555	(2)	2,773,411 (3)
Summer Food Service Program for Children	10.559	(2)	33,039
Total U.S. Department of Agriculture			$ 4,060,802
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	GG-12-38203-00	$ 349,507
Total U.S. Department of Housing and Urban Development			$ 349,507
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	$ 9,713
State Criminal Alien Assistance Program	16.606	N/A	1,622
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-09-023392-00	2,700
Passed-through City of Columbia:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	32,517
Total U.S. Department of Justice			$ 46,552
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-13-GHS197	$ 3,925
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(2)	9,600
Total U.S. Department of Transportation			$ 13,525
U.S. Department of Education:			
Direct Programs:			
Fund for the Improvement of Education	84.215	N/A	$ 337,108
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	2,561,652
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	2,538,462
Special Education - Preschool Grants	84.173	(2)	94,124
Career and Technical Education - Basis Grants to States	84.048	(2)	171,808
Twenty-first Century Community Learning Centers	84.287	(2)	82,638
English Language Acquisition State Grants	84.365	(2)	59,396
Improving Teacher Quality State Grants	84.367	(2)	467,663
School Improvement Grants Cluster:			
School Improvement Grants	84.377	(2)	663,769
School Improvement Grants, Recovery Act	84.388	(2)	21,200
State Fiscal Stabilization Fund, Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	583,977
Education Jobs Fund	84.410	(2)	99,664
Total U.S. Department of Education			$ 7,681,461

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
National Archives and Records Administration:			
Passed-through State Library and Archives:			
National Historical Publications and Records Grants	89.003	(2)	$ 4,000
Total National Archives and Records Administration			$ 4,000
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1909-DR-TN	$ 301,540
Hazard Mitigation Grant	97.039	(4)	83,531
Emergency Management Performance Grants	97.042	2009-SS-T9-0086	39,350
Total U.S. Department of Homeland Security			$ 424,421
Total Expenditures of Federal Awards			$ 12,580,268

State Grants		Contract Number	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	$ 1,750
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	GG-1029842	4,500
Coordinated School Health Initiative - State Department of Education	N/A	(2)	98,067
Early Childhood Education - State Department of Education	N/A	(2)	973,385
Safe Schools - State Department of Education	N/A	(2)	48,405
Family Resource Center - State Department of Education	N/A	(2)	88,835
High Schools That Work Grant - State Department of Education	N/A	(2)	16,024
Statewide Student Management System - State Department of Education	N/A	(2)	30,298
Tennessee Arts Commission Grant - State Department of Education	N/A	(2)	4,603
Project Diabetes Initiative Services Grant - State Department of Education	N/A	(2)	9,436
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	24,313
Health Department Program - State Department of Health	N/A	(2)	635,970
Litter Program - State Department of Transportation	N/A	(2)	63,957
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	(2)	3,046
Hazard Mitigation Grant - State Department of Military	N/A	(5)	13,791
Total State Grants			$ 2,016,380

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 $3,091,208.
(4) GG-11-37232: $49,783; unknown contract number: $33,748.
(5) GG-11-37232: $8,297; unknown contract number: $5,494.

Maury County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Maury County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
12.01	217	The receipting software used by the Office of Building and Zoning Inspections did not have adequate application controls

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

Finding Number	Page Numbers	Subject
12.04	219	Multiple employees operated from the same cash drawer

MAURY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion was issued on the financial statements of Maury County.

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

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Maury County.

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

5. An unmodified 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, National School Lunch Program, Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.

8. A $377,408 threshold was used to distinguish between Type A and Type B federal programs.

9. Maury County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the director of building and zoning, county clerk, and the circuit and general sessions courts clerk are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2013-001 **THE RECEIPTING SOFTWARE USED BY THE OFFICE OF BUILDING AND ZONING INSPECTIONS DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We noted the following internal control weaknesses in the building permits software application:

A. The software application did not provide a record of changes to previously issued receipts. Users had the ability to change information on receipts, leaving no evidence of the original receipts.

B. The application allowed users to delete receipts without leaving an audit trail.

C. Users could receipt collections to a previous date. This created a skip in the receipt numbers listed on the current-day's collection report. Because users could reset receipt numbers, it would be difficult to determine what caused the skip.

D. The daily collections report did not display receipt numbers for adequate facilities tax collections.

Sound business practices dictate that proper application controls be implemented. These controls would help to ensure the reliability and integrity of the information maintained by the system. Since the vendor did not design the system with these controls, inappropriate system activity could occur. These deficiencies are also a result of management's failure to correct the finding noted in the prior-year audit report. The office changed to a new software package in July 2013. Controls over the new application will be evaluated in the 2013-14 audit cycle.

RECOMMENDATION

Management should ensure proper application controls are implemented in the new software application.

MANAGEMENT'S RESPONSE – DIRECTOR OF BUILDING AND ZONING

Management agrees with the finding. We believe the new software application will correct the finding.

OFFICE OF COUNTY CLERK

Background

On April 4, 2013, the county clerk suspected a deputy clerk of improperly removing funds from the office. On June 13, 2013, the county clerk submitted a Fraud Reporting Form to our office disclosing a possible cash shortage. As a result, our office conducted an investigation in coordination with the Tennessee Bureau of Investigation (TBI) for the period June 1, 2011, through July 18, 2013. We reviewed certain office records and conducted interviews with office employees related to the transactions performed by the suspected deputy clerk. On July 19, 2013, the deputy clerk confessed to improperly taking office funds and diverting the funds for personal use. The county clerk terminated the deputy clerk's employment on July 22, 2013. The deputy clerk died November 8, 2013.

Findings and recommendations, as a result of our investigation, are presented below. These findings and recommendations have been reviewed with the district attorney general.

FINDING 2013-002 **THE COUNTY CLERK'S OFFICE HAD A CASH SHORTAGE OF AT LEAST $10,070.14 AT JULY 18, 2013**
(Noncompliance Under *Government Auditing Standards*)

During the period June 1, 2011, through July 18, 2013, our investigation revealed that a deputy clerk improperly deleted from the computer system at least 105 cash transactions for vehicle title renewals and registrations totaling at least $10,070.14. During the same period, we were able to substantiate that the deputy clerk reprocessed and repaid 30 of the cash transactions totaling $3,205.42 using personal funds. As a result, a remaining cash shortage of at least $6,864.72 ($10,070.14 less $3,205.42) existed at July 18, 2013, from the remaining 75 transactions. Due to inadequate documentation retained for deleted records, we were unable to verify the validity of all the deletions.

RECOMMENDATION

Officials should take immediate steps to recover the remaining $6,864.72 cash shortage. Management should determine if records can be recreated to reprocess the 75 outstanding transactions.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Steps have been taken toward recovering the $6,864.72. Liability insurance for employee loss will pay up to $5,864.72, and the remainder will come from county clerk fees. We are also in the process of trying to determine if these transactions can be recreated.

FINDING 2013-003 **A DEPUTY CLERK FORGED CUSTOMERS' SIGNATURES ON TITLE REGISTRATION FORMS AND SUBMITTED THE FORMS TO THE STATE DEPARTMENT OF REVENUE**
(Noncompliance Under *Government Auditing Standards*)

During our examination of deleted transactions and related documents, we discovered documents where customers' signatures did not appear to match their signatures on other related documents. Our review of these transactions and related documents revealed that the deputy clerk apparently requested a duplicate title, lowered the vehicle sales price, forged the seller's and the buyer's signatures, and reprocessed the transactions with the falsified documents, resulting in less sales taxes and fees owing on the transactions. We interviewed two customers regarding the sale and registrations of a vehicle, and we were able to verify that the deputy clerk had deleted the initial vehicle sale and title transaction. This appeared to be a scheme where the deputy clerk diverted the difference between the original taxes and fees and the lowered amounts for personal gain. These falsified documents were then forwarded to the Tennessee Department of Revenue as backup documentation for the transactions entered by the deputy clerk.

RECOMMENDATION

Customers' signatures should be affixed to documents by the customer or the customer's appointed representative. The county clerk should take steps to correct any falsified transactions or documents that come to her attention.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Clerks have been instructed not to sign any paperwork without being duly appointed by power of attorney.

FINDING 2013-004 **EMPLOYEES OF THE COUNTY CLERK'S OFFICE MISREPRESENTED INFORMATION TO AUDITORS REGARDING CASH, AND SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

During our investigation, employees of the office withheld unreceipted office funds from auditors during official cash counts. These unreceipted cash and checks represented daily overages ($321.93) and unprocessed transactions ($370.75), which were maintained in several folders and envelopes in an unlocked filing cabinet located in the clerk's office. Some of these funds were used to cover daily shortages. Also, some of these funds were held for months and even as long as a year. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of receiving the funds. The delay in depositing the funds increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds of the office should be presented for cash count by auditors, and all funds should be deposited in compliance with the three-day deposit law.

MANAGEMENT'S RESPONSE – COUNTY CLERK

We have taken steps to ensure that all monies are deposited within three days of collection.

FINDING 2013-005 **THE OFFICE USED GENERIC PRENUMBERED RECEIPTS WHEN CUSTOMERS REQUESTED A RECEIPT**
(Noncompliance Under *Government Auditing Standards*)

During our investigation, we discovered the office used an unofficial generic receipt book for some collections that did not display the official name of the office as required by Section 9-2-103, *Tennessee Code Annotated*. The use of generic receipts exposes the office to risks that collections may not be accounted for properly.

RECOMMENDATION:

Official receipts should be issued for all collections.

MANAGEMENT'S RESPONSE – COUNTY CLERK

A bound prenumbered miscellaneous receipt book with the Maury County Clerk's Office information on each receipt is now being used when needed.

FINDING 2013-006 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately in the County Clerk's Office. The former deputy clerk was able to delete transactions from the software used by the clerk's office. She also approved and/or made the deletions for others in the office, and she was the reviewer of the audit log, which details all changes and deletions in the office. Also, during our investigation, we noted that 11 employees of the office processed their personal motor vehicle transactions, rather than letting another employee process the transaction. 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. This lack of segregation of duties is the result of management's decisions and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

The county clerk should segregate duties to the extent possible using available resources. Employees should not process their personal motor vehicle transactions.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Steps have been taken to eliminate the possibility of someone with the authority to delete information to also be responsible for checking the audit log. Each clerk has been informed that they are no longer to process their own personal business and neither are they to process business for their immediate family members.

FINDING 2013-007 **INVENTORY RECORDS OF VEHICLE PLATES AND RENEWALS WERE NOT ACCURATE**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software system used by the County Clerk's Office accounts for inventory as transactions are processed. When a transaction is deleted, the vehicle plate and renewal tag should be added back into the system to be re-sold; however, the office does not re-enter the information into the system, thereby compromising the reliability of the inventory records. 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. This deficiency is the result of management's decisions and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION:

The county clerk should properly account for all vehicle plates and renewal tags.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Each clerk has been notified that if plates or decals are deleted they should be added back to inventory.

FINDING 2013-008 **A FRAUD REPORTING FORM WAS NOT FILED IN A TIMELY MANNER**
(Noncompliance Under *Government Auditing Standards*)

On April 4, 2013, the county clerk suspected a deputy clerk of improperly removing funds from the office; however, the county clerk did not file a fraud reporting form with the Comptroller's Office until June 13, 2013, after being instructed by the auditors. Sections 8-4-501 through 8-4-505, *Tennessee Code Annotated*, require a person elected or appointed to any office of a public entity to notify the Comptroller of the Treasury, within a reasonable

amount of time under the particular circumstances, but shall not under any circumstances exceed five working days, of any unlawful conduct including theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property, or services.

RECOMMENDATION

Management should notify the Comptroller of the Treasury of any unlawful conduct within five working days as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY CLERK

We were previously unaware that there was a system to report this type of discrepancy, but once we were informed of our responsibility we did comply.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2013-09 **A CASH SHORTAGE OF $2,207 EXISTED IN THE OFFICE AS OF APRIL 5, 2012**
(Noncompliance Under *Government Auditing Standards*)

On October 9, 2013, our office issued a special investigative report on the Maury County Circuit and General Sessions Courts Clerk for the period September 1, 2009, through April 5, 2012. This report disclosed that an employee of the office voided receipts after collecting the funds resulting in a cash shortage of $2,207 as of April 5, 2012. This report is available at www.comptroller.tn.gov.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

The district attorney general prosecuted this matter, and restitution was ordered to be paid to the Circuit Court Clerk's Office. Restitution has been paid.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

FINDING 2013-010 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Circuit and General Sessions Courts Clerk and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this

control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets. Also, this deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Future plans are for each employee to have their own cash drawer.

BEST PRACTICE

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

Maury County operates under the provisions of Chapter 233, Private Acts of 1963, which provides for a central system of accounting and budgeting covering funds administered by the county mayor and road superintendent. Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated* (*TCA*). Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and road superintendent, but exclude the School Department. Sound business practices dictate that establishing a central system for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

MAURY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013

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